



CITY OF RICHARDSON, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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**City of Richardson, Texas
Comprehensive Annual Financial Report
For the Year Ended September 30, 2020**

Table of Contents

	PAGE
I. Introductory Section (Unaudited)	
Transmittal Letter	1
Principal Officials	12
Certificate of Award for Excellence	13
Organizational Chart	14
II. Financial Section	
A. Independent Auditor's Report	15
B. Management's Discussion and Analysis	17
C. Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	27
Statement of Activities	29
Governmental Fund Financial Statements	
Balance Sheet	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds	
Statement of Net Position	34
Statement of Revenues, Expenses and Changes in Fund Net Position	36
Statement of Cash Flows	37
Notes to the Financial Statements	39
D. Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	74
Schedule of Changes in Total OPEB Liability and Related Ratios	75
Schedule of Pension Contributions	76
Schedule of Changes in Net Pension Liability and Related Ratios	77
Notes to Required Supplementary Information	78
E. Combining Financial Statements	
Nonmajor Governmental Funds	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	84
Combining Balance Sheet - State and Federal Grant Funds	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - State and Federal Grants Funds	87
Budgetary Comparison Schedule - State Grant Funds	88
Budgetary Comparison Schedule - Federal Grant Funds	89

**City of Richardson, Texas
Comprehensive Annual Financial Report
For the Year Ended September 30, 2020**

Table of Contents

	PAGE
Combining Balance Sheet - Municipal Court Funds	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Municipal Court Funds	91
Budgetary Comparison Schedule - Municipal Court Building Security Fund	92
Budgetary Comparison Schedule - Technology Fund	93
Budgetary Comparison Schedule - Judicial Efficiency Fund	94
Budgetary Comparison Schedule - Municipal Jury Fund	95
Budgetary Comparison Schedule - Juvenile Case Manager	96
Combining Balance Sheet - Tax Increment Financing Funds (TIFS)	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - (TIFS)	98
Budgetary Comparison Schedule - Tax Increment Financing #1	99
Budgetary Comparison Schedule - Tax Increment Financing #2	100
Budgetary Comparison Schedule - Tax Increment Financing #3	101
Budgetary Comparison Schedule - Debt Service Fund	102
Budgetary Comparison Schedule - Special Police Funds	103
Budgetary Comparison Schedule - Wireless 911 Fund	104
Budgetary Comparison Schedule - Hotel-Motel Fund	105
Budgetary Comparison Schedule - Franchise PEG Fund	106
Budgetary Comparison Schedule - Drainage Fund	107
Budgetary Comparison Schedule - Richardson Improvement Corporation	108
Budgetary Comparison Schedule - Golf Fund	109
 Internal Service Funds	
Combining Statement of Net Position	111
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	112
Statement of Cash Flows	113
 III. Statistical Section (Unaudited)	
Table	
1. Statement of Net Position by Component	115
2. Changes in Net Position	116
3. Fund Balances, Governmental Funds	118
4. Changes in Fund Balances, Governmental Funds	119
5. Assessed Value and Estimated Actual Value of Taxable Property	121
6. Direct and Overlapping Property Tax Rates	122
7. Principal Property Tax Payers	123
8. Property Tax Levies and Collections	124
9. Ratio of Outstanding Debt by Type	125
10. Ratio of General Bonded Debt Outstanding	127
11. Direct and Overlapping Governmental Activities Debt	128
12. Legal Debt Margin Information	129
13. Demographic and Economic Statistics	130
14. Principal Employers	131

**City of Richardson, Texas
Comprehensive Annual Financial Report
For the Year Ended September 30, 2020**

Table of Contents

	PAGE
15. Full-Time Equivalent City Government Employees by Function/Program	132
16. Operating Indicators by Function/Program	133
17. Capital Asset Statistics by Function/Program	134
18. Schedule of Pension Benefits Funding Progress	135



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INTRODUCTORY SECTION



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February 9, 2021

Honorable Mayor and City Council,
Citizens of the City of Richardson, Texas:

The Comprehensive Annual Financial Report of the City of Richardson (the City), for the fiscal year ended September 30, 2020, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue an annual report on its financial position and activity, and that an independent firm of certified public accountants audit this report.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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 valuation of costs and benefits requires estimates and judgments by management. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City Council selected the firm of Crowe LLP, Certified Public Accountants to audit these financial statements. The independent auditor has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2020, and the auditor's report is located at the front of the financial section of the Comprehensive Annual Financial Report.

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

City Council

Mayor
Paul Voelker

Mayor Pro Tem
Place 3
Janet DePuy

Place 1
Bob Dubey
Place 2
Mark Solomon
Place 4
Kyle Kepner
Place 5
Ken Hutchenrider
Place 6
Steve Mitchell

City Manager
Dan Johnson

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CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

Profile of the Government

The City, located in North Central Texas, was originally incorporated in 1925, with the first Charter being adopted in 1956 and the latest revision made in November 2015. The City currently has a land area of 28.5 square miles and an estimated population of 115,630. The City is a home rule city and operates under the Council-Manager form of government. Richardson voters simultaneously elect six Council members and a Mayor to represent them every two years. All Council members and the Mayor are elected at large, with four Council members representing each of the City's four districts. Terms of office for all Council positions are for two consecutive years.

The Charter requires that the City Council appoint a City Manager to act as the chief administrative and executive officer of the City. The City Manager is not appointed for a fixed time and may be removed at the will and pleasure of the majority of the City Council. One of the responsibilities of the City Manager is to appoint and remove department heads and conduct the general affairs of the City in accordance with the policies of the City Council.

The City provides to its citizens a full range of services including police and fire protection, emergency ambulance service, water and sewer service, solid waste disposal, park and recreational activities, cultural events, and a library. In addition, the City provides planning for future land use, traffic control, building inspection, and community services and operates two eighteen-hole golf courses. The City also operates the Charles W. Eisemann Center for Performing Arts and Corporate Presentations, which is a multi-venue performing arts and presentation center. Certain parks and recreation and administrative services are performed by the Richardson Improvement Corporation, which functions as a department of the City of Richardson and therefore has been included as an integral part of the City's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (see note 1.a.)

Activities of the general, debt service, water and sewer, solid waste, special revenue, and internal service funds are included in the annual appropriated budget. The City Council is authorized to transfer budgeted amounts within and among departments and ratifies, through the Budget Ordinance, any transfers and/or amendments made by the City Manager. The legal level of control for each budget is at the fund level, which is to say that total expenditures for each fund should not exceed total budgeted expenditures for that fund.

Purchase orders that exceed appropriated balances are not released until they have been further reviewed and approved by the City Manager or his representative. Departmental appropriations that have not been expended by the departments lapse at the end of the fiscal year. Funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the budget of the ensuing fiscal year.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at year-end are included within the relevant fund balance classifications based on the purposes to which the encumbrances relate and can be classified as assigned, committed, or restricted fund balances. Encumbrances do not constitute expenditures or liabilities. The commitments will be honored during the subsequent year. The City amends the budget at the end of each fiscal year to provide for additional expenditures or expenses and to provide reductions in other expenditures or expenses, or supplemental revenues to fund such amendments.

Impacts of COVID-19

On March 13, 2020 the Governor of the State of Texas declared a State of Disaster due to the COVID-19 pandemic. This was followed by the Mayor declaring a State of Disaster for the City of Richardson on March 18th. The City made numerous service and policy modifications such as suspending water and solid waste cut offs due to nonpayment and the waiver of various City fees, penalties and interest to help businesses and residents impacted by the virus. Numerous special events were also canceled throughout the year such as Cottonwood Arts Festival, Wildflower! Art and Music Festival, Annual Family 4th of July Celebration, and Corporate Challenge to name a few. Furthermore, the City made several logistical changes to provide citizens a safe way to conduct business at city buildings and added new digital options to many services, such as virtual meetings for most citizen advisory boards, electronic comment cards for public hearing items and virtual court dockets.

Operationally, vacant positions were frozen across the organization and many maintenance initiatives and projects were put on hold. Programs for the City's performing arts center were canceled and many of the parks and recreation offerings were suspended. Management updated all revenue estimates and reduced discretionary expenses to match the lower revenue estimates without having to reduce full-time staffing. On a preliminary basis, sales tax was forecast to decline 18% and other revenues were forecast to decline due to reduced activity (court citations not written, lack of building activity, canceled programming).

Ultimately, Richardson was not as severely impacted by the pandemic as initially projected. Sales tax remained strong throughout the remainder of Fiscal Year 2020, finishing \$6.4 million over year-end estimates and \$4.6 million over the original budget. Water and sewer sales were minimally impacted and the golf course experienced record revenue as patrons looked for safe ways to enjoy the outdoors. Strong performance in the City's General Fund allowed the City to end the year with an increase in fund balance, provide a reserve for future disaster related costs and provide additional financial support to the Hotel/Motel Tax Fund which is the only area of operations expected to have lingering impacts. Given the challenges that the City faced in Fiscal Year 2020, Richardson is proud to report the continued strong commercial investment and financial highlights that took place during the year which are detailed out in the remainder of this letter.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

Local Economy

The city of Richardson, including its Telecom Corridor® area, is one of the major employment centers in the Dallas-Fort Worth Metroplex (“DFW”). Richardson is a center of economic diversity, with high-quality businesses in a variety of technology and non-technology industries including the financial services, semiconductor, telecommunications and healthcare sectors, reflecting the area’s attractiveness for companies from a wide range of business sectors. Richardson has extensive resources in academia, a highly skilled labor pool, superb transportation assets, infrastructure support, excellent lodging and meeting venues, and major corporate employers which will continue to prove beneficial in the recruitment of new businesses.

Richardson is one of the most conveniently located communities in DFW, with access to points in all directions via both major roadways and the Dallas Area Rapid Transit (“DART”) rail system. Central Expressway (U.S. 75), one of the main northbound and southbound arteries of the region, runs through the heart of the community. LBJ Freeway (IH-635) is to the immediate south of the City and the President George Bush Turnpike spans the northern border, giving Richardson residents easy access to the Dallas-Fort Worth International Airport. Richardson residents and businesses also benefit from the DART Light Rail line which parallels Central Expressway and has four existing stations in the City: Spring Valley, Arapaho Center, Galatyn Park and CityLine/Bush. In 2016, DART approved the construction of a new service line along the Cotton Belt Regional Rail Corridor, which runs through the northwest portion of the City, running from Plano in the east, through Richardson, and connecting on to DFW Airport where it will connect to the TEXRail Line which runs to downtown Fort Worth. In June 2019, the DART Board approved a resolution to name future service running on the Cotton Belt as the Silver Line. The Silver Line includes two stations in Richardson, one at the University of Texas at Dallas and another at CityLine next to the existing Light Rail station and will also feature a hike and bike trail running the entire length of the line. The project broke ground in September 2019 and construction is expected to be complete in March 2023.

To take full advantage of these transportation assets for development and redevelopment purposes, the City has implemented three Tax Increment Financing (TIF) Districts. TIF District #1 was established in November 2006, encompassing both sides of the U.S. 75 corridor from Campbell Road south to Spring Valley Road, and then extending west from U.S. 75 along Spring Valley Road to Coit Road. TIF District #2, established in November 2011, is bounded by President George Bush Turnpike on the north, Wyndham Lane on the east, Renner Road on the south, and the DART Light Rail line on the west. TIF District #3, established in November 2011, is bounded by President George Bush Turnpike on the north, the DART Light Rail line on the east, Renner Road on the South and has its western boundary between Alma Road and U.S. 75. Dallas County participates financially in TIF District #1 and Collin County participates financially in TIF District #2 and TIF District #3.

The TIF Districts and the DART rail lines are key strategic elements in the City’s development and redevelopment plans, and the City strongly benefits from projects which are taking advantage of these assets as evidenced by the following examples:

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

CityLine & CityLine West: Dallas-based developer KDC acquired 186 acres of land within TIF District #2 in December 2012 (CityLine) and in October 2014, BC Station Partners LLC acquired 55 adjacent acres (CityLine West). The combined developments now include corporate office buildings anchored by State Farm and Raytheon, over 2,500 apartment and town home units, hotels, a wellness office building and fitness center anchored by Texas Health Resources and Children's Medical Center, 150,000 square feet of restaurants and retail space, and two City parks with connectivity to regional trails and nature preserves. This unique lifestyle destination balances spaces to live, work and play while the compact layout offers easy access to all its amenities. The following lists recent development at CityLine.

- CityLine Apartments – Developer JLB Partners completed construction on The Register, a 306-unit apartment complex on 3.27 acres at 3520 Wilshire Way. The development includes a 158,017 square foot parking garage as well as one, two- and three-bedroom floor plans.
- Drury Inn & Suites – In 2016, Drury Southwest purchased a 3-acre site located at the southeast corner of CityLine Drive and U.S. 75. The 13-story hotel opened in February 2020 and has 229 guest rooms, 4,500 square feet of flexible meeting space and a parking garage.

The Gateway at the CORE: Catalyst Urban Development is preparing for sitework for the development of a mixed-use project which is planned for 14.5 acres along Main Street between the existing 200,000 square foot Chase Bank building and the DART rail line. The largest portion of the project includes a 302,672 square foot mixed-use building to be located on the north side of Main Street with retail on the ground floor and five levels of apartments above. The plan includes 430 apartments and townhomes, more than 20,000 square feet of retail and commercial space, a parking garage and open space. The area around the development has been branded the Richardson CORE District by stakeholders in the area and is being supported by City infrastructure projects described in the Major Initiative section of this document.

The City has also experienced growth in areas outside the TIF Districts. The following are key developments in other parts of the City:

- Texas Instruments: Richardson-based semiconductor company is expanding its existing facility on Renner Road with the addition of an approximately \$3.1 billion facility that is expected to create more than 488 jobs. The new 870,000 square foot plant will boost their chip production for a broad range of uses, such as smartphones, connected cars and industrial machinery. An 800-space parking garage to support its growing number of Richardson employees and facilitate construction of the additional fabrication facility was completed during the summer of 2020. Construction is now underway on the fab facility itself and is expected to be complete by the end of 2021.
- KDC Richardson Data Center: Developer KDC completed construction on a data center at 1510 E. Lookout Drive which is adjacent to an existing State Farm data center. The building includes a 101,400 square foot data center and 29,800 square feet of office space on more than 8 acres.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

- Methodist Richardson Medical Center (MRMC): This full-service medical center offers enhanced health care services not only to residents in Richardson, but also Garland, Murphy, Plano, Sachse, Wylie and surrounding areas. With two campuses at Bush/Renner and Campbell Road, the hospital hosts 394-beds, and employs 301 physicians, 1,371 employees, and has 196 active volunteers. The hospital includes outpatient, imaging and surgical services, a dedicated Women's Pavilion and a Cancer Center. Due to increased volume for specialized and acute care services, MRMC recently added two patient floors at the Bush/Renner campus as well as a surgical operating room which opened in December 2019. A new 671-space parking garage was completed in November 2018.
- The University of Texas at Dallas: The campus is located within the City of Richardson and has undergone an ongoing, strategic campus renovation since 2007 that has included almost \$2 billion dollars of investment in new and upgraded buildings and infrastructure. With an enrollment of almost 29,000 students, UT Dallas continues to position itself as a major national research university. Construction was completed during the Summer of 2020 on a 188,000 sq. ft. Sciences Building. The building, which opened in Fall 2020, now serves as the home for UTD's physics department along with the William B. Hanson Center for Space Sciences.
- Northside at UTD: Dallas-based developer Wynne Jackson Inc. and Balfour Beatty Campus Solutions partnered with the UT Dallas to develop the Northside mixed-use project, located on the north end of the University campus. Phase three of the development opened in Fall 2020, resulting in a total of 1,870 beds and almost 30,000 square feet of retail, restaurants, and entertainment, effectively creating a "college town" collaboration. As development continues, new restaurants have opened to meet the rich cultural needs of the campus and community. Northside at UTD is located on land owned by the University located directly south of the future DART Silver Line, described in more detail earlier in this section, and one of the few stations located adjacent to a university. Phase four of the development is currently under construction. The added phase will increase the total number of beds to 2,600 and provide additional dining options. The Northside community is slated for completion by Fall 2021.
- The Element Hotel: Well into construction, this four-story, 123-room extended stay hotel on 2.8 acres located at the northwest corner of Glenville Drive and Greenville Avenue plans to open in August 2021.
- Hall Park at Richardson: Developer Craig Hall, in a partnership with Leon Capital, is in the process of constructing a 30-acre mixed-use development located at the southwest corner of Custer Parkway and the President George Bush Turnpike. Plans include two 300,000 square foot office buildings, a 10,000 square foot shopping center, 420 apartment units located within seven apartment buildings, and a 1,100-space parking garage. All apartment buildings are complete and currently being leased. Landscaping plans include a 1.5-acre park oasis which will bring an outdoor destination to Richardson and Zack's Tower, an outdoor sculpture, was recently installed.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

- Richardson Square Area: In 2019, the owner of the former Sears location at Richardson Square, received approval for a revamp of the site near the northeast corner of Plano Road and Belt Line Road. The plans were crafted with feedback provided by nearby property owners and neighborhood residents and include filling the Sears building with retailers and modernizing the façade. Also included are four new buildings on out-parcels ranging in size from 2,500-8,100 square feet, with three of the pad sites being targeted for drive-thru restaurants. These buildings are under construction and a Chipotle restaurant recently opened at the site.
- Cue Galatyn Station Apartments: This five-story, 372-unit apartment building from Georgia-based Davis Development is currently leasing and located at 2305 Plaza Boulevard. The development offers one, two- and three- bedroom apartments, along with an extensive selection of amenities.
- Galatyn Commons Campus: The Galatyn Commons office campus, located at 2375 N. Glenville Drive and owned by California-based Spear Street Capital will soon be home to CBRE Group, a global real estate company. CBRE is relocating some of its employees from downtown Dallas to approximately 100,000 square feet of office space in the Galatyn Commons campus. Other major tenants include Goldman Sachs, Raytheon and Steward Health Care Systems.
- Amazon Distribution Center: Developer Seefried Properties received favorable zoning for a 33-acre parcel located at the corner of Shiloh Road and Breckinridge Boulevard. The updated zoning will allow for a \$45 million planned development which will include an approximately 141,000 square foot Amazon distribution and fulfillment center and have space for 695 delivery vans, including 560 electric vehicle vans.

Long-term Financial Planning

The \$30,836,146 unassigned fund balance in the general fund is the equivalent of 90.00 days of expenditures and transfers on a budgetary basis. In addition to these amounts, the City was able to assign \$5,762,215 of year-ending fund balance for disaster relief efforts across various functional areas. This includes \$2,000,000 to complete clean-up efforts resulting from a tornado that struck a small southeastern area of the community on October 20, 2019 and \$3,762,215 for responding to costs of the COVID-19 pandemic that may be incurred in Fiscal Year 2021. This will allow the City to pay for these recovery costs associated with two disasters impacting the community without utilizing its operating balances. The City Council has expressed a desire to strategically increase the year-end fund balance of the General Fund over the last several years. At the end of Fiscal Year 2015, fund balance stood at 60.5 days on a budgetary basis, slightly in excess of the formal policy of 60 days, and the fund balance for Fiscal Year 2020 represents an increase of 29.51 days over Fiscal Year 2015 levels. These increases have primarily been fueled by the strategic utilization of year end savings, one-time revenues from major construction permits and greater than budgeted sales tax payments.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

On an annual basis, the City studies a five-year plan for evaluating tax rates and utility rates as they relate to debt financing for capital needs and the operating costs of providing services to citizens. As part of these evaluations, the City now budgets a portion of property tax receipts for recurring transfers for street and alley rehabilitation (\$4.3 million), neighborhood park maintenance (\$0.4 million), information technology and traffic legacy software replacement (\$1.85 million), economic development (\$0.8 million) and general vehicle and equipment replacement (\$2.9 million). All in, these recurring transfers provided \$11.4 million for funding community needs that might not qualify for long term bond programs.

Major Initiatives

In November 2015, citizens approved a new \$115 million, six-year General Obligation bond program. The 2015 program includes \$67 million for public buildings, including a new Fire Station #3 and a new Public Safety Complex, \$38.6 million for various street improvements, \$2.2 million for various sidewalk replacements, and \$7.2 million for various park improvements, including renovations to the Senior Center and an expansion of trails at the Spring Creek Nature Area.

To date, \$101.7 million of the \$115 million has been issued. In 2020, the City issued \$47.070 million in General Obligation Refunding Bonds, \$14.695 million in Combination Tax and Revenue Certificates of Obligations and \$15.015 million in Adjustable Rate General Obligation Bonds to meet the City's capital needs and support the General Obligation program.

Some of the key initiatives during Fiscal Year 2020 included:

- CARES Act funding: The United States Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES") which was signed into law on March 27th, 2020. The City did not receive a direct allocation from the US Treasury Department but was allocated \$4,752,165 from Dallas County and \$2,421,235 from Collin County. CARES funds were used to provide reimbursement for the payroll of frontline police officers and firefighters responding to the pandemic as well as to purchase laptops and networking equipment to facilitate working from home for city employees.
- Richardson Fire Station 3 opened allowing for more trucks, equipment and personnel than the former facility. The new 13,200-square-foot facility is located at the northwest corner of Custer Parkway and Lookout Dr. It replaces the former Fire Station 3 (located across the street from the new station) which was built in the early 1980's. The station was a high priority in the 2015 Strategic Fire Station Plan, due in part to increasing development and population in the service area and was included in the 2015 Bond Program. Fire Station 3 features a large piece of outdoor public art that mimics a vintage fire hose nozzle.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

- The new Northside water tower is currently under construction. The steel bowl is emblazoned with logos of both UT Dallas and the City and will sit atop a 100-foot-tall concrete pedestal. Located near the Northside development, just northeast of the intersection of Floyd Road and Synergy Park Boulevard, the 1-million-gallon tank will help meet water demand in the growing UT Dallas campus area and surrounding neighborhoods and serve as back-up during rehabilitation of the Copper Ridge elevated tank. Plans are for the Northside tower to be placed in service in December 2020. Funds for its construction came from the City's Water and Sewer Fund.
- The Richardson Public Safety Campus is located at the northeast corner of Greenville Avenue and Belt Line Road. The project includes the construction of a new Police Headquarters building, a new Fire Station No. 1 that includes Fire Department Administration, the installation of three public art pieces and secure parking. Construction on the 77,000-square-foot police headquarters building and 31,000-square-foot fire station and fire administration building are complete. Fire Station No. 1 opened October 15, 2019, Fire Administration opened October 1, 2019, and Police Headquarters opened in January 2020. The Public Safety Campus was funded through a combination of General Obligation Bond and Certificates of Obligation.
- As part of the 2015 GO Bond Program, voters approved \$4,895,000 for renovation and enhancements of the Senior Center located at 820 W. Arapaho Road. The design process started in Fiscal Year 2019, construction began in 2020 and is scheduled to be complete in Spring 2021. The project will also include site improvements to parking and landscaping.
- Richardson Innovation Quarter – In 2018, the City led a visioning effort for an approximately 1,200-acre area, generally bounded by Central Expressway (U.S. 75), Campbell Road, Plano Road, and Apollo Road. The area underwent a year-long study and visioning process and zoning for the area was approved in December 2019 to remove redevelopment barriers and encourage private investment. In January 2020, the area was branded the Richardson Innovation Quarter or "The IQ" with a new logo and branding and a new website and social media accounts were established. Additional studies were also initiated in 2020 including a feasibility study to evaluate the North Texas innovation ecosystem, a transit-oriented development land use and transit study for the redevelopment of Arapaho Center Station, and opinions of probable costs for potential capital improvement projects in preparation of an upcoming bond program. In addition, the City initiated plans to reactive a 27,000-square-foot facility in The IQ to serve as the district's headquarters. The goal is to facilitate redevelopment of an area comprised largely of flex space and small office buildings into an area of innovation that will include better offices, retail and multi-family developments which will be attractive to start-ups and high-quality established companies. Thanks to its new name, Richardson Innovation Quarter or "the IQ", a new logo and a new zoning code passed in December 2019, the area is better posed to encourage public and private investment.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2020

- Core District (The Core) – The City is launching an Open Space Planning and Programming effort for the city’s historic commercial center on Main Street between Central Expressway and Greenville Avenue, known as the Core District (The Core). In the next few years, the Core will see construction of more than 20,000 square feet of retail and commercial space, 300 multi-family and 100 single-family homes along with the addition of new parks. In July 2019, the City of Richardson began streetscape improvements along Main Street that include wider sidewalks, pedestrian-scale lighting, seating, tables, and lots of trees and greenery. The primary focus of the Open Space Planning and Programming effort is to maximize placemaking activation within the core by addressing how spaces connect and complement each other, and how amenities and programming can create a lively and vibrant downtown. The goal is to create a unique and fresh gathering place for residents and visitors alike. The Main Street reconstruction project is scheduled for completion in March 2021.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the forty-second year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a municipality must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the accounting division. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In addition, we would like to thank Don Magner, Deputy City Manager and Cara Copley, Assistant Director of Finance for providing support and guidance.

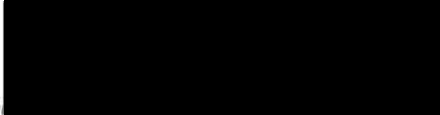
CITY OF RICHARDSON, TEXAS

Transmittal Letter

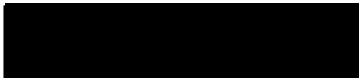
September 30, 2020

Special thanks are extended to all members of the City Council for their leadership and support of sound fiscal management.

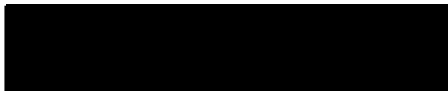
Sincerely,

A large black rectangular redaction box covering the signature of Dan Johnson.

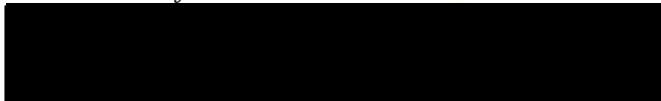
Dan Johnson
City Manager

A black rectangular redaction box covering the signature of the Chief Financial Officer.

Chief Financial Officer

A black rectangular redaction box covering the signature of the Director of Finance.

Director of Finance

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Vicki McCarthy, CPA
Controller



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**CITY OF RICHARDSON, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2020**

CITY COUNCIL

PAUL VOELKER, MAYOR
JANET DePUY, MAYOR PRO TEM
BOB DUBEY
MARK SOLOMON
KYLE KEPNER
KEN HUTCHENRIDER
STEVE MITCHELL

CITY MANAGER

DAN JOHNSON

DEPUTY CITY MANAGER

DON MAGNER

CHIEF FINANCIAL OFFICER

KENT PFEIL

DIRECTOR OF FINANCE

KEITH DAGEN



Government Finance Officers Association

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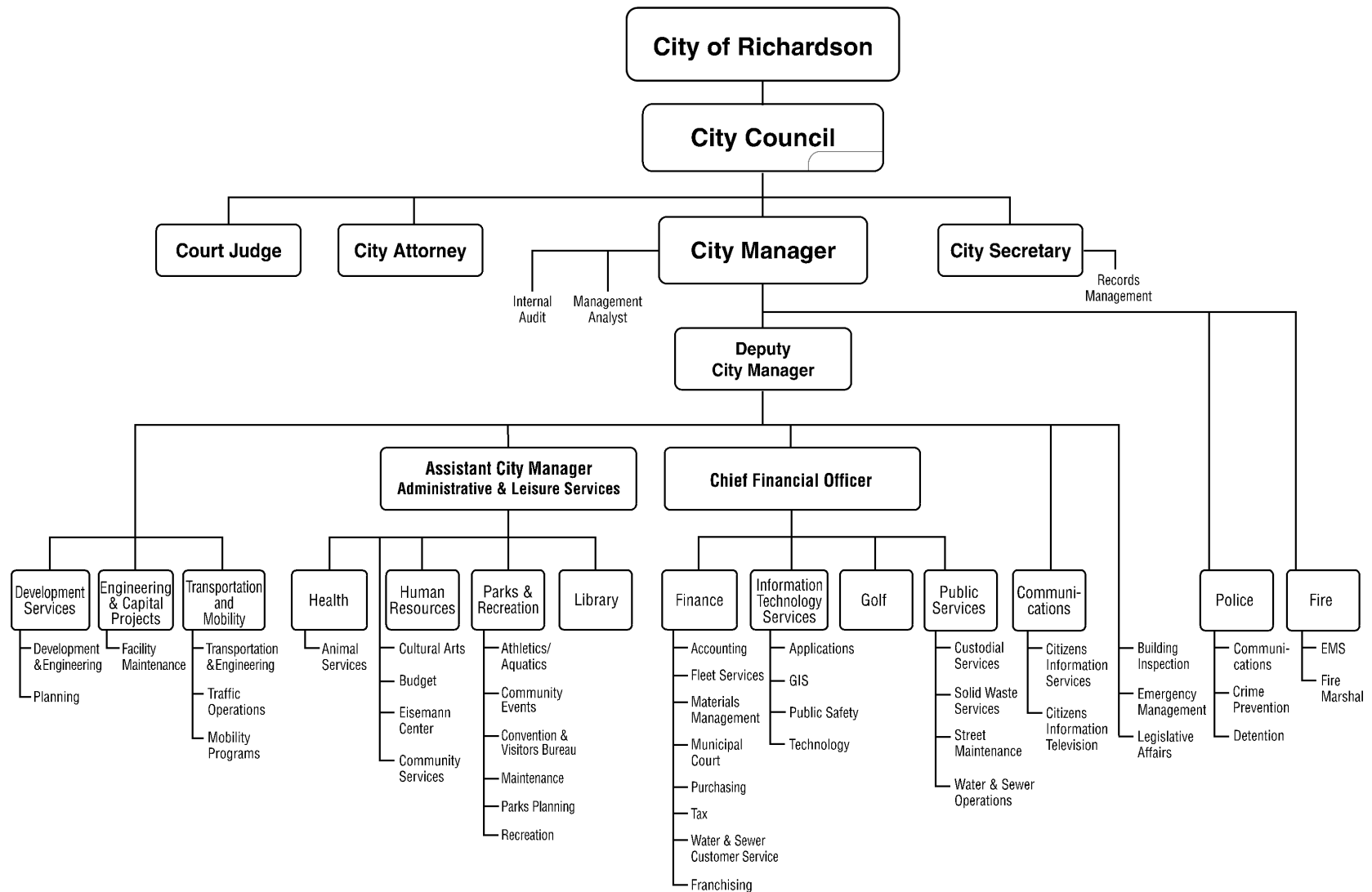
**City of Richardson
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO





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FINANCIAL SECTION



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AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

*To the Honorable Mayor and Members of City Council,
Richardson, Texas*

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Richardson (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Pension Contributions, and Schedule of Changes in Net Pension Liability and Related Ratios*, on pages 17 – 26, 74, 75, 76, and 77, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements, budgetary comparison schedules, the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Crowe LLP

Dallas, Texas
February 9, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2020

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Richardson, Texas (the City), for the fiscal year ended September 30, 2020. It is offered here by the management of the City to the readers of its financial statements. Readers are encouraged to consider the information presented here in conjunction with the information furnished in our letter of transmittal in the introductory section and the City's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at September 30, 2020 by \$262,156,763 (net position).
- The City's total net position increased \$46,227,058. The reasons for this increase can be found on pages 20-23 of this report.
- At September 30, 2020, the City's governmental funds reported combined ending fund balances of \$142,131,414. The \$30,836,146 unassigned fund balance in the General Fund represents 22.5% of total General Fund expenditures and transfers out.
- Principal balances of the City's total long-term debt decreased by \$18,395,985 (4.4%) during the current fiscal year (see Table 4). Additional information on the City's long-term debt can be found in Note 9 of the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts; management's discussion and analysis (this section), basic financial statements, required supplementary information and combining statements for nonmajor governmental funds and internal service funds.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are Government-Wide Financial Statements that provide information about both the short term and long term financial status of the City as a whole.
- The remaining statements are Fund Financial Statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the Government-Wide statements.
 - ◇ The Governmental Fund Statements take a short term view and demonstrate how general government services like public safety were financed during the course of the fiscal year.
 - ◇ The Proprietary Fund Statements offer both short and long term financial information about the activities the government operates like businesses, such as the water and sewer system.

The financial statements also include notes that explain information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and liabilities, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the City's activities into two types:

- *Governmental Activities.* Most of the City's basic services are reported here, including general government, police and fire protection, emergency ambulance service, planning for future land use, traffic control, building inspection, public health, neighborhood integrity, park and recreational activities, cultural events, and library. Property taxes, sales taxes, and franchise taxes provide the majority of the financing for these activities.
- *Business-Type Activities.* Activities for which the City charges customers a fee to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include water distribution and wastewater collection and solid waste collection and disposal.

Fund Financial Statements. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental Funds.* Governmental funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City reports 21 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, and the Capital Fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

- *Proprietary Funds.* When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection and disposal services. These services are primarily provided to outside, or nongovernmental, customers.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

Internal service funds accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its warehouse, mail and records management operations, for its employee health insurance program and for replacement of legacy IT systems. Because these services predominantly benefit governmental-type functions rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations and solid waste collection and disposal. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, the City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. This report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and healthcare benefits to its employees and retirees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and healthcare.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. Total assets of the City at September 30, 2020 were \$838,999,904, deferred outflows of resources were \$15,604,133, total liabilities were \$571,770,340 and deferred inflows of resources were \$20,676,934 resulting in a net position balance of \$262,156,763 a 21.4% increase over the previous year (see Table 1).

The largest portion of the City's net position, \$236,403,939 (90%), reflects its investment in capital assets (land and improvements, public art, buildings, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$33,095,856 (13%), represents resources that are subject to external restrictions on how they may be used. The City's unrestricted net position of (\$7,343,032) (-3%) reflects commitments made as part of its post-employment benefits programs that will be funded in future years. More details about these benefits can be found in Notes 16 and 17 of the financial statements.

The government's overall net position increased \$46,227,058 over the prior fiscal year. The reasons for the overall increase is discussed in the following sections for governmental activities and business-type activities.

CITY OF RICHARDSON, TEXAS
 Management's Discussion and Analysis (Unaudited)
 September 30, 2020

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

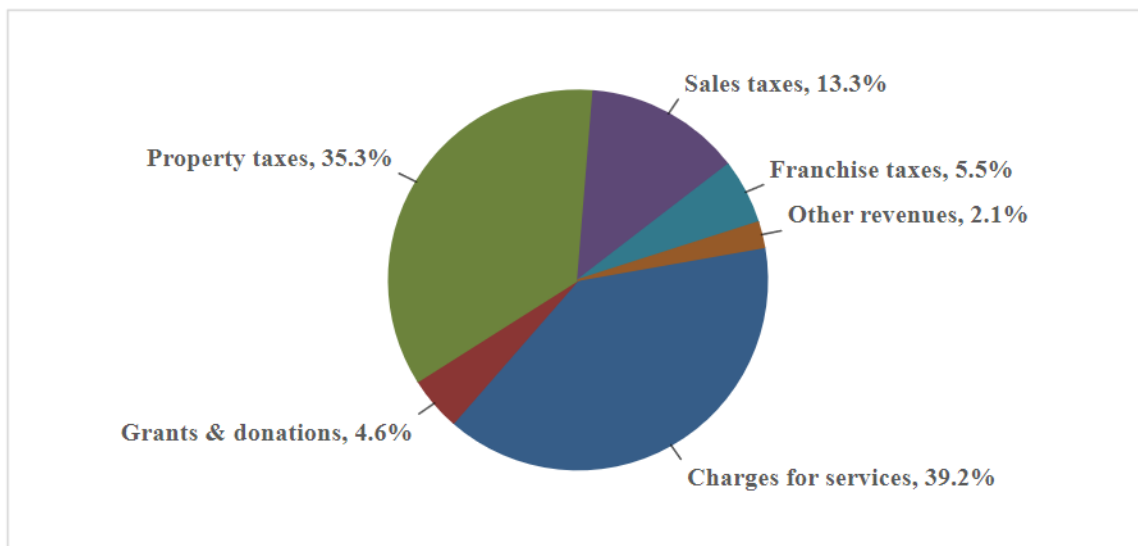
Table 1
City of Richardson
Net Position
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2019-2020
	2020	2019	2020	2019	2020	2019	
Current and other assets	\$ 174,234	\$ 161,769	\$ 62,967	\$ 56,860	\$ 237,201	\$ 218,629	8.5%
Capital assets	496,583	476,320	105,216	100,897	601,799	577,217	4.3%
Total assets	<u>670,817</u>	<u>638,089</u>	<u>168,183</u>	<u>157,757</u>	<u>839,000</u>	<u>795,846</u>	5.4%
Total deferred outflows of resources	12,995	34,879	2,610	6,552	15,605	41,431	(62.3)%
Other liabilities	60,220	58,168	16,807	16,726	77,027	74,894	2.8%
Long term liabilities	426,068	474,884	68,675	70,520	494,743	545,404	(9.3)%
Total liabilities	<u>486,288</u>	<u>533,052</u>	<u>85,482</u>	<u>87,246</u>	<u>571,770</u>	<u>620,298</u>	(7.8)%
Total deferred inflows of resources	18,034	915	2,643	135	20,677	1,050	1,869.2%
Net Position:							
Net investment in capital assets	179,372	156,267	57,032	57,513	236,404	213,780	10.6%
Restricted	16,090	13,653	17,005	5,172	33,095	18,825	75.8%
Unrestricted	<u>(15,973)</u>	<u>(30,919)</u>	<u>8,630</u>	<u>14,243</u>	<u>(7,343)</u>	<u>(16,676)</u>	(56.0)%
Total net position	<u>\$ 179,489</u>	<u>\$ 139,001</u>	<u>\$ 82,667</u>	<u>\$ 76,928</u>	<u>\$ 262,156</u>	<u>\$ 215,929</u>	21.4%

Changes in net position. The City's total revenues increased by 4.8% to \$312,476,976 (see Table 2). The State of Texas only provides limited support to municipalities, so the majority of the City's revenues are generated through local taxes and fees. Approximately 48.6% of the City's revenue comes from local property and sales tax receipts while fees charged for services makes up 40.1.% of revenue collected (see Figure 1).

The total cost of all programs and services decreased (7.2)% to \$266,508,247 (see Table 2). The City's functional expenses cover a range of services with over a third attributed to public utilities and 23% attributed to public safety (see Figure 2).

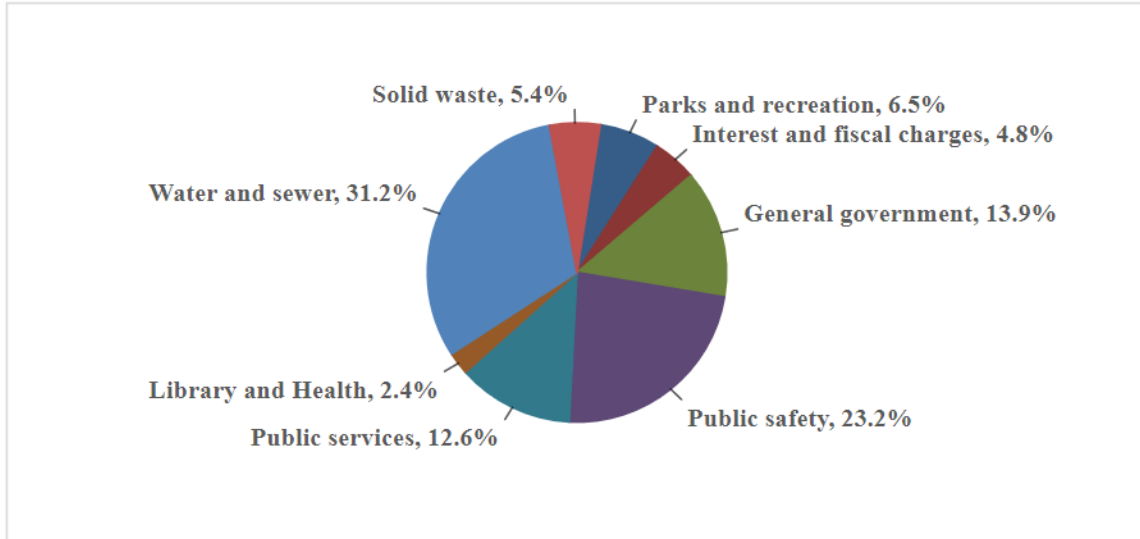
Figure 1 - Sources of Revenue for FY 2020



CITY OF RICHARDSON, TEXAS
 Management's Discussion and Analysis (Unaudited)
 September 30, 2020

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Figure 2 - Functional Expenses for FY 2020



Governmental Activities. Net position increased \$40,488,526. Key revenue and expense transactions are as follows:

- Major revenue increases over the previous year were property tax revenue of \$6,594,444, and sales tax revenue of \$1,371,734 due to a year-over-year increase in the assessed value of taxable property from \$15.2B to \$16.3B and steady sales tax collections despite the impact of the COVID-19 pandemic.
- General government expenses decreased approximately \$13,491,106, over last year due to salary and position freezes, a decrease in community events, and departmental expenditure reductions for core services due to the COVID-19 pandemic.

Business-Type Activities. Business type activities increased net position by \$5,738,532.

Key elements to the change in net position are as follows:

- Water sales were \$2.8 million over year-end estimates. In FY2020, the City received 46.05” of rainfall compared to the 59.7” received in the previous year and the five-year average rainfall of 53.32”.
- Total Water and Sewer revenues of \$87,439,919 are \$2,680,947 above year-end estimates. Sewer sales finished the year \$281,564 under the year end estimate of \$33 million. Total expenses, excluding transfers, ended the year (\$3 million) below year end estimates. Personal Services ended the year (\$119,760) below year end estimate due to personnel savings across many departments. Maintenance which includes among other items the cost of wholesale water and sewer treatment services, was \$3 million under estimates.
- Solid waste fee revenue finished the year \$15,726 below the year-end estimate. Total expenses, excluding transfers ended the year \$147,705 above the estimate of \$13.7 million. Actual disposal costs of \$37.91 per ton were (\$0.34) lower than original estimates.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2020

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Table 2
City of Richardson
Changes in Net Position
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2019-2020
	2020	2019	2020	2019	2020	2019	
Revenues:							
Program revenues:							
Charges for services	\$ 20,776	\$ 27,592	\$ 101,840	\$ 95,743	\$ 122,616	\$ 123,335	(0.6)%
Operating grants and contributions	10,897	2,564	-	-	10,897	2,564	325.0 %
Capital grants and contributions	2,912	424	603	1,045	3,515	1,469	139.3 %
General revenues:							
Property taxes	110,279	103,685	-	-	110,279	103,685	6.4 %
Sales taxes	41,535	40,164	-	-	41,535	40,164	3.4 %
Franchise taxes	17,184	17,331	-	-	17,184	17,331	(0.8)%
Mixed beverage tax	545	651	-	-	545	651	(16.3)%
Hotel/motel taxes	2,453	4,245	-	-	2,453	4,245	(42.2)%
Unrestricted interest earnings	2,769	4,025	683	774	3,452	4,799	(28.1)%
Total revenues	209,350	200,681	103,126	97,562	312,476	298,243	4.8 %
Expenses:							
General government	36,981	50,473	-	-	36,981	50,473	(26.7)%
Public safety	61,902	61,285	-	-	61,902	61,285	1.0 %
Public services	33,526	37,633	-	-	33,526	37,633	(10.9)%
Library	4,473	4,433	-	-	4,473	4,433	0.9 %
Parks and recreation	17,379	20,114	-	-	17,379	20,114	(13.6)%
Public health	2,043	2,228	-	-	2,043	2,228	(8.3)%
Interest and fiscal charges	12,386	14,417	-	-	12,386	14,417	(14.1)%
Water and sewer	-	-	83,298	81,682	83,298	81,682	2.0 %
Solid waste	-	-	14,521	15,003	14,521	15,003	(3.2)%
Total expenses	168,690	190,583	97,819	96,685	266,509	287,268	(7.2)%
Increase (decrease) in net position before transfers, contributions and gains	40,660	10,098	5,307	877	45,967	10,975	(318.8)%
Contributions to permanent fund principal	1	200	-	-	1	200	(99.5)%
Gain on sale of assets	33	97	225	103	258	200	29.0 %
Transfers	(206)	(196)	206	196	-	-	- %
Increase (decrease) in net position	40,488	10,199	5,738	1,176	46,226	11,375	(306.4)%
Net position - beginning	139,001	128,802	76,928	75,752	215,929	204,554	5.6 %
Net position - ending	\$ 179,489	\$ 139,001	\$ 82,666	\$ 76,928	\$ 262,155	\$ 215,929	21.4 %

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds. The focus of the City's governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2020

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$142,131,414. Approximately 21.8%, or \$30,834,524, constitutes unassigned fund balance, which is reported in the General Fund and the Non Major Governmental Funds. The remainder of fund balance, \$111,296,890 or 78.2% is not available for general spending.

The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents approximately 23% of total General Fund expenditures and transfers out, while total fund balance represents 32.9% of total General Fund expenditures and transfers out.

The General Fund's fund balance increased \$12,097,999 this fiscal year due to wage and position freezes, a reduction in community events, and a decrease in departmental core service expenditures. The increase is also due to \$7,173,400 in Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding received. Total nonspendable fund balance totals \$514,275. Assigned fund balance totals \$13,696,079 and total unassigned fund balance represents \$30,836,146. Property tax and sales tax revenues increased \$4,562,544 and \$1,371,734, respectively, from the previous year's collections due to an increase in the assessed value of taxable property and steady sales tax collections despite the impact of the COVID-19 pandemic. At the same time, public safety expenditures increased \$1,909,669 and general government expenditures increased \$1,890,177 due to the expenditures incurred as part of the City's response to a tornado that struck a small southeastern area of the community in October 2019 and the COVID-19 pandemic.

The Debt Service Fund has a fund balance of \$3,328,301, all of which is restricted for the payment of debt. The City's financial policy is to maintain an ending fund balance each year of 30 days of expenditures in the Debt Service Fund.

The fund balance in the Capital Fund ended the year at \$69,387,306. Restricted fund balance of \$52,397,805 is for future capital equipment purchases and construction projects, and \$16,989,501 is assigned for various capital projects. The fund balance decreased \$7,604,830 due to capital outlay for the public safety complex and various capital improvements throughout the City. The Capital Fund also received year-end transfers from the general fund of \$12 million to pay for future special maintenance and other projects.

The Other Governmental Funds had a fund balance increase of \$4,868,129. The major item related to this increase was collection of TIF revenues that were not spent in the current year.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City's business-type activities.

Unrestricted net position in the Water and Sewer Fund and the Solid Waste Fund at the end of the year amounted to \$9,510,682 and \$(2,861,874) respectively. A negative unrestricted net position in the Solid Waste Fund is due to the increased capital costs of the solid waste trucks and a cumulative operating loss of (\$457,300) over the last five years. Total net position increased \$4,415,000 in the Water and Sewer Fund and the Solid Waste Fund increased \$524,660.

General Fund Budgetary Highlights: General Government revenues finished the year \$16,564,511 or 12.1% above year-end estimate. Below are the General Government revenue highlights:

- Property Tax revenue was \$442,263 or 0.7% over year end estimates and (-0.9%) below the original budget. Current year taxes finished the year \$359,999 over estimate while prior year taxes and penalties and interest ended the year \$82,864 above estimate.
- Sales and other business tax revenue finished the year \$6.4 million over the year-end estimate of \$36.9 million, but an increase of \$4.5 million from the original budget.
- CARES Act funding of \$7,173,400 were unbudgeted revenues.
- Ambulance fees increased \$730,423 due to a \$600,000 payment from the Texas Department of Health and Human Services for unreimbursed Medicaid expenses.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2020

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

- Franchise fee revenue ended the year \$80,192 over the year-end estimate. The majority of the increase, or \$125,000 is the result of higher than anticipated sales of water and sewer services.

General Government expenditures, excluding transfers, finished the year (\$683,750) or (-0.5%) below year-end estimate. The overall positive variance in General Government expenditures was due to the following:

- Personal services expenditures ended the year (\$712,657) or (-0.8%) below year end estimates due to personnel savings across many departments.
- Professional services expenditures ended the year with \$1,725,132 or a 18% increase above estimates of \$9.3 million.
- Contracts came in \$275,604 above its estimated position of \$8.1 million.
- Maintenance expenditures were (\$1,007,648) below the year end estimate of \$4.5 million and supply expenditures were (\$964,175) below the year end estimate of \$9.3 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$601,799,299 (net of accumulated depreciation) as shown in Table 3. This investment in capital assets includes land, public art, buildings, improvements, vehicles, machinery and equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$24,581,735 (4.3%) .

Major capital asset events during the current fiscal year included the following:

- Equipment and vehicle assets acquired totaled \$9 million.
- Public Safety Campus (Fire Station #1) and Fire Station #3 completed construction totaling \$53 million.
- The City completed numerous street, bridge, sidewalk, alley, drainage, traffic and trail projects totaling over \$14.4 million.
- The Water and Sewer Fund completed \$2.9 million in projects, which extended and improved the City's Water and Sewer system.

Table 3
City of Richardson
Capital Assets, net of Accumulated Depreciation
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 92,494	\$ 92,402	\$ 424	\$ 424	\$ 92,918	\$ 92,826
Public Art	3,480	2,493	-	-	3,480	2,493
Buildings	131,172	82,510	3,680	3,835	134,852	86,345
Improvements other than buildings	40,147	41,278	1,605	1,709	41,752	42,987
Infrastructure	183,795	181,622	83,407	85,184	267,202	266,806
Vehicles, machinery and equipment	21,538	18,757	7,689	8,005	29,227	26,762
Construction in progress	23,957	57,258	8,411	1,740	32,368	58,998
Total capital assets, net	<u>\$ 496,583</u>	<u>\$ 476,320</u>	<u>\$ 105,216</u>	<u>\$ 100,897</u>	<u>\$ 601,799</u>	<u>\$ 577,217</u>

Additional information on the City's capital assets can be found in Note 6 to the financial statements.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Long-Term Debt: At the end of the current fiscal year, the City of Richardson had total bonded debt outstanding of \$303,810,000 as shown in Table 4. Of this amount, \$248,780,000 represents tax-supported bonds and \$55,030,000 represents self-supported bonds. The other obligations of \$95,428,424 in the governmental activities relates to notes payable for a police training facility, TIF economic development grants, and other contractual obligations.

Table 4
City of Richardson
Outstanding Debt
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 156,265	\$ 181,100	\$ 16,900	\$ 13,490	\$ 173,165	\$ 194,590
Certificates of obligation	68,615	71,610	38,130	39,835	106,745	111,445
General obligation bonds from direct borrowings	15,015	-	-	-	15,015	-
Certificates of obligation from direct borrowings	8,885	13,435	-	-	8,885	13,435
Total bonds payable	248,780	266,145	55,030	53,325	303,810	319,470
TIF obligations	92,983	97,049	-	-	92,983	97,049
Other obligations	2,445	1,115	-	-	2,445	1,115
Total outstanding debt	\$ 344,208	\$ 364,309	\$ 55,030	\$ 53,325	\$ 399,238	\$ 417,634

In February 2020, the City issued a total of \$76.78 million in debt to facilitate its ongoing capital program and refund existing debt at a lower interest rate. In addition, the City recognized TIF obligations during the year of \$0.57 million. Details of these transactions, including the purposes of each issue, can be found in Notes 9 and 11 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The city's budget development for the upcoming fiscal year, and the years to follow, are being heavily influenced by recently ratified state legislation that constrains property tax and franchise tax revenue. While the fuller impact will be felt in the future 2021-2022 budget cycle, key constraints were made to the fiscal year 2021 budget.
- An "advancing our missions through the COVID storm" theme was presented as an informal budget theme for fiscal year 2021. Strong attention was placed on new operating expenses, price and inflation escalations, and recurring cost obligations which will likely impact future municipal service delivery while ensuring resources are available to respond to the COVID-19 pandemic.
- The North Texas Municipal Water District (NTMWD) wholesale water rate had no changes and minor increases in the wastewater rates.

The above indicators were taken into consideration when adopting the FY2020-2021 budgets.

Property tax revenue for the General Fund is expected to decrease (1.81)%, or (\$1.86M) in FY 20-21, due to an estimated assessed valuation decrease of (.32%).

The FY 2020-2021 Water and Sewer Fund budget was determined based on the City not setting a new "minimum purchase" and no change in the wholesale water rate from the NTMWD. The wholesale cost of water and sewer treatment services accounts for \$54.8 million or 63.6% of the total expenses in the fund. Water and Sewer revenues reflect no retail rates changes for FY 2020-2021.

The FY 2020-2021 Solid Waste Fund budget includes a 2.5% increase in expenditures over year-end estimates. Revenues are projected to be \$229,000 increase over year-end estimates.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2020

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P. O. Box 830309, Richardson, Texas 75083-0309.



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BASIC FINANCIAL STATEMENTS

CITY OF RICHARDSON, TEXAS
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 24,581,635	\$ 14,249,946	\$ 38,831,581
Investments	135,210,513	5,250,000	140,460,513
Receivables (net of allowances)	15,347,872	11,178,142	26,526,014
Inventories	559,267	1,171,067	1,730,334
Prepaid items	123,594	2,309	125,903
Deposits	117,500	-	117,500
Property held for redevelopment and resale	274,020	-	274,020
Restricted assets:			
Cash and cash equivalents	-	29,134,660	29,134,660
Receivables (net of allowances)	-	80	80
Internal balances	(1,980,805)	1,980,805	-
Capital assets:			
Nondepreciable	119,931,129	8,834,849	128,765,978
Depreciable (net)	376,651,919	96,381,402	473,033,321
Total assets	670,816,644	168,183,260	838,999,904
Deferred outflows of resources			
Pension contributions, investment experience and assumptions	9,282,873	1,633,754	10,916,627
Deferred charge on refundings	560,788	422,332	983,120
OPEB contributions, investment experience and assumptions	3,150,958	553,428	3,704,386
Total deferred outflows of resources	\$ 12,994,619	\$ 2,609,514	\$ 15,604,133

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS

Statement of Net Position

September 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Liabilities:			
Accounts payable	9,126,154	3,481,244	12,607,398
Retainage payable	3,579,075	-	3,579,075
Accrued liabilities	4,063,353	1,006,803	5,070,156
Accrued interest	8,844,959	614,758	9,459,717
Payable from restricted assets:			
Payable from restricted assets	-	1,231,259	1,231,259
Retainage payable	-	384,177	384,177
Customer deposits	-	3,680,034	3,680,034
Unearned revenue	127,411	-	127,411
Money held in escrow	124,424	-	124,424
Non-current liabilities:			
Due within one year:			
Bonds, leases, and contractual obligations	31,684,462	6,153,745	37,838,207
Compensated absences	1,377,107	106,985	1,484,092
Workers' compensation	502,678	148,134	650,812
Unpaid claims liability	790,353	-	790,353
Due in more than one year:			
Bonds, leases, and contractual obligations	333,689,106	54,585,426	388,274,532
Total OPEB liability	44,752,961	7,402,202	52,155,163
Net pension liability	32,581,344	5,724,925	38,306,269
Workers' compensation	2,650,440	-	2,650,440
Compensated absences	12,393,954	962,867	13,356,821
Total liabilities	<u>486,287,781</u>	<u>85,482,559</u>	<u>571,770,340</u>
Deferred inflows of resources			
Deferred charges on refundings	3,466,212	76,514	3,542,726
Pension actuarial experience	13,971,455	2,461,218	16,432,673
OPEB assumptions	596,059	105,476	701,535
	<u>18,033,726</u>	<u>2,643,208</u>	<u>20,676,934</u>
Total deferred inflows of resources			
Net position:			
Net investment in capital assets	179,371,954	57,031,985	236,403,939
Restricted for:			
Capital projects	3,266,228	16,420,518	19,686,746
Debt service	-	584,891	584,891
General government	11,609,369	-	11,609,369
Public safety	980,104	-	980,104
Endowment			
Expendable	34,246	-	34,246
Nonexpendable	200,500	-	200,500
Unrestricted	(15,972,645)	8,629,613	(7,343,032)
Total net position	<u>\$ 179,489,756</u>	<u>\$ 82,667,007</u>	<u>\$ 262,156,763</u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Activities
Year ended September 30, 2020

	<u>Program revenues</u>			<u>Net (expense) revenue and changes in net position</u>			
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Function/programs:							
Governmental activities:							
General government	\$ 36,981,348	\$ 2,206,542	\$ 3,371,940	\$ 1,950	\$ (31,400,916)	\$ -	\$ (31,400,916)
Public safety	61,902,233	8,154,014	7,524,180	50,639	(46,173,400)	-	(46,173,400)
Public services	33,525,672	5,610,397	-	365,056	(27,550,219)	-	(27,550,219)
Library	4,472,688	31,177	-	-	(4,441,511)	-	(4,441,511)
Parks and recreation	17,379,008	4,389,445	750	2,494,413	(10,494,400)	-	(10,494,400)
Public health	2,043,170	384,597	-	-	(1,658,573)	-	(1,658,573)
Interest and fiscal charges	12,385,760	-	-	-	(12,385,760)	-	(12,385,760)
Total governmental activities	<u>168,689,879</u>	<u>20,776,172</u>	<u>10,896,870</u>	<u>2,912,058</u>	<u>(134,104,779)</u>	<u>-</u>	<u>(134,104,779)</u>
Business-type activities:							
Water and sewer	83,297,628	86,814,312	-	602,782	-	4,119,466	4,119,466
Solid waste	14,520,740	15,026,042	-	-	-	505,302	505,302
Total business-type activities	<u>97,818,368</u>	<u>101,840,354</u>	<u>-</u>	<u>602,782</u>	<u>-</u>	<u>4,624,768</u>	<u>4,624,768</u>
Total primary government	<u>\$ 266,508,247</u>	<u>\$ 122,616,526</u>	<u>\$ 10,896,870</u>	<u>\$ 3,514,840</u>	<u>(134,104,779)</u>	<u>4,624,768</u>	<u>(129,480,011)</u>
General Revenues:							
Property tax					110,279,388	-	110,279,388
Sales tax					41,535,297	-	41,535,297
Franchise tax					17,184,334	-	17,184,334
Mixed beverage and bingo tax					545,439	-	545,439
Hotel/motel tax					2,452,797	-	2,452,797
Unrestricted interest earnings					2,768,763	682,722	3,451,485
Gain on sale of assets					32,945	224,884	257,829
Contributions to permanent fund principal					500	-	500
Transfers					(206,158)	206,158	-
Total revenues					<u>174,593,305</u>	<u>1,113,764</u>	<u>175,707,069</u>
Change in net position					40,488,526	5,738,532	46,227,058
Net position - beginning					<u>139,001,230</u>	<u>76,928,475</u>	<u>215,929,705</u>
Net position - ending					<u>\$ 179,489,756</u>	<u>\$ 82,667,007</u>	<u>\$ 262,156,763</u>

See accompanying notes to basic financial statements

CITY OF RICHARDSON, TEXAS
Balance Sheet - Governmental Funds
September 30, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 1,958,692	\$ 3,472,357	\$ 11,890,023	\$ 4,843,052	\$ 22,164,124
Investments	35,864,598	-	66,345,915	20,000,000	122,210,513
Receivables (net of allowances)	11,386,733	349,992	377,273	3,143,904	15,257,902
Due from other funds	2,011,421	-	19	7,700	2,019,140
Inventories	313,456	-	-	-	313,456
Prepaid items	83,319	-	-	3,875	87,194
Deposits	117,500	-	-	-	117,500
Property held for redevelopment and resale	-	-	274,020	-	274,020
Total assets	<u>\$ 51,735,719</u>	<u>\$ 3,822,349</u>	<u>\$ 78,887,250</u>	<u>\$ 27,998,531</u>	<u>\$ 162,443,849</u>
Liabilities:					
Accounts payable	\$ 1,639,704	\$ 144,056	\$ 5,990,990	\$ 855,365	\$ 8,630,115
Retainage payable	12,675	-	3,376,811	189,589	3,579,075
Accrued liabilities	3,806,994	-	-	242,826	4,049,820
Due to other funds	-	-	7,719	2,011,421	2,019,140
Unearned revenue	-	-	-	57,141	57,141
Money held in escrow	-	-	124,424	-	124,424
Total liabilities	<u>5,459,373</u>	<u>144,056</u>	<u>9,499,944</u>	<u>3,356,342</u>	<u>18,459,715</u>
Deferred inflows of resources:					
Unavailable revenue	1,229,846	349,992	-	272,882	1,852,720
Total deferred inflows of resources	<u>1,229,846</u>	<u>349,992</u>	<u>-</u>	<u>272,882</u>	<u>1,852,720</u>
Fund balances:					
Nonspendable:					
Inventory	313,456	-	-	-	313,456
Deposits	117,500	-	-	-	117,500
Prepaid items	83,319	-	-	2,183	85,502
Permanent fund principal	-	-	-	200,500	200,500
Restricted for:					
Debt service	-	3,328,301	-	-	3,328,301
Parks and recreation projects	-	-	2,668,265	-	2,668,265
Public services	-	-	15,631,257	-	15,631,257
Capital projects	-	-	1,480,550	-	1,480,550
General government	-	-	893,371	11,127,154	12,020,525
Public safety	-	-	31,724,362	980,104	32,704,466
Committed for:					
General government	-	-	-	4,369,977	4,369,977
Public services	-	-	-	4,128,355	4,128,355
Parks and recreation	-	-	-	448,069	448,069
Assigned for:					
General government	4,897,775	-	1,718,780	3,057,082	9,673,637
Public services	657,708	-	5,533,773	-	6,191,481
Public safety	7,978,414	-	367,426	-	8,345,840
Parks and recreation	154,669	-	2,442,000	57,505	2,654,174
Health	7,373	-	-	-	7,373
Library	140	-	-	-	140
Other capital projects	-	-	6,927,522	-	6,927,522
Unassigned	30,836,146	-	-	(1,622)	30,834,524
Total fund balances	<u>45,046,500</u>	<u>3,328,301</u>	<u>69,387,306</u>	<u>24,369,307</u>	<u>142,131,414</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,735,719</u>	<u>\$ 3,822,349</u>	<u>\$ 78,887,250</u>	<u>\$ 27,998,531</u>	<u>\$ 162,443,849</u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 September 30, 2020

Total fund balances - governmental funds balance sheet	\$ 142,131,414
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	496,442,838
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	14,162,052
Some amounts will not be recognized as revenue until future periods and therefore are deferred in the funds.	(14,444,124)
A portion of the assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	11,873,614
Long-term liabilities, including bonds payable, accrued interest, and related deferred charges, are not due and payable in the current period and, therefore, are not reported in the fund. (Note 2(a))	<u>(470,676,038)</u>
Net position of governmental activities	<u><u>\$ 179,489,756</u></u>

CITY OF RICHARDSON, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended September 30, 2020

	General Fund	Debt Service Fund	Capital Project Funds	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 60,192,082	\$ 40,299,664	\$ -	\$ 10,016,657	\$ 110,508,403
Franchise taxes	16,969,727	-	-	214,607	17,184,334
Sales tax	41,535,297	-	-	-	41,535,297
Mixed beverage and bingo tax	545,439	-	-	-	545,439
Hotel/motel taxes	-	-	-	2,452,797	2,452,797
Drainage fees	-	-	-	2,841,760	2,841,760
911 revenue	746,880	-	-	613,569	1,360,449
Intergovernmental revenue	7,413,083	-	506,402	5,593,618	13,513,103
Licenses and permits	2,766,147	-	-	-	2,766,147
Fines and forfeitures	2,863,408	-	-	238,672	3,102,080
Interest revenue	703,074	121,919	1,313,696	402,873	2,541,562
Civic center use	120,509	-	-	-	120,509
Eisemann center revenue	-	-	100,603	1,024,767	1,125,370
Recreation and leisure	1,450,472	-	-	2,890,784	4,341,256
Public safety	3,565,149	-	-	-	3,565,149
Contributions	168,502	-	1,950	500	170,952
Participation	-	-	365,056	-	365,056
Other	718,788	-	555	146,004	865,347
General administration	8,300,368	-	-	-	8,300,368
Total revenues	148,058,925	40,421,583	2,288,262	26,436,608	217,205,378
Expenditures:					
General government	31,259,264	-	662,878	6,017,544	37,939,686
Public safety	55,163,761	-	805,911	392,600	56,362,272
Public services	19,912,915	-	2,858,533	908,669	23,680,117
Library	3,363,686	-	702,979	-	4,066,665
Parks and recreation	11,082,827	-	459,994	2,201,164	13,743,985
Public health	1,878,152	-	-	-	1,878,152
General administration	-	-	-	1,108,089	1,108,089
Capital outlay	90,385	-	40,226,439	4,320,056	44,636,880
Debt service:					
Principal retirement	-	29,525,000	-	-	29,525,000
Interest and fiscal charges	105,168	10,646,090	-	3,661,268	14,412,526
Payments for other obligations	362,749	116,052	-	4,333,628	4,812,429
Issuance costs	-	346,188	146,679	-	492,867
Total expenditures	123,218,907	40,633,330	45,863,413	22,943,018	232,658,668
Excess (deficiency) of revenues over (under) expenditures	24,840,018	(211,747)	(43,575,151)	3,493,590	(15,453,290)
Other financing sources (uses):					
Transfers in	600,000	2,013	12,430,057	1,825,160	14,857,230
Transfers out	(13,825,750)	-	(6,480)	(1,025,000)	(14,857,230)
Issuance of certificates of obligation	-	-	6,055,000	-	6,055,000
Issuance of general obligation bonds	-	-	15,015,000	-	15,015,000
Issuance of refunding bonds	-	40,425,000	-	-	40,425,000
Issuance of other obligations	-	-	1,502,065	574,379	2,076,444
Premium/discount on bonds	-	8,161,942	974,679	-	9,136,621
Payment to refunded bond escrow agent	-	(48,240,753)	-	-	(48,240,753)
Insurance and other recoveries	309,872	-	-	-	309,872
Proceeds from sale of capital assets	173,859	-	-	-	173,859
Total other financing sources (uses)	(12,742,019)	348,202	35,970,321	1,374,539	24,951,043
Net change in fund balances	12,097,999	136,455	(7,604,830)	4,868,129	9,497,753
Fund balances - October 1	32,948,501	3,191,846	76,992,136	19,501,178	132,633,661
Fund balances - September 30	\$ 45,046,500	\$ 3,328,301	\$ 69,387,306	\$ 24,369,307	\$ 142,131,414

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
 Balances of Governmental Funds to the Statement of Activities
 Year ended September 30, 2020

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

Net change in fund balances - total governmental funds	\$ 9,497,753
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. (Note 2(b))	20,128,778
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(244,438)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is originally issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note 2(b))	11,071,121
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note 2(b))	(2,489,927)
Internal service funds are used by management to charge the costs of central services and insurance to individual funds. The net expense of certain activities of the Internal Service Funds is reported with governmental activities.	<u>2,525,239</u>
Change in net position of governmental activities	<u><u>\$ 40,488,526</u></u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2020

	<u>Business-type activities-enterprise funds</u>			Governmental Activities- Internal Service Funds
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	
Assets				
Current assets:				
Cash and cash equivalents	\$ 14,128,688	\$ 121,258	\$ 14,249,946	\$ 2,417,511
Investments	3,000,000	2,250,000	5,250,000	13,000,000
Receivables (net of allowances)	9,549,946	1,628,196	11,178,142	89,970
Inventories	1,112,587	58,480	1,171,067	245,811
Prepaid items	1,283	1,026	2,309	36,400
Restricted assets:				
Cash and cash equivalents	25,344,128	3,790,532	29,134,660	-
Other receivables	80	-	80	-
Total current assets:	<u>53,136,712</u>	<u>7,849,492</u>	<u>60,986,204</u>	<u>15,789,692</u>
Noncurrent assets:				
Capital assets:				
Land	357,950	65,560	423,510	56,011
Improvements	2,291,281	298,351	2,589,632	23,023
Buildings	9,480,126	405,247	9,885,373	259,990
Water and sewer system	222,652,600	-	222,652,600	-
Vehicles, machinery and equipment	19,012,450	16,734,553	35,747,003	372,761
Construction in progress	8,411,339	-	8,411,339	-
Less accumulated depreciation	<u>(162,143,020)</u>	<u>(12,350,186)</u>	<u>(174,493,206)</u>	<u>(571,575)</u>
Total noncurrent assets	<u>100,062,726</u>	<u>5,153,525</u>	<u>105,216,251</u>	<u>140,210</u>
Total assets	<u>153,199,438</u>	<u>13,003,017</u>	<u>166,202,455</u>	<u>15,929,902</u>
Deferred outflows of resources				
Pension contributions investment experience and assumptions	836,585	797,169	1,633,754	97,704
Deferred charge on refunding	422,332	-	422,332	-
OPEB contributions, investment experience and assumptions	299,799	253,629	553,428	26,794
Total deferred outflows of resources	<u>\$ 1,558,716</u>	<u>\$ 1,050,798</u>	<u>\$ 2,609,514</u>	<u>\$ 124,498</u>

CITY OF RICHARDSON, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2020

	<u>Business-type activities-enterprise funds</u>			Governmental Activities- Internal Service Funds
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 3,422,518	\$ 58,726	\$ 3,481,244	\$ 496,038
Accrued liabilities	870,285	136,518	1,006,803	13,533
Accrued interest	552,251	62,507	614,758	-
Unpaid claims liabilities	-	-	-	790,353
Current maturities of bonds, leases and contractual obligations	4,950,864	1,202,881	6,153,745	-
Compensated absences	58,651	48,334	106,985	7,835
Workers' compensation liability	59,648	88,486	148,134	-
Current liabilities payable from restricted assets:				
Accounts payable	1,230,919	340	1,231,259	-
Retainage payable	384,177	-	384,177	-
Unearned revenue	-	-	-	70,270
Deposits	3,680,034	-	3,680,034	-
Total current liabilities	<u>15,209,347</u>	<u>1,597,792</u>	<u>16,807,139</u>	<u>1,378,029</u>
Noncurrent liabilities:				
Bonds, leases and contractual obligations	49,711,457	4,873,969	54,585,426	-
Total OPEB liability	4,079,558	3,322,644	7,402,202	324,891
Net pension liability	3,006,758	2,718,167	5,724,925	303,161
Compensated absences	527,862	435,005	962,867	70,510
Total noncurrent liabilities	<u>57,325,635</u>	<u>11,349,785</u>	<u>68,675,420</u>	<u>698,562</u>
Total liabilities	<u>72,534,982</u>	<u>12,947,577</u>	<u>85,482,559</u>	<u>2,076,591</u>
Deferred inflows of resources				
Pension actuarial experience	1,344,810	1,116,408	2,461,218	118,389
OPEB assumptions	58,133	47,343	105,476	5,001
Deferred inflows - Gain on Refunding	58,826	17,688	76,514	-
Total deferred inflows of resources	<u>1,461,769</u>	<u>1,181,439</u>	<u>2,643,208</u>	<u>123,390</u>
Net position (deficit):				
Net investment in capital assets	57,261,051	(229,066)	57,031,985	140,210
Restricted for:				
Capital projects	13,461,995	2,958,523	16,420,518	-
Debt service	527,675	57,216	584,891	-
Unrestricted	9,510,682	(2,861,874)	6,648,808	13,714,209
Total net position	<u>\$ 80,761,403</u>	<u>\$ (75,201)</u>	<u>80,686,202</u>	<u>\$ 13,854,419</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			<u>1,980,805</u>	
Net position of business-type activities			<u>\$ 82,667,007</u>	

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Revenue, Expenses and Changes in Fund Net Position - Proprietary Funds
Year Ended September 30, 2020

	<u>Business-type activities-enterprise funds</u>			Governmental Activities- Internal Service Funds
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	
Operating revenues:				
Water sales	\$ 52,927,472	\$ -	\$ 52,927,472	\$ -
Sewer service	32,736,964	-	32,736,964	-
Penalties	503,598	-	503,598	-
Service fees (other)	47,914	-	47,914	-
Antenna rentals	462,771	-	462,771	-
Meter fees	31,035	-	31,035	-
Solid waste fees	-	14,407,574	14,407,574	-
Charges for services	-	-	-	2,625,803
City and employee contributions	50,561	33,708	84,269	15,188,862
Miscellaneous	53,997	584,760	638,757	530,841
Total operating revenues	<u>86,814,312</u>	<u>15,026,042</u>	<u>101,840,354</u>	<u>18,345,506</u>
Operating expenses:				
Personal services	6,754,512	5,349,018	12,103,530	989,771
Premiums	-	-	-	997,601
Professional and technical services	2,678,932	420,550	3,099,482	809,633
Property services	2,081,274	80,266	2,161,540	591,466
Other purchases services	1,405,573	527,301	1,932,874	34,605
Insurance claims	-	-	-	11,622,428
Purchase of water	32,018,401	-	32,018,401	-
Purchase of sewage treatment	19,605,266	-	19,605,266	-
Solid waste charges	-	3,997,455	3,997,455	-
General administration	5,002,905	2,335,079	7,337,984	-
Franchise fees	4,283,222	720,379	5,003,601	-
Supplies	2,736,216	282,323	3,018,539	194,824
Depreciation	5,556,759	931,041	6,487,800	8,277
Total operating expenses	<u>82,123,060</u>	<u>14,643,412</u>	<u>96,766,472</u>	<u>15,248,605</u>
Operating income (loss)	<u>4,691,252</u>	<u>382,630</u>	<u>5,073,882</u>	<u>3,096,901</u>
Nonoperating revenues (expenses):				
Interest revenue	592,021	90,701	682,722	227,210
Interest expense and fiscal charges	(1,557,713)	(126,450)	(1,684,163)	-
Other non-operating charges	(153,086)	(13,519)	(166,605)	-
Proceeds from sale of capital assets	33,586	191,298	224,884	-
Total nonoperating revenues (expenses)	<u>(1,085,192)</u>	<u>142,030</u>	<u>(943,162)</u>	<u>227,210</u>
Income (loss) before contributions and transfers	3,606,060	524,660	4,130,720	3,324,111
Capital contributions	808,940	-	808,940	-
Change in net position	4,415,000	524,660	4,939,660	3,324,111
Total net position - October 1	<u>76,346,403</u>	<u>(599,861)</u>		<u>10,530,308</u>
Total net position - September 30	<u>\$ 80,761,403</u>	<u>\$ (75,201)</u>		<u>\$ 13,854,419</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			<u>798,872</u>	
Change in net position of business-type activities			<u>\$ 5,738,532</u>	

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	
Cash flows from operating activities:				
Cash received from customers	\$ 87,925,399	\$ 14,309,689	\$ 102,235,088	\$ -
Cash received from service users	-	-	-	2,625,799
Cash received from City, employee, and other contributions	50,561	33,708	84,269	15,698,375
Cash payments to employees	(6,387,892)	(5,091,494)	(11,479,386)	(1,991,976)
Cash payments for claims	-	-	-	(11,632,523)
Cash payments for goods and services	(69,829,868)	(8,580,961)	(78,410,829)	(1,483,479)
Cash received from miscellaneous revenue	53,997	584,760	638,757	1,628
Net cash provided by (used in) operating activities	<u>11,812,197</u>	<u>1,255,702</u>	<u>13,067,899</u>	<u>3,217,824</u>
Cash from noncapital financing activities:				
Bond proceeds and accrued interest	8,760,382	717,057	9,477,439	-
Increase in retainage payable	341,244	-	341,244	-
Principal paid on debt	(4,475,000)	(1,205,000)	(5,680,000)	-
Interest paid on debt	(1,323,316)	(107,954)	(1,431,270)	-
Fiscal charges and bond escrow payments	(153,086)	(13,519)	(166,605)	-
Unearned Revenues	175,346	18,881	194,227	-
Net cash provided by (used in) noncapital and related financing activities	<u>3,325,570</u>	<u>(590,535)</u>	<u>2,735,035</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(9,165,960)	(831,822)	(9,997,782)	(38,856)
Net proceeds from sale of capital assets	33,586	191,298	224,884	-
Net cash provided by (used in) capital and related financing activities	<u>(9,132,374)</u>	<u>(640,524)</u>	<u>(9,772,898)</u>	<u>(38,856)</u>
Cash flows from investing activities:				
Purchase of investment securities	971	(2,250,000)	(2,249,029)	(13,000,000)
Interest received on investments	592,021	90,701	682,722	227,210
Net cash provided by (used in) investing activities	<u>592,992</u>	<u>(2,159,299)</u>	<u>(1,566,307)</u>	<u>(12,772,790)</u>
Net increase in cash, restricted cash, and cash equivalents	6,598,385	(2,134,656)	4,463,729	(9,593,822)
Cash, restricted cash, and cash equivalents, October 1	<u>32,874,431</u>	<u>6,046,446</u>	<u>38,920,877</u>	<u>12,011,333</u>
Cash, restricted cash, and cash equivalents, September 30	<u>\$ 39,472,816</u>	<u>\$ 3,911,790</u>	<u>\$ 43,384,606</u>	<u>\$ 2,417,511</u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	<u>Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income and loss	\$ 4,691,252	\$ 382,630	\$ 5,073,882	\$ 3,096,901
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	5,556,759	931,041	6,487,800	8,277
Changes in assets and liabilities:				
(Increase)Decrease in accounts receivable	1,215,645	(97,885)	1,117,760	(21,373)
(Increase)Decrease in inventory of supplies	326,995	(40,356)	286,639	(50,091)
(Increase)Decrease in prepaid items	(227)	361	134	1,895
Increase in deposits payable from restricted assets	70,605	-	70,605	-
Increase(Decrease) in accounts payable	(30,377)	(261,779)	(292,156)	195,243
Increase in unpaid claims liabilities	-	-	-	(10,095)
Increase(Decrease) in unearned revenue	-	-	-	1,673
Increase(Decrease) in compensated absences	(300)	68,606	68,306	(31,534)
Increase(Decrease) in workers compensation	50,990	(65,980)	(14,990)	-
Increase(Decrease) in post-employment benefits	151,822	122,494	274,316	12,939
Increase(Decrease) in pension liabilities	(3,298,585)	(2,661,359)	(5,959,944)	(281,130)
Increase(Decrease) in accrued liabilities	(385,075)	84,166	(300,909)	-
Increase(Decrease) in deferred inflows/outflows	3,462,693	2,793,763	6,256,456	295,119
Total adjustments	<u>7,120,945</u>	<u>873,072</u>	<u>7,994,017</u>	<u>120,923</u>
Net cash provided by (used in) operating activities	<u>11,812,197</u>	<u>1,255,702</u>	<u>13,067,899</u>	<u>3,217,824</u>
Noncash investing capital and financing activities:				
Contributions of capital assets from public	602,782	-	602,782	-
Contributions of assets from governmental funds	206,158	-	206,158	-
Construction payable	1,615,096	-	1,615,096	-
Reconciliation of cash, restricted cash, and cash equivalents to the statement of net position:				
Total unrestricted cash and investments per the statement of net position	14,128,688	121,258	14,249,946	2,417,511
Total restricted cash and investments per the statement of net position	<u>25,344,128</u>	<u>3,790,532</u>	<u>29,134,660</u>	<u>-</u>
Cash, restricted cash and cash equivalents as of September 30,2020	<u>\$ 39,472,816</u>	<u>\$ 3,911,790</u>	<u>\$ 43,384,606</u>	<u>\$ 2,417,511</u>

See accompanying notes to basic financial statements.



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CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

1 Summary of Significant Accounting Policies

A. Reporting Entity

The City of Richardson, Texas (the City) is a municipal corporation governed by an elected governing board consisting of a mayor and six council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the financial condition and results of operations and activities of the City for which it is considered to be financially accountable.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America and applicable to state and local governments. These include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants as published in *Audits of State and Local Governments*.

Blended Component Unit. The Richardson Improvement Corporation (RIC) is a nonprofit corporation that serves the citizens of the City by improving municipal parks and recreational functions, facilitating real estate transactions and serving as an independent foundation for acceptance of corporate donations. The City provides all financial support to RIC and all members of its governing board are appointed by the City Council. Because the services that RIC provides exclusively benefits the City and the RIC operations are so intertwined with those of the City, RIC is in substance a department of the City and has been blended into the City's financial statements in the Other Governmental Funds category and reported as a Special Revenue Fund. Audited financial statements for RIC may be obtained by writing City of Richardson, Attn: Finance Director, PO Box 830309, Richardson, TX 75083-0309.

B. Basis of Presentation

Government-Wide Statements

The two government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all the activities of the City. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities, which generally rely on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The Statement of Activities demonstrates the extent to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include charges to customers and applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program. They also include operating grants, capital grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements. The City segregates transactions related to certain functions or activities in separate funds in order to support financial management and to demonstrate legal compliance. Separate statements are prescribed for governmental activities and for proprietary activities. These statements present each major fund as a separate column on the fund financial statements, while all nonmajor funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City has presented the following major governmental funds:

General Fund. The General Fund is the main operating fund of the City. The fund is used to account for all the financial resources that are not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund. The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted to signify the amounts are exclusively for debt service expenditures.

Capital Project Funds. The Capital Project Fund is used to account for funds expended for capital improvements, including streets and thoroughfares, parks and other recreational facilities, buildings and public facilities, drainage improvements, and for the purchase of capital equipment. Funding sources include the proceeds of general obligation bonds and certificates of obligation issued by the City, as well as intergovernmental revenues and contributions.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

accounting objectives are determinations of net income, financial position and cash flows. All assets and liabilities of the proprietary funds are included in the Statement of Net Position. The City has presented the following major proprietary funds:

Water and Sewer Fund. The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, billing and collection activities, and the operations, maintenance, and construction of the water and sewer systems. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the system.

Solid Waste Fund. The Solid Waste Fund is used to account for the operations of solid waste collection and disposal and recycling services provided to the residents of the City. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for solid waste debt. All costs are financed through charges to the utility customers.

Additionally, the City reports the following fund types:

Internal Service Funds. The Internal Service Funds are used to account for warehouse, mail services, and records management operations provided to City departments, and health insurance provided to employees, dependents and retirees. Internal Service Funds are also used to account for cost of replacing technology related to legacy ERP and Traffic systems.

Permanent Fund. The Permanent Fund accounts for resources that are legally restricted to the extent that only earnings, not principal, support the City's specified program.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Enterprise and Internal Service Funds consider all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. Because the City, at its option, can withdraw amounts on a daily basis from TexPool, TexSTAR, Texas Daily, and Federated Money Market Mutual Fund, these investments are also considered to be cash equivalents.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position and the operating statement presents increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water, sewer, and solid waste collection services. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they are "measurable and available." "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period. The City considers all revenues available if they are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 30-day availability period is used for revenue recognition for all governmental fund type revenues, except fines and forfeitures, which are accrued using a 45-day availability period, and for grants, which are accrued as revenue as soon as all applicable eligibility requirements have been met.

Expenditures are recorded when the related fund liability is incurred, except for outstanding principal and interest on general long-term debt which is recognized when due, and certain compensated absences, postemployment benefits, and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, franchise fees, sales tax revenues, fines and forfeitures, drainage fees, and interest revenue. Licenses and permits, recreation and leisure fees, public safety, and other revenues are not susceptible to accrual

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

because generally they are not measurable until received in cash.

The City reports unavailable revenue in its governmental funds. Unavailable revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant moneys are received prior to the incidence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, revenue is recognized.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds.

The Legislature for the state of Texas has enacted and regularly amends the Public Funds Investment Act (Investment Act) that governs items such as investment strategies and policies, training for investment officers, quarterly reporting, and types of investments allowed. The City has developed an Investment Policy that is annually reviewed and approved through resolution by the City Council that is in compliance with the Investment Act. Accordingly, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the state of Texas or its agencies and instrumentalities; (3) obligations of state agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent, and other obligations, the principal and interest of which are unconditionally guaranteed or insured by the state of Texas, or the United States, or its instrumentalities; (4) Joint Investment Pools of political subdivisions in the state of Texas, which comply with the guidelines stated in the City’s investment policy; (5) Certificates of Deposit issued by state or national banks and credit unions domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation or secured by obligations mentioned above; (6) fully collateralized direct repurchase agreements having a defined termination date; and (7) no-load money market mutual funds regulated by the Securities and Exchange Commission.

The City is not authorized by its investment policy to invest in banker’s acceptances, “bond” mutual funds, collateralized mortgage obligations of any type, and commercial paper, with the exception that the City may invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments.

Investment transactions are conducted through the depository bank. The City’s safekeeping agent holds all securities in the City’s name.

For fiscal year 2020, the City invested in U.S. Agencies, U.S. Treasuries, TexPool, TexSTAR, Texas Daily, Federated Money Market Funds, Prosperity Money Market Funds and BTH CDARS-Certificates of Deposit. The City records all interest revenue related to investment activities in the respective funds.

Investments that have a remaining maturity at the time of purchase of over one year are recorded at fair value based on quoted market prices. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. Investments with a remaining maturity at time of purchase of one year or less are recorded at amortized cost. For these investments, amortized cost approximates fair value.

TexPool and TexSTAR were created to conform to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The fair value of positions in TexPool or TexSTAR is the same as the value of the pool shares. Texas Daily was created in 2000 to allow Texas local governments and school districts to pool their funds for investment.

For TexPool, the State’s Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (Trust Company), which is authorized to operate TexPool. Pursuant to the TexPool participation agreement, administrative and investment services to TexPool are provided by Federated. The Comptroller maintains oversight of the services provided by TexPool. The TexPool Advisory Board, composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool, acts as advisor on TexPool’s Investment Policy.

J.P. Investment Management, Inc. and First Southwest Asset Management, Inc. serve as coadministrators for TexSTAR under an agreement with the TexSTAR board of directors (the Board). The Board is composed of five members, three are representatives of participants in TexSTAR and the other two members are designated by each of the coadministrators. The Board manages the business and affairs of TexSTAR in accordance with its bylaws.

Receivables and Payables

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advance to/from other funds” (the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. City property taxes are billed and collected by Dallas County or Collin County depending on the county in which the property is located. City property tax revenues are recognized in the period for which they are collected. An allowance is established for delinquent taxes to the extent that their collectability is improbable.

The Statutes of the State of Texas do not prescribe a legal debt limit; however, Article XI, Section 5 of the Texas Constitution applicable to cities with a population of more than 5,000, limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation. For the year ended September 30, 2020, the City’s tax rate was \$0.62516 per \$100 assessed valuation.

Inventories and Prepaid Items

Inventories

Inventory consists primarily of supplies, valued at cost, which approximates market. Cost is determined using a weighted-average method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased. Accordingly, fund balance is classified as nonspendable for an amount equal to inventory to signify those funds are not available for expenditure.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Property held for Redevelopment

During FY 2012 the City acquired land which is being held for future economic development. Total land was recorded at a net realizable value of \$274,020.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Capital Assets

Property, plant, equipment and public domain (infrastructure) capital assets such as roads, bridges, curbs, gutters, streets and sidewalks, drainage systems, and water and sewer systems are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements of the proprietary funds. All assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized, but are recorded as expenditures/expenses as incurred.

Assets are capitalized that have an original cost of \$5,000 or more and an estimated useful life of more than two years. Depreciation has been calculated on each class of depreciable property using the straight-line method, with one-half year's depreciation in the year of acquisition and one-half year in the final year of life or upon disposal which ever event occurs first.

Estimated useful lives are as follows:

Land improvements	10 - 50 years
Buildings	10 - 50 years
Other improvements	5 - 50 years
Infrastructure	30 years
Vehicles, machinery and equipment	3 - 20 years

Asset Impairments and Insurance Recoveries

The City has recorded insurance recoveries related to the impairment of capital assets as Program Revenue at the government-wide level, as Other Financing Sources in the Governmental Funds and as Other Nonoperating Revenues in the Enterprise Funds. For the year ended September 30, 2020, the City received \$513,641 in insurance recoveries.

Compensated Absences

The City allows employees to accumulate unlimited unused sick leave. Earned vacation time is generally required to be used within one year of accrual, although the City allows employees to carry up to 20 days of vacation time into the next year. Upon termination, the City pays nonretirees up to 22 days of accumulated sick leave and pays retirees up to 90 days of accumulated sick leave. Sick leave in excess of the 22-day maximum is not paid upon termination to nonretirees and will be paid only upon illness while in the employment of the City. Any accumulated vacation that was not taken due to work-related assignments is paid upon termination, with authorization by the City Manager or his designee. Compensated absences are only reported in Governmental Funds if they are pending maturities owed to separated employees at the end of the reporting period.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Postemployment Benefits

The City provides postemployment healthcare benefits to all employees who retire from the City. All employees who are vested in the City's pension plan, Texas Municipal Retirement System (TMRS), are eligible for these benefits with 25 years or more of service, regardless of age, or with 5 years or more of service at age 60 and above. Coverage is also available to dependents or surviving spouses of retirees. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The City's plan qualifies as a single-employer, defined benefit plan. Complete details of the plan are listed in Note 16.

Long-Term Obligations

General Obligation Bonds and other debt issued for general government capital projects and acquisitions that are to be repaid from tax revenues of the City are recorded in the governmental activities column in the government-wide Statement of Net Position. Debt issued to fund capital projects in the proprietary funds is recorded in the business-type activities column in the government-wide Statement of Net Position and in the proprietary fund Statement of Net Position. Bond premiums and discounts as well as deferred charges on refunded debt obligations are amortized over the life of the bonds using the effective interest method in the government-wide financial statements and in the proprietary funds. Bonds payable are reported net of the applicable bond premiums and discounts.

In the governmental funds, bond premiums and discounts are recognized during the current period. Bond proceeds are reported as other financing sources, as are any applicable premium or discount. Issuance costs are expensed in the current period.

Classifications of Fund Balance

Restricted fund balances in the governmental funds are restricted to specific purposes that are externally imposed by creditors, grantors, contributors or laws or regulations of other governments. Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by the formal action of the City Council's adoption of an ordinance. Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are determined by City management based on City Council direction, in accordance with financial policies adopted by resolution. Unassigned fund balance represents the amount that does not meet the criteria for restricted, committed, or assigned. Nonspendable fund balances represent amounts that cannot be spent because they are legally or contractually required to be maintained.

The City considers an expenditure to be made from the most restrictive resources/funds when more than one classification is available. This may result in certain special revenue funds reporting assigned residual balances if restricted or committed balances, which make up the majority of the fund's resources, have been exhausted.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and or Balance Sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The deferred outflows of resources are reported in the government-wide statement of net position for governmental and business activities and the fund level for the proprietary statement of net position. The City has five items that qualify for reporting in this category. First, the deferred charge on refunded debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Second, the City's contributions to its pension and OPEB plans made from the measurement date of the respective plans to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year. Third, the difference between projected and actual earnings on the pension and OPEB plan investments are deferred and recognized in the respective plans as an expense over a closed five-year period. The fourth item is the difference in the change of assumptions for the pension plan. The amount is deferred and recognized as pension plan expense over a period of years based on the estimated average remaining service lives of employees that are provided with a pension through the pension plan determined by the plan (active and inactive employees) for the City determined as of the beginning of the measurement date. The fifth item is the difference between projected and actual experience and changes in assumptions for the OPEB plan. That amount is deferred and recognized as OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees who are provided

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

with OPEB through the OPEB Plan (active and inactive employees).

In addition to liabilities, the Statement of Net Position and or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has four items that qualify for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period they become available to the City. A deferred inflow of resources is recognized in the government-wide statement of net position for governmental and business activities and the fund level for the proprietary statement of net position for the difference between the expected experience and the actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period based on the estimated average remaining service lives of employees that are provided with a pension through the pension plan (active and inactive employees) for the City determined as of the beginning of the measurement date. The third item is the deferred charge on refunded debt which results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The fourth item is the difference in the change of assumptions for the OPEB plan and it is deferred and recognized as OPEB plan expense over a period of years based on the estimated average remaining service lives of employees that are provided with OPEB through the OPEB plan determined by the plan (active and inactive employees) for the City determined as of the beginning of the measurement date.

Minimum Fund Balance Policy

It is the desire of the City to maintain adequate fund balance in the General Fund in order to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum fund balance of 60 days of budgeted expenditures in the General Fund.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used for the acquisition, construction or improvements of those assets, plus any unspent debt proceeds. The government-wide statement of net position reports \$33,095,856 of restricted net position.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

2 Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds Balance Sheet includes reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, accrued interest, and related deferred charges, are not due and payable in the current period and therefore are not reported in the funds.”

The details of the \$470,676,038 are as follows:

Bonds payable	\$	248,780,000
Notes payable and other contractual obligations		95,428,424
Less issuance discount (to be amortized as interest expense)		(15,009)
Add issuance premium (to be amortized as interest expense)		21,180,153
Less deferred charges on refunding, net (to be amortized as interest expense)		2,905,424
Accrued interest payable		8,844,959
TMRS pension liability		32,278,183
Postemployment liability		44,428,070
Compensated absences		13,692,716
Workers' compensation liability		<u>3,153,118</u>
Net adjustment to reduce fund balances - total governmental	\$	<u>470,676,038</u>

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net change in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of this reconciliation explains that the “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$20,128,778 difference are as follows:

Capital Outlay	\$	44,636,880
Governmental Depreciation Expense		<u>(24,508,102)</u>
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	<u>20,128,778</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Another element of the reconciliation states “The issuance of long-term debt (e.g., bonds, leases, and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is originally issued, whereas these amounts are amortized in the Statement of Activities.”

The details of the \$11,071,121 are as follows:

Debt issued or incurred:

General obligations, certificates of obligation, and refunding bonds	\$ (61,495,000)
Notes payable and other contractual obligations	(2,076,444)
Add premium	(9,136,620)

Principal repayments:

General obligation bonds	17,980,000
Refunded general obligations	47,280,000
Refunded certificates of obligation	2,055,000
Certificates of obligation	11,545,000
Notes payable and other contractual obligations	4,812,429
Refunding adjustments	<u>106,756</u>

Net adjustment to decrease fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 11,071,121</u>
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Another element of the reconciliation states, “Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of the \$2,489,927 are as follows:

Amortization of bond premium	\$ 2,362,232
Amortization of bond discount	(1,497)
Amortization of deferred charge on refunded bonds	49,738
Accrued interest	(1,091,844)
Pension expenses	33,379,435
Other postemployment benefits	(1,536,340)
Compensated absences	(457,465)
Workers compensation	(154,095)
Change in deferred inflows	(13,616,211)
Change in deferred outflows	<u>(21,423,880)</u>

Net adjustment to decrease fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (2,489,927)</u>
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CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

3 Deposits and Investments

	<u>Bank balance</u>	<u>Book balance</u>
Financial Institution:		
Prosperity- City	\$ 4,216,055	\$ 4,181,164
Bank of America - City	1,470,255	1,470,255
Prosperity - RIC	67,355	67,355
Frost - City	66,541	66,541
Prosperity Money Market - City	3,515,931	3,515,931
BTH Bank CDARS - City	2,005,761	2,005,761
Petty Cash - City	-	10,480
Total	<u>\$ 11,341,898</u>	<u>\$ 11,317,487</u>

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are described as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets. These types of investments primarily include common stock and equities traded on public exchanges.
- Level 2 - Significant observable inputs for the asset other than quoted prices included within Level 1 that are observable for similar securities, but not exact. These types of investments include US Government obligations and obligations of government agencies.
- Level 3 - Significant unobservable inputs for an asset, as they trade infrequently or not at all. (The City does not value any investments using Level 3 inputs).

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

The City has the following recurring fair value measurements as of September 30, 2020:

	<u>9/30/2020</u>	<u>Inputs</u>			<u>Weighted average maturity (days) (1)</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Investments by fair value level					
Debt securities					
Federal Home Loan Bank	\$ 31,989,184	-	\$ 31,989,184	-	172
Federal Farm Credit Bank	12,021,649	-	12,021,649	-	87
Federal Home Loan Mortgage Corporation	4,001,614	-	4,001,614	-	48
Federal National Mortgage Association-Bonds	8,013,369	-	8,013,369	-	154
Total debt securities	<u>56,025,816</u>	<u>-</u>	<u>56,025,816</u>	<u>-</u>	<u>142</u>
U.S. Treasuries	84,434,697	-	84,434,697	-	147
Total investment by fair value level	<u>140,460,513</u>	<u>-</u>	<u>\$ 140,460,513</u>	<u>-</u>	<u>145</u>
Investments measured at net asset value (NAV)					
Federated Money Market Fund	515,398				43
Total investments measured at net asset value (NAV)	<u>515,398</u>				<u>43</u>
Investments measured at amortized cost					
Texas Daily LGIP	19,654,445				35
TexStar LGIP	20,511,943				39
TexPool LGIP	15,966,968				38
Total investments at amortized cost	<u>56,133,356</u>				<u>37</u>
Total investments	<u>\$ 197,109,267</u>				
Portfolio weighted average maturity					<u>111</u>

(1) Amounts shown as zero are less than one day.

The amounts for the Investment Pools (Texpool, TexStar and Texas Daily) and the Federated Money Market Fund are included for financial reporting purposes in cash and cash equivalents on the Statement of Net Position.

The City's Local Government Investment Pools (LGIPs) listed above qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Debt securities classified in Level 2 of the fair value hierarchy are valued by Interactive Data Corp (IDC) using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Credit Risk – Investments. The City’s investment policy requires that joint investment pools maintain a continuous rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating agency, and that obligations of states, agencies, cities, or other political subdivisions of any state be rated no less than A or an equivalent rating by at least one nationally recognized rating agency. The City’s investment policy has no other restrictions relating to credit ratings that would limit its investment options. Moody’s has rated investments in Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation, as AAA as of September 30, 2020. Standard & Poor’s has rated investments in TexPool, TexSTAR, Texas Daily, and Federated Money Market Funds as AAA-m as of September 30, 2020.

Custodial Credit Risk – Deposits and Investments. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Interest Rate Risk – Investments. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its operating portfolio to one year or less. The maximum weighted average maturity for the City’s composite portfolio is three years.

Concentration of Credit Risk – Investments. The City’s investment policy does not place a limit on the amount the City may invest in a single issuer, except that the City may not invest more than 25% in an individual investment pool or money market mutual fund. At September 30, 2020, the City’s direct investments are in the U.S. Treasury Notes, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments are 43%, 16%, 6%, 2% and 4% respectively, of the City’s total investments.

4 Receivables

Receivables at September 30, 2020, for the government’s individual major governmental funds, nonmajor funds, and internal service funds in the aggregate, and for individual major business-type funds, including the applicable allowances for uncollectible accounts, consist of the following:

	Governmental Receivables				
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables:					
Taxes - property	\$ 976,729	\$ 654,513	\$ -	\$ -	\$ 1,631,242
Taxes - sales	3,148,732	-	-	-	3,148,732
Trade accounts	7,463,919	-	-	467,965	7,931,884
Interest	279,595	-	292,711	-	572,306
Intergovernmental	994,040	-	84,562	2,680,644	3,759,246
	<u>12,863,015</u>	<u>654,513</u>	<u>377,273</u>	<u>3,148,609</u>	<u>17,043,410</u>
Gross receivable					
Less allowance for uncollectibles	<u>(1,476,282)</u>	<u>(304,521)</u>	<u>-</u>	<u>(4,704)</u>	<u>(1,785,507)</u>
Net receivables	<u>\$ 11,386,733</u>	<u>\$ 349,992</u>	<u>\$ 377,273</u>	<u>\$ 3,143,905</u>	<u>\$ 15,257,903</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Business-Type Receivables

	Water and Sewer Fund	Solid Waste Fund	Total Business-type Activities	Internal Service Funds
Receivables:				
Trade accounts	\$ 9,031,625	\$ 1,550,223	\$ 10,581,848	\$ -
Other	763,472	178,878	942,350	89,970
Intergovernmental receivables	1,440	-	1,440	-
	<u>9,796,537</u>	<u>1,729,101</u>	<u>11,525,638</u>	<u>89,970</u>
Gross receivable				
Less allowance for uncollectibles	(246,591)	(100,905)	(347,496)	-
	<u>\$ 9,549,946</u>	<u>\$ 1,628,196</u>	<u>\$11,178,142</u>	<u>\$ 89,970</u>

The Water and Sewer and Solid Waste trade accounts receivable include unbilled charges for services rendered through September 30, 2020.

5 Restricted Assets

Enterprise Funds

At year-end, the following were the restricted assets in the Enterprise Funds:

	Water and Sewer Fund	Solid Waste Fund	Total
Debt service - Sinking Fund	\$ 527,675	\$ 119,723	\$ 647,398
Customer Deposits	3,680,114	-	3,680,114
Rate stabilization	2,421,277	-	2,421,277
Capital Project and Equipment Funds	18,715,142	3,670,809	22,385,951
	<u>\$ 25,344,208</u>	<u>\$ 3,790,532</u>	<u>\$ 29,134,740</u>
Total Restricted Assets			

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

6 Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning balance October 1, 2019	Increases	Decreases	Ending balance September 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 92,401,636	\$ 92,859	\$ -	\$ 92,494,495
Public Art	2,493,433	986,082	-	3,479,515
Construction in Progress	57,258,546	20,147,791	(53,449,218)	23,957,119
Total capital assets, not being depreciated:	<u>152,153,615</u>	<u>21,226,732</u>	<u>(53,449,218)</u>	<u>119,931,129</u>
Capital assets, being depreciated:				
Buildings	156,225,777	52,969,692	(1,218,735)	207,976,734
Improvements other than Buildings	102,380,529	2,179,171	(296,543)	104,263,157
Vehicles, Machinery and Equipment	61,334,367	7,511,115	(1,533,033)	67,312,449
Infrastructure	521,652,428	14,498,335	-	536,150,763
Total capital assets, being depreciated:	<u>841,593,101</u>	<u>77,158,313</u>	<u>(3,048,311)</u>	<u>915,703,103</u>
Less accumulated depreciation for:				
Buildings	73,716,123	4,224,816	(1,135,749)	76,805,190
Improvements other than buildings	61,102,166	3,264,240	(250,279)	64,116,127
Vehicles, Machinery and Equipment	42,577,359	4,702,505	(1,505,649)	45,774,215
Infrastructure	340,030,834	12,324,818	-	352,355,652
Total accumulated depreciation	<u>517,426,482</u>	<u>24,516,379</u>	<u>(2,891,677)</u>	<u>539,051,184</u>
Total capital assets being depreciated, net	<u>324,166,619</u>	<u>52,641,934</u>	<u>(156,634)</u>	<u>376,651,919</u>
Governmental activities capital assets, net	<u>\$ 476,320,234</u>	<u>\$ 73,868,666</u>	<u>\$ (53,605,852)</u>	<u>\$ 496,583,048</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

	Beginning balance October 1, 2019	Increases	Decreases	Ending balance September 30, 2020
	<u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>2020</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 423,510	\$ -	\$ -	\$ 423,510
Construction in progress	1,739,926	10,377,245	(3,705,832)	8,411,339
Total capital assets, not being depreciated:	<u>2,163,436</u>	<u>10,377,245</u>	<u>(3,705,832)</u>	<u>8,834,849</u>
Capital assets, being depreciated:				
Buildings	9,885,373	-	-	9,885,373
Improvements other than buildings	2,589,632	-	-	2,589,632
Vehicles, machinery and equipment	35,105,380	1,377,710	(736,087)	35,747,003
Infrastructure	219,721,696	2,930,904	-	222,652,600
Total capital assets, being depreciated:	<u>267,302,081</u>	<u>4,308,614</u>	<u>(736,087)</u>	<u>270,874,608</u>
Less accumulated depreciation for:				
Buildings	6,049,729	154,575	-	6,204,304
Improvements other than buildings	880,875	104,137	-	985,012
Vehicles, machinery and equipment	27,100,417	1,520,697	(562,781)	28,058,333
Infrastructure	134,537,166	4,708,391	-	139,245,557
Total accumulated depreciation	<u>168,568,187</u>	<u>6,487,800</u>	<u>(562,781)</u>	<u>174,493,206</u>
Total capital assets being depreciated, net	<u>98,733,894</u>	<u>(2,179,186)</u>	<u>(173,306)</u>	<u>96,381,402</u>
Business-type activities capital assets, net	<u>\$ 100,897,330</u>	<u>\$ 8,198,059</u>	<u>\$ (3,879,138)</u>	<u>\$ 105,216,251</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 5,532,243
Public safety	4,219,565
Public service	10,855,808
Library	300,795
Parks and recreation	3,548,746
Health	50,945
Total governmental funds	<u>24,508,102</u>
Internal service fund - Central Services Fund	8,277
Depreciation expense - governmental activities	<u>\$ 24,516,379</u>
Business-type activities:	
Water and sewer	\$ 5,556,759
Solid waste	931,041
Depreciation expense - business activities	<u>\$ 6,487,800</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

7 Construction Commitments

Outstanding commitments at September 30, 2020, under authorized construction contracts for the Capital Fund, and Water and Sewer Fund, and Solid Waste Funds, were \$17,756,749, \$5,140,230, and \$241,667, respectively. These outstanding commitments will be financed by proceeds from bond issues and from revenues such as participation revenue from other governments or developers and operating revenues dedicated to street maintenance.

8 Interfund Receivables, Payables and Transfers

There were two interfund balances at September 30, 2020. The first interfund balance is between the TIF #2 fund and the General Fund for \$127,167. The last interfund balance is between Federal Grants fund and the General Fund for \$26,000 due to the timing of receipts from the granting agencies for amounts spent in advance by the grant programs. Individual fund transfers for fiscal year 2019-2020 were as follows:

	Transfers Out				
	Governmental Activities	Governmental Funds			Total
		General Fund	Capital Projects Fund	Other Governmental Funds	
Transfers in:					
General	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000
Debt Service	-	-	2,013	-	2,013
Capital	-	12,000,590	4,467	425,000	12,430,057
Other Governmental	-	1,825,160	-	-	1,825,160
		13,825,750	6,480	1,025,000	14,857,230
Business-Type Activities	206,158	-	-	-	206,158
Total	\$ 206,158	\$ 13,825,750	\$ 6,480	\$ 1,025,000	\$ 15,063,388

Governmental Activities Transfers Out:

- \$206,158 for Water/Sewer Infrastructure projects accepted through TIF Funds..

General Fund Transfers Out:

- \$12,000,590 to the Capital Fund to be used for future capital improvements and street rehabilitation.
- \$1,000,000 to the Hotel/Motel Fund for the support of operations.
- \$825,160 to the Economic Development Fund for funding of economic development projects.

Other Governmental Funds Transfers Out:

- \$50,000 to the General Fund from the Child Safety Fund to support the school crossing guard program.
- \$550,000 to the General Fund from the Wireless Fund to support the expenses of the 911 Call Center.
- \$425,000 to the Golf Special Projects Fund from the Golf Fund for future capital improvements.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

9 Long-Term Obligations

The following is a summary of financial obligations for the fiscal year ended September 30, 2020:

	Balance beginning of year	Increases	Decreases	Balance end of year	Due within one year
Governmental-type activities:					
General obligation bonds	\$ 181,100,000	\$ 40,425,000	\$ (65,260,000)	\$ 156,265,000	\$ 16,230,000
Certificates of obligation	71,610,000	6,055,000	(9,050,000)	68,615,000	6,590,000
General obligation bonds from direct borrowings	-	15,015,000	-	15,015,000	-
Certificates of obligation from direct borrowings	13,435,000	-	(4,550,000)	8,885,000	6,010,000
Bond discounts/premiums (1)	18,212,785	9,136,620	(6,184,261)	21,165,144	2,453,993
Total bonds payable	284,357,785	70,631,620	(85,044,261)	269,945,144	31,283,993
TIF obligation	97,049,085	574,379	(4,639,971)	92,983,493	-
Other obligations	1,115,324	1,502,065	(172,458)	2,444,931	400,469
TMRS - pension liability	66,241,909	20,591,604	(54,252,169)	32,581,344	-
Other postemployment benefits	43,203,682	3,111,221	(1,561,942)	44,752,961	-
Compensated absences	13,345,130	1,826,727	(1,400,796)	13,771,061	1,377,107
Workers' compensation	2,999,023	486,329	(332,234)	3,153,118	502,678
Unpaid claims liability	800,448	12,110,400	(12,120,495)	790,353	790,353
Total governmental-type long-term liabilities	509,112,386	110,834,345	(159,524,326)	460,422,405	34,354,600
Business-type activities:					
General obligation refunding bonds	13,490,000	6,645,000	(3,235,000)	16,900,000	3,115,000
Certificates of obligation	39,835,000	8,640,000	(10,345,000)	38,130,000	2,430,000
Bond discount/premiums	3,616,732	2,780,697	(688,258)	5,709,171	608,745
Total bonds payable	56,941,732	18,065,697	(14,268,258)	60,739,171	6,153,745
Other postemployment benefits	7,127,886	550,873	(276,557)	7,402,202	-
TMRS - pension liability	11,684,869	3,645,952	(9,605,896)	5,724,925	-
Compensated absences	1,001,546	303,046	(234,740)	1,069,852	106,985
Workers' compensation	163,124	287,239	(302,229)	148,134	148,134
Total business-type long-term liabilities	\$ 76,919,157	\$ 22,852,807	\$ (24,687,680)	\$ 75,084,284	\$ 6,408,864

(1) All bond discounts/premiums are related to public borrowings.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Governmental Activities

Bonds issued for the General Government are payable from the levy of property taxes assessed against taxable property within the City, as well as a limited pledge of revenues from the Water Fund.

	<u>Interest Rate</u> %	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Original</u> <u>Issue</u>	<u>Outstanding</u> <u>@ 9/30/2020</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds						
2020 Refunding	5.00	2/26/2020	2/15/2030	\$ 40,425,000	\$ 40,425,000	\$ 4,515,000
2019 General Obligation	2.62 - 4.00	4/25/2019	2/15/2039	16,790,000	16,365,000	615,000
2018 General Obligation	3.00 - 5.00	4/25/2018	2/15/2038	38,525,000	36,435,000	1,365,000
2017 General Obligation	3.00 - 4.00	5/04/2017	2/15/2037	19,725,000	18,025,000	415,000
2016A Ref. & Imp.	2.00 - 5.00	4/15/2016	2/15/2036	16,815,000	9,580,000	1,845,000
2015 Refunding	4.00 - 5.00	3/15/2015	2/15/2026	39,185,000	20,220,000	4,755,000
2013 Refunding	1.50 - 5.00	3/15/2013	2/15/2025	18,000,000	8,950,000	1,745,000
2012 Refunding	2.00 - 4.00	3/15/2012	2/15/2023	6,270,000	<u>1,570,000</u>	<u>750,000</u>
Total general obligation bonds - tax exempt					<u>\$ 151,570,000</u>	<u>\$ 16,005,000</u>
General Obligations - direct borrowings						
2020A General Obligation	Adjustable	2/26/2020	6/15/2029	15,015,000	<u>15,015,000</u>	<u>-</u>
Total general obligation bonds - direct borrowings					<u>15,015,000</u>	<u>-</u>
Taxable General Obligation Bonds						
2016B Taxable	3.00 - 3.77	4/15/2016	2/15/2036	5,470,000	<u>4,695,000</u>	<u>225,000</u>
Total general obligation bonds - taxable					<u>4,695,000</u>	<u>225,000</u>
Total governmental-type general obligation, taxable and tax exempt bonds					<u>171,280,000</u>	<u>16,230,000</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

	<u>Interest Rate</u> %	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Original</u> <u>Issue</u>	<u>Outstanding</u> <u>@ 9/30/2020</u>	<u>Due Within</u> <u>One Year</u>
Certificates of Obligations						
2020 Certificates	4.00 - 5.00	2/26/2040	2/15/2030	6,055,000	6,055,000	435,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	20,990,000	18,275,000	3,015,000
2018 Certificates	3.13 - 5.00	4/25/2018	2/15/2038	26,290,000	22,720,000	2,120,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2037	20,930,000	16,120,000	300,000
2016 Certificates	2.00 - 4.00	4/15/2016	2/15/2024	4,045,000	700,000	165,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2035	3,695,000	605,000	85,000
2014 Certificates	.75 - 2.00	4/01/2014	2/15/2022	6,900,000	220,000	110,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2033	4,290,000	640,000	135,000
2012B Certificates	2.00 - 4.00	3/15/2012	2/15/2032	5,775,000	1,480,000	105,000
Total certificates of obligation- tax exempt					<u>66,815,000</u>	<u>6,470,000</u>
Certificates of Obligation - direct borrowings						
2014B Certificates	Adjustable	12/22/2014	6/15/2029	11,425,000	8,885,000	6,010,000
Total certificates of obligation - direct borrowings					<u>8,885,000</u>	<u>6,010,000</u>
Taxable Certificates of Obligation						
2015B Certificates	0.90 - 4.00	3/15/2015	2/15/2035	2,150,000	1,740,000	90,000
2012A Certificates	1.63 - 3.00	3/15/2012	2/15/2022	275,000	60,000	30,000
Total certificates - taxable					<u>1,800,000</u>	<u>120,000</u>
Total governmental-type certificates of obligation, taxable and tax exempt bonds					<u>77,500,000</u>	<u>12,600,000</u>
Add: unamortized premium					21,180,153	2,455,084
Less: unamortized discount					<u>(15,009)</u>	<u>(1,091)</u>
Total general government bonds and certificates of obligation					<u>\$ 269,945,144</u>	<u>\$ 31,283,993</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Business-Type Activities

Bonds issued for business-type activities are secured by a pledge of the property tax levy of the City, but are Self-supporting Obligations which are paid from the respective net revenues of each activity.

	<u>Interest Rate</u> %	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Outstanding @ 9/30/2020</u>	<u>Due Within One Year</u>
Water and Sewer:						
General Obligation Bonds:						
2020 Refunding	5.00	2/26/2020	2/15/2030	\$ 5,880,000	\$ 5,880,000	\$ 920,000
2016A Refunding	3.00 - 5.00	4/15/2016	2/15/2028	6,185,000	4,870,000	565,000
2015 Refunding	3.00 - 5.00	3/15/2015	2/15/2026	2,480,000	1,575,000	250,000
2013 Refunding	1.50 - 5.00	3/15/2013	2/15/2025	2,720,000	1,310,000	285,000
2012 Refunding	2.00 - 4.00	3/15/2012	2/15/2024	8,575,000	<u>2,500,000</u>	<u>970,000</u>
Total water and sewer general obligation bonds					<u>\$ 16,135,000</u>	<u>\$ 2,990,000</u>
Certificates of Obligations:						
2020 Certificates	4.00-5.00	2/26/2020	2/15/2040	7,920,000	7,920,000	165,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	8,240,000	8,010,000	325,000
2018 Certificates	3.125 - 5.00	4/25/2018	2/15/2038	5,940,000	5,520,000	265,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2037	4,440,000	3,925,000	200,000
2016 Certificates	2.00 - 4.00	4/15/2016	2/15/2036	1,900,000	1,570,000	95,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2035	2,305,000	1,900,000	95,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2033	3,025,000	2,155,000	140,000
2011 Certificates	2.00 - 4.625	4/01/2011	2/15/2031	3,500,000	<u>2,345,000</u>	<u>170,000</u>
Total water and sewer certificates of obligation					<u>33,345,000</u>	<u>1,455,000</u>
Total water and sewer general obligation refunding bonds and certificates of obligation					<u>49,480,000</u>	<u>4,445,000</u>
Solid Waste						
General Obligation Refunding Bonds:						
2020 Refunding	5.00	2/26/2020	2/15/2025	765,000	<u>765,000</u>	<u>125,000</u>
Certificates of Obligations:						
2020 Certificates	4.00-5.00	2/26/2020	2/15/2028	720,000	720,000	60,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	1,335,000	1,200,000	155,000
2018 Certificates	4.00 - 5.00	4/25/2018	2/15/2026	1,240,000	985,000	145,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2025	875,000	585,000	110,000
2016 Certificates	2.00 - 4.00	4/15/2016	2/15/2024	1,000,000	545,000	125,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2023	850,000	350,000	115,000
2014 Certificates	0.75 - 2.00	4/01/2014	2/15/2022	955,000	265,000	130,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2021	1,000,000	<u>135,000</u>	<u>135,000</u>
Total solid waste certificates of obligation					<u>4,785,000</u>	<u>975,000</u>
Total solid waste general obligation refunding bonds and certificates of obligation					<u>5,550,000</u>	<u>1,100,000</u>
Add unamortized premium					5,722,269	609,730
Less: unamortized discount					<u>(13,098)</u>	<u>(985)</u>
Total business-type general obligation refunding bonds and certificates of obligation					<u>\$ 60,739,171</u>	<u>\$ 6,153,745</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Debt Service Requirements

Debt service requirements at September 30, 2020 for General Obligation Bonds and Certificates of Obligation are as follows:

	Governmental Activities				Business-type Activities	
	Bonds		Bonds Direct Borrowing		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ending September 30:						
2021	\$ 22,820,000	\$ 9,823,853	\$ 6,010,000	\$ 312,288	\$ 5,545,000	\$ 2,477,833
2022	20,720,000	7,816,499	5,935,000	670,876	5,460,000	1,927,537
2023	19,280,000	6,953,426	7,945,000	448,313	4,840,000	1,716,426
2024	17,205,000	6,132,941	4,010,000	150,375	4,635,000	1,510,810
2025	16,770,000	5,342,546	-	-	4,505,000	1,299,965
2026-2030	60,930,000	17,348,220	-	-	16,020,000	3,948,461
2031-2035	41,215,000	7,725,714	-	-	9,865,000	1,476,691
2036-2040	25,940,000	1,376,582	-	-	4,160,000	294,972
Totals	\$ 224,880,000	\$ 62,519,781	\$ 23,900,000	\$ 1,581,852	\$ 55,030,000	\$ 14,652,695

General Obligation Bonds

As part of the City's debt management practices, the City defeased certain Certificates of Obligation and placed the proceeds in an irrevocable trust for all future debt service payments on the previously issued bonds. Accordingly, the related trust assets and liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2020 there were no defeased bonds outstanding.

On February 26, 2020, the City issued \$47,070,000 of General Obligation Refunding Bonds, Series 2020 with a true interest cost of 1.273%. The bond proceeds were used to refund \$47,785,000 of General Obligation Refunding and Improvements Bonds; and \$9,450,000 of Certificates of Obligation. The refunded debt resulted in cash flow savings of \$11,696,696 with a net present value benefit of \$10,335,175. The City recorded a \$3,707,621 deferred gain on the refunding, which will be amortized over the life of the new debt.

On February 26, 2020, the City issued \$15,015,000 of Adjustable Rate General Obligation Bonds, 2020A, with a true interest cost of 2.677%. Proceeds from the sale of the bonds, will be used for (1) permanent public improvements and public purposes (2) constructing, improving, renovating, expanding and equipping municipal public buildings and the acquisition of land (3) acquiring, constructing, improving and maintaining streets, thoroughfares, alleyways and sidewalks within the City including related storm drainage improvements, traffic signalization and signage, traffic management equipment, creek erosion, bridge and culvert improvements and utility relocations and the acquisition of land, (4) acquiring, constructing, improving, expanding, renovating and equipping park and recreation facilities of the City and the acquisition of land, and (5) constructing, improving, extending, and repairing sidewalks and related improvements.

Certificates of Obligation

On February 26, 2020, the City issued \$14,695,000 of Combination Tax and Revenue Certificates of Obligation, Series with a true interest cost of 2.179%. The Water/Sewer Fund issued \$7,920,000 in Certificates, the Solid Waste Fund issued \$720,000 in Certificates and \$6,055,000 in Certificates were issued for the benefit of the Capital Fund, net of issuance cost of \$180,813. Proceeds from the sale of the Certificates will be used for (1) constructing, improving, renovating, expanding and equipping parks and recreation facilities, and municipal public buildings, and the acquisition of land (2) acquiring, constructing, improving and maintaining streets, thoroughfares, alleyways and sidewalks, within the City including related storm drainage improvements, traffic signalization and signage, traffic management equipment, creek erosion, bridge and culvert improvements and utility relocations and the acquisition of land, (3) improving and extending the City's water and sewer system and (4) acquiring equipment and vehicles for fire, parks and recreation, information technology, and solid waste departments.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

General Obligations and Certificates of Obligation - Direct Borrowings

The City's outstanding certificates of obligation bonds and general obligation bonds from direct borrowings related to governmental activities of \$23,900,000 are secured by a pledge of ad valorem taxes levied by the City and from a limited pledge of the net revenues of the City's Waterworks and Sewer System. The Certificates are subject to redemption prior to maturity, at the option of the City, in whole or in part, on June 15 of each year at the redemption price of par plus accrued interest to the date of redemption.

The City has no unused lines of credit.

Ratings

Standard and Poor's Ratings Services assigned its 'AAA' rating with a stable outlook, to the City's Series 2020 Combination Tax and Revenue Certificates of Obligation and the City's Series 2020 General Obligation Bonds, and Moody's Investors Service (Moody's) also assigned it 'Aaa' rating, with a stable outlook to these issues.

Bondholder Remedies

In an event of default in connection with (i) failure to make payment of the principal of or interest on any of the bonds when due and payable or (ii) the performance or observance of any other covenants, conditions or obligations in the Ordinance, the Holder of any of the City's bonded debt shall be entitled to a writ of mandamus issued by a court of proper jurisdiction against the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in the Ordinance. The City's bonded debt does not contain any acceleration provisions in the event of default or termination.

Compensated Absences, Workers' Compensation, Postemployment Benefits, and Arbitrage Rebate Liability

Governmental-type activities record liabilities for compensated absences, workers' compensation claims, and retiree postemployment costs at the government-wide statement level. Generally, the liabilities for compensated absences, workers' compensation claims, and retiree postemployment costs are paid from the General Fund. Liabilities for the Business-type activities are recorded and liquidated in the fund that incurs the liability.

10. Other Contractual Obligations

The following is a summary of other contractual obligation transactions of the City for the fiscal year ended September 30, 2020:

	Governmental-type Activities			
	Police Academy	Stryker	Texas Comptroller of Public Accounts	Total
Balance at October 1, 2019	\$ 424,657	\$ -	\$ 690,667	\$ 1,115,324
Additions/adjustments	-	1,502,065	-	1,502,065
Payments	(116,052)	-	(56,406)	(172,458)
Balance at September 30, 2020	\$ 308,605	\$ 1,502,065	\$ 634,261	\$ 2,444,931

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Capital Lease

The City entered into a lease agreement with Stryker in July 2020 for equipment for the fire department. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of inception. Leased equipment that meets the City's capitalization threshold of \$5,000 has been included in the capital assets at September 30, 2020. The details of the capital assets are:

	Governmental activities
Total cost	\$ 1,110,646
Less accumulated depreciation	(69,415)
Book value	\$ 1,041,231

The following is a schedule of the lease payments required under the capital lease at September 30, 2020:

Fiscal year ending, September 30	Governmental activities
2021	\$ 244,352
2022	244,352
2023	244,352
2024	244,352
2025	244,352
2026	244,352
2027	244,353
Total minimum lease payments	1,710,465
Less amount representing interest	(208,400)
Present value of minimum lease payments	\$ 1,502,065

Other Contractual Obligations

The City entered into an agreement with the City of Plano to develop a police academy to be used as a joint training facility. The City of Richardson and the City of Plano share the costs of improvements to the facilities.

The following is a schedule of future debt maturities relating to these contractual obligations as of September 30, 2020:

	Principal	Interest	Total
Fiscal year ending September 30:			
2021	\$ 101,277	\$ 13,596	\$ 114,873
2022	105,979	9,119	115,098
2023	71,071	4,423	75,494
2024	14,815	1,403	16,218
2025	15,463	773	16,236
Totals	\$ 308,605	\$ 29,314	\$ 337,919

Other Obligations

During FY 2009 the Texas Comptroller of Public Accounts notified the City regarding an error in sales tax payments made to the City. This error was the result of a local business reporting and paying taxes incorrectly to the State Comptroller from January 1998 through December 2005. The local sales tax overpayment to the City in the amount of \$2,143,331 was recorded as a liability and a reduction of sales tax revenue. The Comptroller's office had set up a 20-year payout arrangement, but the life of the obligation was

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

reduced to approximately 16 years due to an additional payment made in FY 2016. A payment of \$56,406 was made in FY 2019-2020. Due to the ongoing COVID-19 pandemic and its negative impact on the economy, the Texas Comptroller of Public Accounts suspended the City's payback of sales tax payments from April - September, 2020. The balance at September 30, 2020 was \$634,261.

11 TIF - Economic Grants

The City has established three tax increment financing districts to facilitate new development and redevelopment within the community. Each district has a base year, and incremental property tax revenues exceeding the base year amount are collected into a special revenue fund. Additionally, other taxing entities may participate in the TIF districts. Each participating entity's governing body sets the percentage of increment that they will contribute to the TIF fund.

The City Council, upon recommendation of the Council-appointed TIF Board for each district, can enter into economic grant agreements with developers which utilize TIF funds. Unlike other contractual obligations, TIF grants are subject to availability of TIF funds, and any balance owed to a developer at the termination of the TIF district will no longer be considered an obligation of the City.

The following table summarizes key statistics of each of the City's TIF districts.

	DISTRICT		
	1	2	3
Tax Year Established	2006	2011	2011
City's Participation	100%	66.67%	66.67%
Other Tax Entities Participating	Dallas County	Collin County	Collin County
Tax Year Terminates	2031	2036	2036

An infrastructure reimbursement grant and development agreement was entered into with the City and Centennial Park Richardson, Ltd. in September 2007. This agreement provides for an economic development grant of \$3,299,865 and a construction reimbursement grant of \$5,912,299 plus 7% interest compounded annually until paid in full or termination of the agreement. The company has qualified for both grants. Funding for this grant is contingent upon the availability of tax revenues in the TIF District #1 from Sub Area No. 2. A principal payment of \$565,286 and an interest payment of \$165,244 were made during the fiscal year.

An economic development agreement was entered into with the City and SAF Collins Technology Park, LLC in April 2010. This agreement provides for a maximum grant amount of \$5,000,000 plus 7% interest compounded annually until paid in full or termination of the agreement. The company has qualified for the full grant amount. Funding is contingent upon the availability of tax revenues in the TIF District #1 from Sub Area No. 3, and from tax rebates on business personal property at the site. An interest payment of \$105,167 was made during the fiscal year from the General Fund. Principal payments of \$1,478,095 (\$306,343 from operating funds and \$1,171,752 from the TIF Fund) were made. The grant is paid in full and all terms and conditions of the economic development agreement have been satisfied.

An infrastructure reimbursement grant and development agreement was entered into with the City and Bush/75 Partners, LP in December 2012. The Agreement was subsequently assigned to BCS TIF Zone Two, LP, the ultimate developer for the project. The agreement provides for the reimbursement of infrastructure projects with an estimated value of \$76,336,000 plus 5% interest annually until paid in full or termination of the agreement. The company has qualified for grants of \$57,084,738 to date. Funding is contingent upon the availability of tax revenues in the TIF District #2. Interest payments of \$2,471,820 and a principal payment of \$2,389,965 were made during the fiscal year.

An infrastructure reimbursement grant and development agreement was entered into with the City and BC Station Partners L.P. in March 2015. This agreement provides for approximately \$49,158,000 plus 5% interest annually until paid in full or termination of the agreement. The company has qualified for grants of \$33,880,733 to date. Funding is contingent upon the availability of tax revenues in the TIF District #3. An interest payment of \$822,800 was made during the fiscal year.

An economic development agreement was entered into with the City and AGF Greenville II, Ltd. in April 2015. This agreement provides for a maximum grant amount of \$5,500,000 plus 4% interest annually until paid in full or termination of the agreement. The agreement provides for the reimbursement of eligible costs for the acquisition of the land and demolition of existing

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

improvements on the land. The company has qualified for the full amount of the grant. Funding is contingent upon the availability of tax revenues in the TIF District #1 from Sub Area No. 1B and Sub Area No. 4. An interest payment of \$201,403 and a principal payment of \$206,625 was made during the fiscal year.

The following is a summary of the principal balance of the infrastructure reimbursement grants and development agreements associated with the Tax Increment Financing Districts:

	<u>TIF DISTRICT 1</u>			<u>TIF DISTRICT 2</u>	<u>TIF DISTRICT 3</u>	<u>Total</u>
	AGF					
	<u>Centennial Park</u>	<u>Greenville II, Ltd.</u>	<u>Collins Tech Park</u>	<u>BCS TIF Zone 2</u>	<u>BCP TIF LLC Zone 3</u>	
Balance at October 1, 2019	\$ 8,142,415	\$ 4,953,638	\$ 1,478,095	\$ 48,876,786	\$ 33,598,151	\$ 97,049,085
Additions/adjustments	-	-	-	291,797	282,582	574,379
Payments	(565,286)	(206,625)	(1,478,095)	(2,389,965)	-	(4,639,971)
Balance at September 30, 2020	<u>\$ 7,577,129</u>	<u>\$ 4,747,013</u>	<u>\$ -</u>	<u>\$ 46,778,618</u>	<u>\$ 33,880,733</u>	<u>\$ 92,983,493</u>

Other Information

12 Risk Management

The City maintains a self-insured program for workers' compensation. The City utilizes TRISTAR Risk Management as the third party administrator for this program. During fiscal year 2019-2020, a total of \$142,241 was paid in administrative costs that were recorded as an expenditure/expense in the General Fund, Proprietary Funds and Central Services Fund. In addition, claims and benefits paid in the amounts of \$332,234 and \$302,229 have been recorded as expenditures/expenses in the General Fund and Proprietary Funds, respectively.

The City also maintains a self-insured medical program known as "CORPlan" which is accounted for as an Internal Service Fund. This program provides participants with unlimited health benefit coverage. The City purchases commercial insurance for claims in excess of \$350,000 for each employee in a plan year. In fiscal year 2019-2020, the City received refunds from the commercial insurance carrier in the amount of \$559,198.

All funds with full-time employees participate in the program and make payments to the Insurance Fund based on estimates of the amounts needed to pay prior and current year claims. Accounting standards require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The City's consultant estimated the liability to be \$790,353 for unpaid claims and claim adjustment expenses at September 30, 2020. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable and material, salvage and subrogation. The City currently does not discount its unpaid claims liabilities.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Reconciliation of Unpaid Claims Liabilities

	2020	2019
Incurring claims and claim adjustment expenses:		
Unpaid claims and claim adjustment expenses at beginning of year	\$ 800,448	\$ 975,773
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	12,120,495	11,681,255
Increase (decrease) in prior year provision	(10,095)	(175,325)
Total incurred claims and claim adjustment expenses	12,910,848	12,481,703
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	11,330,142	10,880,807
Claims and claim adjustment expenses attributable to insured events of prior years	790,353	800,448
Total payments	12,120,495	11,681,255
Total unpaid claims and claim adjustment expenses at end of year	\$ 790,353	\$ 800,448

13 Interfund Charges

The City allocates a percentage of the salaries and wages and related costs of personnel who perform general and administrative services for various funds but are paid from the General Fund. During the year ended September 30, 2020, the City allocated \$8,300,368 for such services.

14 Tax Abatement and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes and sales tax, and also include incentive payments and reductions in fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has four categories of economic development agreements:

- Home Improvement Incentive Program – The purpose of this program is to provide an economic incentive under Chapter 380 of the Texas Local Government Code to encourage reinvestment in residential neighborhoods. The property owner commits to making at least \$20,000 in improvements to the residential property within 24 months of entering into the agreement. A one-time incentive payment equal to 10 times the amount of the increase in City taxes will be paid to the property owner based on the property's pre-construction and post-construction appraised value. The City provided \$1,247,885 in incentive payments under this program in fiscal year 2020.
- Tax Abatements – Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were \$2,993,665 in fiscal year 2020.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

- **General Economic Development** – The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received by the City, may result in fee reductions such as utility charges or building inspection fees, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. For fiscal year 2020, the City rebated \$3,566,911 in taxes, reduced fees by \$6,854,245 and made incentive payments of \$639,128 under these agreements.
- **Tax Increment Financing** – The City has adopted three Tax Increment Financing zones (TIFs) under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are more fully described in Note 11. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City made \$7,994,895 in payments for TIF obligations, \$317,995 in TIF incentives, and \$400,644 in property tax rebates from general TIF resources.

15 Contingent Liabilities

Litigation

Various claims and lawsuits are pending against the City. In the opinion of City management and the City's attorneys, the potential loss on all claims and lawsuits will not be significant to the City's financial statements.

Grant Audit

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state agencies for expenditures disallowed under the terms and conditions of the grant agreements of the appropriate agency. In the opinion of the City management, such disallowance, if any, will not be significant to the City's financial statements.

16 Financial Impact of Covid-19

In response to the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The act provides economic grants to offset some additional expenses and forgone revenue as a result response to COVID-19. The City received the COVID-19 federal grant of \$7,173,400 million in fiscal 2020 as pass-through grants from Collin and Dallas Counties.

The full impact of the COVID-19 pandemic and the scope of any adverse impact cannot be fully determined at this time. The pandemic has adversely affected travel, commerce and financial markets globally and is expected to adversely affect economic output worldwide and in Texas, including the North Texas region. The potential impacts cannot currently be predicted but could be material for future fiscal years.

17 Other Postemployment Benefits (OPEB)

Retiree Health Benefits

Plan Description

The City of Richardson single-employer, defined benefit OPEB plan, CORPlan, is administered by the City and provides health-care benefits, in accordance with City policy. All employees who are vested in the City's pension plan, Texas Municipal Retirement System, are eligible for these benefits with 25 years or more of service, regardless of age, or with 5 years of service at age 60 and above. Coverage is also available to dependents or surviving spouses of retirees. Coverage for retirees age 65 and over is provided through a separate, fully insured plan. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The plan is accounted for in the City's Insurance fund as well as the Water and Sewer, Solid Waste, and Central Services funds. A separate financial statement is not issued for the plan. As of September 30, 2020 there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Employees covered by benefit terms

At the December 31, 2019 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	280
Active employees	977
	1,257

Contributions

Effective January 1, 2014, the City provides a \$200 per month, post-65 subsidy to retirees with 20 or more years of City service. This amount is capped at that level by council action. Sample contribution rates for retirees under age 65 and their dependents are based on the length of service of the retiree and are shown below.

	Under 15	15 - 19	20+
Years of service:			
Retiree only	\$ 1,022	\$ 740	\$ 429
Retiree/spouse	2,018	1,423	827
Surviving spouse	1,124	773	536

Total OPEB Liability

The City's Total OPEB Liability was determined by an actuarial valuation performed on December 31, 2018 and the measurement date of December 31, 2019.

Actuarial assumptions

Actuarial valuations involve the use of estimates and assumptions about the probability of events far into the future, including, but not limited to, assumptions about length of employee service, mortality rates, and future costs of healthcare. The valuation will be updated at least every two years and actual results will be compared with past expectations. As a result of these comparisons, new estimates and assumptions will be made about future results of the plan. Valuations are made based on the benefits in place at the time of the valuation. Any changes in the benefits offered or the contribution rates would impact future valuations. The demographic assumptions are based on the assumptions that were developed for the defined benefit plan in which the City participates by the Texas Municipal Retirement System (TMRS). Actuarial techniques include smoothing mechanisms that take a long-term approach in the valuation of assets and liabilities of the plan and are designed to reduce short-term volatility in the measurement of these assets and liabilities.

The actuarial assumptions used to value the liabilities are the same as those used in the valuation report as of December 31, 2018 which include the following:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	2.75% as of December 31, 2019
Inflation	2.50%
Salary Increases	3.50% - 11.50%
Health Care Trend Rate	7.20%

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Participation rate assumptions for retirees who choose to receive health care benefits is based on years of City service. Election rates for retirees with less than 15 years of service the election rate is 0%, from 15 to 19 years of service the election rate is 15%. Retirees with service of 20 years or greater, the election rate is 70% if retiring after age 49 the election rate is 45% if retiring before age 50, and the election rate is 70% at age 50 or above .

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis using the ultimate rates of scale MP-2014 to account for future mortality improvements.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.75%. The discount rate is equal to the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date of December 31, 2019. For the purpose of this valuation, the municipal bond rate is 2.75% based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index. The discount rate was 3.71% as of December 31, 2018, the prior measurement date.

Sensitivity of the Discount Rate and the Health Care Cost Trend Rate

The following table presents the sensitivity of the Total OPEB Liability to changes in the discount rate when calculating it at 1-percentage-point-lower (1.75%) and 1-percentage-point-higher (3.75%).

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

1% Decrease	Current Single Rate Assumption	1% Increase
1.75%	2.75%	3.75%
\$ 57,675,872	\$ 52,155,163	\$ 47,271,842

The following table presents the sensitivity of the Total OPEB Liability to changes in the health care trend rate when calculating it at 1-percentage-point-lower (6.20%) and 1-percentage-point-higher (8.20%).

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rate

1% Decrease	Current Single Rate Assumption	1% Increase
6.20%	7.20%	8.20%
\$ 47,501,494	\$ 52,155,163	\$ 57,704,002

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Schedule of Changes in Total OPEB Liability

	Total OPEB Liability
Beginning balances	\$ 50,331,568
Changes for the year:	
Service cost	1,979,670
Interest on the Total OPEB Liability	1,871,002
Differences between expected and actual experience	(72,942)
Changes in assumptions	(173,959)
Benefit payments	(1,780,176)
Net changes	1,823,595
Ending balance	\$ 52,155,163

OPEB Expense and Deferred Outflows/(Inflows) of Resources

For the year ended September 30, 2020 the City recognized \$4,300,705 for OPEB expense. Deferred outflows of resources and deferred inflows of resources related to OPEB are from the below sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,472,829	\$ (63,378)
Changes of assumptions	1,526,292	(638,157)
Contributions subsequent to the measurement date	705,265	-
Total	\$ 3,704,386	\$ (701,535)

Of the \$3,704,386 total for deferred outflows of resources, \$705,265 from City contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending 9/30/2020. The remainder of the total net deferred outflows/inflows of resources, \$2,297,586 will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred outflows (inflows) of resources
2021	\$ 450,033
2022	450,033
2023	450,033
2024	450,033
2025	447,706
Thereafter	49,748
Total	\$ 2,297,586

COBRA Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. The federal government outlines certain requirements for this coverage. The premium plus a two percent administration fee is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for 18 months after the employee's termination date. The City makes no contribution under this program. There were two participants in the program as of September 30, 2020.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

18 Pension Benefits

Plan Description

The City of Richardson participates as one of 887 plans in the joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit options are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of the employee's contributions as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the City are as follows:

Employee deposit rate	7% of Earnings
City matching rate	200%
Vesting period	5 Years
Retirement years (age/years of service)	60/5, Any/25
Updated service credit	50% (Repeating)
Annuity increase (to retirees)	50% of the change in CPI Repeating

Additional information related to the TMRS Plan is located in the TMRS CAFR.

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	770
Inactive employees entitled to but not yet receiving benefits	468
Active employees	<u>1,005</u>
Total	2,243

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amounts necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Richardson were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Richardson were 14.44% and 14.72% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$12,704,395 which exceeded the required contributions by \$1,667,582 due to additional voluntary contributions from the City of \$1,520,601 and employee buyback penalties of \$146,981.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following assumptions:

Inflation	2.50% per year
Overall payroll growth	3.5% to 11.5% including inflation
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2019, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation. Assumptions are reviewed annually.

After an Asset Allocation Study conducted in 2015, the TMRS Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)*
Domestic Equity	17.50 %	4.30 %
International Equity	17.50	6.10
Core Fixed Income	10.00	1.00
Non-Core Fixed Income	20.00	3.39
Real Return	10.00	3.78
Real Estate	10.00	4.44
Absolute Return	10.00	3.56
Private Equity	5.00	7.75
Total	100.00 %	

*Net of the inflation assumption.

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of Discount Rate

The following table presents the sensitivity of the Net Pension Liability to changes in the discount rate when calculating it at 1-percentage-point-lower (5.75%) and 1-percentage-point-higher (7.75%).

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$111,905,434	\$38,306,269	\$(22,770,687)

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of TMRS (including additions to/deductions from the TMRS's Fiduciary Net Position) have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. The Pension Plan Trust Fund is maintained on the accrual basis of accounting. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios Current Period

	<u>Increase (Decrease)</u>
Total pension liability:	
Service Cost	\$ 11,430,056
Interest (on the Total Pension Liability)	36,261,004
Changes of benefit terms	-
Difference between expected and actual experience	1,280,146
Change of assumptions	56,972
Benefit payments, including refunds of employee contributions	<u>(27,209,284)</u>
Net Change in Total Pension Liability	21,818,894
Total Pension Liability - Beginning	<u>545,089,671</u>
Total Pension Liability - Ending (A)	<u><u>566,908,565</u></u>
Plan Fiduciary Net Position:	
Contributions - Employer	11,399,536
Contributions - Employee	5,479,173
Net Investment Income	72,190,327
Benefit payments, including refunds of employee contributions	(27,209,284)
Administrative expense	(408,090)
Other	<u>(12,259)</u>
Net Change in Plan Fiduciary Net Position	61,439,403
Plan Fiduciary Net Position - Beginning	<u>467,162,893</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>528,602,296</u></u>
Net Pension Liability - Ending (A-B)	<u><u>38,306,269</u></u>
Plan Fiduciary Net Position as Percentage of Total Pension Liability	93.24 %
Covered Payroll	76,353,079
Net Pension Liability as a Percentage of Covered Payroll	50.17 %

*FNP may be off a dollar due to rounding

The net pension liability and the total pension liability were calculated by Gabriel, Roeder, Smith & Company ("GRS"). The measurement date and the actuarial valuation date was December 31, 2019.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2020

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2020 the City recognized pension expense of \$13,543,241. Deferred outflows of resources and deferred inflows of resources related to pensions are from the below sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 1,272,324	\$ (120,930)
Net difference between projected and actual earnings on pension plan investments	-	(16,311,743)
Difference in assumptions	44,340	-
Employers's Contributions to the pension plan subsequent to the measurement date	<u>9,599,963</u>	<u>-</u>
Total	<u>\$ 10,916,627</u>	<u>\$ (16,432,673)</u>

Of the \$10,916,627 total for deferred outflows of resources, \$9,599,963 from City contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending 9/30/2020. The remainder of the total net deferred outflows/inflows of resources, \$(15,116,009), related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net deferred outflows (inflows) of resources
<u> </u>	<u> </u>
2020	\$ (4,387,739)
2021	(4,496,243)
2022	1,748,135
2023	<u>(7,980,162)</u>
Total	<u>\$ (15,116,009)</u>



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual GAAP</u>	<u>Adjustments</u>	<u>Actual Budget</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Budget Basis</u>	<u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
Revenues						
Property taxes	\$ 63,348,865	\$ 62,306,183	\$ 60,192,082	\$ 2,556,364	\$ 62,748,446	\$ 442,263
Franchise fees	16,718,902	16,892,162	16,969,727	-	16,969,727	77,565
Sales tax	38,135,733	36,364,082	41,535,297	1,260,547	42,795,844	6,431,762
Mixed beverage and bingo tax	647,307	555,330	545,439	-	545,439	(9,891)
911 revenue	1,150,055	701,643	746,880	-	746,880	45,237
Intergovernmental revenue	81,300	62,500	7,413,083	-	7,413,083	7,350,583
Licenses and permits	2,908,521	2,085,777	2,766,147	-	2,766,147	680,370
Fines and forfeitures	3,310,699	2,107,971	2,863,408	(31,056)	2,832,352	724,381
Interest revenue	814,525	686,539	703,074	-	703,074	16,535
Civic center use	293,500	164,331	120,509	-	120,509	(43,822)
Recreation and leisure	4,010,045	1,680,891	1,450,472	-	1,450,472	(230,419)
Public safety	2,678,574	2,103,758	3,565,149	-	3,565,149	1,461,391
Other	687,006	1,199,814	718,788	-	718,788	(481,026)
General administration	8,722,205	8,301,781	8,300,368	-	8,300,368	(1,413)
Contributions	50,000	250,000	168,502	-	168,502	(81,498)
Total revenues	<u>143,557,237</u>	<u>135,462,762</u>	<u>148,058,925</u>	<u>3,785,855</u>	<u>151,844,780</u>	<u>16,382,018</u>
Expenditures						
Current:						
General government	33,957,404	32,275,804	31,259,264	5,215,691	36,474,955	(4,199,151)
Public safety	56,078,158	55,216,770	55,163,761	(90,920)	55,072,841	143,929
Public services	22,497,153	20,252,735	19,912,915	657,708	20,570,623	(317,888)
Library	3,650,679	3,516,153	3,363,686	140	3,363,826	152,327
Parks and recreation	13,444,835	11,891,379	11,082,827	154,669	11,237,496	653,883
Public health	2,177,892	1,955,722	1,878,152	7,373	1,885,525	70,197
Capital outlay	-	-	90,385	-	90,385	90,385
Debt service	-	-	-	-	-	-
Interest and fiscal charges	-	-	105,168	(105,168)	-	-
Payments for other obligations	-	-	362,749	(362,749)	-	-
Total expenditures	<u>131,806,121</u>	<u>125,108,563</u>	<u>123,218,907</u>	<u>5,476,744</u>	<u>128,695,651</u>	<u>(3,587,088)</u>
Excess of revenues over expenditures	<u>11,751,116</u>	<u>10,354,199</u>	<u>24,840,018</u>	<u>(1,690,889)</u>	<u>23,149,129</u>	<u>12,794,930</u>
Other financing sources (uses)						
Transfers in	600,000	600,000	600,000	-	600,000	-
Transfers out	(11,775,751)	(11,975,751)	(13,825,750)	1,850,000	(11,975,750)	1
Proceeds from sale of capital assets	50,000	107,136	173,859	-	173,859	66,723
Insurance and other recoveries	225,000	200,000	309,872	-	309,872	109,872
Total other financing sources (uses)	<u>(10,900,751)</u>	<u>(11,068,615)</u>	<u>(12,742,019)</u>	<u>1,850,000</u>	<u>(10,892,019)</u>	<u>176,596</u>
Net change in fund balance	850,365	(714,416)	12,097,999	159,111	12,257,110	12,971,526
Fund balances, October 1	<u>20,414,654</u>	<u>21,771,244</u>	<u>32,948,501</u>	<u>4,100,773</u>	<u>37,049,274</u>	<u>15,278,030</u>
Fund balances, September 30	<u>\$ 21,265,019</u>	<u>\$ 21,056,828</u>	<u>\$ 45,046,500</u>	<u>\$ 4,259,884</u>	<u>\$ 49,306,384</u>	<u>\$ 28,249,556</u>

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2020

**Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Calendar Years***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 1,979,670	\$ 1,981,275	\$ 1,656,080
Interest (on the total OPEB liability)	1,871,002	1,568,415	1,640,160
Differences between expected and actual experience	(72,942)	1,906,943	105,618
Change of Assumptions	(173,959)	(660,122)	2,443,407
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,780,176)</u>	<u>(1,716,882)</u>	<u>(1,628,228)</u>
Net change in total OPEB liability	<u>1,823,595</u>	<u>3,079,629</u>	<u>4,217,037</u>
Total OPEB liability - beginning	<u>50,331,568</u>	<u>47,251,939</u>	<u>43,034,902</u>
Total OPEB liability - ending	<u>52,155,163</u>	<u>50,331,568</u>	<u>47,251,939</u>
Covered employee payroll	76,353,079	73,564,399	70,946,642
Total OPEB liability as a percentage of covered employee payroll	68.31 %	68.42 %	66.60 %

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate in each period. The discount rate changed from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019.

*Note: The City implemented GASB 75 in FY 2018, therefore the required information for this schedule will be built over the next seven years.

CITY OF RICHARDSON, TEXAS
 Required Supplementary Information
 Year ended September 30, 2020

Schedule of Pension Contributions
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 11,036,813	\$ 10,981,704	\$ 10,828,353	\$ 10,000,938	\$ 8,960,805	\$ 9,092,062
Contributions in relation to the actuarially determined contribution	<u>(12,704,395)</u>	<u>(11,146,767)</u>	<u>(10,828,353)</u>	<u>(10,000,938)</u>	<u>(8,960,805)</u>	<u>(9,092,062)</u>
Contribution deficiency (excess)	<u>\$ (1,667,582)</u>	<u>\$ (165,063)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 75,768,381	\$ 75,570,212	\$ 72,840,621	\$ 70,066,638	\$ 67,329,906	\$ 65,295,964
Contributions as a percentage of covered payroll	14.57 %	14.53 %	14.87 %	14.27 %	13.31 %	13.92 %

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.

Notes

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	26 years
Asset Valuation Method	10 Year smoothed market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables.
 The rates are projected on a fully generational basis with scale UMP.
 Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

There were no benefit changes during the year.

*Note: The City implemented GASB 68 in FY 2015, therefore the required information for this schedule will be built over the next four years.

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Calendar Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 11,430,056	\$ 11,005,234	\$ 10,613,618	\$ 10,202,479	\$ 9,282,442	\$ 8,595,083
Interest (on the Total Pension Liability)	36,261,004	34,850,859	33,439,920	31,995,989	31,310,006	30,001,418
Differences between expected and actual experience	1,280,146	243,478	(313,905)	648,556	(1,241,285)	(142,357)
Change of assumptions	56,972	-	-	-	7,343,227	-
Benefit payments, including refunds of employee contributions	<u>(27,209,284)</u>	<u>(23,632,610)</u>	<u>(22,432,659)</u>	<u>(20,889,414)</u>	<u>(19,961,687)</u>	<u>(20,245,744)</u>
Net change in Total Pension Liability	21,818,894	22,466,961	21,306,974	21,957,610	26,732,703	18,208,400
Total Pension Liability - Beginning	<u>545,089,671</u>	<u>522,622,710</u>	<u>501,315,736</u>	<u>479,358,126</u>	<u>452,625,423</u>	<u>434,417,023</u>
Total Pension Liability - Ending (A)	<u>\$ 566,908,565</u>	<u>\$ 545,089,671</u>	<u>\$ 522,622,710</u>	<u>\$ 501,315,736</u>	<u>\$ 479,358,126</u>	<u>\$ 452,625,423</u>
Plan fiduciary Net Position						
Contributions - Employer	11,399,536	10,887,470	\$ 10,342,735	\$ 9,073,163	\$ 9,067,267	\$ 9,312,812
Contributions - Employee	5,479,173	5,149,508	4,967,489	4,767,618	4,599,369	4,541,066
Net Investment Income	72,190,327	(14,664,558)	60,507,332	28,105,129	622,684	23,194,326
Benefit payments, including refunds of employee contributions	(27,209,284)	(23,632,610)	(22,432,659)	(20,889,414)	(19,961,687)	(20,245,744)
Administrative expense	(408,090)	(283,512)	(313,643)	(317,470)	(379,292)	(242,173)
Other	<u>(12,259)</u>	<u>(14,812)</u>	<u>(15,895)</u>	<u>(17,105)</u>	<u>(18,735)</u>	<u>(19,911)</u>
Net change in plan fiduciary net position	61,439,403	(22,558,514)	53,055,359	20,721,921	(6,070,394)	16,540,376
Plan Fiduciary Net Position - Beginning	<u>467,162,893</u>	<u>489,721,409</u>	<u>436,666,048</u>	<u>415,944,127</u>	<u>422,014,521</u>	<u>405,474,145</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 528,602,296</u>	<u>\$ 467,162,893</u>	<u>\$ 489,721,407</u>	<u>\$ 436,666,048</u>	<u>\$ 415,944,127</u>	<u>\$ 422,014,521</u>
Net Pension Liability - Ending (A-B)	<u>\$ 38,306,269</u>	<u>\$ 77,926,778</u>	<u>\$ 32,901,303</u>	<u>\$ 64,649,688</u>	<u>\$ 63,413,999</u>	<u>\$ 30,610,902</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.24 %	85.70 %	93.70 %	87.10 %	86.77 %	93.24 %
Covered payroll	\$ 76,353,079	\$ 73,564,399	\$ 70,946,642	\$ 68,061,898	\$ 65,693,151	\$ 64,872,361
Net Pension Liability as a Percentage of Covered Payroll	50.17 %	105.93 %	46.37 %	94.99 %	96.53 %	47.19 %

* The City implemented GASB 68 in FY 2015 therefore the required information for this schedule will be built over the next four years.

This schedule is based on the actuarial dates of TMRS.

CITY OF RICHARDSON, TEXAS
Notes to the Required Supplementary Information
Year Ended September 30, 2020

(A) Budgetary Information

As set forth in the City Charter, the City Council adopts annual budgets for the General Fund, the Debt Service Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds. These annual budget adoptions are prepared in accordance with the basis of accounting utilized by each fund. The budgets for the Enterprise Funds are prepared under a basis consistent with accounting principles generally accepted in the United States, except that depreciation, certain capital expenses, nonoperating income and certain nonoperating expense items are not considered. The legal level of control for each budget is at the fund level. That is to say, that total expenditures for each fund should not exceed total budgeted expenditures for that fund. The City Council is authorized to transfer budgeted amounts within and among departments and ratifies, through the Budget Ordinance, any transfers and/or amendments made by the City Manager. Subsequent to year-end, the Budget Department provides the City Council with the adopted budgets. The Solid Waste and Water and Sewer Funds include amounts for operations and debt service.

	<u>Original Budget</u>	<u>Amended Budget</u>
General	\$ 143,581,872	\$ 137,084,314
Debt Service	40,287,296	40,287,297
Golf	2,316,285	2,495,624
Special Police	112,500	82,561
State Grants	-	51,755
Federal Grants	-	1,096,053
Municipal Court Security	64,877	64,442
Wireless 911	560,000	651,130
Judicial Efficiency	21,850	5,850
Hotel/Motel Tax	6,429,939	5,147,913
Technology	103,351	67,789
Tax Increment Financing #1	4,773,727	5,478,253
Tax Increment Financing #2	6,361,518	6,117,241
Tax Increment Financing #3	982,410	951,192
Richardson Improvement Corp.	9,060	9,060
Franchise Peg Fund	57,500	129,500
Drainage Fee Fund	4,025,861	4,025,861

CITY OF RICHARDSON, TEXAS
Notes to the Required Supplementary Information
Year Ended September 30, 2020

(A) Budgetary Information

Excess of Expenditures over Appropriations

For the year ended September 30, 2020 expenditures exceeded appropriations in the General Fund totaling \$3,549,816 (including transfers), Federal Fund totaling \$1,892,894, Debt Service Fund totaling \$346,033, Special Police Fund totaling \$128,594, Wireless 911 Fund totaling \$1,810, due to an increase in federal project expenditures, debt issuance expenditures, capital expenditures, and increase personal service costs exceeding budget. Expenditures were covered by greater than anticipated revenues, proceeds of debt issuance or available fund balances.

(B) Adjustment to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Basis of Budgeting

Beginning of year adjustment for encumbrances not recognized as expenditures	\$ 541,051
End of year adjustment for encumbrances not recognized as expenditures	(4,167,795)
Increase in property tax recognized for GAAP basis	2,556,364
Increase in sales tax recognized for GAAP basis	1,260,547
Increase in fines and forfeitures recognized for GAAP basis	<u>(31,056)</u>
Excess of revenues and other sources over expenditures and other uses-budget basis	<u><u>\$ 159,111</u></u>



COMBINING FINANCIAL STATEMENTS

CITY OF RICHARDSON, TEXAS
Nonmajor Governmental Funds
September 30, 2020

Special Revenue Funds

Special Revenue Funds are used by the City to account for revenues derived from specific intergovernmental grants, taxes, and proceeds that are designated to finance particular functions or activities of the City. The City has the following Special Revenue Funds:

State Grant Funds - This fund is used to account for restricted proceeds received from the state for various purposes. Funds are to be utilized in accordance with the respective requirements of each program.

Federal Grant Funds - These funds are used to account for restricted proceeds received from federal agencies for various purposes. Funds are to be utilized in accordance with the respective requirements of each program.

Municipal Court Building Security Fund - This fund is used to account for restricted proceeds received from Municipal Court fines for security expenditures as specified by state law.

Technology Fund - This fund is used to account for the Municipal Court technology fee charged to defendants convicted of misdemeanor offenses.

Judicial Efficiency Fund - This fund is used to account for special revenue to be used to improve the efficiency of the administration of justice in the City.

Jury Fund - This fund is used by the City to fund juror reimbursements and otherwise finance jury services.

Juvenile Case Manager Fund - This fund is used to finance the salary, benefits, training, travel, office supplies, and other necessary expenses relating to the position of Juvenile Case Manager.

Tax Increment Financing Fund #1 - In 2006, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #1, to record these financial transactions.

Tax Increment Financing Fund #2 - In 2012, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #2, to record these financial transactions.

Tax Increment Financing Fund #3 - In 2012, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #3, to record these financial transactions.

Special Police Funds - These funds are used to account for restricted proceeds received from seizures and confiscations awarded to the City by the judicial system. Funds are to be utilized by the Chief of Police in accordance with state law.

Wireless 911 Fund - This fund is used to account for the wireless 911 revenue that is received from the state. Funds are to be spent in accordance with state law.

Hotel/Motel Tax Fund - This fund is used to account for the hotel/motel room tax and the operations of the Eisemann Center for the Performing Arts and Corporate Presentations. State law requires that hotel-motel room tax revenues be utilized for advertising and promotion of the City and other specified activities.

CITY OF RICHARDSON, TEXAS
Nonmajor Governmental Funds
September 30, 2020

PEG Fund - This fund is used to account for restricted revenues received from state-issued cable/video franchises under the Texas Utilities Code. Revenues may be spent on capital cost items for PEG facilities that have a useful life or more than one year and are used in the production of programming for the PEG access channels.

Drainage Fund - This fund was established by the City Council's adoption of an ordinance in November 2011. It is used to account for drainage fee revenues collected. The committed funds are used to provide storm drainage services to all real property.

Richardson Improvement Corporation - The Richardson Improvement Corporation is a legally separate entity that acts, in essence, as a department of the City. The Corporation is a nonprofit entity that serves the citizens of the City by improving municipal parks and recreational functions, facilitating real estate transactions and serving as an independent foundation for acceptance of corporate donations.

Economic Development Fund - This fund was established by the City Council's adoption of an ordinance in September 2014 dedicating a 1/2 cent of the ad valorem tax rate for economic development.

Golf Fund - This fund was established to account for the revenues and expenditures of the City's golf course.

Permanent Fund

Ann & Charles Eisemann Edge Permanent Fund - A fund used to account for principal trust amounts received and related interest income to be used for the Eisemann Center Edge arts program.

Budget to Actual Comparisons

These schedules present the budget to actual comparisons for funds with legally adopted budgets that have not been presented as part of the Required Supplementary Information. Each comparison schedule shows the original budget amounts, the final adopted budget amounts, and the actual financial results as presented in the financial statements. A column is provided to show unusual items or items that are recorded for GAAP purposes that would not be considered for budgetary purposes. In addition, the variance between the final adopted budget amounts and the actual amounts on a budget basis is presented.



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CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2020

	Special Revenue Funds				
	Grant Funds(1)	Municipal Court Funds(1)	Tax Increment Financing Funds(1)	Special Police Funds	Wireless 911 Fund
Assets:					
Current assets:					
Cash and cash equivalents	\$ 155,523	\$ 378,902	\$ 1,296,781	\$ 365,189	\$ 558,215
Investments	-	-	9,000,000	-	-
Receivables (net of allowances)	2,672,913	-	-	7,731	-
Due from other funds	-	-	7,700	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 2,828,436</u>	<u>\$ 378,902</u>	<u>\$ 10,304,481</u>	<u>\$ 372,920</u>	<u>\$ 558,215</u>
Liabilities:					
Current liabilities:					
Accounts payable	\$ 666,108	\$ 136	\$ 36,952	\$ 50,608	\$ -
Retainage payable	137,149	-	-	-	-
Accrued liabilities	-	-	60,463	-	-
Due to other funds	2,011,421	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>2,814,678</u>	<u>136</u>	<u>97,415</u>	<u>50,608</u>	<u>-</u>
Deferred inflows of resources					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable:					
Prepaid items	-	-	-	-	-
Permanent fund principal	-	-	-	-	-
Restricted for:					
General government	-	294,569	10,207,066	-	-
Public safety	15,380	84,197	-	322,312	558,215
Committed for:					
General government	-	-	-	-	-
Public services	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Assigned for:					
General government	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Unassigned	(1,622)	-	-	-	-
Total fund balances	<u>13,758</u>	<u>378,766</u>	<u>10,207,066</u>	<u>322,312</u>	<u>558,215</u>
Total liabilities, deferred inflows of resources, and fund balances					
	<u>\$ 2,828,436</u>	<u>\$ 378,902</u>	<u>\$ 10,304,481</u>	<u>\$ 372,920</u>	<u>\$ 558,215</u>

(1) Combined fund statements presented. Detailed fund statements are found immediately following the combining nonmajor governmental funds statements.

CITY OF RICHARDSON, TEXAS
 Combining Balance Sheet - Nonmajor Governmental Funds
 September 30, 2020

Special Revenue Funds						Permanent Fund	Total Nonmajor Governmental Funds	
Hotel/Motel Tax Fund	PEG Fund	Drainage Fund	Richardson Improvement Corporation Fund	Economic Development Fund	Golf Fund	Special Revenue Funds Subtotal	Ann & Charles Eisemann Edge	Total
\$ 83,241	\$ 591,278	\$ 267,268	\$ 67,355	\$ 369,977	\$ 474,582	\$ 4,608,311	\$ 234,741	\$ 4,843,052
3,000,000	-	4,000,000	-	4,000,000	-	20,000,000	-	20,000,000
159,873	-	272,882	-	-	30,505	3,143,904	-	3,143,904
-	-	-	-	-	-	7,700	-	7,700
100	40	-	-	-	3,735	3,875	-	3,875
<u>\$ 3,243,214</u>	<u>\$ 591,318</u>	<u>\$ 4,540,150</u>	<u>\$ 67,355</u>	<u>\$ 4,369,977</u>	<u>\$ 508,822</u>	<u>\$ 27,763,790</u>	<u>\$ 234,741</u>	<u>\$ 27,998,531</u>
\$ 40,096	\$ -	\$ 42,930	\$ -	\$ -	\$ 18,535	\$ 855,365	\$ -	\$ 855,365
-	-	52,440	-	-	-	189,589	-	189,589
88,795	-	43,543	9,850	-	40,175	242,826	-	242,826
-	-	-	-	-	-	2,011,421	-	2,011,421
57,141	-	-	-	-	-	57,141	-	57,141
<u>186,032</u>	<u>-</u>	<u>138,913</u>	<u>9,850</u>	<u>-</u>	<u>58,710</u>	<u>3,356,342</u>	<u>-</u>	<u>3,356,342</u>
-	-	272,882	-	-	-	272,882	-	272,882
-	-	272,882	-	-	-	272,882	-	272,882
100	40	-	-	-	2,043	2,183	-	2,183
-	-	-	-	-	-	-	200,500	200,500
-	591,278	-	-	-	-	11,092,913	34,241	11,127,154
-	-	-	-	-	-	980,104	-	980,104
-	-	-	-	4,369,977	-	4,369,977	-	4,369,977
-	-	4,128,355	-	-	-	4,128,355	-	4,128,355
-	-	-	-	-	448,069	448,069	-	448,069
3,057,082	-	-	-	-	-	3,057,082	-	3,057,082
-	-	-	57,505	-	-	57,505	-	57,505
-	-	-	-	-	-	(1,622)	-	(1,622)
<u>3,057,182</u>	<u>591,318</u>	<u>4,128,355</u>	<u>57,505</u>	<u>4,369,977</u>	<u>450,112</u>	<u>24,134,566</u>	<u>234,741</u>	<u>24,369,307</u>
<u>\$ 3,243,214</u>	<u>\$ 591,318</u>	<u>\$ 4,540,150</u>	<u>\$ 67,355</u>	<u>\$ 4,369,977</u>	<u>\$ 508,822</u>	<u>\$ 27,763,790</u>	<u>\$ 234,741</u>	<u>\$ 27,998,531</u>

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2020

	Special Revenue Funds				
	Grant Funds(1)	Municipal Court Funds(1)	Tax Increment Financing Funds(1)	Special Police Funds	Wireless 911 Fund
Revenues:					
Property taxes	\$ -	\$ -	\$ 10,016,657	\$ -	\$ -
Franchise taxes	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-
Drainage fees	-	-	-	-	-
911 revenue	-	-	-	-	613,569
Intergovernmental revenue	2,803,690	-	2,623,931	165,997	-
Fines and forfeitures	-	228,672	-	10,000	-
Interest revenue	2,848	4,391	189,809	4,692	9,399
Eisemann center revenue	-	-	-	-	-
Golf course revenue	-	-	-	-	-
Golf course restaurant	-	-	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	55,230	-
Total revenues	2,806,538	233,063	12,830,397	235,919	622,968
Expenditures:					
General government	-	60,547	1,111,448	-	-
Public safety	148,427	45,200	-	96,033	102,940
Public services	-	-	-	-	-
Parks and recreation	750	-	-	-	-
General administration	-	-	175,000	-	-
Capital outlay	2,802,174	-	426,510	-	-
Debt service:					
Interest and fiscal charges	-	-	3,661,268	-	-
Payments for other obligations	-	-	4,333,628	-	-
Total expenditures	2,951,351	105,747	9,707,854	96,033	102,940
Excess (deficiency) of revenues over (under) expenditures	(144,813)	127,316	3,122,543	139,886	520,028
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(50,000)	(550,000)
Issuance of other obligations	-	-	574,379	-	-
Total other financing sources (uses)	-	-	574,379	(50,000)	(550,000)
Net change in fund balances	(144,813)	127,316	3,696,922	89,886	(29,972)
Fund balances, October 1	158,571	251,450	6,510,144	232,426	588,187
Fund balances, September 30	\$ 13,758	\$ 378,766	\$ 10,207,066	\$ 322,312	\$ 558,215

(1) Combined fund statements presented. Detailed fund statements are found immediately following the combining nonmajor governmental funds statements.

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2020

Special Revenue Funds						Permanent Fund	Total Nonmajor Governmental Funds	
Hotel/Motel Tax Fund	PEG Fund	Drainage Fund	Richardson Improvement Corporation Fund	Economic Development Fund	Golf Fund	Special Revenue Funds Subtotal	Ann & Charles Eisemann Edge	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,016,657	\$ -	\$ 10,016,657
-	214,607	-	-	-	-	214,607	-	214,607
2,452,797	-	-	-	-	-	2,452,797	-	2,452,797
-	-	2,841,760	-	-	-	2,841,760	-	2,841,760
-	-	-	-	-	-	613,569	-	613,569
-	-	-	-	-	-	5,593,618	-	5,593,618
-	-	-	-	-	-	238,672	-	238,672
50,418	8,137	67,251	35	56,983	4,860	398,823	4,050	402,873
1,024,767	-	-	-	-	-	1,024,767	-	1,024,767
-	-	-	-	-	2,843,049	2,843,049	-	2,843,049
-	-	-	-	-	47,735	47,735	-	47,735
-	-	-	-	-	-	-	500	500
36,590	-	-	-	-	54,184	146,004	-	146,004
<u>3,564,572</u>	<u>222,744</u>	<u>2,909,011</u>	<u>35</u>	<u>56,983</u>	<u>2,949,828</u>	<u>26,432,058</u>	<u>4,550</u>	<u>26,436,608</u>
4,564,750	27,671	-	-	228,128	-	5,992,544	25,000	6,017,544
-	-	-	-	-	-	392,600	-	392,600
-	-	908,669	-	-	-	908,669	-	908,669
-	-	-	9,050	-	2,191,364	2,201,164	-	2,201,164
-	-	828,861	-	-	104,228	1,108,089	-	1,108,089
11,997	9,013	1,070,362	-	-	-	4,320,056	-	4,320,056
-	-	-	-	-	-	3,661,268	-	3,661,268
-	-	-	-	-	-	4,333,628	-	4,333,628
<u>4,576,747</u>	<u>36,684</u>	<u>2,807,892</u>	<u>9,050</u>	<u>228,128</u>	<u>2,295,592</u>	<u>22,918,018</u>	<u>25,000</u>	<u>22,943,018</u>
<u>(1,012,175)</u>	<u>186,060</u>	<u>101,119</u>	<u>(9,015)</u>	<u>(171,145)</u>	<u>654,236</u>	<u>3,514,040</u>	<u>(20,450)</u>	<u>3,493,590</u>
1,000,000	-	-	-	825,160	-	1,825,160	-	1,825,160
-	-	-	-	-	(425,000)	(1,025,000)	-	(1,025,000)
-	-	-	-	-	-	574,379	-	574,379
<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>825,160</u>	<u>(425,000)</u>	<u>1,374,539</u>	<u>-</u>	<u>1,374,539</u>
(12,175)	186,060	101,119	(9,015)	654,015	229,236	4,888,579	(20,450)	4,868,129
3,069,357	405,258	4,027,236	66,520	3,715,962	220,876	19,245,987	255,191	19,501,178
<u>\$ 3,057,182</u>	<u>\$ 591,318</u>	<u>\$ 4,128,355</u>	<u>\$ 57,505</u>	<u>\$ 4,369,977</u>	<u>\$ 450,112</u>	<u>\$ 24,134,566</u>	<u>\$ 234,741</u>	<u>\$ 24,369,307</u>

CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds - State and Federal Grant Funds
September 30, 2020

	Special Revenue Funds		
	State Grants	Federal Grants	Total
Assets:			
Cash and cash equivalents	\$ -	\$ 155,523	\$ 155,523
Intergovernmental receivables	30,817	2,642,096	2,672,913
Total assets	\$ 30,817	\$ 2,797,619	\$ 2,828,436
Liabilities:			
Accounts payable	\$ 4,364	\$ 661,744	\$ 666,108
Retainage payable	1,622	135,527	137,149
Due to other funds	26,453	1,984,968	2,011,421
Total liabilities	32,439	2,782,239	2,814,678
Fund balances:			
Restricted for:			
Public safety	-	15,380	15,380
Unassigned	(1,622)	-	(1,622)
Total fund balances	(1,622)	15,380	13,758
Total liabilities and fund balances	\$ 30,817	\$ 2,797,619	\$ 2,828,436

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds - State and Federal Grant Funds
Year ended September 30, 2020

	Special Revenue Funds		
	State Grants	Federal Grants	Total
Revenues:			
Intergovernmental revenue	\$ 35,990	\$ 2,767,700	\$ 2,803,690
Interest revenue	-	2,848	2,848
Total revenues	<u>35,990</u>	<u>2,770,548</u>	<u>2,806,538</u>
Expenditures:			
Parks and recreation	750	-	750
Public safety	4,423	144,004	148,427
Capital outlay	32,439	2,769,735	2,802,174
Total expenditures	<u>37,612</u>	<u>2,913,739</u>	<u>2,951,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,622)</u>	<u>(143,191)</u>	<u>(144,813)</u>
Other financing sources (uses):			
Net change in fund balances	(1,622)	(143,191)	(144,813)
Fund balances, October 1	-	158,571	158,571
Fund balances, September 30	<u>\$ (1,622)</u>	<u>\$ 15,380</u>	<u>\$ 13,758</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - State Grants Fund
 Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 51,755	\$ 35,990	\$ (15,765)
Total revenues	<u>-</u>	<u>51,755</u>	<u>35,990</u>	<u>(15,765)</u>
Expenditures:				
Public safety	-	-	4,423	4,423
Parks and recreation	-	750	750	-
Capital outlay	-	51,005	32,439	(18,566)
Total expenditures	<u>-</u>	<u>51,755</u>	<u>37,612</u>	<u>14,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,622)</u>	<u>(1,622)</u>
Net change in fund balance	-	-	(1,622)	(1,622)
Fund balances, October 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,622)</u>	<u>\$ (1,622)</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Federal Grants Fund
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue	\$ -	\$ 1,067,571	\$ 2,767,700	\$ 1,700,129
Fines and forfeitures	-	58,392	-	(58,392)
Interest revenue	-	11,596	2,848	(8,748)
Total revenues	<u>-</u>	<u>1,137,559</u>	<u>2,770,548</u>	<u>1,632,989</u>
Expenditures:				
Public safety	-	-	144,004	144,006
Capital outlay	-	1,020,845	2,769,735	1,748,890
Total expenditures	<u>-</u>	<u>1,020,845</u>	<u>2,913,739</u>	<u>1,892,896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>116,714</u>	<u>(143,191)</u>	<u>(259,907)</u>
Other financing sources (uses):				
Net change in fund balance	-	2,158,404	(143,191)	(2,301,597)
Fund balances, October 1	<u>107,357</u>	<u>158,571</u>	<u>158,571</u>	<u>-</u>
Fund balances, September 30	<u>\$ 107,357</u>	<u>\$ 2,316,975</u>	<u>\$ 15,380</u>	<u>\$ (2,301,597)</u>

CITY OF RICHARDSON, TEXAS
 Combining Balance Sheet - Nonmajor Governmental Funds - Municipal Court Funds
 September 30, 2020

	Special Revenue Funds					Total
	Building Security	Technology	Judicial Efficiency	Municipal Jury Fund	Juvenile Case Manager	
Assets:						
Cash and cash equivalents	\$ 61,683	\$ 229,888	\$ 31,883	\$ 1,086	\$ 54,362	\$ 378,902
Total assets	<u>\$ 61,683</u>	<u>\$ 229,888</u>	<u>\$ 31,883</u>	<u>\$ 1,086</u>	<u>\$ 54,362</u>	<u>\$ 378,902</u>
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 136	\$ -	\$ -	\$ 136
Total liabilities	<u>-</u>	<u>-</u>	<u>136</u>	<u>-</u>	<u>-</u>	<u>136</u>
Fund balances:						
Restricted for:						
General government	-	207,374	31,747	1,086	54,362	294,569
Public safety	61,683	22,514	-	-	-	84,197
Total fund balances	<u>61,683</u>	<u>229,888</u>	<u>31,747</u>	<u>1,086</u>	<u>54,362</u>	<u>378,766</u>
Total liabilities and fund balances	<u>\$ 61,683</u>	<u>\$ 229,888</u>	<u>\$ 31,883</u>	<u>\$ 1,086</u>	<u>\$ 54,362</u>	<u>\$ 378,902</u>

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Nonmajor Governmental Funds - Municipal Court Funds
 Year ended September 30, 2020

	Special Revenue Funds					Total
	Building Security	Technology	Judicial Efficiency	Municipal Jury Fund	Juvenile Case Manager	
Revenues:						
Fines and forfeitures	\$ 78,315	\$ 76,903	\$ 18,238	\$ 1,081	\$ 54,135	\$ 228,672
Interest revenue	608	3,232	319	5	227	4,391
Total revenues	<u>78,923</u>	<u>80,135</u>	<u>18,557</u>	<u>1,086</u>	<u>54,362</u>	<u>233,063</u>
Expenditures:						
General government	-	57,620	2,927	-	-	60,547
Public safety	45,200	-	-	-	-	45,200
Total expenditures	<u>45,200</u>	<u>57,620</u>	<u>2,927</u>	<u>-</u>	<u>-</u>	<u>105,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,723</u>	<u>22,515</u>	<u>15,630</u>	<u>1,086</u>	<u>54,362</u>	<u>127,316</u>
Net change in fund balances	33,723	22,515	15,630	1,086	54,362	127,316
Fund balances, October 1	27,960	207,373	16,117	-	-	251,450
Fund balances, September 30	<u>\$ 61,683</u>	<u>\$ 229,888</u>	<u>\$ 31,747</u>	<u>\$ 1,086</u>	<u>\$ 54,362</u>	<u>\$ 378,766</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Municipal Court Building Security Fund
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 110,597	\$ 71,000	\$ 78,315	\$ 7,315
Interest revenue	2,746	529	608	79
Total revenues	<u>113,343</u>	<u>71,529</u>	<u>78,923</u>	<u>7,394</u>
Expenditures:				
Public safety	64,877	64,442	45,200	19,242
Total expenditures	<u>64,877</u>	<u>64,442</u>	<u>45,200</u>	<u>19,242</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,466</u>	<u>7,087</u>	<u>33,723</u>	<u>26,633</u>
Net change in fund balance	48,466	7,087	33,723	26,633
Fund balances, October 1	<u>29,552</u>	<u>27,960</u>	<u>27,960</u>	<u>-</u>
Fund balances, September 30	<u>\$ 78,018</u>	<u>\$ 35,047</u>	<u>\$ 61,683</u>	<u>\$ 26,633</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Technology Fund
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 100,800	\$ 73,800	\$ 76,903	\$ 3,103
Interest revenue	3,895	2,912	3,232	320
Total revenues	<u>104,695</u>	<u>76,712</u>	<u>80,135</u>	<u>3,423</u>
Expenditures:				
General government	103,351	67,789	57,620	10,169
Total expenditures	<u>103,351</u>	<u>67,789</u>	<u>57,620</u>	<u>10,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,344</u>	<u>8,923</u>	<u>22,515</u>	<u>13,592</u>
Net change in fund balance	1,344	8,923	22,515	13,592
Fund balances, October 1	<u>195,196</u>	<u>207,373</u>	<u>207,373</u>	<u>-</u>
Fund balances, September 30	<u>\$ 196,540</u>	<u>\$ 216,296</u>	<u>\$ 229,888</u>	<u>\$ 13,592</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Judicial Efficiency Fund
 Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 30,858	\$ 11,000	\$ 18,238	\$ 7,238
Interest revenue	336	267	319	52
Total revenues	<u>31,194</u>	<u>11,267</u>	<u>18,557</u>	<u>7,290</u>
Expenditures:				
General government	21,850	5,850	2,927	2,923
Total expenditures	<u>21,850</u>	<u>5,850</u>	<u>2,927</u>	<u>2,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,344</u>	<u>5,417</u>	<u>15,630</u>	<u>10,213</u>
Net change in fund balance	9,344	5,417	15,630	10,213
Fund balances, October 1	<u>10,037</u>	<u>16,117</u>	<u>16,117</u>	<u>-</u>
Fund balances, September 30	<u><u>\$ 19,381</u></u>	<u><u>\$ 21,534</u></u>	<u><u>\$ 31,747</u></u>	<u><u>\$ 10,213</u></u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Municipal Jury Fund
 Year ended September 30, 2020

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ 900	\$ 1,081	\$ 181
Interest revenue	-	4	5	1
Total revenues	<u>-</u>	<u>904</u>	<u>1,086</u>	<u>182</u>
Expenditures:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>904</u>	<u>1,086</u>	<u>182</u>
Net change in fund balance	-	904	1,086	182
Fund balances, October 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, September 30	<u>\$ -</u>	<u>\$ 904</u>	<u>\$ 1,086</u>	<u>\$ 182</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Juvenile Case Manager
 Year ended September 30, 2020

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ 46,000	\$ 54,135	\$ 8,135
Interest revenue	-	208	227	19
Total revenues	<u>-</u>	<u>46,208</u>	<u>54,362</u>	<u>8,154</u>
Expenditures:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>46,208</u>	<u>54,362</u>	<u>8,154</u>
Net change in fund balance	-	46,208	54,362	8,154
Fund balances, October 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, September 30	<u>\$ -</u>	<u>\$ 46,208</u>	<u>\$ 54,362</u>	<u>\$ 8,154</u>

CITY OF RICHARDSON, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds - Tax Increment Financing Funds
September 30, 2020

	Special Revenue Funds			
	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	Total
Assets:				
Cash and cash equivalents	\$ 190,084	\$ 898,475	\$ 208,222	\$ 1,296,781
Investments	9,000,000	-	-	9,000,000
Due from other funds	7,700	-	-	7,700
Total assets	<u>\$ 9,197,784</u>	<u>\$ 898,475</u>	<u>\$ 208,222</u>	<u>\$ 10,304,481</u>
Liabilities:				
Accounts payable	\$ 36,952	\$ -	\$ -	\$ 36,952
Accrued liabilities	60,463	-	-	60,463
Total liabilities	<u>97,415</u>	<u>-</u>	<u>-</u>	<u>97,415</u>
Fund balances:				
Restricted for:				
General government	9,100,369	898,475	208,222	10,207,066
Total fund balances	<u>9,100,369</u>	<u>898,475</u>	<u>208,222</u>	<u>10,207,066</u>
Total liabilities and fund balances	<u>\$ 9,197,784</u>	<u>\$ 898,475</u>	<u>\$ 208,222</u>	<u>\$ 10,304,481</u>

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds - Tax Increment Financing Funds
Year ended September 30, 2020

	Special Revenue Funds			Total
	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	
Revenues:				
General property taxes	\$ 4,629,608	\$ 4,604,714	\$ 782,335	\$ 10,016,657
Intergovernmental revenue	1,364,176	1,086,399	173,356	2,623,931
Interest revenue	144,724	37,771	7,314	189,809
Total revenues	<u>6,138,508</u>	<u>5,728,884</u>	<u>963,005</u>	<u>12,830,397</u>
Expenditures:				
General government	866,259	70,192	174,997	1,111,448
General administration	150,000	25,000	-	175,000
Capital outlay	97,320	221,605	107,585	426,510
Debt service:				
Payments for other obligations	1,943,663	2,389,965	-	4,333,628
Interest and fiscal charges	366,648	2,471,820	822,800	3,661,268
Total expenditures	<u>3,423,890</u>	<u>5,178,582</u>	<u>1,105,382</u>	<u>9,707,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,714,618</u>	<u>550,302</u>	<u>(142,377)</u>	<u>3,122,543</u>
Other financing sources (uses):				
Issuance of other obligations	-	291,797	282,582	574,379
Total other financing sources (uses)	<u>-</u>	<u>291,797</u>	<u>282,582</u>	<u>574,379</u>
Net change in fund balances	2,714,618	842,099	140,205	3,696,922
Fund balances, October 1	6,385,751	56,376	68,017	6,510,144
Fund balances, September 30	<u>\$ 9,100,369</u>	<u>\$ 898,475</u>	<u>\$ 208,222</u>	<u>\$ 10,207,066</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Tax Increment Financing #1
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		Actual GAAP	Adjustments	Actual Budget	Variance with
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Budget Basis</u>	<u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
Revenues:						
Property taxes	\$ 5,497,762	\$ 5,173,921	\$ 4,629,608	\$ 67,571	\$ 4,697,179	\$ (476,742)
Intergovernmental revenue	1,380,791	1,364,176	1,364,176	-	1,364,176	-
Interest revenue	177,510	119,544	144,724	-	144,724	25,180
Total revenues	<u>7,056,063</u>	<u>6,657,641</u>	<u>6,138,508</u>	<u>67,571</u>	<u>6,206,079</u>	<u>(451,562)</u>
Expenditures:						
General government	4,623,727	5,144,828	866,259	2,377,882	3,244,141	1,900,687
General administration	150,000	150,000	150,000	-	150,000	-
Capital outlay	-	183,425	97,320	-	97,320	86,105
Debt service:						
Payments for other obligations	-	-	1,943,663	(1,943,663)	-	-
Interest and fiscal charges	-	-	366,648	(366,648)	-	-
Total expenditures	<u>4,773,727</u>	<u>5,478,253</u>	<u>3,423,890</u>	<u>67,571</u>	<u>3,491,461</u>	<u>1,986,792</u>
Excess of revenues over (under) expenditures	<u>2,282,336</u>	<u>1,179,388</u>	<u>2,714,618</u>	<u>-</u>	<u>2,714,618</u>	<u>1,535,230</u>
Net change in fund balance	2,282,336	1,179,388	2,714,618	-	2,714,618	1,535,230
Fund balances, October 1	<u>5,884,242</u>	<u>6,385,751</u>	<u>6,385,751</u>	<u>-</u>	<u>6,385,751</u>	<u>-</u>
Fund balances, September 30	<u>\$ 8,166,578</u>	<u>\$ 7,565,139</u>	<u>\$ 9,100,369</u>	<u>\$ -</u>	<u>\$ 9,100,369</u>	<u>\$ 1,535,230</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Tax Increment Financing #2
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		Actual GAAP	Adjustments	Actual Budget	Variance with
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Budget Basis</u>	<u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
Revenues:						
Property taxes	\$ 5,191,628	\$ 4,993,160	\$ 4,604,714	\$ 333,073	\$ 4,937,787	\$ (55,373)
Intergovernmental revenue	1,125,938	1,086,399	1,086,399	-	1,086,399	-
Interest revenue	37,621	35,110	37,771	-	37,771	2,661
Total revenues	<u>6,355,187</u>	<u>6,114,669</u>	<u>5,728,884</u>	<u>333,073</u>	<u>6,061,957</u>	<u>(52,712)</u>
Expenditures:						
General government	6,336,518	6,092,241	70,192	5,124,666	5,194,858	897,383
General administration	25,000	25,000	25,000	-	25,000	-
Capital outlay	-	-	221,605	(221,605)	-	-
Debt service:						
Payments for other obligations	-	-	2,389,965	(2,389,965)	-	-
Interest and fiscal charges	-	-	2,471,820	(2,471,820)	-	-
Total expenditures	<u>6,361,518</u>	<u>6,117,241</u>	<u>5,178,582</u>	<u>(41,276)</u>	<u>5,219,858</u>	<u>897,383</u>
Excess of revenues over (under) expenditures	<u>(6,331)</u>	<u>(2,572)</u>	<u>550,302</u>	<u>291,797</u>	<u>842,099</u>	<u>844,671</u>
Other financing sources (uses):						
Issuance of other obligations	-	-	291,797	(291,797)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>291,797</u>	<u>(291,797)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(6,331)</u>	<u>(2,572)</u>	<u>842,099</u>	<u>583,594</u>	<u>842,099</u>	<u>844,671</u>
Fund balances, October 1	<u>56,331</u>	<u>56,376</u>	<u>56,376</u>	<u>-</u>	<u>56,376</u>	<u>-</u>
Fund balances, September 30	<u>\$ 50,000</u>	<u>\$ 53,804</u>	<u>\$ 898,475</u>	<u>\$ -</u>	<u>\$ 898,475</u>	<u>\$ 844,671</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Tax Increment Financing #3
 Year ended September 30, 2020

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with
	Original	Final	Basis	Budget Basis	Basis	Final Budget- Positive (Negative)
Revenues:						
Property taxes	\$ 807,718	\$ 782,335	\$ 782,335	\$ -	\$ 782,335	\$ -
Intergovernmental revenue	175,175	173,356	173,356	-	173,356	-
Interest revenue	6,594	6,750	7,314	-	7,314	564
Total revenues	<u>989,487</u>	<u>962,441</u>	<u>963,005</u>	<u>-</u>	<u>963,005</u>	<u>564</u>
Expenditures:						
General government	982,410	951,192	174,997	647,803	822,800	128,392
Capital outlay	-	-	107,585	(107,585)	-	-
Debt service:						
Interest and fiscal charges	-	-	822,800	(822,800)	-	-
Total expenditures	<u>982,410</u>	<u>951,192</u>	<u>1,105,382</u>	<u>282,582</u>	<u>822,800</u>	<u>128,392</u>
Excess of revenues over (under) expenditures	<u>7,077</u>	<u>11,249</u>	<u>(142,377)</u>	<u>282,582</u>	<u>140,205</u>	<u>128,956</u>
Other financing sources (uses):						
Issuance of other obligations	-	-	282,582	(282,582)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>282,582</u>	<u>282,582</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,077	11,249	140,205	-	140,205	128,956
Fund balances, October 1	<u>67,714</u>	<u>68,017</u>	<u>68,017</u>	<u>-</u>	<u>68,017</u>	<u>-</u>
Fund balances, September 30	<u>\$ 74,791</u>	<u>\$ 79,266</u>	<u>\$ 208,222</u>	<u>\$ -</u>	<u>\$ 208,222</u>	<u>\$ 128,956</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Debt Service Fund
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 40,254,593	\$ 40,254,593	\$ 40,299,664	\$ 45,071
Interest revenue	169,680	155,232	121,919	(33,313)
Total revenues	<u>40,424,273</u>	<u>40,409,825</u>	<u>40,421,583</u>	<u>11,758</u>
Expenditures:				
Debt service:				
Interest and fiscal charges	10,646,245	10,646,245	10,646,090	155
Principal retirement	29,525,000	29,525,000	29,525,000	-
Issuance costs	-	-	346,188	(346,188)
Payments for other obligations	116,051	116,052	116,052	-
Total expenditures	<u>40,287,296</u>	<u>40,287,297</u>	<u>40,633,330</u>	<u>(346,033)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>136,977</u>	<u>122,528</u>	<u>(211,747)</u>	<u>(334,275)</u>
Other financing sources (uses):				
Transfers in	-	-	2,013	2,013
Net proceeds from issuance/refunding of bonds	-	-	(7,815,753)	(7,815,753)
Premium/discount on bonds	-	-	8,161,942	8,161,942
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>348,202</u>	<u>348,202</u>
Net change in fund balance	136,977	122,528	136,455	13,927
Fund balances, October 1	<u>3,178,487</u>	<u>3,191,846</u>	<u>3,191,846</u>	<u>-</u>
Fund balances, September 30	<u>\$ 3,315,464</u>	<u>\$ 3,314,374</u>	<u>\$ 3,328,301</u>	<u>\$ 13,927</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Special Police Funds
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue	\$ 85,000	\$ 147,745	\$ 165,997	\$ 18,252
Fines and forfeitures	18,000	12,200	10,000	(2,200)
Interest revenue	3,672	3,810	4,692	882
Other	15,000	51,418	55,230	3,812
Total revenues	<u>121,672</u>	<u>215,173</u>	<u>235,919</u>	<u>20,746</u>
Expenditures:				
Public safety	62,500	32,561	96,033	(63,472)
Total expenditures	<u>62,500</u>	<u>32,561</u>	<u>96,033</u>	<u>(63,472)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,172</u>	<u>247,734</u>	<u>139,886</u>	<u>(107,848)</u>
Other financing sources (uses):				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	9,172	197,734	89,886	(107,848)
Fund balances, October 1	<u>194,007</u>	<u>232,426</u>	<u>232,426</u>	<u>-</u>
Fund balances, September 30	<u>\$ 203,179</u>	<u>\$ 365,038</u>	<u>\$ 322,312</u>	<u>\$ (42,726)</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Wireless 911 Fund
 Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
911 revenue	\$ 600,000	\$ 610,000	\$ 613,569	\$ 3,569
Interest revenue	10,251	8,536	9,399	863
Total revenues	<u>610,251</u>	<u>618,536</u>	<u>622,968</u>	<u>4,432</u>
Expenditures:				
Public safety	10,000	101,130	102,940	(1,810)
Total expenditures	<u>10,000</u>	<u>101,130</u>	<u>102,940</u>	<u>(1,810)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>600,251</u>	<u>517,406</u>	<u>520,028</u>	<u>2,622</u>
Other financing sources (uses):				
Transfers out	(550,000)	(550,000)	(550,000)	-
Total other financing sources (uses)	<u>(550,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>
Net change in fund balance	50,251	(32,594)	(29,972)	2,622
Fund balances, October 1	<u>473,689</u>	<u>588,187</u>	<u>588,187</u>	<u>-</u>
Fund balances, September 30	<u>\$ 523,940</u>	<u>\$ 555,593</u>	<u>\$ 558,215</u>	<u>\$ 2,622</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Hotel/Motel Fund
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/motel taxes	\$ 4,073,310	\$ 2,266,145	\$ 2,452,797	\$ 186,652
Parking Fees	238,000	111,382	115,657	4,275
Eisemann center revenue	2,052,000	1,105,893	909,110	(196,783)
Interest revenue	70,000	30,872	50,418	19,546
Other	75,000	35,332	36,590	1,258
Total revenues	<u>6,508,310</u>	<u>3,549,624</u>	<u>3,564,572</u>	<u>14,948</u>
Expenditures:				
General government	4,933,892	4,293,462	4,564,750	(271,288)
Miscellaneous	453,200	433,700	-	433,700
Capital outlay	300,000	98,327	11,997	86,330
Total expenditures	<u>5,687,092</u>	<u>4,825,489</u>	<u>4,576,747</u>	<u>248,742</u>
Excess (deficiency) of revenues over (under) expenditures	<u>821,218</u>	<u>(1,275,865)</u>	<u>(1,012,175)</u>	<u>263,690</u>
Transfers in	-	-	1,000,000	1,000,000
Transfers out	(742,847)	(322,424)	-	(322,424)
Total other financing sources (uses)	<u>(742,847)</u>	<u>(322,424)</u>	<u>1,000,000</u>	<u>677,576</u>
Net change in fund balance	78,371	(1,598,289)	(12,175)	1,586,114
Fund balances, October 1	<u>2,536,065</u>	<u>3,069,357</u>	<u>3,069,357</u>	<u>-</u>
Fund balances, September 30	<u>\$ 2,614,436</u>	<u>\$ 1,471,068</u>	<u>\$ 3,057,182</u>	<u>\$ 1,586,114</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - PEG Fund
 Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Franchise taxes	\$ 225,000	\$ 200,000	\$ 214,607	\$ 14,607
Interest revenue	6,500	6,775	8,137	1,362
Total revenues	<u>231,500</u>	<u>206,775</u>	<u>222,744</u>	<u>15,969</u>
Expenditures:				
General government	29,500	29,500	27,671	1,829
Capital outlay	28,000	100,000	9,013	90,987
Total expenditures	<u>57,500</u>	<u>129,500</u>	<u>36,684</u>	<u>92,816</u>
Excess (deficiency) of revenues over (under) expenditures	<u>174,000</u>	<u>77,275</u>	<u>186,060</u>	<u>108,785</u>
Net change in fund balance	174,000	77,275	186,060	108,785
Fund balances, October 1	<u>399,155</u>	<u>405,258</u>	<u>405,258</u>	<u>-</u>
Fund balances, September 30	<u><u>\$ 573,155</u></u>	<u><u>\$ 482,533</u></u>	<u><u>\$ 591,318</u></u>	<u><u>\$ 108,785</u></u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Drainage Fund
 Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue	\$ 100,000	\$ 66,750	\$ 67,251	\$ 501
Drainage fees	2,832,000	2,856,400	2,841,760	(14,640)
Total revenues	<u>2,932,000</u>	<u>2,923,150</u>	<u>2,909,011</u>	<u>(14,139)</u>
Expenditures:				
Public services	1,375,000	975,000	908,669	66,331
General administration	828,861	828,861	828,861	-
Capital outlay	1,822,000	2,222,000	1,070,362	1,151,638
Total expenditures	<u>4,025,861</u>	<u>4,025,861</u>	<u>2,807,892</u>	<u>1,217,969</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,093,861)</u>	<u>(1,102,711)</u>	<u>101,119</u>	<u>1,203,830</u>
Net change in fund balance	(1,093,861)	(1,102,711)	101,119	1,203,830
Fund balances, October 1	<u>3,348,407</u>	<u>4,027,236</u>	<u>4,027,236</u>	<u>-</u>
Fund balances, September 30	<u>\$ 2,254,546</u>	<u>\$ 2,924,525</u>	<u>\$ 4,128,355</u>	<u>\$ 1,203,830</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Richardson Improvement Corporation Fund
 Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue	\$ 45	\$ 34	\$ 35	\$ 1
Total revenues	<u>45</u>	<u>34</u>	<u>35</u>	<u>1</u>
Expenditures:				
Parks and recreation	9,060	9,060	9,050	10
Total expenditures	<u>9,060</u>	<u>9,060</u>	<u>9,050</u>	<u>10</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,015)</u>	<u>(9,026)</u>	<u>(9,015)</u>	<u>11</u>
Other financing sources (uses):				
Net change in fund balance	(9,015)	(9,026)	(9,015)	11
Fund balances, October 1	<u>66,524</u>	<u>66,520</u>	<u>66,520</u>	<u>-</u>
Fund balances, September 30	<u>\$ 57,509</u>	<u>\$ 57,494</u>	<u>\$ 57,505</u>	<u>\$ 11</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Golf Fund
 Year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Golf course revenue	\$ 2,229,470	\$ 2,498,877	\$ 2,843,049	\$ 344,172
Golf course restaurant	39,155	63,943	47,735	(16,208)
Other				
Interest	1,173	3,598	4,860	1,262
Other Miscellaneous	27,002	28,319	54,184	25,865
Total revenues	<u>2,296,800</u>	<u>2,594,737</u>	<u>2,949,828</u>	<u>355,091</u>
Expenditures:				
General administration	104,228	104,228	104,228	-
Parks and recreation	2,212,057	2,170,396	2,191,364	(20,968)
Capital outlay	-	21,000	-	21,000
Total expenditures	<u>2,316,285</u>	<u>2,295,624</u>	<u>2,295,592</u>	<u>32</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,485)</u>	<u>299,113</u>	<u>654,236</u>	<u>355,123</u>
Other financing sources (uses):				
Transfers out	-	(200,000)	(425,000)	(225,000)
Total other financing sources (uses)	<u>-</u>	<u>(200,000)</u>	<u>(425,000)</u>	<u>(225,000)</u>
Net change in fund balance	(19,485)	99,113	229,236	130,123
Fund balances, October 1	<u>194,375</u>	<u>220,876</u>	<u>220,876</u>	<u>-</u>
Fund balances, September 30	<u>\$ 174,890</u>	<u>\$ 319,989</u>	<u>\$ 450,112</u>	<u>\$ 130,123</u>



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CITY OF RICHARDSON, TEXAS
Nonmajor Governmental Funds - Internal Service Funds
September 30, 2020

Internal Service Funds are used to account for the financing of goods or services provided by certain departments to other departments within the City. The City uses two internal service funds:

Central Services Fund - This fund is used to account for warehouse, mail, and records management operations of the City on a cost-reimbursement basis.

Insurance Fund - This fund is used to account for the health insurance program provided by the City to its employees and to their dependents, as well as retirees, on a subsidized cost basis.

Technology Replacement Fund - This fund is used to account for costs of replacing information technology hardware and software related to legacy ERP and Traffic systems.

CITY OF RICHARDSON, TEXAS
Combining Statement of Net Position - All Internal Service Funds
September 30, 2020

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$ 324,543	\$ 653,847	\$ 1,439,121	\$ 2,417,511
Investments	-	13,000,000	-	13,000,000
Accounts receivable	-	89,970	-	89,970
Inventories	245,811	-	-	245,811
Prepaid items	-	36,400	-	36,400
Total current assets	<u>570,354</u>	<u>13,780,217</u>	<u>1,439,121</u>	<u>15,789,692</u>
Capital assets:				
Land	56,011	-	-	56,011
Buildings	259,990	-	-	259,990
Improvements	23,023	-	-	23,023
Vehicles, machinery and equipment	372,761	-	-	372,761
Total capital assets	711,785	-	-	711,785
Less accumulated depreciation	<u>(571,575)</u>	<u>-</u>	<u>-</u>	<u>(571,575)</u>
Total capital assets, net of accumulated depreciation	<u>140,210</u>	<u>-</u>	<u>-</u>	<u>140,210</u>
Total assets	<u>710,564</u>	<u>13,780,217</u>	<u>1,439,121</u>	<u>15,929,902</u>
Deferred outflows of resources:				
Pension contributions investment experience and assumptions	55,835	41,869	-	97,704
OPEB contributions, investment experience and assumptions	17,861	8,933	-	26,794
Total deferred outflows of resources	<u>73,696</u>	<u>50,802</u>	<u>-</u>	<u>124,498</u>
Liabilities:				
Current liabilities:				
Accounts payable	2,970	409,807	83,261	496,038
Compensated absences	2,907	4,928	-	7,835
Accrued liabilities	8,146	5,387	-	13,533
Unpaid claims liabilities	-	790,353	-	790,353
Unearned revenue	-	70,270	-	70,270
Total current liabilities	<u>14,023</u>	<u>1,280,745</u>	<u>83,261</u>	<u>1,378,029</u>
Noncurrent liabilities:				
Compensated absences	26,161	44,349	-	70,510
Net pension liability	191,469	111,692	-	303,161
Total OPEB liability	173,580	151,311	-	324,891
Total noncurrent liabilities	<u>391,210</u>	<u>307,352</u>	<u>-</u>	<u>698,562</u>
Total liabilities	<u>405,233</u>	<u>1,588,097</u>	<u>83,261</u>	<u>2,076,591</u>
Deferred inflows of resources:				
Pension actuarial experience	78,588	39,801	-	118,389
OPEB assumptions	3,334	1,667	-	5,001
Total deferred inflows of resources	<u>81,922</u>	<u>41,468</u>	<u>-</u>	<u>123,390</u>
Net position:				
Net investment in capital assets	140,210	-	-	140,210
Unrestricted	156,895	12,201,454	1,355,860	13,714,209
Total net position	<u>\$ 297,105</u>	<u>\$ 12,201,454</u>	<u>\$ 1,355,860</u>	<u>\$ 13,854,419</u>

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - All Internal Service Funds
Year ended September 30, 2020

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Operating revenues:				
Charges for services	\$ 575,803	\$ -	\$ 2,050,000	\$ 2,625,803
City and employee contributions	14,045	15,174,817	-	15,188,862
Miscellaneous	1,628	529,213	-	530,841
Total operating revenues	<u>591,476</u>	<u>15,704,030</u>	<u>2,050,000</u>	<u>18,345,506</u>
Operating expenses:				
Personal services	411,628	578,142	1	989,771
Premiums	1,035	996,566	-	997,601
Professional and technical services	8,477	801,156	-	809,633
Property services	61,057	-	530,409	591,466
Other purchases services	-	34,605	-	34,605
Insurance claims	40,052	11,582,376	-	11,622,428
Supplies	5,208	795	188,821	194,824
Depreciation	8,277	-	-	8,277
Total operating expenses	<u>535,734</u>	<u>13,993,640</u>	<u>719,231</u>	<u>15,248,605</u>
Operating income (loss)	<u>55,742</u>	<u>1,710,390</u>	<u>1,330,769</u>	<u>3,096,901</u>
Nonoperating revenues:				
Interest revenue	9,129	192,990	25,091	227,210
Total nonoperating revenues	<u>9,129</u>	<u>192,990</u>	<u>25,091</u>	<u>227,210</u>
Change in net position	64,871	1,903,380	1,355,860	3,324,111
Net position, October 1	232,234	10,298,074	-	10,530,308
Net position, September 30	<u>\$ 297,105</u>	<u>\$ 12,201,454</u>	<u>\$ 1,355,860</u>	<u>\$ 13,854,419</u>

CITY OF RICHARDSON, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year ended September 30, 2020

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Cash flows from operating activities:				
Cash received from service users	\$ 575,799	\$ -	\$ 2,050,000	\$ 2,625,799
Cash received from City, employee, and other contributions	14,045	15,684,330	-	15,698,375
Cash payments to employees	(405,274)	(1,586,702)	-	(1,991,976)
Cash payments for claims	(40,052)	(11,592,471)	-	(11,632,523)
Cash payments for goods and services	(127,607)	(719,902)	(635,970)	(1,483,479)
Cash received from miscellaneous revenue	1,628	-	-	1,628
Net cash provided by (used in) operating activities	<u>18,539</u>	<u>1,785,255</u>	<u>1,414,030</u>	<u>3,217,824</u>
Cash from noncapital financing activities				
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash from capital and related financing activities:				
Acquisition and construction of capital assets	(38,856)	-	-	(38,856)
Net cash provided by (used in) capital and related financing activities	<u>(38,856)</u>	<u>-</u>	<u>-</u>	<u>(38,856)</u>
Cash flows from investing activity:				
Purchase of investment securities	-	(13,000,000)	-	(13,000,000)
Interest received on investments	9,129	192,990	25,091	227,210
Net cash provided by (used in) investing activities	<u>9,129</u>	<u>(12,807,010)</u>	<u>25,091</u>	<u>(12,772,790)</u>
Net increase (decrease) in cash and cash equivalents	(11,188)	(11,021,755)	1,439,121	(9,593,822)
Cash and cash equivalents, October 1	335,731	11,675,602	-	12,011,333
Cash and cash equivalents, September 30	<u>\$ 324,543</u>	<u>\$ 653,847</u>	<u>\$ 1,439,121</u>	<u>\$ 2,417,511</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 55,742	\$ 1,710,390	\$ 1,330,769	\$ 3,096,901
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	8,277	-	-	8,277
Changes in assets and liabilities:				
(Increase)Decrease in accounts receivable	-	(21,373)	-	(21,373)
(Increase)Decrease in inventory of supplies	(50,091)	-	-	(50,091)
(Increase)Decrease in prepaid items	300	1,595	-	1,895
Increase(Decrease) in accounts payable	(3,076)	115,058	83,261	195,243
Increase in unpaid claims liabilities	-	(10,095)	-	(10,095)
Increase(Decrease) in unearned revenue	-	1,673	-	1,673
Increase(Decrease) in compensated absences	(10,566)	(20,968)	-	(31,534)
Increase(Decrease) in post-employment benefits	8,626	4,313	-	12,939
Increase(Decrease) in pension liabilities	(187,420)	(93,710)	-	(281,130)
Increase(Decrease) in deferred inflows/outflows	196,747	98,372	-	295,119
Total adjustments	<u>(37,203)</u>	<u>74,865</u>	<u>83,261</u>	<u>120,923</u>
Net cash provided by (used in) operating activities:	<u>\$ 18,539</u>	<u>\$ 1,785,255</u>	<u>\$ 1,414,030</u>	<u>\$ 3,217,824</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Total cash and investments per the statement of net position	324,543	653,847	1,439,121	2,417,511
Less investments not meeting the definition of cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at September 30, 2020	<u>\$ 324,543</u>	<u>\$ 653,847</u>	<u>\$ 1,439,121</u>	<u>\$ 2,417,511</u>



STATISTICAL SECTION

CITY OF RICHARDSON, TEXAS
Statistical Section
September 30, 2020

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	Pages
<i>Financial Trends</i> – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	115 - 120
<i>Revenue Capacity</i> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	121 - 124
<i>Debt Capacity</i> - These schedules present information to help the reader assess the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	125 - 129
<i>Demographic and Economic Information</i> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	130 - 131
<i>Operating Information</i> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	132 - 134
<i>Pension Information</i> - This schedule contains information regarding pension benefits funding progress.	135

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



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Table 1

CITY OF RICHARDSON, TEXAS
Statement of Net Position by Component*
 Last ten fiscal years
 (In thousands)
 (unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Net investment in capital assets	\$ 106,308	\$ 108,527	\$ 113,992	\$ 129,095	\$ 134,199	\$ 130,402	\$ 110,728	\$ 150,625	\$ 156,267	\$ 179,372
Restricted	15,207	10,744	7,103	7,072	10,511	10,682	26,607	9,692	13,653	16,090
Unrestricted	<u>(7,778)</u>	<u>(8,303)</u>	<u>(6,582)</u>	<u>(19,188)</u>	<u>(23,943)</u>	<u>(19,160)</u>	<u>(23,077)</u>	<u>(31,515)</u>	<u>(30,919)</u>	<u>(15,973)</u>
Total governmental activities net position	<u>\$ 113,737</u>	<u>\$ 110,968</u>	<u>\$ 114,513</u>	<u>\$ 116,979</u>	<u>\$ 120,767</u>	<u>\$ 121,924</u>	<u>\$ 114,258</u>	<u>\$ 128,802</u>	<u>\$ 139,001</u>	<u>\$ 179,489</u>
Business-type activities:										
Net investment in capital assets	\$ 50,959	\$ 50,558	\$ 55,251	\$ 50,634	\$ 51,770	\$ 55,464	\$ 56,619	\$ 57,169	\$ 57,513	\$ 57,032
Restricted	9,245	6,338	6,700	4,068	5,464	3,262	3,016	3,071	5,172	17,005
Unrestricted	<u>12,666</u>	<u>11,604</u>	<u>11,399</u>	<u>8,983</u>	<u>10,694</u>	<u>12,427</u>	<u>12,823</u>	<u>15,512</u>	<u>14,243</u>	<u>8,630</u>
Total business-type activities net position	<u>\$ 72,870</u>	<u>\$ 68,500</u>	<u>\$ 73,350</u>	<u>\$ 63,685</u>	<u>\$ 67,928</u>	<u>\$ 71,153</u>	<u>\$ 72,458</u>	<u>\$ 75,752</u>	<u>\$ 76,928</u>	<u>\$ 82,667</u>
Primary government:										
Net investment in capital assets	\$ 157,267	\$ 159,085	\$ 169,243	\$ 179,729	\$ 185,969	\$ 185,866	\$ 167,347	\$ 207,794	\$ 213,780	\$ 236,404
Restricted	24,452	17,082	13,803	11,140	15,975	13,944	29,623	12,763	18,825	33,095
Unrestricted	<u>4,888</u>	<u>3,301</u>	<u>4,817</u>	<u>(10,205)</u>	<u>(13,249)</u>	<u>(6,733)</u>	<u>(10,254)</u>	<u>(16,003)</u>	<u>(16,676)</u>	<u>(7,343)</u>
Total primary government net position	<u>\$ 186,607</u>	<u>\$ 179,468</u>	<u>\$ 187,863</u>	<u>\$ 180,664</u>	<u>\$ 188,695</u>	<u>\$ 193,077</u>	<u>\$ 186,716</u>	<u>\$ 204,554</u>	<u>\$ 215,929</u>	<u>\$ 262,156</u>

* The City implemented GASB Statements 63 and 65 in FY 2013. The amounts for fiscal years 2008-2012 were restated for the effects of these standards in FY 2013. The City implemented GASB Statement 68 in FY 2015. The amounts for fiscal year 2014 were restated for the effects of these standards in FY 2015. The City implemented GASB Statement 75 in FY 2018. The amounts for fiscal year 2017 were restated for the effects of these standards in FY 2018.

Table 2

CITY OF RICHARDSON, TEXAS
Changes in Net Position*
Last ten fiscal years
(In thousands)
(Accrual basis of accounting)
(unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses:										
Governmental activities:										
General government	\$ 34,351	\$ 30,018	\$ 29,705	\$ 36,311	\$ 36,761	\$ 45,754	\$ 60,771	\$ 36,545	\$ 50,472	\$ 36,981
Public safety	45,826	45,224	45,616	47,533	48,745	54,796	56,883	56,951	61,285	61,902
Public services	26,819	26,776	27,044	28,931	30,588	34,955	32,108	30,921	37,633	33,526
Library	4,245	4,027	3,963	3,989	4,161	4,311	4,339	4,217	4,433	4,473
Parks and recreation	14,662	14,786	15,078	15,282	18,310	18,987	19,813	19,259	20,114	17,379
Public health	1,467	1,548	1,606	1,714	1,807	2,054	2,185	2,173	2,228	2,043
Interest and fiscal charges	10,832	10,930	11,134	10,757	9,884	9,524	11,136	12,984	14,417	12,386
Total governmental activities expenses	<u>138,202</u>	<u>133,309</u>	<u>134,146</u>	<u>144,517</u>	<u>150,256</u>	<u>170,381</u>	<u>187,235</u>	<u>163,050</u>	<u>190,582</u>	<u>168,690</u>
Business-type activities:										
Water and sewer	49,816	51,667	54,341	55,648	59,159	63,836	71,437	76,642	81,682	83,298
Solid waste	12,798	13,057	12,574	12,441	13,725	14,418	14,509	14,369	15,003	14,521
Golf	2,487	2,376	2,544	2,558	-	-	-	-	-	-
Total business-type activities expenses	<u>65,101</u>	<u>67,100</u>	<u>69,459</u>	<u>70,647</u>	<u>72,884</u>	<u>78,254</u>	<u>85,946</u>	<u>91,011</u>	<u>96,685</u>	<u>97,819</u>
Total primary government expenses	<u>\$ 203,303</u>	<u>\$ 200,409</u>	<u>\$ 203,605</u>	<u>\$ 215,164</u>	<u>\$ 223,140</u>	<u>\$ 248,635</u>	<u>\$ 273,181</u>	<u>\$ 254,061</u>	<u>\$ 287,267</u>	<u>\$ 266,509</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 3,577	\$ 3,423	\$ 3,875	\$ 3,327	\$ 3,398	\$ 6,027	\$ 6,025	\$ 4,736	\$ 6,266	\$ 2,207
Public safety	9,170	9,480	9,506	9,252	9,691	9,421	7,867	7,977	8,872	8,154
Public services	2,200	4,278	6,583	6,163	6,152	10,200	6,940	5,947	5,887	5,610
Library	164	155	6	5	-	-	-	-	-	31
Parks and recreation	3,327	3,262	3,756	4,103	5,328	6,110	6,367	6,281	6,138	4,389
Public health	266	264	293	291	340	346	369	615	429	385
Operating grants and contributions	532	1,777	522	788	967	3,689	1,821	7,241	7,242	10,897
Capital grants and contributions	3,875	2,028	8,363	15,022	8,168	1,819	4,468	429	428	2,912
Total governmental activities program revenues	<u>23,111</u>	<u>24,667</u>	<u>32,904</u>	<u>38,951</u>	<u>34,044</u>	<u>37,612</u>	<u>33,857</u>	<u>33,226</u>	<u>30,580</u>	<u>34,585</u>
Business-type activities:										
Charges for services:										
Water and sewer	48,485	46,075	54,257	51,271	60,310	63,914	68,876	78,920	80,911	86,814
Solid waste	12,275	12,303	12,375	12,555	13,047	13,345	14,679	14,614	14,832	15,026
Golf	1,873	2,011	2,231	1,919	-	-	-	-	-	-
Operating grants and contributions	15	12	-	-	-	-	-	6	-	-
Capital grants and contributions	647	956	908	1,551	1,549	4,032	3,457	1,974	1,045	603
Total business-type activities program revenues	<u>63,295</u>	<u>61,357</u>	<u>69,771</u>	<u>67,296</u>	<u>74,906</u>	<u>81,291</u>	<u>87,012</u>	<u>95,514</u>	<u>96,788</u>	<u>102,442</u>
Total primary government program revenues	<u>\$ 86,406</u>	<u>\$ 86,024</u>	<u>\$ 102,675</u>	<u>\$ 106,247</u>	<u>\$ 108,950</u>	<u>\$ 118,903</u>	<u>\$ 120,869</u>	<u>\$ 128,740</u>	<u>\$ 127,368</u>	<u>\$ 137,028</u>

* The City implemented GASB Statement 63 and 65 in FY2013. The amounts shown for "Interest and fiscal charges" and expenses for Business-type activities were restated for fiscal years 2011-2012 in FY 2013.

(Continued)

CITY OF RICHARDSON, TEXAS
Changes in Net Position (Continued)
 Last ten fiscal years
 (In thousands)
 (Accrual basis of accounting)
 (unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net (expense) revenue:										
Governmental activities	\$ (115,091)	\$ (108,642)	\$ (101,242)	\$ (105,566)	\$ (116,212)	\$ (132,769)	\$ (153,378)	\$ (129,824)	\$ (160,002)	\$ (134,105)
Business-type activities	(1,806)	(5,743)	312	(3,351)	2,022	3,037	1,066	4,503	103	4,624
Total primary government net expense	<u>(116,897)</u>	<u>(114,385)</u>	<u>(100,930)</u>	<u>(108,917)</u>	<u>(114,190)</u>	<u>(129,732)</u>	<u>(152,312)</u>	<u>(125,321)</u>	<u>(159,899)</u>	<u>(129,481)</u>
General revenues:										
Governmental activities:										
Taxes:										
Property	\$ 61,115	\$ 63,810	\$ 64,602	\$ 68,368	\$ 70,677	\$ 78,761	\$ 87,312	\$ 96,107	\$ 103,685	\$ 110,279
Sales	24,753	25,246	26,600	29,805	31,065	33,660	36,044	35,357	40,164	41,535
Other taxes	3,447	3,351	3,673	4,129	4,460	4,979	4,863	4,861	4,896	2,998
Franchise	13,533	13,561	14,289	15,039	15,647	16,058	16,446	17,415	17,331	17,184
Unrestricted interest earnings	397	156	94	92	137	399	724	2,324	4,025	2,769
Transfers	(489)	(259)	(4,506)	4,058	(2,064)	-	-	(250)	(196)	(206)
Gain on sale of assets	74	8	35	40	78	69	323	727	97	33
Contributions to permanent fund principal	-	-	-	-	-	-	-	-	200	1
Total governmental activities	<u>102,830</u>	<u>105,873</u>	<u>104,787</u>	<u>121,531</u>	<u>120,000</u>	<u>133,926</u>	<u>145,712</u>	<u>156,541</u>	<u>170,202</u>	<u>174,593</u>
Business-type activities:										
Unrestricted interest earnings	47	31	29	23	47	109	164	458	774	683
Transfers	489	259	4,506	(4,058)	2,064	-	-	250	196	206
Gain on sale of assets	59	352	3	181	109	80	74	241	103	225
Total business-type activities	<u>595</u>	<u>642</u>	<u>4,538</u>	<u>(3,854)</u>	<u>2,220</u>	<u>189</u>	<u>238</u>	<u>949</u>	<u>1,073</u>	<u>1,114</u>
Total primary government	<u>\$ 103,425</u>	<u>\$ 106,515</u>	<u>\$ 109,325</u>	<u>\$ 117,677</u>	<u>\$ 122,220</u>	<u>\$ 134,115</u>	<u>\$ 145,950</u>	<u>\$ 157,490</u>	<u>\$ 171,275</u>	<u>\$ 175,707</u>
Change in net position:										
Governmental activities	(12,261)	(2,769)	3,545	15,965	3,788	1,157	(7,666)	26,717	10,200	40,488
Business-type activities	(1,211)	(5,101)	4,850	(7,205)	4,242	3,226	1,304	5,452	1,176	5,738
Total primary government	<u>\$ (13,472)</u>	<u>\$ (7,870)</u>	<u>\$ 8,395</u>	<u>\$ 8,760</u>	<u>\$ 8,030</u>	<u>\$ 4,383</u>	<u>\$ (6,362)</u>	<u>\$ 32,169</u>	<u>\$ 11,376</u>	<u>\$ 46,226</u>



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Table 3

CITY OF RICHARDSON, TEXAS
Fund Balances, Governmental Funds
Last ten fiscal years (In thousands)
(unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:										
Nonspendable	\$ 507	\$ 559	\$ 1,027	\$ 882	\$ 933	\$ 720	\$ 666	\$ 595	\$ 552	\$ 515
Assigned for	114	327	337	665	800	634	598	532	4,541	13,696
Unassigned	15,808	16,274	16,513	17,789	18,007	19,788	21,612	23,858	27,856	30,836
Total general fund	<u>\$ 16,429</u>	<u>\$ 17,160</u>	<u>\$ 17,877</u>	<u>\$ 19,336</u>	<u>\$ 19,740</u>	<u>\$ 21,142</u>	<u>\$ 22,876</u>	<u>\$ 24,985</u>	<u>\$ 32,949</u>	<u>\$ 45,047</u>
All other governmental funds:										
Reserved for:										
Unreserved, reported in:										
Non spendable:										
Property held for redevelopment and resale	-	2,495	2,495	2,495	274	274	274	-	-	-
Prepaid items	91	64	98	77	120	65	62	83	61	2
Deposits	105	-	-	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-	-	200	201
Restricted for:										
Debt service	2,180	2,247	2,324	2,328	2,381	2,653	2,794	3,083	3,192	3,328
Library	-	-	63	7	26	89	-	172	-	-
Parks and recreation projects	22,817	18,341	3,831	4,101	1,156	471	836	5,371	-	2,668
Public services	30,061	26,548	16,283	8,692	5,544	4,800	18,978	27,683	16,359	15,631
Neighborhood vitality projects	7,725	6,434	5,325	2,509	1,745	-	-	-	-	-
Municipal public buildings	9,871	5,098	341	37	27	-	-	-	-	-
Capital projects	3,399	2,196	129	118	1,608	1,226	1,379	1,955	-	1,481
General government	-	-	1,223	2,561	4,415	4,178	4,432	6,164	8,380	12,021
Health/shelter	-	-	-	229	40	68	-	26	-	-
Public safety	-	-	1,917	1,906	2,147	3,468	26,187	44,232	49,119	32,704
Other purposes	4,180	2,716	-	-	-	-	-	-	-	-
Committed for:										
General government	-	-	-	-	-	1,211	1,873	2,734	3,716	4,370
Public services	-	570	1,921	2,743	2,841	2,557	3,208	4,357	4,027	4,128
Parks and recreation	-	-	-	-	-	107	195	164	219	448
Assigned for:										
Public services	707	808	1,474	1,507	90	2,457	1,553	1,255	1,255	5,534
Other purpose	3,540	2,422	-	-	-	-	-	-	-	-
Public safety	-	-	-	2	44	3	-	-	-	367
Parks and recreation	-	-	23	65	225	767	83	77	67	2,500
Neighborhood Vitality Projects	-	-	-	65	-	-	-	-	-	-
Capital projects	-	-	4,896	-	2,578	7,630	6,011	9,359	9,465	6,927
General government	-	-	1,081	5,405	2,120	3,179	3,026	3,770	3,625	4,776
Unassigned	-	-	-	-	-	-	-	-	-	(2)
Total all other governmental funds	<u>\$ 84,676</u>	<u>\$ 69,939</u>	<u>\$ 43,424</u>	<u>\$ 34,847</u>	<u>\$ 27,381</u>	<u>\$ 35,203</u>	<u>\$ 70,891</u>	<u>\$ 110,485</u>	<u>\$ 99,685</u>	<u>\$ 97,084</u>

* Includes prepaid items, inventory and encumbrances prior to FY 2011 due to GASB 54

Note: The City implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. The classification of fund balances were not restated for years prior to FY 2011.

Table 4

CITY OF RICHARDSON, TEXAS
Changes in Fund Balances, Governmental Funds
Last ten fiscal years
(In thousands)
(unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:										
Property taxes	\$ 61,339	\$ 63,753	\$ 64,565	\$ 68,362	\$ 70,744	\$ 78,762	\$ 87,317	\$ 95,825	\$ 103,706	\$ 110,508
Franchise taxes	13,533	13,561	14,289	15,038	15,647	16,058	16,446	17,416	17,331	17,184
Sales tax	24,753	25,246	26,600	29,805	31,065	33,660	36,044	35,357	40,164	41,535
Mixed beverage and bingo tax	408	338	352	464	523	543	587	616	651	545
Hotel/motel taxes	3,039	3,013	3,322	3,665	3,937	4,436	4,276	4,245	4,245	2,453
Drainage fees	-	1,781	2,705	2,582	2,702	2,755	2,754	2,765	2,817	2,842
911 revenue	1,579	1,676	1,724	1,723	1,731	1,727	1,727	1,656	1,655	1,361
Intergovernmental revenue	3,465	2,437	7,732	9,261	4,866	4,927	4,034	3,905	3,761	13,513
Licenses and permits	1,767	2,405	4,000	3,310	3,380	4,638	4,253	2,890	3,168	2,766
Fines and forfeitures	6,398	5,765	6,339	5,482	5,461	5,042	3,461	3,493	3,560	3,102
Interest revenue	393	154	92	90	134	375	685	2,200	3,774	2,543
Civic center use	299	331	328	295	300	315	268	249	355	121
Eisemann center revenue	2,411	2,396	2,026	2,177	2,143	2,232	2,543	2,324	2,423	1,125
Recreation and leisure	3,327	3,207	3,743	4,091	5,302	6,064	6,336	6,227	6,094	4,341
Rents	64	-	-	-	-	-	-	-	-	-
Public safety	1,591	2,396	2,236	2,095	2,434	2,602	2,636	2,631	3,468	3,565
Contributions	124	99	64	615	256	261	194	431	565	171
Participation	55	140	316	272	2,257	405	-	52	38	365
Other	964	745	813	1,184	1,129	1,644	1,399	1,282	821	865
General administration	8,101	8,496	8,235	7,652	8,128	8,054	7,955	8,010	8,309	8,300
Total revenues	\$ 133,610	\$ 137,939	\$ 149,481	\$ 158,163	\$ 162,139	\$ 174,500	\$ 182,915	\$ 191,574	\$ 206,905	\$ 217,205
Expenditures:										
General government	\$ 34,818	\$ 29,772	\$ 30,454	\$ 37,522	\$ 37,401	\$ 45,649	\$ 60,986	\$ 37,209	\$ 50,860	\$ 37,940
Public safety	39,627	40,035	41,881	43,163	44,415	47,917	49,976	51,800	54,259	56,362
Public services	18,020	18,780	19,704	20,920	22,142	25,288	22,136	21,119	26,627	23,680
Library	3,448	3,354	3,513	3,478	3,543	3,640	3,754	3,836	3,872	4,067
Parks and recreation	11,146	11,530	11,891	11,790	14,339	14,349	15,443	15,179	15,166	13,744
Public health	1,322	1,422	1,535	1,629	1,673	1,863	1,982	2,030	2,015	1,878
General administration	2,004	2,690	2,130	1,565	2,028	2,013	1,058	1,082	1,106	1,108
Capital outlay	20,701	21,397	50,941	40,698	38,419	28,386	29,967	48,420	62,652	44,637
Debt service:										
Principal retirement	14,425	15,738	16,421	17,901	19,300	19,860	24,614	26,685	27,490	29,525
Interest and fiscal charges	11,140	11,095	10,772	10,608	10,344	11,316	10,950	12,478	14,911	14,413
Payments for other obligations	812	859	1,052	1,215	902	2,584	2,954	4,838	5,258	4,812
Issuance costs	84	195	272	119	541	342	509	564	394	493
Total expenditures	\$ 157,547	\$ 156,867	\$ 190,566	\$ 190,608	\$ 195,047	\$ 203,207	\$ 224,329	\$ 225,240	\$ 264,610	\$ 232,659
Deficiency of revenues under expenditures	(23,937)	(18,928)	(41,085)	(32,445)	(32,908)	(28,707)	(41,414)	(33,666)	(57,705)	(15,454)

(Continued)

Table 4

CITY OF RICHARDSON, TEXAS
Changes in Fund Balances, Governmental Funds
Last ten years fiscal years
(continued)
(In thousands)
(unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Other financing sources (uses):										
Transfers in	\$ 3,247	\$ 4,121	\$ 5,650	\$ 4,594	\$ 6,503	\$ 10,011	\$ 9,610	\$ 9,961	\$ 10,476	\$ 14,857
Transfers out	(3,736)	(6,330)	(6,202)	(5,652)	(9,531)	(10,011)	(9,610)	(9,961)	(10,476)	(14,857)
Issuance of certificates of obligation	3,085	6,050	4,290	12,500	17,270	4,045	30,930	26,290	20,990	6,055
Issuance of general obligation bonds	-	-	-	-	-	8,265	19,725	38,525	16,790	15,015
Issuance of refunding bonds	6,039	6,270	18,000	-	45,741	14,020	-	-	-	40,425
Issuance of other obligations	6,535	192	10,909	13,789	10,654	22,252	26,042	5,667	14,498	2,076
Premium/discount on bonds	15	760	2,811	34	277	2,720	1,659	3,946	1,866	9,137
Payment to refunded bond escrow agent	(5,981)	(6,779)	(20,417)	-	(45,341)	(15,904)	-	-	-	(48,241)
Insurance and other recoveries	40	107	170	10	190	2,459	137	182	598	310
Proceeds from sale of capital assets	204	531	77	51	84	74	342	758	127	174
Total other financing sources	<u>9,448</u>	<u>4,922</u>	<u>15,288</u>	<u>25,326</u>	<u>25,847</u>	<u>37,931</u>	<u>78,835</u>	<u>75,368</u>	<u>54,869</u>	<u>24,951</u>
Net change in fund balances	<u>\$ (14,489)</u>	<u>\$ (14,006)</u>	<u>\$ (25,797)</u>	<u>\$ (7,119)</u>	<u>\$ (7,061)</u>	<u>\$ 9,224</u>	<u>\$ 37,421</u>	<u>\$ 41,702</u>	<u>\$ (2,836)</u>	<u>\$ 9,497</u>
Debt service as a percentage of non-capital expenditures	19.27 %	20.44 %	20.23 %	19.82 %	19.50 %	19.31 %	19.81 %	24.88 %	23.60 %	25.93 %

Table 5

CITY OF RICHARDSON, TEXAS
 Assessed Value and Estimated Actual Value of Taxable Property
 Last ten fiscal years
 (unaudited)

Fiscal year ended September 30	Residential property	Commercial property	Industrial property	Less total exemptions/ reductions	Total taxable assessed value (1)	Total direct tax rate
2011	\$ 5,152,705,610	\$ 5,669,348,071	\$ 726,964,527	\$ 1,872,428,656	\$ 9,676,589,552	0.63516
2012	5,093,892,359	5,941,833,474	696,387,354	2,051,284,896	9,680,828,291	0.63516
2013	5,064,251,846	6,019,687,573	812,199,657	1,937,327,183	9,958,811,893	0.63516
2014	5,120,141,991	6,555,445,029	864,733,351	2,098,603,635	10,441,716,736	0.63516
2015	5,361,295,791	6,859,193,040	909,835,399	2,322,046,075	10,808,278,155	0.63516
2016	5,742,269,842	8,281,055,896	748,742,290	3,231,115,761	11,540,952,267	0.63516
2017	6,565,413,521	9,497,512,380	754,632,663	3,818,620,376	12,998,938,188	0.62516
2018	7,194,755,916	10,509,751,876	790,424,823	4,410,302,957	14,084,629,658	0.62516
2019	8,097,909,289	11,047,973,089	906,275,735	4,878,398,254	15,173,759,859	0.62516
2020	8,480,364,539	12,298,386,470	860,767,880	5,363,499,560	16,276,019,329	0.62516

Source: Dallas and Collin County Central Appraisal District, and the City's Tax Department.

(1) Net of Tax Increment Financing (TIF) Districts values.

Table 6

CITY OF RICHARDSON, TEXAS
 Direct and Overlapping Property Tax Rates
 Last ten fiscal years
 (Per \$100 of assessed value)
 (unaudited)

Fiscal year	City direct rates			Overlapping rates								
	Operations and maintenance rate	Interest and sinking rate	Total	Richardson ISD	Collin County	Collin County Community College	Plano ISD	Garland ISD	Dallas County	Dallas County Hospital District	Dallas County Community College	Dallas County School Equalization Fund
2011	\$ 0.362810	\$ 0.272350	\$ 0.635160	\$ 1.340050	\$ 0.240000	\$ 0.086300	\$ 1.353400	\$ 1.253300	\$ 0.243100	\$ 0.271000	\$ 0.099230	\$ 0.010000
2012	0.362810	0.272350	0.635160	1.340050	0.240000	0.086300	1.373400	1.253300	0.243100	0.271000	0.099670	0.010000
2013	0.362810	0.272350	0.635160	1.340050	0.240000	0.086299	1.373400	1.253300	0.243100	0.271000	0.119375	0.009937
2014	0.365310	0.269850	0.635160	1.340050	0.237500	0.083643	1.453000	1.253300	0.243100	0.276000	0.124700	0.010000
2015	0.370310	0.264850	0.635160	1.340050	0.235000	0.081960	1.448000	1.253300	0.243100	0.286000	0.124775	0.010000
2016	0.380310	0.254850	0.635160	1.340050	0.225000	0.081960	1.439000	1.353300	0.243100	0.286000	0.123650	0.010000
2017	0.370310	0.254850	0.625160	1.390050	0.208395	0.081222	1.439000	1.460000	0.243100	0.279400	0.122933	0.009271
2018	0.370310	0.254850	0.625160	1.390050	0.192246	0.079810	1.439000	1.460000	0.243100	0.279400	0.124238	0.010000
2019	0.374130	0.251030	0.625160	1.520000	0.180785	0.081222	1.439000	1.460000	0.243100	0.279400	0.124000	0.010000
2020	0.381240	0.243920	0.625160	1.418350	0.174951	0.081222	1.337350	1.390000	0.243100	0.269500	0.214000	0.010000

Source: Dallas County Central Appraisal District, Collin County Central Appraisal District, and the City's records.

Notes: Tax rates are per \$100 of assessed value.

Table 7

CITY OF RICHARDSON, TEXAS
Principal Property Taxpayers
Current year and nine years ago
(unaudited)

Name of Taxpayer	2020			2011		
	Taxable assessed value (a)	Rank	Percentage of total city taxable assessed value (b)	Taxable assessed value (a)	Rank	Percentage of total city taxable assessed value (c)
Corporate Properties Trust	\$ 711,682,592	1	3.93 %	\$ -	-	- %
Collins Technology Park Partners	495,531,730	2	2.74	-	-	-
Bank of America	394,732,747	3	2.18	166,761,305	2	1.76
Qorvo	347,095,947	4	1.92	-	-	-
Texas Instruments	305,829,883	5	1.69	103,517,919	6	1.07
Cisco Systems	261,853,905	6	1.45	112,912,155	4	1.16
Health Care Service Corporation	189,020,966	7	1.04	-	-	-
LinkedIn	158,301,650	8	0.87	-	-	-
IBM	157,690,280	9	0.87	106,293,260	5	1.09
Jefferson LP	153,440,802	10	0.85	-	-	-
AT&T	-	-	-	171,182,863	1	1.76
Verizon	-	-	-	144,078,816	3	1.48
Fujitsu	-	-	-	81,691,511	7	0.84
Nortel Network	-	-	-	65,602,960	8	0.68
Equastone	-	-	-	58,428,898	9	0.60
Oncor	-	-	-	54,463,805	10	0.56
Total	\$ 3,175,180,502		17.54 %	\$ 1,064,933,492		11.00 %

Source: Dallas County Central Appraisal District, Collin County Central Appraisal District, and City records.

Note:

- (a) Includes TIF values
- (b) Total Taxable Value August 1, 2019= \$18,115,085,706
- (c) Total Taxable Value October 1, 2010 = \$8,807,923,102

Table 8

CITY OF RICHARDSON, TEXAS
 Property Taxes Levies and Collections
 Last ten fiscal years (1)
 (unaudited)

Fiscal year ended September 30	Taxes Levied for the Fiscal Year (2)	Subsequent Adjustments & Subsequent Collections	Total Adjusted Levy at 9/30/20	Collected within the fiscal year of the levy		Total collections to date		
				Amount	Percentage of Taxes Levied for the Fiscal Year	Collections in subsequent years	Amount	Percentage of Adjusted Levy
2011	\$ 61,383,092	\$ 888,303	\$ 62,271,395	\$ 61,020,848	99.41 %	\$ 1,182,395	\$ 62,203,243	99.89 %
2012	62,836,249	39,017	62,875,266	62,496,395	99.46	328,185	62,824,580	99.92
2013	64,374,498	(200,195)	64,174,303	63,980,358	99.39	134,619	64,114,977	99.91
2014	68,105,024	(89,591)	68,015,433	67,862,416	99.64	84,330	67,946,746	99.90
2015	70,561,704	(39,854)	70,521,850	70,275,798	99.59	161,289	70,437,087	99.88
2016	78,509,994	(195,372)	78,314,622	78,176,975	99.58	10,161	78,187,136	99.84
2017	87,404,711	(118,388)	87,286,323	87,087,236	99.64	41,139	87,128,375	99.82
2018	97,013,107	(643,734)	96,369,373	96,535,083	99.51	(403,849)	96,131,234	99.75
2019	106,052,791	(574,373)	105,478,418	105,475,738	99.46	(140,837)	105,334,901	99.86
2020	113,980,138	-	113,980,138	113,752,271	99.80	-	113,752,271	99.80

(1) This table was reformatted for FY 2012 to provide better clarity regarding taxes levied in the original year of collection versus levy adjustments and collections in subsequent years.

(2) Taxes levied for the fiscal year include the certified roll plus any adjustments that occur in the fiscal year that the taxes are due.

Source: Dallas and Collin County Tax Offices, and the City's Tax Department.

Table 9

CITY OF RICHARDSON, TEXAS
Ratios of Outstanding Debt by Type (1)
Last ten fiscal years
(unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>GOVERNMENTAL ACTIVITIES</u>										
General obligation bonds	\$ 212,489,620	\$ 203,891,472	\$ 195,175,450	\$ 181,449,602	\$ 162,669,259	\$ 154,949,412	\$ 159,740,000	\$ 181,910,000	\$ 181,100,000	\$ 156,265,000
General obligation bonds from direct borrowings	-	-	-	-	-	-	-	-	-	15,015,000
Certificates of obligation (4)	20,790,000	19,145,000	18,825,000	21,550,000	21,535,000	19,710,000	36,510,000	55,915,000	71,610,000	68,615,000
Certificates of obligation from direct borrowings (4)	-	-	-	5,600,000	17,025,000	17,025,000	21,475,000	18,030,000	13,435,000	8,885,000
Unamortized premium/(discount)	11,730,640	11,742,983	13,044,030	12,131,942	15,950,679	16,398,001	16,341,255	18,389,067	18,212,785	21,165,144
Total general obligation bonds and general obligation bonds from direct borrowings	<u>245,010,260</u>	<u>234,779,455</u>	<u>227,044,480</u>	<u>220,731,544</u>	<u>217,179,938</u>	<u>208,082,413</u>	<u>234,066,255</u>	<u>274,244,067</u>	<u>284,357,785</u>	<u>269,945,144</u>
TIF obligation (2)	8,239,481	8,239,481	18,175,159	31,964,048	41,506,816	62,451,680	86,132,860	87,571,447	97,049,085	92,983,493
Other obligations	5,588,922	4,921,832	4,842,740	3,622,492	3,832,124	2,554,995	1,962,228	1,352,943	1,115,324	2,444,931
Total TIF and other obligations	<u>13,828,403</u>	<u>13,161,313</u>	<u>23,017,899</u>	<u>35,586,540</u>	<u>45,338,940</u>	<u>65,006,675</u>	<u>88,095,088</u>	<u>88,924,390</u>	<u>98,164,409</u>	<u>95,428,424</u>
Total governmental activities	<u>\$ 258,838,663</u>	<u>\$ 265,116,079</u>	<u>\$ 258,838,663</u>	<u>\$ 256,318,084</u>	<u>\$ 262,518,878</u>	<u>\$ 273,089,088</u>	<u>\$ 322,161,343</u>	<u>\$ 363,168,457</u>	<u>\$ 382,522,194</u>	<u>\$ 365,373,568</u>

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

(1) In FY 2014, this table was restated to include the unamortized premium and discount for all years presented. These components are generated as part of debt issuance, and are amortized as non-cash interest expense over the life of the debt.

(2) Tax increment financing (TIF) is used to finance public improvements within defined areas for economic development. The developer incurs the costs to install the necessary public infrastructure and other public improvements. The City reimburses the developer based on the increased tax increments within the TIF boundaries over the contracted period. The City's liability to the developer lasts until paid in full or expiration of TIF zone contract.

(3) See table 13 for personal income and population data.

(4) In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts.

Table 9 (continued)

CITY OF RICHARDSON, TEXAS
Ratios of Outstanding Debt by Type (1)
Last ten fiscal years
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>BUSINESS-TYPE ACTIVITIES</u>										
General obligation refunding bonds (4)	13,860,000	21,155,000	18,415,000	16,805,000	17,410,000	21,495,000	19,095,000	16,480,000	13,490,000	16,900,000
General obligation bonds from direct borrowings (4)	620,380	423,528	419,550	360,398	215,741	70,588	-	-	-	-
Certificates of obligation	50,220,000	38,930,000	37,110,000	35,075,000	32,570,000	25,680,000	28,275,000	32,860,000	39,835,000	38,130,000
Unamortized premium/(discount)	1,244,165	1,916,392	1,878,147	1,694,323	2,080,380	3,261,227	3,189,744	3,414,645	3,616,732	5,709,171
Total general obligation bonds and general obligation bonds from direct borrowings	<u>65,944,545</u>	<u>62,424,920</u>	<u>57,822,697</u>	<u>53,934,721</u>	<u>52,276,121</u>	<u>50,506,815</u>	<u>50,559,744</u>	<u>52,754,645</u>	<u>56,941,732</u>	<u>60,739,171</u>
Other Obligations	43,056	22,834	1,792	-	-	-	-	-	-	-
Total other obligations	43,056	22,834	1,792	-	-	-	-	-	-	-
Total business-type activities	<u>\$ 65,987,601</u>	<u>\$ 62,447,754</u>	<u>\$ 57,824,489</u>	<u>\$ 53,934,721</u>	<u>\$ 52,276,121</u>	<u>\$ 50,506,815</u>	<u>\$ 50,559,744</u>	<u>\$ 52,754,645</u>	<u>\$ 56,941,732</u>	<u>\$ 60,739,171</u>
Total primary government	<u>\$ 324,826,264</u>	<u>\$ 310,388,522</u>	<u>\$ 307,886,868</u>	<u>\$ 310,252,805</u>	<u>\$ 314,794,999</u>	<u>\$ 323,595,903</u>	<u>\$ 372,721,087</u>	<u>\$ 415,923,102</u>	<u>\$ 439,463,926</u>	<u>\$ 426,112,739</u>
% of personal income (3)	10.1 %	9.4 %	9.3 %	9.2 %	8.9 %	9.0 %	10.0 %	10.9 %	10.9 %	9.4 %
Per capita (3)	\$ 3,251	\$ 3,090	\$ 3,053	\$ 3,047	\$ 3,073	\$ 3,103	\$ 3,470	\$ 3,776	\$ 3,865	\$ 3,685

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

(1) In FY 2014, this table was restated to include the unamortized premium and discount for all years presented. These components are generated as part of debt issuance, and are amortized as non-cash interest expense over the life of the debt.

(2) Tax increment financing (TIF) is used to finance public improvements within defined areas for economic development. The developer incurs the costs to install the necessary public infrastructure and other public improvements. The City reimburses the developer based on the increased tax increments within the TIF boundaries over the contracted period. The City's liability to the developer lasts until paid in full or expiration of TIF zone contract.

(3) See table 13 for personal income and population data.

(4) In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts.

Table 10

CITY OF RICHARDSON, TEXAS
Ratios of General Bonded Debt Outstanding (1)
Last ten fiscal years
(unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>GOVERNMENTAL ACTIVITIES</u>										
General obligation bonds	\$ 212,489,620	\$ 203,891,472	\$ 195,175,450	\$ 181,449,602	\$ 162,669,259	\$ 154,949,412	\$ 159,740,000	\$ 181,910,000	\$ 181,100,000	\$ 156,265,000
General obligation bonds from direct borrowings	-	-	-	-	-	-	-	-	-	15,015,000
Certificates of obligation (4)	20,790,000	19,145,000	18,825,000	21,550,000	21,535,000	19,710,000	36,510,000	55,915,000	71,610,000	68,615,000
Certificates of obligation from direct borrowings (4)	-	-	-	5,600,000	17,025,000	17,025,000	21,475,000	18,030,000	13,435,000	8,885,000
Unamortized premium/(discount)	8,539,469	11,742,982	13,044,030	12,131,942	15,950,679	16,398,001	16,341,255	18,389,067	18,212,785	21,165,144
Total general obligation bonds and general obligation bonds from direct borrowings	<u>241,819,089</u>	<u>234,779,454</u>	<u>227,044,480</u>	<u>220,731,544</u>	<u>217,179,938</u>	<u>208,082,413</u>	<u>234,066,255</u>	<u>274,244,067</u>	<u>284,357,785</u>	<u>269,945,144</u>
<u>BUSINESS-TYPE ACTIVITIES</u>										
General obligation refunding bonds (4)	13,860,000	21,155,000	18,415,000	16,805,000	17,410,000	21,495,000	19,095,000	16,480,000	13,490,000	16,900,000
General obligations bonds from direct borrowings (4)	620,380	423,528	419,550	360,398	215,741	70,588	-	-	-	-
Certificates of obligation	50,220,000	38,930,000	37,110,000	35,075,000	32,570,000	25,680,000	28,275,000	32,680,000	39,835,000	38,130,000
Unamortized premium/(discount)	666,020	1,916,392	1,878,147	1,694,323	2,080,380	3,261,227	3,189,744	3,414,645	3,616,732	5,709,171
Total general obligation bonds and certificates of obligation (4)	<u>65,366,400</u>	<u>62,424,920</u>	<u>57,822,697</u>	<u>53,934,721</u>	<u>52,276,121</u>	<u>50,506,815</u>	<u>50,559,744</u>	<u>52,574,645</u>	<u>56,941,732</u>	<u>60,739,171</u>
Total primary government	<u>\$ 307,185,489</u>	<u>\$ 297,204,374</u>	<u>\$ 284,867,177</u>	<u>\$ 274,666,265</u>	<u>\$ 269,456,059</u>	<u>\$ 258,589,228</u>	<u>\$ 284,625,999</u>	<u>\$ 326,818,712</u>	<u>\$ 341,299,517</u>	<u>\$ 330,684,315</u>
% of actual taxable value of property (2)	3.2 %	3.1 %	2.9 %	2.6 %	2.5 %	2.2 %	2.1 %	2.3 %	2.2 %	2.0 %
Per capita (3)	\$ 3,074	\$ 2,959	\$ 2,825	\$ 2,698	\$ 2,631	\$ 2,479	\$ 2,650	\$ 2,967	\$ 3,001	\$ 2,860

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

- (1) In FY 2014, this table was restated to include the unamortized premium and discount for all years presented. These components are generated as part of debt issuance, and are amortized as non-cash interest expense over the life of the debt.
- (2) See table 5 for property value data.
- (3) In FY 2019, this table was restated to separate out direct borrowings from debt.
- (4) In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts

Table 11

CITY OF RICHARDSON, TEXAS
 Direct and Overlapping Governmental Activities Debt
 September 30, 2020
 (unaudited)

<u>Government unit</u>	<u>Debt outstanding</u>	<u>Estimated percentage applicable (1)</u>	<u>Estimated share of overlapping debt</u>
Debt repaid with property taxes:			
Richardson Independent School District	\$ 577,495,829	38.29 %	\$ 221,123,153
Plano Independent School District	753,090,000	13.65	102,796,785
Dallas County	130,445,000	3.56	4,643,842
Dallas County Schools	27,204,352	3.56	968,475
Dallas County Hospital District	622,000,000	3.56	22,143,200
Dallas County Community College District	135,375,000	3.56	4,819,350
Garland Independent School District	511,020,000	0.04	204,408
Collin County	487,405,000	5.16	25,150,098
Collin County Community College District	524,590,000	5.16	<u>27,068,844</u>
Subtotal, overlapping debt			408,918,155
City direct debt			<u>365,373,568</u> (2)
Total direct and overlapping bonded debt			<u><u>\$ 774,291,723</u></u>

(1) Estimated percentage applicable to the City is calculated by taking each entity's taxable values within the City and dividing by the total taxable value for that entity.

(2) Includes unamortized premium and discounts of \$21,165,144 and TIF and other obligations of \$95,428,424. Amounts for other governmental units only include the value of bonded debt outstanding.

Source: Hilltop Securities Inc.

Table 12

CITY OF RICHARDSON, TEXAS
 Legal Debt Margin Information
 Last ten fiscal years
 (unaudited)

<u>Year</u>	<u>Debt Limit</u>	<u>Total net debt applicable to limit (1)</u>	<u>Legal Debt Margin</u>	<u>Estimated share of overlapping debt</u>
2011	\$ 1,475,676,577	\$ 244,561,083	\$ 1,231,115,494	16.57%
2012	1,451,488,433	233,279,620	1,218,208,813	16.07
2013	1,452,124,244	223,036,472	1,229,087,772	15.36
2014	1,493,821,784	214,000,450	1,279,821,334	14.33
2015	1,566,257,510	208,599,602	1,357,657,908	13.32
2016 (2)	1,621,241,723	201,229,259	1,420,012,464	12.41
2017	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A

- (1) Does not include premiums, discounts or other obligations as these amounts do not apply to the City's debt limit.
- (2) As of November, 2015 the City's Charter was amended to include a Tax Rate Limitation that stipulates that the City may borrow money for permanent public improvements or any other legitimate purpose as may be determined by the City Council, in accordance with the Constitution and the laws of the State of Texas. The Constitution places a limit on the ad valorem tax rate that may be levied for repayment of the ad valorem tax debt, but there is no formal limit on the amount of ad valorem debt that may be borrowed. Prior to the 2015 charter election, the City's limit was equal to 15 percent of the assessed value of the tax roll.

Table 13

CITY OF RICHARDSON, TEXAS
 Demographic and Economic Statistics
 Last ten calendar years
 (unaudited)

<u>Calendar Year</u>	<u>Estimated Population (1)</u>	<u>Personal income (thousands of dollars)</u>	<u>Per capita personal income (2)</u>	<u>Median age (2)</u>	<u>School enrollment</u>		<u>Unemployment rate (%) (5)</u>
					<u>R.I.S.D.(3)</u>	<u>P.I.S.D.(4)</u>	
2011	99,930	\$ 3,207,553	\$ 32,098	38.1	35,997	54,989	7.5 %
2012	100,450	3,310,631	32,958	36.2	36,946	55,302	5.5
2013	100,850	3,323,814	32,958	36.2	38,043	55,302	5.6
2014	101,820	3,355,784	32,958	36.2	38,283	54,839	4.5
2015	102,430	3,547,868	34,637	37.6	38,618	54,818	3.5
2016	104,300	3,612,639	34,637	37.6	38,792	54,818	3.7
2017	107,400	3,720,014	34,637	37.6	39,272	53,952	3.0
2018	110,140	3,814,919	34,637	37.6	39,314	53,952	3.5
2019	113,710	4,046,256	35,584	37.6	39,103	53,085	3.2
2020	115,630	4,005,076	34,637	37.6	39,619	52,629	5.5

Sources:

- (1) NCTCOG as of April, 2020.
- (2) Information compiled from the Richardson Economic Development Partnership.
- (3) School Enrollment - Richardson Independent School District.
- (4) School Enrollment - Plano Independent School District.
- (5) Unemployment - Texas Workforce Commission Website.

Note: The City of Richardson is located in both Dallas and Collin Counties. School children residing in Dallas County are enrolled in the Richardson Independent School District while those residing in Collin County are enrolled in the Plano Independent School District.

Table 14

CITY OF RICHARDSON, TEXAS
Principal Employers
Current year and nine years ago
(unaudited)

Employer	2020			2011		
	Employees (1)	Rank	Percentage of total city employment (2)	Employees (3)	Rank	Percentage of total city employment (4)
State Farm Insurance	9,000	1	6.15 %	-	-	- %
Blue Cross & Blue Shield of Texas	3,100	2	2.38	3,100	4	2.38
The University of Texas at Dallas	2,674	3	2.06	2,830	5	2.18
Genpact	2,500	4	-	-	-	-
Richardson ISD	2,500	5	1.92	4,780	1	3.68
GEICO	2,400	6	1.62	-	-	-
Raytheon	2,200	7	1.54	1,200	9	1.00
RealPage	2,100	8	1.46	-	-	-
Cisco	2,000	9	-	1,200	10	0.92
Texas Instruments	1,800	10	1.31	-	-	-
Fujitsu Network	-	-	-	1,500	8	1.15
AT&T	-	-	-	4,300	2	3.31
Bank of America	-	-	-	3,300	3	2.54
Verizon Business	-	-	-	2,250	7	1.73
Rockwell Collins	-	-	-	1,200	9	0.92
Ericsson, Inc.	-	-	-	2,500	6	1.92
Total	30,274		18.44 %	28,160		21.73 %

Source:

- (1) Richardson Economic Development Partnership as of November, 2019.
- (2) Richardson Economic Development Partnership total city employment totaled approximately 130,000 as of September, 2019.
- (3) Richardson Chamber of Commerce, 2010.
- (4) NCTCOG-2011 City Employment Projections - 120,456.

Table 15

CITY OF RICHARDSON, TEXAS
 Full-Time Equivalent City Government Employees by Function/Program
 Last ten fiscal years
 (unaudited)

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	143	143	145	149	153	153	152	165	168	159
Public safety	395	395	396	397	411	419	428	432	432	433
Public services	156	157	159	156	154	156	156	141	148	163
Library	35	35	35	29	30	30	30	30	30	30
Parks and recreation (1)	80	81	81	77	94	95	95	101	101	95
Public health	16	17	17	17	17	18	18	18	18	18
Water	66	66	66	66	68	70	70	72	73	76
Wastewater	12	12	12	12	12	12	14	14	15	12
Solid waste	70	70	70	70	71	71	71	71	71	71
Golf (1)	16	16	16	14	-	-	-	-	-	-
Total	989	992	997	987	1,010	1,024	1,034	1,044	1,056	1,057

(1) In FY 2015, the Golf function was reclassified into the Parks and recreation function.

Source: City Budget Office.

Totals updated for years 2010 - 2012 in FY 2013.

Table 16

CITY OF RICHARDSON, TEXAS
Operating Indicators by Function/Program
 Last ten fiscal years
 (unaudited)

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety:										
Police: Number of employees	242	246	246	245	253	258	263	267	267	268
Fire: Number of employees	153	150	150	152	158	161	165	166	165	165
Municipal court:										
Number of violations (citations)	54,113	46,357	48,249	43,144	39,042	32,313	31,338	36,269	37,242	27,272
Public services:										
Asphalt repairs (tons) (1)	1,117	1,184	978	572	600	662	775	718	897	548
Concrete replacement (yards) (1)	-	-	-	3,806	3,118	2,382	2,359	2,234	1,743	1,804
Parks and recreation: Acreage	865	865	865	865	870	873	900	900	900	900
Library: Volumes in collection	-	-	-	-	250,035	262,208	251,535	253,802	260,328	276,965
Water and sewer:										
Number of water consumers	32,407	32,409	32,685	32,895	33,046	33,249	33,427	33,424	33,549	33,532
Average daily water consumption (thousands of gallons) (2)	26,033	22,555	20,482	19,148	22,478	21,920	22,522	24,203	22,773	19,789
Number of sewer consumers	29,192	29,162	29,295	29,533	29,681	29,869	29,983	30,016	30,121	30,119
Solid waste:										
Refuse collected (tons/day) (4)	143	136	138	136	188	163	151	132	140	133
Bulky/brush pickups (tons/day) (4)	59	64	62	71	36	37	24	23	34	34
Recyclables collected (tons/day)	28	30	27	26	26	27	19	20	20	20
Golf: Number of rounds played (3)	92,999	92,681	87,003	71,488	47,893	68,823	74,355	72,451	74,577	95,689

- (1) Asphalt repairs were reduced in FY 2014 because in FY 2014 public services began a new program focusing on full concrete replacement rather than asphalt overlays.
- (2) In FY 2015, the average daily water consumption has increased because watering restrictions were lifted. In FY 2016 the City received higher than average rainfall.
- (3) Course 1 was closed from February 1, 2015 through October 16, 2015.
- (4) Beginning in FY 2015, refuse includes other bulky trash that is not composted.

Source: City Departments

Table 17

CITY OF RICHARDSON, TEXAS
Capital Asset Statistics by Function/Program
 Last ten fiscal years
 (unaudited)

<u>Function/program</u>	<u>2011</u>	<u>2012</u>	<u>2013(1)</u>	<u>2014(1)</u>	<u>2015(1)</u>	<u>2016(1)</u>	<u>2017(1)</u>	<u>2018(1)</u>	<u>2019(1)</u>	<u>2020(1)</u>
Public safety:										
Police stations	2	2	2	2	2	2	2	2	2	2
Police patrol units	43	46	48	50	46	43	43	45	48	48
Volunteer patrol units	3	3	2	3	3	3	3	3	3	3
Fire stations	6	6	6	6	6	6	6	6	6	6
Public works:										
Streets - paved (miles)	404	406	409	411	587	590	590	591	591	592
Alleys - paved (miles)	221	222	222	222	222	223	223	223	223	223
Sidewalks (miles)	651	652	665	678	678	680	683	696	697	703
Streetlights	6,207	6,211	6,234	6,241	6,288	6,301	6,301	6,301	6,301	6,301
Parks and recreation:										
Parks	32	32	33	33	35	36	38	38	38	38
Playgrounds	29	29	30	30	31	31	33	33	33	33
Swimming pools	5	5	5	5	5	5	5	5	5	5
Tennis courts	32	32	32	32	32	32	32	32	32	32
Recreation centers	2	2	2	2	2	2	2	2	2	2
Senior center	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	569	571	574	581	581	585	585	585	585	545
Fire hydrants	4,156	4,187	4,258	4,359	4,419	4,522	4,609	4,630	4,666	4,688
Wastewater:										
Sanitary sewers (miles) (1)	499	500	503	503	503	503	503	503	503	417

(1) Starting in FY 2021, the wastewater sanitary sewer miles reported were restated to exclude abandoned lines.

Source: City Departments

CITY OF RICHARDSON, TEXAS
 Schedule of Pension Benefits Funding Progress (1)
 Last ten fiscal years
 (unaudited)

Actuarial valuation date	Fiscal Year	(a)	(b)	(c)	(d)	Equivalent Single Amortization period in years	(e)	UAAL as a percentage of covered payroll (%) (d)/(e) (2)
		Actuarial value of assets	Actuarial accrued liability (AAL)	Funded ratio (%) (a)/(b)	Unfunded ALL (UAAL) (b)-(a)		Annual covered payroll (2)	
12/31/10 (3)	2011	\$ 169,208,373	\$ 262,453,428	64.47 %	\$ 93,245,055	30	\$ 54,789,624	170.19 %
12/31/11	2012	176,026,211	276,540,082	63.65	100,513,871	29	58,633,974	171.43
12/31/12	2013	313,084,736	359,151,109	87.17	46,066,373	27	58,251,916	79.08
12/31/13 (4)	2014	381,584,128	434,417,023	87.84	52,832,895	17	64,560,755	81.83
12/31/14	2015	403,661,975	452,625,423	89.18	48,963,448	16	65,295,964	74.99
12/31/15	2016	424,808,953	479,358,126	88.62	54,549,173	16	67,329,906	81.02
12/31/16	2017	444,939,761	501,315,736	88.75	56,375,975	15	70,066,638	80.46
12/31/17	2018	469,640,036	522,622,710	89.86	52,982,674	14	72,840,621	72.74
12/31/18	2019	490,140,485	545,089,671	89.92	54,949,186	13	75,570,212	72.71
12/31/19	2020	513,963,111	566,908,565	90.66	52,945,454	13	75,768,381	69.88

- (1) This schedule shows the pension benefit on a funding basis, as reported by TMRS each year. The funding basis, which is used to determine the City's annual contribution rate, uses an actuarial value for plan assets rather than a market value. This data is used to show ongoing funding progress of the plan with the normal cyclical swings of the stock market average out next year.
- (2) Covered annual payroll and UAAL as a percentage of covered payroll are based on the fiscal year. The rest of the information is provided by TMRS on a calendar year basis.
- (3) The Texas State Legislature met in 2011 and passed Senate Bill 350, which restructured TMRS' internal account structure. This change was incorporated into the TMRS 2010 actuarial valuation and had the net effect of increasing the City's funded ratio.
- (4) In 2013, the TMRS Board, in preparation for implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, changed the actuarial cost method to entry age normal and updated post-retirement mortality assumptions. These changes were incorporated into the TMRS 2013 actuarial valuation which had the net effect of reducing the City's funded ratio and reducing the remaining amortization period from 25.3 to 17 years for the City's fiscal year 2014.



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