



CITY OF RICHARDSON, TEXAS

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Prepared By:

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**City of Richardson, Texas
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INTRODUCTORY SECTION



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**City Council as of
September 30, 2022**

**Mayor
Paul Voelker**

**Mayor Pro Tem
Place 3
Janet DePuy**

**Place 1
Bob Dubey
Place 2
Jennifer Justice
Place 4
Joe Corcoran
Place 5
Ken Hutchenrider
Place 6
Arefin Shamsul**

**City Manager
Don Magner**

July 14, 2023

Honorable Mayor and City Council,

Citizens of the City of Richardson, Texas:

The Annual Comprehensive Financial Report of the City of Richardson (the City), for the fiscal year ended September 30, 2022, 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. Staff utilizes a third-party publishing software in preparation of this report that rounds each statement and schedule independently. This may cause some minor rounding differences between various statements and schedules.

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, 2022, and the auditor's report is located at the front of the financial section of the Annual Comprehensive 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.

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CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2022

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 122,570. 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 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.

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.

CITY OF RICHARDSON, TEXAS

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Richardson's Place in the 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. The DART Silver Line is currently under construction with revenue service expected to begin by Fiscal Year 2026. The Silver Line follows 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. The Silver line will include 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.

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 1,777 acres including 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. The district includes an approximately 1,200-acre area east of U.S. 75 known as the Richardson Innovation Quarter which is more fully described below. 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.

TIF District #2 and TIF District #3 collectively include 241 acres that are better known as CityLine. 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

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center anchored by Texas Health Resources and Children’s Medical Center, 150,000 square feet of restaurants and retail space, DART Light Rail and Silver Line stations 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. CityLine is not fully built out, with additional acreage available for the development of more corporate office buildings. Currently, Dallas builder Centre Living Homes is building 58 additional urban-style homes within TIF #3, marketed as The Commons at Spring Creek.

TIF District #1 includes numerous developments as well as the City’s CORE District and the Richardson Innovation Quarter. The CORE District encompasses the area around U.S. 75 starting just west of Belt Line Road and continuing east as Belt Line Road transitions to Main Street, ending just east of Richardson’s historic downtown. The CORE District includes five distinct destination areas that include Chinatown, Downtown, Heights, Interurban and Lockwood. This area is home to a diverse mix of retail businesses including Lockwood Distilling Company, Greenville Avenue Pizza Company, Monkey King Noodle Company and the first Alamo Drafthouse in the DFW region. Currently under construction, Belt + Main is a mixed-use multi-family development in the Downtown district that will add 430 apartment and townhome units, a parking garage with public spaces, retail and commercial space. The CORE District is also home to the City’s Police Headquarters and Fire Station #1. The Richardson Innovation Quarter (“The IQ®”) is a 1,200-acre urban hub with a rich heritage of innovation and entrepreneurship generally bounded by U.S. 75, Campbell Road, Plano Road and Apollo Road. With over 1,000 businesses and 19,000 workers, The IQ® is home to technology-related start-ups, manufacturers, nonprofit organizations, corporate research and development, restaurants, multi-family developments and more. Some notable companies with a presence in The IQ® include Digital Realty, Ericsson, Honeywell, Raytheon, and the Texas Blockchain Council. The IQ® “Headquarters”, or “IQHQ”, is a 27,500-square-foot building in The IQ® that houses six new UT Dallas research centers, the City’s new Economic Development Department and space for programming, networking and events focused on attracting entrepreneurial activity to the area. The IQ® is also serving as the temporary location of the City’s administrative offices.

Outside of the City’s TIF Districts, Richardson’s highlights include Texas Instruments’ 1.1 million square foot semiconductor manufacturing facility on Renner Road that produces 300-mm analog wafer chips. A second, brand new 300-mm wafer fab has started initial production and will ramp-up over the coming months to support the future growth of semiconductors. Richardson is home to the University of Texas at Dallas, with more than 31,000 students enrolled in 146 academic programs including top-ranked programs in STEM, management, liberal arts and social sciences majors. The university’s STEM programs are a major draw and labor source for the City’s high-tech companies. The university continually upgrades its infrastructure through campus reinvestment, ensuring a state-of-the-art experience for students. The university also includes Northside, a public-private partnership that resulted in the development of multi-family housing and retail that added approximately 2,600 beds adjacent to the DART Silver Line rail station. Richardson is also home to the Methodist Richardson Medical Center (“MRMC”). This full-service

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medical center offers enhanced health care services to residents of Richardson and surrounding communities. MRMC includes two campuses, the primary campus on Renner Road at President George Bush Turnpike and a secondary campus on West Campbell Road near U.S. 75. Combined, the two facilities have nearly 400 beds and employ over 400 physicians. MRMC recently began construction on an 80,000-square-foot expansion of the emergency department on its primary campus in 2022. The project will add about 25,000 square feet of additional space to treat trauma patients and 18 new suites to its emergency medical department. The remaining new space will be used for a new pharmacy and for additional laboratory services on the campus.

Other Recent Developments

CBRE Group: The Galatyn Commons office campus, located at 2375 N. Glenville Drive is now home to CBRE Group, a global real estate company. CBRE Group opened a flexible, high-tech office, designed to enable hybrid work and create a seamless experience for in-office and remote participants. The 131,000-square-foot office houses the company's Dallas-based Digital & Technology, Finance, People (Human Resources), and Supply Chain/Procurement staff.

Ovation at Galatyn Park: Bridge Investment Group and Legacy Partners are constructing a 351-unit apartment community near the City's Eisemann Center performing arts venue and DART's Galatyn Park Light Rail station. Through a public-private partnership, the apartment community will include one level of a parking garage that will be used exclusively by the City for additional parking needs at the Eisemann Center.

Sherman Lofts: The City Council approved zoning for Sherman Lofts, located within TIF #1 on Spring Valley Road, across the street from DART's Spring Valley Light Rail station. The proposed four-story apartment development will include 299 traditional apartment units, three live-work apartments and a 932 square foot coworking space open to the public. Construction is expected to begin on the development, located at 111 West Spring Valley Road, in the summer of 2023.

Lookout Logistics Center: Richardson Logistics Center is a three-building industrial campus under construction at the corner of Lookout Drive and Plano Road. The buildings will be 102,273 SF, 118,893 SF and 138,003 SF, and are expected to be completed in June 2023.

McCarthy Building Companies: McCarthy Building Companies selected 3400 at Cityline for the site of their new regional headquarters, relocating from Dallas. The expanded offices will accommodate McCarthy's parent company, subsidiaries, and allow for the hiring of 150 new employees to support construction contracts.

Adaptive3D: Adaptive3D, a supplier of materials used by 3D printers, moved its headquarters to Richardson's Innovation Quarter in the fall of 2022. The move allows the company to provide a large deployment of its 3D printers and supports production of its DuraChain 3D-printable resins, used in a variety of products including seals, impact parts, audio earpieces and athletic apparel.

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Waterview Mixed-Use: The City Council approved zoning for a mixed-use development at the corner of Waterview Parkway and Frankford Road, near UT Dallas' campus. The development will include up to 511 apartment and live-work units, a four-story limited-service hotel, and up to 19,000 square feet of retail space. The first phase of the development will be marketed to UT Dallas students

Partenope Ristorante: Partenope Ristorante announced in the fall of 2022 that it would open a location in Richardson's CORE district in mid-2023. This will be the first sit-down, full-service restaurant opened in Richardson's downtown area since major planning and redevelopment efforts were launched by the City. The downtown Richardson location will be Partenope's second location, with the first in downtown Dallas widely known for its Southern Italian authentic experience, serving pizzas that have achieved the Vera Napoletana (VPN) certification, signifying it meets the true Neapolitan-style standard.

The Caroline Eastside: Hunt Companies Inc. is developing a 384-unit apartment complex next to The Mallory Eastside, off of the Central Trail that runs along the DART rail line. The apartments will include a mix of one-, two-, and three-bedroom units and studios along with a coworking space, clubhouse, two-story gym, dog park, rooftop lounge, spa pool, lounge area and game room. The first residents are expected to move in by early 2025, and preleasing will begin at the end of 2023.

Tax Abatements and Economic Incentives

Many of the developments mentioned in the previous section were made possible by economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax or enhance the property tax base and economic vitality of the City. More details on these programs are available in Note 15 of this document and at www.cor.net/transparency. At any time, the City has numerous active incentive agreements. The only material agreement under the City's incentive program is the tax abatement and related Chapter 380 agreement with Texas Instruments. This agreement resulted in the abatement of \$1,850,727 in taxes and the reduction of water and sewer charges of \$7,634,204. In Fiscal Year 2004, the year prior to construction of the Texas Instruments facility, the City received \$75 in property taxes on the undeveloped land. Net of the abatement, the City received \$2,684,474 in property taxes and \$11,514,210 in water and sewer revenues in Fiscal Year 2022. Texas Instruments was the number one water user in the City. Additionally, Texas Instruments chose to increase its Richardson presence by the current expansion of their manufacturing facility. None of this investment would have been possible without economic incentives.

Long-term Financial Planning

The \$39,195,574 unassigned fund balance in the General Fund is the equivalent of 90.96 days of expenditures and transfers on a budgetary basis. Additionally, the City was able to transfer almost \$27.2 million in resources from the General Fund to the Capital Fund for future capital needs and cash funded maintenance initiatives. During Fiscal Year 2015, the City Council expressed a desire to strategically increase the year-end fund balance of the General Fund. At that time, fund balance stood at 60.5 days, slightly in excess of the formal policy requirement of 60 days. Since that time,

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through the strategic utilization of year-end savings, one-time revenues from major construction permits and greater than budgeted sales tax payments, the City has been able to increase to the current level. During the Fiscal Year 2022 budget adoption, the City Council formally increased the fund balance requirement for the General Fund to 90 days.

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 (\$6.3 million), neighborhood park maintenance (\$0.4 million), information technology and traffic legacy software replacement (\$2.1 million), economic development (\$0.9 million) and general vehicle and equipment replacement (\$4.5 million). All in, these recurring transfers provided \$14.2 million for funding community needs.

Major Initiatives

In November 2021, citizens approved a \$190 million, five-year General Obligation bond program. The 2021 program includes \$102 million for various street and alley improvements, \$64 million for renovations of public buildings including the Library and City Hall, \$8.5 million for sidewalks, \$8 million for drainage improvements, and \$7.5 million for various park improvements including the activation of two undeveloped properties. During Fiscal Year 2022, the City issued \$29.72 million of the 2021 authorization.

Some of the key initiatives during Fiscal Year 2022 included:

- City staff, led by the Finance and Information Technology Departments, implemented Tyler's Incode Municipal Court System and Tyler's Munis Financial System. These modern software packages replaced legacy systems that had been installed in 1998. Future installations will replace legacy software for Human Resources, Payroll, Utility Billing, Code Enforcement and Building Inspection applications.
- American Rescue Plan funding: The United States Congress passed the American Rescue Plan Act ("ARP") in early 2021. The City received \$18.29 million from this program. Approximately \$8.5 million of these funds are being used as revenue replacement and are being used to fund the reconstruction of Custer Road between Campbell Road and Arapaho Road. The remainder of the ARP funds are being used to support enhancements to the City's water system, including construction of a new 15-million-gallon per day pump station, a 5-million-gallon ground storage tank and related waterlines and infrastructure. This project will improve the water system's capacity and overall reliability.
- Richardson Innovation Quarter (The IQ®) – The City completed a \$4.1 million renovation of a 27,000 square foot city-owned facility at 1302 East Collins Boulevard which serves as the headquarters of The IQ® as well as houses the City's new Economic Development Department. The headquarters is shared with the University of Texas at Dallas, housing several educational,

CITY OF RICHARDSON, TEXAS

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training and research components at the site, along with an extension of the university's Venture Development Center.

City Hall Fire

Richardson City Hall sustained significant damage as the result of an electrical fire that started on the first floor of the building around 3 a.m. on August 22, 2022. The Fire Department was able to respond quickly and no employees were injured. However, the resulting fire, smoke and water damage was enough to cause the building to be vacated, with City Hall offices relocated to other municipal facilities. In the following months after the fire, structural, electrical, information technology and other engineers and technicians evaluated the damage to the City Hall building and documented multiple concerns about the integrity of the building, including issues with structural, electrical, mechanical, plumbing, and other elements of the building.

The facility was scheduled for a \$22.4 million renovation as part of the 2021 Bond Program authorized by voters in November 2021. Those authorized funds, as well as insurance settlements could be used to repair the facility, although additional funding would be needed due to cost escalation and inflation. The Richardson City Council voted to call a May 2023 bond election to raise \$46 million in funds to build a new facility. This bond election passed with a 69.7% approval rate. These new funds will be combined with the existing authorization and insurance proceeds. Richardson's City Hall was just over forty years old and has little book value remaining due to its age. A decision on whether to record any impairment will be made once design work determines if any elements of the original facility can be re-used, as well as what the final insurance recovery value will be. As of September 30, 2022, the City had received \$700,000 in insurance recoveries to support the purchase of needed Information Technology equipment damaged in the fire.

Impacts of COVID-19

Richardson managed to avoid material financial challenges from COVID-19 due to strong sales tax performance and continued increases in property values, anchored by ongoing commercial investment in the community. Fiscal Year 2022 restored all services and community events that were temporarily halted or reduced during the pandemic.

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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. This was the forty-fourth 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 Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2022

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive 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 Annual Comprehensive Financial Report was made possible by the dedicated service of the accounting division. Each member of the department has our sincere appreciation for the long hours and contributions made in the preparation of this report. Special thanks are extended to all members of the City Council for their leadership and support of sound fiscal management.

Sincerely,

Don Magner
City Manager

Kent Pfeil
Chief Financial Officer

Keith Dagen, CPA
Director of Finance

Herman Chavez, CPA
Controller



**CITY OF RICHARDSON, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2022**

CITY COUNCIL

PAUL VOELKER, MAYOR
JANET DePUY, MAYOR PRO TEM
BOB DUBEY
JENNIFER JUSTICE
JOE CORCORAN
KEN HUTCHENRIDER
AREFIN SHAMSUL

CITY MANAGER

DON MAGNER

CHIEF FINANCIAL OFFICER

KENT PFEIL

ASSISTANT CITY MANAGERS

MICHAELA DOLLAR
CHARLES GOFF

DIRECTOR OF FINANCE

KEITH DAGEN



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

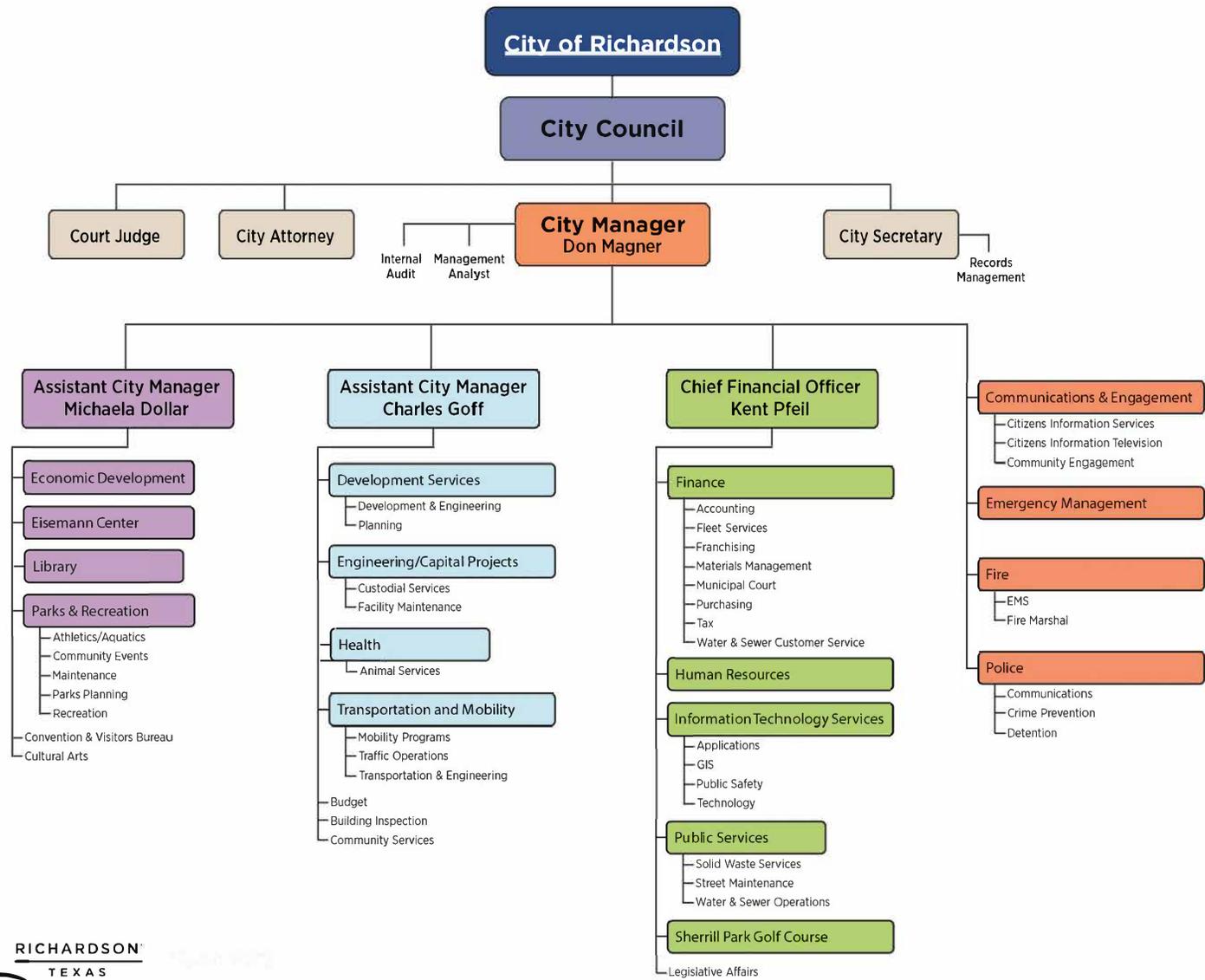
**City of Richardson
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO





FINANCIAL SECTION



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AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 1 to the financial statements, during the year ended September 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. The adoption resulted in recording a lease payable, right-of-use lease asset, lease receivable and deferred inflow of resources-leases. There was no impact to net position or fund balance as of October 1, 2021 as a result of adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis*, *Budgetary Comparison Schedule – General Fund*, *Budgetary Comparison Schedule – Federal Grant Funds*, *Budgetary Comparison Schedule – Hotel-Motel 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 16 – 25, 76, 77, 78, 79, 80 and 81, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
July 14, 2023



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MANAGEMENT'S DISCUSSION AND ANALYSIS



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CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2022

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, 2022. 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, 2022, by approximately \$368.7M (net position).
- The City's total net position increased approximately \$69.2M. The primary reasons are an increase in water sales, sales tax collections and an overall decrease in governmental spending. Additional detail may be found on pages 17-19 of this report.
- At September 30, 2022, the City's governmental funds reported combined ending fund balances of approximately \$192.3M. Approximately \$39.2M unassigned fund balance in the General Fund represents 24.6% of total General Fund expenditures and transfers out.
- Principal balances of the City's total long-term debt held steady, having a net decrease of about \$168K (<0.1%) during the current fiscal year (see Table 4). Additional information on the City's long-term debt can be found in Notes 9-12 of the financial statements.
- The City implemented GASB Statement No. 87, Leases. As part of implementing the standard, the City had approximately \$20.5M in lease related receivables/deferred inflows and approximately \$2M in lease obligations at September 30, 2022.

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.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

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.

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, the Capital Fund, and the Federal Grant 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.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
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OVERVIEW OF THE FINANCIAL STATEMENTS

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.

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, Hotel/Motel Tax Fund and Federal Grants Fund. A budgetary comparison schedule has been provided for each of these major funds 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, along with related budgetary comparison schedules for the Debt Service Fund and the nonmajor governmental.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. Total assets of the City at September 30, 2022 were about \$995.5M, deferred outflows of resources of \$21.7M, total liabilities of \$585.3M and deferred inflows of resources were approximately \$63.3M resulting in a net position balance of about \$368.7M a 23.1% increase over the previous year (see Table 1).

The largest portion of the City's net position, \$291.7M (79%), 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, \$66.3M (18%), represents resources that are subject to external restrictions on how they may be used. The City's unrestricted net position of \$10.7M (3%) reflects general resources that may be used for any lawful purpose. The government's overall net position increased approximately \$69.2M 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, 2022

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

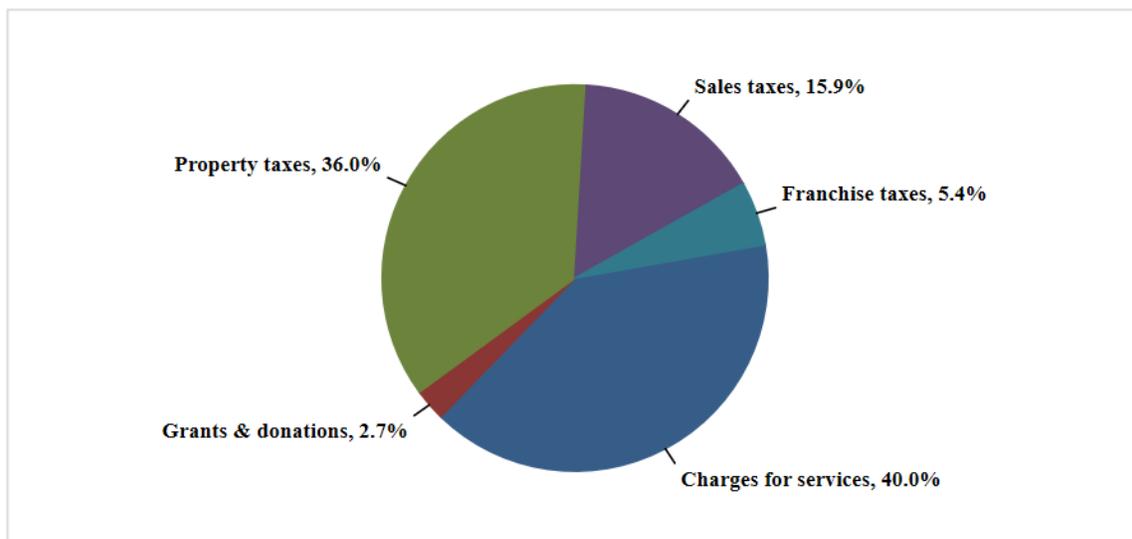
Table 1
City of Richardson
Net Position
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2021-2022
	2022	2021	2022	2021	2022	2021	
Current and other assets	\$ 268,499	\$ 211,974	\$ 92,771	\$ 71,726	\$ 361,270	\$ 283,700	27.3 %
Capital assets	520,679	506,340	113,564	108,530	634,243	614,870	3.2 %
Total assets	789,178	718,314	206,335	180,256	995,513	898,570	10.8 %
Total deferred outflows of resources	18,382	14,516	3,349	2,829	21,731	17,345	25.3 %
Other liabilities	46,965	33,893	12,962	9,892	59,927	43,785	36.9 %
Long term liabilities	437,764	468,239	87,601	83,603	525,365	551,842	(4.8)%
Total liabilities	484,729	502,132	100,563	93,495	585,292	595,627	(1.7)%
Total deferred inflows of resources	55,395	18,080	7,885	2,706	63,280	20,786	204.4 %
Net Position:							
Net investment in capital assets	237,511	215,347	54,163	56,716	291,674	272,063	7.2 %
Restricted	30,114	20,174	36,178	24,197	66,292	44,371	49.4 %
Unrestricted	(189)	(22,904)	10,894	5,971	10,705	(16,933)	(163.2)%
Total net position	\$ 267,436	\$ 212,617	\$ 101,235	\$ 86,884	\$ 368,671	\$ 299,501	23.1 %

Changes in net position. The City’s total revenues increased by 8.8% to approximately \$340.5M (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 51.9% of the City’s revenue comes from local property and sales tax receipts while fees charged for services makes up 40% of revenue collected (see Figure 1).

The total cost of all programs and services decreased (1.6)% to \$271.6M (see Table 2). The City’s functional expenses cover a range of services with over a third attributed to public utilities and 21.4% attributed to public safety (see Figure 2).

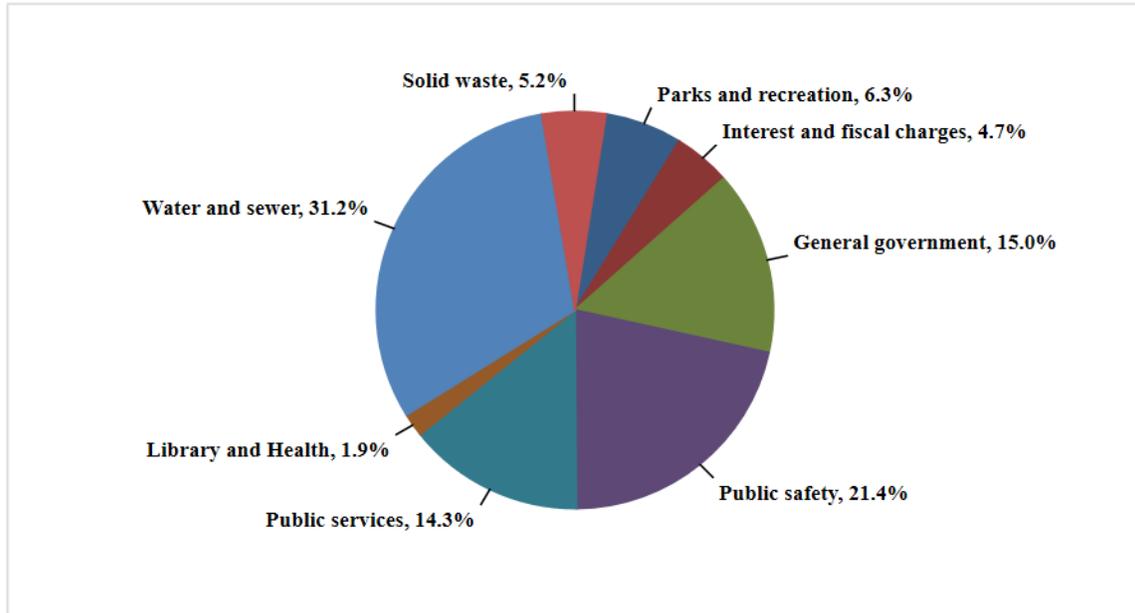
Figure 1 - Sources of Revenue for FY 2022



CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2022

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Figure 2 - Functional Expenses for FY 2022



Governmental Activities. Net position increased approximately \$54.8M. Key revenue and expense transactions are as follows:

- Major revenue increases over the previous year were property tax revenue of approximately \$2.1M, and sales tax revenue of \$7.6M due to a year-over-year increase in the assessed value of taxable property from \$16.6B to \$17.7B, favorable outcomes of prior year property tax values in dispute and steady sales tax collections.
- General government expenses decreased approximately \$5M, primarily due to one time spending increases in the prior year related to the workers' compensation expenditures and facility enhancements to address the COVID-19 pandemic.

Business-Type Activities. Business type activities increased net position by approximately \$14.3M.

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

- Water sales were \$8.4M greater than the prior year's actual. In FY2022, the City received 35.71" of rainfall compared to the 47.9" received in the previous year and the five-year average rainfall of 48.81". The increase is primarily related to the area rainfall being below average for the months of April - July, with no rainfall in July. In addition, the City is experiencing improved collections due to the City resuming pre-pandemic collection/cut-offs procedures.
- Total operating revenues in the Water and Sewer Fund of about \$95.9M are about \$11.5M greater than prior year's actual, with Water Sales having the largest increase from the prior year as described above. Total operating expenses of about \$83.1M ended the year \$2.6M greater than prior year's actual, with Personal Services and Purchase of Water showing the largest increases from the prior year.
- Total operating revenues in the the Solid Waste Fund finished the year approximately \$1M greater than the prior year's actual. Total expenses ended the year similar to the prior year, approximately \$34K lower. Actual disposal costs of \$36.16 per ton were (\$2.09) lower than original estimates.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2022

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 2021-2022
	2022	2021	2022	2021	2022	2021	
Revenues:							
Program revenues:							
Charges for services	\$ 22,280	\$ 22,986	\$ 112,146	\$ 99,649	\$ 134,426	\$ 122,635	9.6 %
Operating grants and contributions	3,877	4,562	-	-	3,877	4,562	(15.0)%
Capital grants and contributions	4,177	735	967	613	5,144	1,348	281.6 %
General revenues:							
Property taxes	120,906	118,829	-	-	120,906	118,829	1.7 %
Sales taxes	53,413	45,810	-	-	53,413	45,810	16.6 %
Franchise taxes	17,975	16,601	-	-	17,975	16,601	8.3 %
Mixed beverage tax	729	607	-	-	729	607	20.1 %
Hotel/motel taxes	3,956	2,296	-	-	3,956	2,296	72.3 %
Unrestricted interest earnings	141	305	(52)	68	89	373	(76.1)%
Total revenues	227,454	212,731	113,061	100,330	340,515	313,061	8.8 %
Expenses:							
General government	40,753	45,672	-	-	40,753	45,672	(10.8)%
Public safety	58,295	62,940	-	-	58,295	62,940	(7.4)%
Public services	38,960	36,151	-	-	38,960	36,151	7.8 %
Library	3,627	3,590	-	-	3,627	3,590	1.0 %
Parks and recreation	17,087	17,450	-	-	17,087	17,450	(2.1)%
Public health	1,583	1,645	-	-	1,583	1,645	(3.8)%
Interest and fiscal charges	12,399	12,319	-	-	12,399	12,319	0.6 %
Water and sewer	-	-	84,797	82,101	84,797	82,101	3.3 %
Solid waste	-	-	14,062	14,233	14,062	14,233	(1.2)%
Total expenses	172,704	179,767	98,859	96,334	271,563	276,101	(1.6)%
Increase (decrease) in net position before transfers, contributions and gains	54,750	32,964	14,202	3,996	68,952	36,960	86.6 %
Contributions to permanent fund principal	14	1	-	-	14	1	1,300.0 %
Gain on sale of assets	55	160	150	222	205	382	(46.3)%
Increase (decrease) in net position	54,819	33,125	14,352	4,218	69,171	37,343	85.2 %
Net position - beginning	212,617	179,490	86,884	82,666	299,501	262,156	14.2 %
Net position - ending	\$ 267,436	\$ 212,615	\$ 101,236	\$ 86,884	\$ 368,672	\$ 299,499	23.1 %

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, 2022

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 approximately \$192.3M. Approximately 20.4%, or \$39.1M, constitutes unassigned fund balance, which is reported in the General Fund, Federal Grants, and Other Governmental Funds. The remainder of fund balance, \$153.1M or 79.6% 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 24.6% of total General Fund expenditures and transfers out, while total fund balance represents 25.9% of total General Fund expenditures and transfers out.

The General Fund's fund balance held steady, showing a modest increase of approximately \$1M (less than 3%). Overall, revenues in the General Fund increased by about \$8.8M, or 5.9%, with the largest increase being sales tax of approximately \$7.6M or 16.6%. None of the respective expenditure categories had a significant fluctuation as total expenditures increased by approximately \$5.0M or 4.0%. The City continued its emphasis on Public Safety initiatives with increased spending over the prior year of about \$2.7M out of the \$5.0M total increase.

The Debt Service Fund has a fund balance of approximately \$3.8M, 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 with approximately \$116.1M. Restricted fund balance of \$62.8M is for future capital equipment purchases and construction projects. The fund balance increased \$18.8M due to the timing of acquisition/construction of capital assets and transferring \$27.2M from the General Fund for budgeted cash-financed capital projects and additional community capital needs or future special maintenance initiatives.

The Federal Grants Fund ended has a fund balance of \$11K. Restricted fund balance of \$70K is for use on federally funded public safety, infrastructure, and operational grants. The lower ending fund balance is due to the incurrence of retainages payable that won't qualify as grant expenditures until paid out to contractors.

The Hotel/Motel Fund is a new major fund for the year ended September 30, 2022. The fund has been consistent year to year, however, the fund now has a \$17.7M lease receivable and related deferred inflow of \$17.6M as a direct result of the implementation of GASB No 87, Leases. The Fund's ending fund balance of approximately \$6.6M has been assigned by City Council to be used for the support of its performing arts center and related capital outlay needs. The primary funding source of this fund are taxes collected for lodging, which increased by approximately \$1.7M to \$4.0M and are approaching pre-pandemic levels (\$4.2M in Fiscal Year 2019).

The Other Governmental Funds had a fund balance increase of approximately \$1.0M. The TIF (\$2.4M increase) and Drainage (\$1.9M decrease) Funds are the largest contributors/users of the non-major funds.

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 \$10M and \$(1.5)M respectively. A negative unrestricted net position in the Solid Waste Fund is primarily due to the cost of recording the full value of post-employment benefits that will be funded in future years. The total net position increase of approximately \$11.9M in the Water and Sewer Fund is primarily related to strong water sales made possible by the amounts and timing of rainfall. The net position increase in the Solid Waste Fund of \$2.1M is the result of an increase of solid waste fees related to a slight increase in commercial rates as well as the ability to keep expenses relatively flat year over year.

General Fund Budgetary Highlights: General Government revenues finished the year approximately \$4.5M or 2.9% above year-end estimate. Below are the General Government revenue highlights:

- Property Tax revenues were consistent to both the original and final budgets, only a \$238K variance from the final budget.

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

- Sales and other business tax revenue finished the year \$3.5M over the year-end estimate of \$50.8M on a budgetary basis which was an increase of \$15.7M from the original budget due to ongoing strong collections and conservative budgeting coming out of the COVID-19 pandemic

General Government expenditures, including amounts encumbered prior to year-end but excluding transfers out, finished the year \$2.3M below year-end estimates. The overall positive variance in General Government expenditures was due to the following:

- The largest savings came in public services at \$1.0M, followed by \$0.7 million in parks and recreation and \$0.4 million in general government. The majority of these savings can be attributed to staffing challenges with various positions open throughout the fiscal year.

CAPITAL AND LEASED ASSETS AND DEBT ADMINISTRATION

Capital and Leased Assets: The City's investment in capital assets (net of depreciation when applicable) for its governmental and business-type activities as of September 30, 2022, is approximately \$634.2M, as shown in Table 3. This investment in capital assets includes land, public art, buildings, improvements, vehicles, machinery and equipment, infrastructure, leased equipment and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was approximately \$19.4M (3.2%) .

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

- Equipment and vehicle assets acquired totaled \$6.7M and completed building improvements totalling \$6.8 million, including a \$4.1 million renovation of the 1302 E. Collins Boulevard building described more fully in the Transmittal Letter.
- The City entered into lease obligations for assets valued at approximately \$3.1M.
- The City completed numerous streets, bridge, sidewalk, alley, drainage, traffic and trail projects totaling approximately \$8.2M.
- The Water and Sewer Fund completed approximately \$16.8M in projects, which extended and improved the City's Water and Sewer system.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 94,151	\$ 93,765	\$ 424	\$ 424	\$ 94,575	\$ 94,189
Public Art	4,237	4,233	-	-	4,237	4,233
Buildings	133,489	131,314	3,440	3,526	136,929	134,840
Improvements other than buildings	46,371	49,326	1,435	1,520	47,806	50,846
Infrastructure	192,938	196,988	94,594	82,988	287,532	279,976
Vehicles, machinery and equipment	20,378	21,037	7,563	7,877	27,941	28,914
Leased Assets	2,157	-	-	-	2,157	-
Construction in progress	26,958	9,677	6,108	12,195	33,066	21,872
Total capital assets, net	\$ 520,679	\$ 506,340	\$ 113,564	\$ 108,530	\$ 634,243	\$ 614,870

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, 2022

CAPITAL AND LEASED ASSETS AND DEBT ADMINISTRATION

Long-Term Debt: At the end of the current fiscal year, the City of Richardson had total bonded debt outstanding of approximately \$245.8M as shown in Table 4. Of this amount, approximately \$245.8M represents tax-supported bonds and approximately \$-M represents self-supported bonds. The other obligations of \$100.2M in the governmental activities relates to direct financed purchases (vehicle, golf carts, and EMS equipment), notes payable for a police training facility, TIF economic development grants, a tax note, and lease obligations.

Table 4
City of Richardson
Outstanding Debt
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 167,815	\$ 152,665	\$ 12,660	\$ 15,720	\$ 180,475	\$ 168,385
Certificates of obligation	73,585	80,635	58,330	47,600	131,915	128,235
General obligation bonds from direct borrowings	4,445	15,015	-	-	4,445	15,015
Certificates of obligation from direct borrowings	-	2,875	-	-	-	2,875
Total bonds payable	245,845	251,190	70,990	63,320	316,835	314,510
Tax anticipation notes from direct borrowings	5,605	5,855	-	-	5,605	5,855
Financed purchases & other contractual obligations	1,934	2,006	-	-	1,934	2,006
Lease obligations	2,042	-	-	-	2,042	-
TIF Obligations	90,626	94,839	-	-	90,626	94,839
Total outstanding debt	\$ 346,052	\$ 353,890	\$ 70,990	\$ 63,320	\$ 417,042	\$ 417,210

In May 2022, the City issued approximately \$43.9M in debt to facilitate its ongoing capital program. In addition, the City recognized lease obligations during the year of approximately \$3.1M. Details of these transactions, including the purposes of each issue, can be found in Notes 9-12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following indicators were taken into consideration when adopting the FY2022-2023 budgets.

- The city's budget presentation for the 2022-2023 fiscal year budget was developed with a focus of continuing the implementation of key City Council tactics, expanded efforts for recruitment and retention, additional funding for public safety personnel and initiatives and continued focus on infrastructure reinvestment. The highlights to select funds are as follows:
- **General Fund:** The General Fund budget included a 5.4 cent tax rate reduction to \$0.56095 per \$100 of valuation. A strong housing market has continued to lead to increased taxable values for General Fund and Debt Service needs. The budget for property tax revenues has been increased \$2.3M to \$70.2M. Sales/other taxes was budgeted at \$52.5 million, which is \$13.1M greater than the FY22 budget but on the conservative side is still \$1.7M lower than FY22 actuals. The General Fund budget includes transfers of \$13.7M for cash-based capital initiatives and \$163.2M in total expenditures and transfers (9.5% overall increase).

CITY OF RICHARDSON, TEXAS
Management's Discussion and Analysis (Unaudited)
September 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Water & Sewer Fund: The North Texas Municipal Water District (NTMWD) wholesale water rate was increased from \$2.99 to \$3.39 per 1,000 gallons and wastewater treatment rates also increased from the City's service providers. The City's total cost for wholesale water was \$32.4M million and the total cost for wastewater treatment was \$21.0M for the fiscal year ended September 30, 2022. The budgeted costs for wholesale water are \$36.1M and \$24.1M for wastewater treatment in fiscal year 2022-2023, which makes up about 63.2% of the total budgeted expenditures of the Water and Sewer Fund. A rate increase of 1.9% on water and sewer charges was implemented due to increasing maintenance and capital needs along with increased wholesale costs. Total revenues of the fund are budgeted at \$95.8M and total expenses and transfers are budgeted at \$95.3M.
- Solid Waste Fund: The Solid Waste Fund budget includes \$17.8M in revenues and \$17.5M of expenditures. Total revenues are increasing about 11.82% due to a \$3 a month increase on residential rates. This fee had not been adjusted since Fiscal Year 2017. Landfill expenses account for 23.5% of the total expenditures.

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.



BASIC FINANCIAL STATEMENTS



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CITY OF RICHARDSON, TEXAS

Statement of Net Position

September 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 29,146,440	\$ 21,754,323	\$ 50,900,763
Investments	205,007,635	-	205,007,635
Receivables (net of allowances)	12,338,016	12,915,777	25,253,793
Lease receivables	18,167,222	2,340,264	20,507,486
Inventories	810,577	1,510,216	2,320,793
Prepaid items	116,715	-	116,715
Deposits	185,000	-	185,000
Property held for redevelopment and resale	274,020	-	274,020
Net pension asset	4,697,833	162,817	4,860,650
Restricted assets:			
Cash and cash equivalents	-	51,711,817	51,711,817
Escrow deposits	129,063	-	129,063
Receivables (net of allowances)	-	1,569	1,569
Internal balances	(2,373,777)	2,373,777	-
Capital and leased assets:			
Nondepreciable	125,346,162	6,531,402	131,877,564
Depreciable/Amortizable (net)	395,332,779	107,033,045	502,365,824
Total assets	<u>789,177,685</u>	<u>206,335,007</u>	<u>995,512,692</u>
Deferred outflows of resources			
Pension contributions, investment experience and assumptions	12,231,539	2,036,731	14,268,270
Deferred charge on refundings	392,136	278,796	670,932
OPEB contributions, investment experience and assumptions	5,758,655	1,033,270	6,791,925
Total deferred outflows of resources	<u>18,382,330</u>	<u>3,348,797</u>	<u>21,731,127</u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS

Statement of Net Position

September 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Liabilities:			
Accounts payable	\$ 11,262,736	\$ 5,328,473	\$ 16,591,209
Retainage payable	1,381,624	-	1,381,624
Accrued liabilities	6,757,603	1,466,675	8,224,278
Accrued interest	11,523,719	469,577	11,993,296
Payable from restricted assets:			
Accounts payable	-	1,471,086	1,471,086
Retainage payable	-	307,606	307,606
Customer deposits	-	3,918,734	3,918,734
Unearned revenue	15,694,303	-	15,694,303
Money held in escrow	345,210	-	345,210
Non-current liabilities:			
Due within one year:			
Bonds, leases, and contractual obligations	38,861,044	6,773,952	45,634,996
Compensated absences	1,314,938	93,527	1,408,465
Workers' compensation	563,018	232,941	795,959
Unpaid claims liability	930,186	-	930,186
Due in more than one year:			
Bonds, leases, and contractual obligations	326,531,238	70,910,478	397,441,716
Total OPEB liability	52,638,620	8,748,846	61,387,466
Workers' compensation	5,090,563	-	5,090,563
Compensated absences	11,834,451	841,746	12,676,197
Total liabilities	<u>484,729,253</u>	<u>100,563,641</u>	<u>585,292,894</u>
Deferred inflows of resources			
Deferred charges on refundings	3,470,795	62,822	3,533,617
Pension actuarial experience	33,323,649	5,382,258	38,705,907
OPEB assumptions	531,218	95,770	626,988
Deferred inflows related to leases	18,069,532	2,343,900	20,413,432
Total deferred inflows of resources	<u>55,395,194</u>	<u>7,884,750</u>	<u>63,279,944</u>
Net position:			
Net investment in capital assets	237,510,934	54,163,027	291,673,961
Restricted for:			
Capital projects	12,141,257	35,933,441	48,074,698
Debt service	-	244,757	244,757
General government	16,704,012	-	16,704,012
Public safety	1,039,025	-	1,039,025
Endowment			
Expendable	13,716	-	13,716
Nonexpendable	215,737	-	215,737
Unrestricted	(189,113)	10,894,188	10,705,075
Total net position	<u>\$ 267,435,568</u>	<u>\$ 101,235,413</u>	<u>\$ 368,670,981</u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Activities
Year ended September 30, 2022

	<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	\$ 40,752,621	\$ 3,236,267	\$ 3,407,836	\$ 235,980	\$ (33,872,538)	\$ -	\$ (33,872,538)
Public safety	58,295,163	6,967,215	468,680	-	(50,859,268)	-	(50,859,268)
Public services	38,960,287	5,418,143	-	3,940,577	(29,601,567)	-	(29,601,567)
Library	3,626,678	44,293	237	-	(3,582,148)	-	(3,582,148)
Parks and recreation	17,086,683	6,236,164	-	-	(10,850,519)	-	(10,850,519)
Public health	1,582,825	377,640	-	-	(1,205,185)	-	(1,205,185)
Interest and fiscal charges	12,399,447	-	-	-	(12,399,447)	-	(12,399,447)
Total governmental activities	<u>172,703,704</u>	<u>22,279,722</u>	<u>3,876,753</u>	<u>4,176,557</u>	<u>(142,370,672)</u>	<u>-</u>	<u>(142,370,672)</u>
Business-type activities:							
Water and sewer	84,797,166	95,926,233	-	966,655	-	12,095,722	12,095,722
Solid waste	14,062,082	16,219,300	-	-	-	2,157,218	2,157,218
Total business-type activities	<u>98,859,248</u>	<u>112,145,533</u>	<u>-</u>	<u>966,655</u>	<u>-</u>	<u>14,252,940</u>	<u>14,252,940</u>
Total primary government	<u>\$ 271,562,952</u>	<u>\$ 134,425,255</u>	<u>\$ 3,876,753</u>	<u>\$ 5,143,212</u>	<u>(142,370,672)</u>	<u>14,252,940</u>	<u>(128,117,732)</u>
General Revenues:							
Property tax					120,906,253	-	120,906,253
Sales tax					53,413,338	-	53,413,338
Franchise tax					17,975,152	-	17,975,152
Mixed beverage and bingo tax					728,925	-	728,925
Hotel/motel tax					3,956,162	-	3,956,162
Unrestricted interest earnings (temporary loss)					140,824	(51,792)	89,032
Gain on sale of assets					54,628	150,404	205,032
Contributions to permanent fund principal					13,987	-	13,987
Total revenues					<u>197,189,269</u>	<u>98,612</u>	<u>197,287,881</u>
Change in net position					54,818,597	14,351,552	69,170,149
Net position - beginning					<u>212,616,971</u>	<u>86,883,861</u>	<u>299,500,832</u>
Net position - ending					<u>\$ 267,435,568</u>	<u>\$ 101,235,413</u>	<u>\$ 368,670,981</u>

See accompanying notes to basic financial statements

CITY OF RICHARDSON, TEXAS
Balance Sheet - Governmental Funds
September 30, 2022

	General Fund	Debt Service Fund	Capital Project Funds	Federal Grants	Hotel/Motel Tax Fund	Other Governmental Funds	Total
Assets:							
Cash & Cash Equivalents	\$ 714,149	\$ 816,552	\$ 793,535	\$ 901,818	\$ 955,525	\$ 6,731,633	\$ 10,913,212
Investments	120,655,107	-	84,352,528	-	-	-	205,007,635
Receivables (net of allowances)	9,012,461	520,681	213,710	1,356,980	362,677	463,308	11,929,817
Lease receivables	462,730	-	-	-	17,704,492	-	18,167,222
Due from other funds	52,541	3,000,000	40,000,000	14,000,000	6,000,000	19,000,000	82,052,541
Inventories	494,569	-	-	-	-	-	494,569
Prepaid items	8,157	-	-	-	22,500	-	30,657
Escrow deposits	-	-	129,063	-	-	-	129,063
Deposits	185,000	-	-	-	-	-	185,000
Property held for redevelopment	-	-	274,020	-	-	-	274,020
Total assets	<u>\$ 131,584,714</u>	<u>\$ 4,337,233</u>	<u>\$ 125,762,856</u>	<u>\$ 16,258,798</u>	<u>\$ 25,045,194</u>	<u>\$ 26,194,941</u>	<u>\$ 329,183,736</u>
Liabilities:							
Accounts payable	\$ 1,853,944	\$ 2,176	\$ 7,148,160	\$ 586,175	\$ 90,536	\$ 897,910	\$ 10,578,901
Retainage payable	9,757	-	1,045,766	149,706	-	176,395	1,381,624
Accrued liabilities	4,142,689	-	1,119,326	6,659	558,884	375,370	6,202,928
Due to other funds	82,000,000	-	-	-	-	52,541	82,052,541
Unearned revenue	-	-	2,073	15,505,014	187,216	-	15,694,303
Money held in escrow	-	-	345,210	-	-	-	345,210
Total liabilities	<u>88,006,390</u>	<u>2,176</u>	<u>9,660,535</u>	<u>16,247,554</u>	<u>836,636</u>	<u>1,502,216</u>	<u>116,255,507</u>
Deferred inflows of resources:							
Unavailable revenue	1,785,673	520,381	-	-	-	272,323	2,578,377
Deferred inflows related to leases	456,256	-	-	-	17,613,276	-	18,069,532
Total deferred inflows of resources	<u>2,241,929</u>	<u>520,381</u>	<u>-</u>	<u>-</u>	<u>17,613,276</u>	<u>272,323</u>	<u>20,647,909</u>
Fund balances:							
Nonspendable:							
Inventory	494,569	-	-	-	-	-	494,569
Deposits	185,000	-	-	-	-	-	185,000
Prepaid items	8,157	-	-	-	22,500	-	30,657
Permanent fund principal	-	-	-	-	-	215,737	215,737
Restricted for:							
Debt service	-	3,814,676	-	-	-	-	3,814,676
Parks and recreation projects	-	-	132,314	-	-	-	132,314
Public services	-	-	56,440,949	-	-	-	56,440,949
Capital projects	-	-	4,355,982	-	-	-	4,355,982
General government	-	-	503,947	-	-	16,007,502	16,511,449
Public safety	-	-	1,395,985	70,477	-	968,548	2,435,010
Committed for:							
General government	-	-	-	-	-	4,608,515	4,608,515
Public services	-	-	-	-	-	2,028,073	2,028,073
Parks and recreation	-	-	-	-	-	558,840	558,840
Assigned for:							
General government	950,949	-	1,700,817	-	6,572,782	-	9,224,548
Public services	300,386	-	20,505,242	-	-	-	20,805,628
Public safety	195,944	-	1,138,648	-	-	-	1,334,592
Parks and recreation	5,783	-	2,668,348	-	-	35,714	2,709,845
Health	-	-	43,817	-	-	-	43,817
Library	3,033	-	36,363	-	-	-	39,396
Other capital projects	-	-	27,179,909	-	-	-	27,179,909
Unassigned	39,192,574	-	-	(59,233)	-	(2,527)	39,130,814
Total fund balances	<u>41,336,395</u>	<u>3,814,676</u>	<u>116,102,321</u>	<u>11,244</u>	<u>6,595,282</u>	<u>24,420,402</u>	<u>192,280,320</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 131,584,714</u>	<u>\$ 4,337,233</u>	<u>\$ 125,762,856</u>	<u>\$ 16,258,798</u>	<u>\$ 25,045,194</u>	<u>\$ 26,194,941</u>	<u>\$ 329,183,736</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, 2022

Total fund balances - governmental funds balance sheet	\$ 192,280,320
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Financed purchases and leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	520,452,156
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	20,416,127
Some amounts will not be recognized as revenue until future periods and therefore are deferred in the funds.	(33,635,552)
A portion of the assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	14,022,691
Long-term liabilities, including bonds payable, leases, 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>(446,100,174)</u>
Net position of governmental activities	<u>\$ 267,435,568</u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended September 30, 2022

	General Fund	Debt Service Fund	Capital Project Funds	Federal Grants	Hotel/Motel Tax Fund	Other Governmental Funds	Total
Revenues:							
Property taxes	\$ 66,178,453	\$ 42,768,553	\$ -	\$ -	\$ -	\$ 11,923,531	\$ 120,870,537
Franchise taxes	17,793,504	-	-	-	-	181,648	17,975,152
Sales tax	53,413,338	-	-	-	-	-	53,413,338
Mixed beverage and bingo tax	728,925	-	-	-	-	-	728,925
Hotel/motel taxes	-	-	-	-	3,956,162	-	3,956,162
Drainage fees	-	-	-	-	-	2,888,883	2,888,883
911 revenue	701,477	-	-	-	-	650,992	1,352,469
Intergovernmental revenue	55,964	-	-	4,215,662	-	2,833,280	7,104,906
Intergovernmental - state	-	-	-	-	-	15,975	15,975
Licenses and permits	2,629,755	-	-	-	-	-	2,629,755
Fines and forfeitures	1,823,206	-	-	-	-	177,895	2,001,101
Interest revenue (temporary loss)	(218,476)	45,212	283,867	(80,665)	274,002	(88,204)	215,736
Eisemann center revenue	-	-	186,338	-	1,853,578	-	2,039,916
Recreation and leisure	3,258,371	-	-	-	-	2,842,789	6,101,160
Public safety	3,249,963	-	-	-	-	-	3,249,963
Contributions	68,394	-	1,700	-	1,150	13,987	85,231
Other	736,601	-	10,722	-	67,915	128,710	943,948
General administration	8,607,956	-	-	-	-	-	8,607,956
Total revenues	159,027,431	42,813,765	482,627	4,134,997	6,152,807	21,569,486	234,181,113
Expenditures:							
General government	35,401,283	-	155,217	7,133	4,092,587	5,787,989	45,444,209
Public safety	58,880,806	-	71,937	185,378	-	248,575	59,386,696
Public services	19,895,456	-	6,891,768	-	-	2,950,508	29,737,732
Library	3,348,539	-	417,696	-	-	-	3,766,235
Parks and recreation	11,923,778	-	860,042	-	-	2,682,951	15,466,771
Public health	1,844,498	-	-	-	-	-	1,844,498
General administration	-	-	-	-	283,777	1,116,037	1,399,814
Capital outlay	74,538	-	32,552,612	3,051,099	191,598	1,784,935	37,654,782
Debt service:							
Principal retirement	-	35,815,000	-	-	-	-	35,815,000
Interest and fiscal charges	102	9,166,967	-	-	-	3,596,510	12,763,579
Payments for other obligations	150,591	298,339	-	-	-	5,216,843	5,665,773
Issuance costs	-	-	233,169	-	-	-	233,169
Total expenditures	131,519,591	45,280,306	41,182,441	3,243,610	4,567,962	23,384,348	249,178,258
Excess (deficiency) of revenues over (under) expenditures	27,507,840	(2,466,541)	(40,699,814)	891,387	1,584,845	(1,814,862)	(14,997,145)
Other financing sources (uses):							
Transfers in	700,000	-	27,803,717	-	809,019	899,194	30,211,930
Transfers out	(28,055,163)	-	-	(965,767)	-	(1,191,000)	(30,211,930)
Issuance of certificates of obligation	-	-	1,305,000	-	-	-	1,305,000
Issuance of general obligation bonds	-	-	28,915,000	-	-	-	28,915,000
Issuance of other obligations	111,222	-	92,047	-	-	3,150,622	3,353,891
Premium/discount on bonds	-	-	1,111,012	-	-	-	1,111,012
Insurance and other recoveries	700,000	-	185,682	-	-	-	885,682
Proceeds from sale of capital assets	14,551	-	49,101	-	-	-	63,652
Total other financing sources (uses)	(26,529,390)	-	59,461,559	(965,767)	809,019	2,858,816	35,634,237
Net change in fund balances	978,450	(2,466,541)	18,761,745	(74,380)	2,393,864	1,043,954	20,637,092
Fund balances - October 1	40,357,945	6,281,217	97,340,576	85,624	4,201,418	23,376,448	171,643,228
Fund balances - September 30	\$ 41,336,395	\$ 3,814,676	\$ 116,102,321	\$ 11,244	\$ 6,595,282	\$ 24,420,402	\$ 192,280,320

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, 2022

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

Net change in fund balances - total governmental funds	\$ 20,637,092
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 or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period. (Note 2(b))	13,340,512
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,079,502
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))	6,795,870
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))	11,310,449
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>1,655,172</u>
Change in net position of governmental activities	<u><u>\$ 54,818,597</u></u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2022

	<u>Business-type activities-enterprise funds</u>			Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 19,258,990	\$ 2,495,333	\$ 21,754,323	\$ 18,233,228
Receivables (net of allowances)	11,081,225	1,836,121	12,917,346	408,199
Lease Receivable	2,340,264	-	2,340,264	-
Inventories	1,510,216	-	1,510,216	316,008
Prepaid items	-	-	-	86,058
Restricted assets:				
Restricted Cash	46,532,713	5,179,104	51,711,817	-
Total current assets:	<u>80,723,408</u>	<u>9,510,558</u>	<u>90,233,966</u>	<u>19,043,493</u>
Noncurrent assets:				
Capital assets:				
Land	357,950	65,560	423,510	56,011
Improvements	2,307,353	298,352	2,605,705	23,023
Buildings	9,553,590	405,247	9,958,837	259,990
Water and sewer system	243,892,285	-	243,892,285	-
Vehicles, machinery and equipment	18,950,121	18,606,699	37,556,820	406,987
Leased assets	-	-	-	101,890
Construction in progress	6,107,892	-	6,107,892	-
Less accumulated depreciation	(173,514,956)	(13,465,646)	(186,980,602)	(589,137)
Less: accumulated amortization	-	-	-	(31,979)
Total noncurrent assets	<u>107,654,235</u>	<u>5,910,212</u>	<u>113,564,447</u>	<u>226,785</u>
Total assets	<u>188,377,643</u>	<u>15,420,770</u>	<u>203,798,413</u>	<u>19,270,278</u>
Deferred outflows of resources				
Pension contributions investment experience and assumptions	1,034,646	1,002,085	2,036,731	112,073
Deferred charge on refunding	278,796	-	278,796	-
OPEB contributions, investment experience and assumptions	564,064	469,206	1,033,270	40,371
Total deferred outflows of resources	<u>1,877,506</u>	<u>1,471,291</u>	<u>3,348,797</u>	<u>152,444</u>

CITY OF RICHARDSON, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2022

	<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	\$ 5,204,645	\$ 123,828	\$ 5,328,473	\$ 562,993
Accrued liabilities	1,048,665	418,010	1,466,675	675,517
Accrued interest	427,964	41,613	469,577	71
Unpaid claims liabilities	-	-	-	930,186
Current maturities of bonds, leases and contractual obligations	5,469,332	1,304,620	6,773,952	25,790
Compensated absences	50,129	43,398	93,527	7,951
Workers' compensation liability	79,459	153,482	232,941	9,053
Current liabilities payable from restricted assets:				
Accounts payable	1,471,086	-	1,471,086	-
Retainage payable	307,606	-	307,606	-
Deposits	3,918,734	-	3,918,734	-
Total current liabilities	<u>17,977,620</u>	<u>2,084,951</u>	<u>20,062,571</u>	<u>2,211,561</u>
Noncurrent liabilities:				
Bonds, leases and contractual obligations	66,156,599	4,753,879	70,910,478	42,681
Total OPEB liability	4,803,349	3,945,497	8,748,846	365,212
Net pension liability (asset)	(69,613)	(93,204)	(162,817)	115,919
Compensated absences	451,165	390,581	841,746	71,566
Total noncurrent liabilities	<u>71,341,500</u>	<u>8,996,753</u>	<u>80,338,253</u>	<u>595,378</u>
Total liabilities	<u>89,319,120</u>	<u>11,081,704</u>	<u>100,400,824</u>	<u>2,806,939</u>
Deferred inflows of resources				
Deferred inflows related to leases	2,343,900	-	2,343,900	-
Pension actuarial experience	2,844,096	2,538,162	5,382,258	214,635
OPEB assumptions	53,168	42,602	95,770	4,680
Deferred inflows - Gain on Refunding	52,892	9,930	62,822	-
Total deferred inflows of resources	<u>5,294,056</u>	<u>2,590,694</u>	<u>7,884,750</u>	<u>219,315</u>
Net position (deficit):				
Net investment in capital assets	53,578,004	585,023	54,163,027	158,314
Restricted for:				
Capital projects	31,893,947	4,039,494	35,933,441	-
Debt service	171,303	73,454	244,757	-
Unrestricted	<u>9,998,719</u>	<u>(1,478,308)</u>	<u>8,520,411</u>	<u>16,238,154</u>
Total net position	<u>\$ 95,641,973</u>	<u>\$ 3,219,663</u>	<u>98,861,636</u>	<u>\$ 16,396,468</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			<u>2,373,777</u>	
Net position of business-type activities			<u>\$ 101,235,413</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, 2022

	<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	\$ 58,596,421	\$ -	\$ 58,596,421	\$ -
Sewer service	35,468,714	-	35,468,714	-
Service fees (other)	66,825	-	66,825	-
Antenna rentals	316,012	-	316,012	-
Meter fees	47,558	-	47,558	-
Solid waste fees	-	15,603,967	15,603,967	-
Charges for services	-	-	-	2,905,739
City and employee contributions	-	-	-	14,961,975
Miscellaneous	1,430,703	615,333	2,046,036	813,928
Total operating revenues	<u>95,926,233</u>	<u>16,219,300</u>	<u>112,145,533</u>	<u>18,681,642</u>
Operating expenses:				
Personal services	4,997,435	4,799,090	9,796,525	2,134,916
Professional and technical services	2,496,332	107,161	2,603,493	979,120
Property services	2,240,134	97,622	2,337,756	1,301,521
Other purchases services	1,427,296	515,670	1,942,966	63,067
Insurance claims	-	-	-	12,045,084
Purchase of water	32,368,547	-	32,368,547	-
Purchase of sewage treatment	20,953,292	-	20,953,292	-
Solid waste charges	-	3,805,924	3,805,924	-
General administration	4,696,453	2,511,689	7,208,142	-
Franchise fees	4,703,257	779,731	5,482,988	-
Supplies	3,220,354	358,821	3,579,175	79,728
Depreciation	5,997,118	1,142,937	7,140,055	7,991
Amortization	-	-	-	31,979
Total operating expenses	<u>83,100,218</u>	<u>14,118,645</u>	<u>97,218,863</u>	<u>16,643,406</u>
Operating income (loss)	<u>12,826,015</u>	<u>2,100,655</u>	<u>14,926,670</u>	<u>2,038,236</u>
Nonoperating revenues (expenses):				
Interest revenue (temporary loss)	(48,269)	(3,523)	(51,792)	(74,913)
Interest expense and fiscal charges	(1,707,821)	(99,968)	(1,807,789)	(193)
Issuance costs	(125,363)	(10,187)	(135,550)	-
Other non-operating charges	(3,924)	(1,080)	(5,004)	-
Proceeds from sale of capital assets	17,020	133,384	150,404	-
Total nonoperating revenues (expenses)	<u>(1,868,357)</u>	<u>18,626</u>	<u>(1,849,731)</u>	<u>(75,106)</u>
Income (loss) before contributions and transfers	10,957,658	2,119,281	13,076,939	1,963,130
Capital contributions	966,655	-	966,655	-
Change in net position	11,924,313	2,119,281	14,043,594	1,963,130
Total net position - October 1	83,717,660	1,100,382		14,433,338
Total net position - September 30	<u>\$ 95,641,973</u>	<u>\$ 3,219,663</u>		<u>\$ 16,396,468</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			<u>307,958</u>	
Change in net position of business-type activities			<u>\$ 14,351,552</u>	

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2022

	<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	\$ 93,666,457	\$ 15,760,396	\$ 109,426,853	\$ -
Cash received from service users	-	-	-	2,905,739
Cash received from City, employee, and other contributions	-	-	-	15,381,849
Cash payments to employees	(5,803,082)	(5,612,631)	(11,415,713)	(2,168,338)
Cash payments for claims	-	-	-	(12,013,827)
Cash payments for goods and services	(69,147,556)	(7,938,483)	(77,086,039)	(2,285,836)
Cash received from miscellaneous revenue	807,109	615,333	1,422,442	-
Net cash provided by (used in) operating activities	<u>19,522,928</u>	<u>2,824,615</u>	<u>22,347,543</u>	<u>1,819,587</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(10,229,269)	(1,295,682)	(11,524,951)	(136,118)
Net proceeds from sale of capital assets	17,020	133,384	150,404	-
Bond proceeds and accrued interest	13,056,234	1,230,465	14,286,699	68,471
Principal paid on debt	(4,855,000)	(1,140,000)	(5,995,000)	-
Interest paid on debt	(2,176,041)	(224,875)	(2,400,916)	(122)
Fiscal charges and bond escrow payments	(3,924)	(1,080)	(5,004)	-
Net cash provided by (used in) capital and related financing activities	<u>(14,420,249)</u>	<u>(2,593,470)</u>	<u>(17,013,719)</u>	<u>(203,887)</u>
Cash flows from investing activities:				
Interest received on investments	(55,592)	(3,523)	(59,115)	(74,913)
Net increase in cash, restricted cash, and cash equivalents	5,047,087	227,622	5,274,709	1,540,787
Cash, restricted cash, and cash equivalents, October 1	<u>50,515,347</u>	<u>6,151,133</u>	<u>56,666,480</u>	<u>16,556,323</u>
Cash, restricted cash, and cash equivalents, September 30	<u>\$ 55,562,434</u>	<u>\$ 6,378,755</u>	<u>\$ 61,941,189</u>	<u>\$ 18,097,110</u>

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2022

	<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>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income and loss	\$ 12,826,015	\$ 2,100,655	\$ 14,926,670	\$ 2,038,236
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	5,997,118	1,142,937	7,140,055	39,970
Changes in assets and liabilities:				
(Increase)/Decrease in accounts receivable	(3,796,567)	156,429	(3,640,138)	(394,054)
(Increase)/Decrease in inventory of supplies	(222,303)	93,118	(129,185)	(59,808)
(Increase)/Decrease in prepaid items	604	1,434	2,038	(1,600)
Increase/(Decrease) in deposits payable from restricted assets	111,066	-	111,066	-
Increase/(Decrease) in accounts payable	3,448,583	(179,272)	3,269,311	(363,583)
Increase/(Decrease) in unpaid claims liabilities	-	-	-	(76,911)
Increase/(Decrease) in compensated absences	(61,504)	(7,315)	(68,819)	9,611
Increase/(Decrease) in workers compensation	63,176	(37,970)	25,206	9,053
Increase/(Decrease) in post-employment benefits	200,779	191,064	391,843	12,956
Increase/(Decrease) in pension liability (asset)	(2,154,833)	(2,050,567)	(4,205,400)	(139,022)
Increase/(Decrease) in accrued liabilities	(379,841)	322,855	(56,986)	670,757
Increase/(Decrease) in deferred inflows/outflows	3,490,635	1,091,247	4,581,882	73,982
Total adjustments	<u>6,696,913</u>	<u>723,960</u>	<u>7,420,873</u>	<u>(218,649)</u>
Net cash provided by (used in) operating activities	<u>\$ 19,522,928</u>	<u>\$ 2,824,615</u>	<u>\$ 22,347,543</u>	<u>\$ 1,819,587</u>
Noncash investing capital and financing activities:				
Contributions of capital assets from public	\$ 966,655	\$ -	\$ 966,655	\$ -
Noncash-interest	468,220	124,907	593,127	-
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	\$ 19,258,990	\$ 2,495,333	\$ 21,754,323	\$ 18,233,228
Total restricted cash and investments per the statement of net position	<u>46,532,713</u>	<u>5,179,104</u>	<u>51,711,817</u>	<u>-</u>
Cash, restricted cash and cash equivalents as of September 30, 2022	<u>\$ 65,791,703</u>	<u>\$ 7,674,437</u>	<u>\$ 73,466,140</u>	<u>\$ 18,233,228</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, 2022

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. Implementation of New Accounting Statements

For fiscal year 2021-22, the City has implemented the following new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB).

The objective of Statement No. 87, *Leases*, is to improve accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of GASB No. 87 had no historical impact on the City's net position and no restatement of net position was made. The City has recognized several operating leases that meet the criteria for inclusion in the financials statements, which are detailed in Notes 5, 6, 9 and 11.

C. 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:

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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.

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.

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.

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

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.

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 the 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.

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.

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.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

D. 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 leases, 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 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.

E. 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.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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

For fiscal year 2022, the City invested in U.S. Agencies, U.S. Treasuries, TexPool, TexSTAR, Texas Daily and Federated Money Market Funds. 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 HilltopSecurities 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.

Escrow Deposits

During FY 2021, the City placed \$5,865,000 in escrow for the benefit of a developer to secure the third-party construction of additional parking for the City's performing arts center. The funds will be released to the developer as construction on the garage progresses. Interest accrues on the balance but is not payable to the City until the escrow account is closed and the interest has been classified as unavailable revenue to the Capital Fund. As of September 30, 2022, \$5,735,937 has been released to the developer and \$129,063 remains in the account.

Receivables and Payables

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, 2022, the City's tax rate was \$0.61516 per \$100 assessed valuation.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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.

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 (except for intangible right-to-use leased assets, the measurement of which is discussed under the Leases section of this footnote). 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. Leased assets are discussed in further detail under the Leases section of this footnote.

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
Right-to-use leased land and equipment	2 - 5 years

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

Leases

Lessee

The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate if it has been provided. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position

Lessor

The City recognizes a lease receivable and deferred inflow of resources in the government-wide, governmental, and proprietary funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The City uses the stated rate, implicit (estimated) rate, lessor incremental borrowing rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its estimated incremental borrowing rate as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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, 2022, the City received \$885,682 in insurance recoveries. There were no recoveries in the Enterprise Funds.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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.

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 20 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 18.

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.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until the appropriate time period. 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. In addition to liabilities, the Statement of Net Position and Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

There are several financial statement transactions that qualify for reporting as a deferred outflow or inflow of resources. First, 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 classified as deferred outflows and will be recognized in the subsequent fiscal year. Second, at the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are classified as deferred inflows and recognized as revenue in the period they become available to the City. Finally, the value of future lease payments due to the City is reported as a deferred inflow of resources and will be recognized as revenue in future periods as lease payments are received.

Several financial statement transactions may be reported as either a deferred outflows or inflows of resources. 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 actual versus projected investment earnings for the pension plan, the changes in assumptions for the pension and OPEB plans and difference between the actual versus projected actuarial experience for the pension and OPEB plans may qualify as a deferred outflow or inflow of resources. These amounts are deferred and recognized as pension or OPEB expense or reduction of expense as appropriate based over a closed five-year period (investment experience) or the estimated average remaining services lives of employees that are provided with the respective benefits, both active and inactive employees, as calculated by the respective plans (all other pension/OPEB deferrals).

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 90 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 \$66,291,945 of restricted net position. These resources are limited in their use by external parties such as bondholders and granting agencies. Unrestricted net position may be used for any lawful purpose. General Government net position is negative due to the estimated value of post-employment liabilities and the outstanding balances of long-term debt. Resources will be levied in future years to satisfy these commitments.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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, leases, 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 \$446,100,174 are as follows:

Bonds payable	\$ 245,845,000
Notes payable, leases and other contractual obligations	100,138,335
Less issuance discount (to be amortized as interest expense)	(12,791)
Add issuance premium (to be amortized as interest expense)	19,353,267
Less deferred charges on refunding, net (to be amortized as interest expense)	3,078,659
Accrued interest payable	11,523,648
TMRS pension liability/(asset)	(4,813,752)
Postemployment liability	52,273,408
Compensated absences	13,069,872
Workers' compensation liability	<u>5,644,528</u>
Net adjustment to reduce fund balances - total governmental	<u>\$ 446,100,174</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 outlay and lease expenditure outlays as expenditures. However, in the Statement of Activities, the cost of those capital and leased assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.” The details of this \$13,340,512 difference are as follows:

Capital Outlay	\$ 37,654,782
Lease Expenditure Outlay	2,990,795
Governmental Depreciation and Amortization Expense	<u>(27,305,065)</u>
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 13,340,512</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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 \$6,795,870 are as follows:

Debt issued or incurred:

General obligations, certificates of obligation, and refunding bonds	\$ (30,220,000)
Notes payable and other contractual obligations	(3,353,891)
Add premium and discount	(1,111,012)

Principal repayments:

General obligation bonds	24,335,000
Tax Anticipation Notes	250,000
Certificates of obligation	11,230,000
Notes payable and other contractual obligations	<u>5,665,773</u>

Net adjustment to decrease fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 6,795,870</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 \$11,310,449 are as follows:

Amortization of bond premium	\$ 2,607,806
Amortization of bond discount	(1,127)
Amortization of deferred charge on refunded bonds	(489,991)
Accrued interest	(1,645,966)
Pension expenses	27,839,058
Other postemployment benefits	(2,593,935)
Compensated absences	170,534
Workers compensation	239,146
Change in deferred inflows	(18,792,978)
Change in deferred outflows	<u>3,977,902</u>

Net adjustment to decrease fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 11,310,449</u>
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CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

3 Deposits and Investments

	<u>Bank balance</u>	<u>Book balance</u>
Financial Institution:		
Bank of America - City	\$ 3,295,127	\$ 1,510,343
Bank of America - RIC	44,214	44,214
Frost - City	42,227	42,227
Petty Cash - City	-	23,070
Total	<u>\$ 3,381,568</u>	<u>\$ 1,619,854</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, 2022

The City has the following recurring fair value measurements as of September 30, 2022:

	9/30/2022	Inputs			Weighted average maturity (days) (1)
		(Level 1)	(Level 2)	(Level 3)	
Investments by fair value level					
Debt securities					
Federal Home Loan Bank	\$ 19,874,140	\$ -	\$ 19,874,140	\$ -	25
Federal Farm Credit Bank	34,286,317	-	34,286,317	-	39
Total debt securities	<u>54,160,457</u>	<u>-</u>	<u>54,160,457</u>	<u>-</u>	
U.S. Treasuries	150,847,178	-	150,847,178	-	96
Total investment by fair value level	<u>205,007,635</u>	<u>\$ -</u>	<u>\$ 205,007,635</u>	<u>\$ -</u>	
Investments measured at net asset value					
Federated Money Market Fund	<u>37,105,547</u>				2
Total investments measured at net asset value	<u>37,105,547</u>				
Investments measured at amortized cost					
Texas Daily LGIP	42,466,984				3
TexStar LGIP	8,177,086				0
TexPool LGIP	<u>13,243,109</u>				1
Total investments at amortized cost	<u>63,887,179</u>				
Total investments	<u>\$ 306,000,361</u>				
Portfolio weighted average maturity					<u>166</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 as Level 2 of the fair value hierarchy are valued by SVC, a subsidiary of SS&C Technologies. SVC uses a number of sources for their pricing data, with most government securities pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service which is the largest provider of fixed income pricing. Security values are determined through matrix pricing, which values securities based on their relationship to benchmark quoted prices.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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 and Federal Farm Credit Bank, as AAA as of September 30, 2022. Standard & Poor’s has rated investments in TexPool, TexSTAR, Texas Daily, and Federated Money Market Funds as AAA-m as of September 30, 2022.

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, 2022, the City’s direct investments are in the U.S. Treasuries, Federal Home Loan Bank, and Federal Farm Credit Bank. These investments are 49%, 6% and 11% respectively, of the City’s total investments.

4 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	\$ 599,267	\$ 115,356	\$ 714,623
Customer Deposits	4,152,364	-	4,152,364
Rate stabilization	2,935,464	-	2,935,464
Capital Project and Equipment Funds	38,845,618	5,063,748	43,909,366
Total Restricted Assets	\$ 46,532,713	\$ 5,179,104	\$ 51,711,817

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

5 Receivables

Amounts other than leases receivable at September 30, 2022, 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						
	General Fund	Debt Service Fund	Capital Project Funds	Federal Grants	Hotel/ Motel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:							
Taxes - property	\$ 1,089,023	\$ 718,095	\$ -	\$ -	\$ -	\$ -	\$ 1,807,118
Taxes - sales	4,240,353	-	-	-	-	-	4,240,353
Trade accounts	4,831,951	300	-	-	337,271	400,893	5,570,415
Interest	198,104	-	213,710	-	25,406	-	437,220
Intergovernmental	24,518	-	-	1,356,980	-	78,100	1,459,598
Gross receivable	10,383,949	718,395	213,710	1,356,980	362,677	478,993	13,514,704
Less allowance for uncollectibles	<u>(1,371,488)</u>	<u>(197,714)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,685)</u>	<u>(1,584,887)</u>
Net receivables	<u>\$ 9,012,461</u>	<u>\$ 520,681</u>	<u>\$ 213,710</u>	<u>\$ 1,356,980</u>	<u>\$ 362,677</u>	<u>\$ 463,308</u>	<u>\$ 11,929,817</u>

Business-Type Receivables

	Water and Sewer Fund	Solid Waste Fund	Total Business- Type Activities	Internal Service Funds
Receivables:				
Trade accounts	\$ 10,390,255	\$ 1,694,003	\$ 12,084,258	\$ -
Other receivables	1,137,821	283,502	1,421,323	408,199
Interest	<u>7,322</u>	<u>-</u>	<u>7,322</u>	<u>-</u>
Gross receivable	11,535,398	1,977,505	13,512,903	408,199
Less: allowance for uncollectibles	<u>(454,173)</u>	<u>(141,384)</u>	<u>(595,557)</u>	<u>-</u>
Net receivables	<u>\$ 11,081,225</u>	<u>\$ 1,836,121</u>	<u>\$ 12,917,346</u>	<u>\$ 408,199</u>

The Water and Sewer and Solid Waste trade accounts receivable include unbilled charges for services rendered through September 30, 2022.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

Leases Receivable

The City has entered into multiple lease agreements for land and cell sites as lessor. Effective October 1, 2021, the City implemented GASB Statement No. 87, Leases. During the year ended September 30, 2022, \$410,134 and \$280,254 were received in principal and interest for governmental activities, and \$319,648 and \$10,744 were received in principal and interest for business-type activities. At implementation of this statement, the City initially measured the lease receivable at the present value of payments expected to be received during the remaining lease term. The lease rate, term and ending lease receivables are as follows:

	<u>Interest Rates</u>	<u>Receivable at Commencement</u>	<u>Lease Term in Years</u>	<u>Ending Balance</u>
Governmental Type				
Facility Lease (General Fund)	0.74%	\$ 462,730	7	\$ 462,730
Parking Structure (Hotel/Motel Fund)	1.72%	17,823,675	85	17,704,492
Total Governmental Type		<u>\$ 18,286,405</u>		<u>\$ 18,167,222</u>
Business Type				
Cell Sites (Water/Sewer Fund)	.193% - 1.4%	2,659,912	3-15	2,340,264
Total Business Type		<u>\$ 2,659,912</u>		<u>\$ 2,340,264</u>

The future principal and interest payments as of September 30, 2022, were as follows:

Fiscal Year	Governmental Activity			Business-Type Activity		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payment</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payment</u>
2023	\$ 91,832	\$ 307,558	\$ 399,390	\$ 324,141	\$ 17,065	\$ 341,206
2024	93,460	305,930	399,390	299,834	15,378	315,212
2025	105,117	304,273	409,390	275,554	13,739	289,293
2026	217,285	302,105	519,390	288,945	12,149	301,094
2027	219,894	299,496	519,390	297,042	10,478	307,520
2028 - 2032	765,784	1,461,167	2,226,951	603,124	31,044	634,168
2033 - 2037	585,767	1,411,183	1,996,950	251,624	8,976	260,600
2038 - 2042	638,397	1,358,553	1,996,950	-	-	-
2043 - 2047	695,756	1,301,194	1,996,950	-	-	-
2048 - 2052	758,268	1,238,682	1,996,950	-	-	-
2053 - 2057	826,397	1,170,553	1,996,950	-	-	-
2058 - 2062	900,647	1,096,303	1,996,950	-	-	-
2063 - 2067	981,569	1,015,381	1,996,950	-	-	-
2068 - 2072	1,069,761	927,189	1,996,950	-	-	-
2073 - 2077	1,165,876	831,074	1,996,950	-	-	-
2078 - 2082	1,270,628	726,322	1,996,950	-	-	-
2083 - 2087	1,384,792	612,158	1,996,950	-	-	-
2088 - 2092	1,509,212	487,738	1,996,950	-	-	-
2093 - 2097	1,644,812	352,138	1,996,950	-	-	-
2098 - 2102	1,792,595	204,355	1,996,950	-	-	-
2103 - 2106	1,449,373	48,340	1,497,713	-	-	-
Total	<u>\$ 18,167,222</u>	<u>\$ 15,761,692</u>	<u>\$ 33,928,914</u>	<u>\$ 2,340,264</u>	<u>\$ 108,829</u>	<u>\$ 2,449,093</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

6 Capital and Leased Assets

Capital and leased asset activity for the year ended September 30, 2022 was as follows:

	Beginning balance October 1, 2021	Increases	Decreases	Ending balance September 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 93,765,410	\$ 385,208	\$ -	\$ 94,150,618
Public Art	4,233,427	3,781	-	4,237,208
Construction in Progress	9,677,023	37,654,782	(20,373,469)	26,958,336
Total capital assets, not being depreciated:	<u>107,675,860</u>	<u>38,043,771</u>	<u>(20,373,469)</u>	<u>125,346,162</u>
Capital and leased assets, being depreciated or amortized:				
Buildings	213,146,732	6,710,567	-	219,857,299
Improvements other than Buildings	115,240,133	542,657	-	115,782,790
Vehicles, Machinery and Equipment	64,935,600	5,430,852	(369,876)	69,996,576
Leased vehicles and equipment*	404,125	-	-	404,125
Leased land*	2,688,559	-	-	2,688,559
Infrastructure	561,788,391	8,241,205	-	570,029,596
Total capital and leased assets, being depreciated or amortized:	<u>958,203,540</u>	<u>20,925,281</u>	<u>(369,876)</u>	<u>978,758,945</u>
Less accumulated depreciation/amortization for:				
Buildings	81,832,955	4,534,925	-	86,367,880
Improvements other than buildings	65,914,082	3,497,886	-	69,411,968
Vehicles, Machinery and Equipment	43,898,879	6,086,003	(365,626)	49,619,256
Leased vehicles and equipment	-	151,168	-	151,168
Leased land	-	784,344	-	784,344
Infrastructure	364,800,841	12,290,709	-	377,091,550
Total accumulated depreciation/amortization	<u>556,446,757</u>	<u>27,345,035</u>	<u>(365,626)</u>	<u>583,426,166</u>
Total capital assets being depreciated or amortized, net	<u>401,756,783</u>	<u>(6,419,754)</u>	<u>(4,250)</u>	<u>395,332,779</u>
Governmental activities capital assets, net	<u>\$ 509,432,643</u>	<u>\$ 31,624,017</u>	<u>\$ (20,377,719)</u>	<u>\$ 520,678,941</u>

* Assets added as part of GASB 87 implementation are included as part of beginning balance.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

	Beginning balance October 1, 2021	Increases	Decreases	Ending balance September 30, 2022
	<u>2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>2022</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 423,510	\$ -	\$ -	\$ 423,510
Construction in progress	<u>12,195,462</u>	<u>9,911,958</u>	<u>(15,999,528)</u>	<u>6,107,892</u>
Total capital assets, not being depreciated:	<u>12,618,972</u>	<u>9,911,958</u>	<u>(15,999,528)</u>	<u>6,531,402</u>
Capital assets, being depreciated:				
Buildings	9,885,373	73,464	-	9,958,837
Improvements other than buildings	2,589,634	16,071	-	2,605,705
Vehicles, machinery and equipment	36,572,685	1,334,078	(349,943)	37,556,820
Infrastructure	<u>227,054,030</u>	<u>16,838,255</u>	<u>-</u>	<u>243,892,285</u>
Total capital assets, being depreciated:	<u>276,101,722</u>	<u>18,261,868</u>	<u>(349,943)</u>	<u>294,013,647</u>
Less accumulated depreciation for:				
Buildings	6,358,880	160,005	-	6,518,885
Improvements other than buildings	1,069,143	101,170	-	1,170,313
Vehicles, machinery and equipment	28,695,982	1,647,499	(349,943)	29,993,538
Infrastructure	<u>144,066,485</u>	<u>5,231,381</u>	<u>-</u>	<u>149,297,866</u>
Total accumulated depreciation	<u>180,190,490</u>	<u>7,140,055</u>	<u>(349,943)</u>	<u>186,980,602</u>
Total capital assets being depreciated, net	<u>95,911,232</u>	<u>11,121,813</u>	<u>-</u>	<u>107,033,045</u>
Business-type activities capital assets, net	<u>\$ 108,530,204</u>	<u>\$ 21,033,771</u>	<u>\$ (15,999,528)</u>	<u>\$ 113,564,447</u>

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

Governmental activities:	
General government	\$ 7,095,581
Public safety	5,399,748
Public service	10,963,240
Library	303,214
Parks and recreation	3,491,063
Health	<u>52,219</u>
Total governmental funds	27,305,065
Internal service fund	<u>39,970</u>
Depreciation/amortization expense - governmental activities	<u>\$ 27,345,035</u>
Business-type activities:	
Water and sewer	\$ 5,997,118
Solid waste	<u>1,142,937</u>
Depreciation expense - business activities	<u>\$ 7,140,055</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

7 Construction Commitments

Outstanding commitments at September 30, 2022, under authorized construction contracts for the Capital Fund, Federal Grant Fund, Drainage Fund, Water and Sewer Fund, and Solid Waste Funds, were \$25,053,147, \$7,966,091, \$931,061, \$8,357,657 and \$1,756,503, respectively. These outstanding commitments will be financed by proceeds from bond issues, Federal grants, 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 six interfund balances at September 30, 2022. The first five interfund balances are caused due to the General Fund holding the majority of the City's investment securities on behalf of other operational funds. This results in a negative cash position in the General Fund unless an interfund balance is recognized. This includes an interfund balance between the General Fund and Debt Service Fund for \$3,000,000, between the General Fund and Capital Projects Fund for \$40,000,000, and between the General Fund and Federal Grants Fund, Hotel/Motel Tax Fund, and Other Governmental Funds for \$14,000,000, \$6,000,000, and \$19,000,000, respectively. Lastly, there is an interfund balance between Other Governmental Funds and the General Fund for \$52,541 caused by the timing of grants that require out of pocket spending before being reimbursed.

Individual fund transfers for fiscal year 2021-2022 were as follows:

	Transfers Out			Total
	Governmental Funds			
	General Fund	Federal Grants	Other Governmental Funds	
Transfers in:				
General	\$ -	\$ -	\$ 700,000	\$ 700,000
Capital Project	27,155,969	156,748	491,000	27,803,717
Hotel / Motel Tax	-	809,019	-	809,019
Other Governmental	899,194	-	-	899,194
Total	\$ 28,055,163	\$ 965,767	\$ 1,191,000	\$ 30,211,930

General Fund Transfers Out:

- \$27,155,969 to the Capital Project Fund to be used for future capital improvements and street rehabilitation.
- \$899,194 to the Economic Development Fund for funding of economic development projects.

Federal Grants Funds Transfers Out:

- \$156,748 to the Capital Project Fund for reimbursements of allowable federal expenditures.
- \$809,019 to the Hotel/Motel Tax Fund for reimbursements of allowable federal expenditures.

Other Governmental Funds Transfers Out:

- \$50,000 to the General Fund from the Child Safety Fund to support the school crossing guard program.
- \$650,000 to the General Fund from the Wireless Fund to support the expenses of the 911 Call Center.
- \$491,000 to the Capital Project Fund from the Golf Fund for future capital improvements.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

9 Long-Term Obligations

The following is a summary of financial obligations for the fiscal year ended September 30, 2022:

	<u>Balance beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance end of year</u>	<u>Due within one year</u>
Governmental-type activities:					
General obligation bonds	\$ 152,665,000	\$ 28,915,000	\$ (13,765,000)	\$ 167,815,000	\$ 25,045,000
Certificates of obligation	80,635,000	1,305,000	(8,355,000)	73,585,000	7,360,000
General obligation bonds from direct borrowings	15,015,000	-	(10,570,000)	4,445,000	2,160,000
Certificates of obligation from direct borrowings	2,875,000	-	(2,875,000)	-	-
Bond discounts/premiums (1)	20,836,143	1,111,012	(2,606,679)	19,340,476	2,564,605
Total bonds payable	<u>272,026,143</u>	<u>31,331,012</u>	<u>(38,171,679)</u>	<u>265,185,476</u>	<u>37,129,605</u>
Tax anticipation notes from direct borrowings	5,855,000	-	(250,000)	5,605,000	265,000
Financed purchases and other contractual obligations	2,006,319	363,096	(435,032)	1,934,383	431,370
Lease obligations*	3,092,684	-	(1,050,834)	2,041,850	1,035,069
TIF obligations	94,838,897	-	(4,213,324)	90,625,573	-
Other postemployment benefits	50,031,731	4,350,827	(1,743,938)	52,638,620	-
Compensated absences	13,310,313	1,954,253	(2,115,177)	13,149,389	1,314,938
Workers' compensation	5,883,675	597,959	(828,053)	5,653,581	563,018
Unpaid claims liability	1,007,097	11,368,192	(11,445,103)	930,186	930,186
Total governmental-type long-term liabilities	<u>\$448,051,859</u>	<u>\$ 49,965,339</u>	<u>\$ (60,253,140)</u>	<u>\$437,764,058</u>	<u>\$ 41,669,186</u>
Business-type activities:					
General obligation refunding bonds	\$ 15,720,000	\$ -	\$ (3,060,000)	\$ 12,660,000	\$ 2,495,000
Certificates of obligation	47,600,000	13,665,000	(2,935,000)	58,330,000	3,515,000
Bond discount/premiums	6,671,905	757,249	(734,724)	6,694,430	763,952
Total bonds payable	<u>69,991,905</u>	<u>14,422,249</u>	<u>(6,729,724)</u>	<u>77,684,430</u>	<u>6,773,952</u>
Other postemployment benefits	8,357,003	653,975	(262,132)	8,748,846	-
Compensated absences	1,004,092	80,667	(149,486)	935,273	93,527
Workers' compensation	207,736	264,311	(239,106)	232,941	232,941
Total business-type long-term liabilities	<u>\$ 79,560,736</u>	<u>\$ 15,421,202</u>	<u>\$ (7,380,448)</u>	<u>\$ 87,601,490</u>	<u>\$ 7,100,420</u>

The City has no unused lines of credit.

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

* Obligations added as part of GASB 87 implementation are included as part of beginning balance.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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.

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding @ 9/30/2022	Due Within One Year
General Obligation Bonds						
2022 General Obligation	2.00 - 4.00	5/25/2022	2/15/2042	\$ 28,915,000	\$ 28,915,000	\$ 11,365,000
2021 Refunding	2.00 - 4.00	5/26/2021	2/15/2041	12,630,000	12,200,000	505,000
2020 Refunding	5.00	2/26/2020	2/15/2030	40,425,000	32,355,000	3,730,000
2019 General Obligation	2.62 - 4.00	4/25/2019	2/15/2039	16,790,000	15,120,000	655,000
2018 General Obligation	3.00 - 5.00	4/25/2018	2/15/2038	38,525,000	33,650,000	1,485,000
2017 General Obligation	3.00 - 4.00	5/04/2017	2/15/2037	19,725,000	16,805,000	830,000
2016A Ref. & Imp.	2.00 - 5.00	4/15/2016	2/15/2036	16,815,000	6,640,000	1,145,000
2015 Refunding	4.00 - 5.00	3/15/2015	2/15/2026	39,185,000	12,490,000	3,125,000
2013 Refunding	1.50 - 5.00	3/15/2013	2/15/2025	18,000,000	5,375,000	1,935,000
2012 Refunding	2.00 - 4.00	3/15/2012	2/15/2023	6,270,000	30,000	30,000
Total general obligation bonds - tax exempt					<u>163,580,000</u>	<u>24,805,000</u>
General Obligations - direct borrowings						
2020A General Obligation	Adjustable	2/26/2020	6/15/2029	15,015,000	<u>4,445,000</u>	<u>2,160,000</u>
Total general obligation bonds - direct borrowings					<u>4,445,000</u>	<u>2,160,000</u>
Taxable General Obligation Bonds						
2016B Taxable	3.00 - 3.77	4/15/2016	2/15/2036	5,470,000	<u>4,235,000</u>	<u>240,000</u>
Total general obligation bonds - taxable					<u>4,235,000</u>	<u>240,000</u>
Total governmental-type general obligation, taxable and tax exempt bonds					<u>\$ 172,260,000</u>	<u>\$ 27,205,000</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

	<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>@ 9/30/2022</u>	<u>Due Within</u> <u>One Year</u>
Certificates of Obligations						
2022 Certificates	4.00	5/25/2022	2/15/2030	1,305,000	\$ 1,305,000	\$ 135,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	14,565,000	13,745,000	950,000
2020 Certificates	4.00 - 5.00	2/26/2020	2/15/2040	6,055,000	5,055,000	590,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	20,990,000	12,160,000	3,200,000
2018 Certificates	3.13 - 5.00	4/25/2018	2/15/2038	26,290,000	18,365,000	920,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2037	20,930,000	14,970,000	890,000
2016A Certificates	2.00 - 4.00	4/15/2016	2/15/2024	4,045,000	365,000	180,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2035	3,695,000	435,000	85,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2033	4,290,000	470,000	35,000
2012B Certificates	2.00 - 4.00	3/15/2012	2/15/2032	5,775,000	<u>1,265,000</u>	<u>110,000</u>
Total certificates of obligation- tax exempt					<u>68,135,000</u>	<u>7,095,000</u>
Taxable Certificates of Obligation						
2021A Certificates	Adjustable	5/26/2021	2/15/2041	4,045,000	3,895,000	170,000
2015B Certificates	0.90 - 4.00	3/15/2015	2/15/2035	2,150,000	<u>1,555,000</u>	<u>95,000</u>
Total certificates - taxable					<u>5,450,000</u>	<u>265,000</u>
Total governmental-type certificates of obligation, taxable and tax exempt bonds					<u>73,585,000</u>	<u>7,360,000</u>
Add: unamortized premium					19,353,267	2,565,767
Less: unamortized discount					<u>(12,791)</u>	<u>(1,162)</u>
Total general government bonds and certificates of obligation					<u>\$ 265,185,476</u>	<u>\$ 37,129,605</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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.

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding @ 9/30/2022	Due Within One Year
Water and Sewer:						
General Obligation Bonds:						
2021 Refunding	2.00 - 4.00	5/26/2021	2/15/2041	\$ 1,935,000	\$ 1,780,000	\$ 175,000
2020 Refunding	5.00	2/26/2020	2/15/2030	5,880,000	4,380,000	610,000
2016A Refunding	3.00 - 5.00	4/15/2016	2/15/2028	6,185,000	3,700,000	635,000
2015 Refunding	3.00 - 5.00	3/15/2015	2/15/2026	2,480,000	1,070,000	270,000
2013 Refunding	1.50 - 5.00	3/15/2013	2/15/2025	2,720,000	720,000	320,000
2012 Refunding	2.00 - 4.00	3/15/2012	2/15/2024	8,575,000	515,000	330,000
Total water and sewer general obligation bonds					<u>12,165,000</u>	<u>2,340,000</u>
Certificates of Obligations:						
2022 Certificates	4.00	5/25/2022	2/15/2042	12,490,000	12,490,000	405,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	13,015,000	12,570,000	535,000
2020 Certificates	4.00-5.00	2/26/2020	2/15/2040	7,920,000	7,425,000	345,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	8,240,000	7,350,000	345,000
2018 Certificates	3.125 - 5.00	4/25/2018	2/15/2038	5,940,000	4,980,000	290,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2037	4,440,000	3,515,000	220,000
2016 Certificates	2.00 - 4.00	4/15/2016	2/15/2036	1,900,000	1,375,000	105,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2035	2,305,000	1,705,000	100,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2033	3,025,000	1,870,000	145,000
Total water and sewer certificates of obligation					<u>53,280,000</u>	<u>2,490,000</u>
Total water and sewer general obligation refunding bonds and certificates of obligation					<u>65,445,000</u>	<u>4,830,000</u>
Solid Waste:						
General Obligation Refunding Bonds:						
2020 Refunding	5.00	2/26/2020	2/15/2025	765,000	495,000	155,000
Certificates of Obligations:						
2022 Certificates	2.00 - 4.00	5/26/2021	2/15/2042	1,175,000	1,175,000	120,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	1,060,000	950,000	120,000
2020 Certificates	4.00 - 5.00	2/26/2020	2/15/2028	720,000	580,000	85,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	1,335,000	885,000	165,000
2018 Certificates	4.00 - 5.00	4/25/2018	2/15/2026	1,240,000	690,000	160,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2025	875,000	365,000	115,000
2016 Certificates	2.00 - 4.00	4/15/2016	2/15/2024	1,000,000	285,000	140,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2023	850,000	120,000	120,000
Total solid waste certificates of obligation					<u>5,050,000</u>	<u>1,025,000</u>
Total solid waste general obligation refunding bonds and certificates of obligation					<u>5,545,000</u>	<u>1,180,000</u>
Add unamortized premium					6,705,530	764,995
Less: unamortized discount					(11,100)	(1,043)
Total business-type general obligation refunding bonds and certificates of obligation					<u>\$ 77,684,430</u>	<u>\$ 6,773,952</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

Debt Service Requirements

Debt service requirements at September 30, 2022 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:						
2023	\$ 32,405,000	\$ 9,064,943	\$ 2,160,000	\$ 160,829	\$ 6,010,000	\$ 2,729,666
2024	19,615,000	7,593,967	290,000	85,688	5,970,000	2,359,078
2025	19,270,000	6,713,219	300,000	74,813	5,890,000	2,097,431
2026	17,020,000	5,873,979	315,000	63,563	5,345,000	1,843,204
2027	13,435,000	5,163,850	325,000	51,750	5,045,000	1,607,879
2028-2032	62,945,000	17,189,327	1,055,000	80,064	20,740,000	5,274,295
2033-2037	55,745,000	7,606,117	-	-	15,375,000	2,191,875
2038-2042	20,965,000	1,068,738	-	-	6,615,000	414,241
Totals	\$ 241,400,000	\$ 60,274,140	\$ 4,445,000	\$ 516,707	\$ 70,990,000	\$ 18,517,669

General Obligation Bonds

General Obligation bonds are secured by ad valorem taxes levied by the City. As part of the City's debt management practices, the City defeases certain debt issues and places 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, 2022 there were no defeased bonds outstanding.

On May 25, 2022, the City issued \$28,915,000 of General Obligation Bonds, Series 2022 with a true interest cost of 3.37%. The proceeds from the sale of the Bonds will be used for (i) acquiring, constructing, improving and maintaining streets, thoroughfares and alleyways within the City, traffic signalization and signage and traffic management equipment; (ii) constructing, improving, renovating, expanding and equipping municipal public buildings and the acquisition of land therefor, (iii) constructing, improving, extending, repairing sidewalks and related improvements, (iv) planning, designing, constructing, improving, renovating, repairing, replacing, and expanding flood protection and storm drainage facilities and improvements, erosion control, including necessary and appropriate relocation of utilities and the acquisition of land related thereto, (v) designing, acquiring, constructing, renovating, improving, and equipping the City parks (including passive parks and open space improvements), and acquiring lands, interests in lands, and rights-of-way related thereto.

Certificates of Obligation

Certificates of Obligation are secured by ad valorem taxes levied by the City and from a limited pledge of the net revenues of the City's Waterworks and Sewer System. On May 25, 2022, the City issued \$14,970,000 of Combination Tax and Revenue Certificates of Obligation, Series 2022 with a true interest cost of 3.31%. The Water/Sewer Fund issued \$12,490,000 in Certificates, the Solid Waste Fund issued \$1,175,000 in Certificates and \$1,305,000 in Certificates were issued for the benefit of the Capital Projects Fund. Proceeds from the sale of the Certificates will be used for (i) acquiring vehicles and equipment for the solid waste and fire departments, (ii) improving and extending the City's water and sewer system.

General Obligations and Certificates of Obligation - Direct Borrowings

The City's outstanding General Obligation Bonds and Certificates of Obligation from direct borrowings related to governmental activities of \$4,445,000 are balloon instruments with the entire principal due on the final maturity date. They are subject to optional redemption in whole or in part, at the City's discretion, on any date at the redemption price of par plus accrued interest to the date of redemption. Amortization shown in the preceding table is based on the City's current debt issuance plan and all payments made to date.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

Tax Anticipation Note - Direct Borrowing

On May 26, 2021 the City issued a \$5,855,000 Tax Anticipation Note (Taxable) with a true interest cost of 1.15%. The Note was issued for the benefit of the Capital Fund to provide proceeds for constructing and equipping a parking facility for the City's performing arts center. The Note matures on February 15, 2028 and has stated maturities over the life of the note, with the majority of the principal due at final maturity. Similar to the City's direct borrowings, the Note is subject to redemption prior to maturity, at the option of the City, in whole or in part, on February 15, 2023, or any day thereafter at the redemption price of par plus accrued interest to the date of redemption. The Note is not callable by the lender. Since the Note cannot be redeemed earlier than February 15, 2023 and has annual maturities unless redeemed early, the City accounts for it as a long-term obligation. The outstanding balance as September 30, 2022 is \$5,605,000.

The following is a schedule of future debt maturities relating to the tax anticipation note as of September 30, 2022

	Principal	Interest	Total
Fiscal year ending September 30:			
2023	\$ 265,000	\$ 62,934	\$ 327,934
2024	270,000	59,858	329,858
2025	270,000	56,753	326,753
2026	275,000	53,619	328,619
2027	280,000	50,428	330,428
2028	4,245,000	24,409	4,269,409
Totals	\$ 5,605,000	\$ 308,001	\$ 5,913,001

Ratings

Standard and Poor's Ratings Services assigned its 'AAA' rating with a stable outlook, to the City's Combination Tax and Revenue Certificates of Obligation Series 2022 and the City's General Obligation Bonds Series 2022. Moody's Investors Service (Moody's) also assigned it 'Aaa' rating, with a stable outlook to each of 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.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

10. Direct Financed Purchases and Other Contractual Obligations

The following is a summary of other contractual obligation transactions of the City for the fiscal year ended September 30, 2022:

	<u>Governmental-type Activities</u>					Total
	<u>Stryker</u>	<u>Utility Vehicle</u>	<u>Gas Golf Carts</u>	<u>Police Academy</u>	<u>Texas Comptroller of Public Accounts</u>	
Balance at October 1, 2021	\$ 1,278,081	\$ -	\$ -	\$ 207,328	\$ 520,910	\$ 2,006,319
Additions/adjustments	92,047	56,339	214,710	-	-	363,096
Payments	<u>(192,360)</u>	<u>(12,476)</u>	<u>(11,405)</u>	<u>(105,979)</u>	<u>(112,812)</u>	<u>(435,032)</u>
Balance at September 30, 2022	<u>\$ 1,177,768</u>	<u>\$ 43,863</u>	<u>\$ 203,305</u>	<u>\$ 101,349</u>	<u>\$ 408,098</u>	<u>\$ 1,934,383</u>

Financed Purchases

The City has entered into the following financed purchases:

Agreement with Stryker in July 2020, amended in August 2022, for fire/EMT equipment. The final annual payment of \$265,069 is scheduled to be made in October 2027. The cost of the asset is \$1,110,646. Accumulated depreciation was \$338,714 and the related book value is \$771,932 at September 30, 2022.

Agreement with GM Financial in February 2022, for a utility vehicle. The final annual payment of \$12,477 is scheduled to be made in February 2026. The cost of the asset is \$56,339. Accumulated depreciation was \$7,042 and the related book value is \$49,297 at September 30, 2022.

Agreement with Yamaha in January 2022, for gas golf carts. Annual payments of \$28,320 with a final balloon payment of \$107,712 scheduled for March 2027. The cost of the asset is \$214,719 per agreement. Accumulated depreciation was \$4,473 and the related book value is \$210,237 at September 30, 2022.

The following is a schedule of the payments required under financed purchases at September 30, 2022:

<u>Fiscal year ending, September 30</u>	<u>Stryker</u>	<u>Utility Vehicle</u>	<u>Gas Golf Carts</u>
2023	\$ 265,069	\$ 12,477	\$ 28,320
2024	265,069	12,477	28,320
2025	265,069	12,477	28,320
2026	265,069	12,477	28,320
2027	265,069		119,512
Total minimum lease payments	<u>1,325,345</u>	<u>49,908</u>	<u>232,792</u>
Less amount representing interest	<u>(147,577)</u>	<u>(6,045)</u>	<u>(29,487)</u>
Present value of minimum lease payments	<u>\$ 1,177,768</u>	<u>\$ 43,863</u>	<u>\$ 203,305</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

Police

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 shared in 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, 2022:

Fiscal year ending September 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 71,071	\$ 4,423	\$ 75,494
2024	14,815	1,403	16,218
2025	15,463	773	16,236
Totals	<u>\$ 101,349</u>	<u>\$ 6,599</u>	<u>\$ 107,948</u>

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 has been reduced by additional payments and adjusted due to the Comptroller suspending payments from April 2020 through January 2021 to help Texas cities deal with the COVID-19 pandemic and potential negative impacts on the economy. Payments of \$112,812 were made during the fiscal year, and the balance at September 30, 2022 was \$408,098.

11 Lease Obligations

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings, land, vehicles, and equipment over the term of the lease. The City is required to make periodic principal and interest payments using either its incremental borrowing rate or the interest rate stated/implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, Leases. At implementation of this statement and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. The lease rate, term and ending lease liability are as follows:

	<u>Interest Rates</u>	<u>Liability at Commencement</u>	<u>Lease Term in Months</u>	<u>Ending Balance</u>
Governmental activities:				
Vehicle	0.310%	\$ 18,689	24	\$ 11,974
Electric golf carts	0.298%	247,353	31	151,813
Computer equipment	0.298%	18,663	41	13,221
Land	0.298%	2,688,559	41	1,791,986
Copiers	0.193%	17,531	16	4,386
Internal service funds:				
Postal equipment	2.186%	37,701	60	35,717
Copiers	0.193-0.298%	64,188	16-38	32,753
Total governmental activities		<u>\$ 3,092,684</u>		<u>\$ 2,041,850</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

The future principal and interest payments as of September 30, 2022, were as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
	2023	\$ 1,035,069	\$ 6,502
2024	981,340	3,334	984,674
2025	11,852	401	12,253
2026	7,702	233	7,935
2027	5,887	64	5,951
Total	\$ 2,041,850	\$ 10,534	\$ 2,052,384

12 TIF Obligations

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	Dallas County	Collin County	Collin County
Participating	65%	50%	50%
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 \$686,761 and an interest payment of \$71,780 were made during the fiscal year.

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 TIF District #2. Interest payments of \$2,194,974 and a principal payment of \$3,288,040 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 TIF District #3. An interest payment of \$844,927 was made during the fiscal year.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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 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 \$180,522 and a principal payment of \$238,523 was made during the fiscal year.

An economic development agreement was entered into with the City and SAF 100 N. Central Ltd in March 2017. The Agreement was subsequently assigned to Richardson Gateway, LLC. This agreement provides for a maximum grant amount of \$7,000,000 plus 5.25% 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 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 TIF District #1 from Sub Area No. 1A and Sub No. 1B. An interest payment of \$295,187 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:

	TIF DISTRICT 1			TIF DISTRICT 2	TIF DISTRICT 3	Total
	Centennial Park	AGF Greenville II, Ltd.	Richardson Gateway LLC	BCS TIF Zone 2	BCP TIF LLC Zone 3	
	Balance at October 1, 2021	\$ 6,921,132	\$ 4,513,028	\$ 5,624,537	\$ 43,899,467	
Payments	(686,761)	(238,523)	-	(3,288,040)	-	(4,213,324)
Balance at September 30, 2022	<u>\$ 6,234,371</u>	<u>\$ 4,274,505</u>	<u>\$ 5,624,537</u>	<u>\$ 40,611,427</u>	<u>\$ 33,880,733</u>	<u>\$ 90,625,573</u>

13 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 2021-2022, a total of \$195,071 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 \$818,761 and \$248,398 have been recorded as expenditures/expenses in the Governmental Funds 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 2021-2022, the City received refunds from the commercial insurance carrier in the amount of \$287,298.

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 \$930,186 for unpaid claims and claim adjustment expenses at September 30, 2022. 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, 2022

Reconciliation of Unpaid Claims Liabilities

	2022	2021
Incurring claims and claim adjustment expenses:		
Unpaid claims and claim adjustment expenses at beginning of year	\$ 1,007,097	\$ 790,353
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	12,375,289	13,251,850
Increase (decrease) in prior year provision	(407,116)	(286,196)
Total incurred claims and claim adjustment expenses	12,975,270	13,756,007
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	11,445,103	12,244,753
Claims and claim adjustment expenses attributable to insured events of prior years	599,981	504,157
Total payments	12,045,084	12,748,910
Total unpaid claims and claim adjustment expenses at end of year	\$ 930,186	\$ 1,007,097

14 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, 2022, the City allocated \$8,607,956 for such services.

15 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 \$1,430,958 in incentive payments under this program in fiscal year 2022.
- **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 \$1,473,631 in fiscal year 2022.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

- **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 2022, the City rebated \$2,542,235 in taxes, reduced fees by \$8,356,757 and made incentive payments of \$861,628 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 12. 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 \$7,800,714 in principal and interest payments for TIF obligations, \$2,046,000 in TIF incentives, and \$58,801 in property tax rebates from general TIF resources.

16 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.

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 20 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, 2022 there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms

At the December 31, 2021 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	299
Active employees	942
	<hr/>
	1,241
	<hr/> <hr/>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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 under the City's health plans for retirees under age 65 and their dependents are based on the length of service of the retiree as shown below.

		"Green Plan" - HDHP (w/HSA)		
		Under 15	15 - 19	20+
Years of service:				
Retiree only	\$	924	\$ 648	\$ 373
Retiree/spouse		1,851	1,295	739
Surviving spouse		926	697	467
Retiree/family		2,576	1,716	856
		"Red Plan" - Traditional PPO		
		Under 15	15 - 19	20+
Years of service:				
Retiree only	\$	1,109	\$ 803	\$ 465
Retiree/spouse		2,196	1,549	900
Surviving spouse		1,223	842	583
Retiree/family		3,053	2,048	1,041

Total OPEB Liability

The City's Total OPEB Liability was determined by an actuarial valuation performed on December 31, 2020 and the measurement date of December 31, 2021.

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 pension plan in which the City participates, 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 summarized below:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	1.84% as of December 31, 2021
Inflation	2.50%
Salary Increases	3.50% - 11.50%
Health Care Trend Rate	7.00%

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

Demographic assumptions are based on the experience study conducted by TMRS for the four-year period ending December 31, 2018. Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 1.84%. 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, 2021. For the purpose of this valuation, the municipal bond rate is 1.84% 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 2.00% as of December 31, 2020, 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 (0.84%) and 1-percentage-point-higher (2.84%).

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

1% Decrease	Current Single Rate Assumption	1% Increase
0.84%	1.84%	2.84%
\$ 68,307,221	\$ 61,387,466	\$ 55,332,506

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 (6.00%) and 1-percentage-point-higher (8.00%).

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

1% Decrease	Current Single Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$ 55,643,071	\$ 61,387,466	\$ 68,280,016

Schedule of Changes in Total OPEB Liability

	Total OPEB Liability
Beginning balances	\$ 58,388,734
Changes for the year:	
Service cost	2,805,395
Interest on the Total OPEB Liability	1,176,485
Differences between expected and actual experience	(71,716)
Changes in assumptions	1,022,921
Benefit payments	(1,934,353)
Net changes	2,998,732
Ending balance	\$ 61,387,466

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

OPEB Expense and Deferred Outflows/(Inflows) of Resources

For the year ended September 30, 2022 the City recognized \$5,106,856 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	\$ 946,311	\$ (207,565)
Changes of assumptions	4,793,312	(419,423)
Contributions subsequent to the measurement date	1,052,302	-
Total	\$ 6,791,925	\$ (626,988)

Of the \$6,791,925 total for deferred outflows of resources, \$1,052,302 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 9/30/2023. The remainder of the total net deferred outflows/inflows of resources, \$5,112,635 will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred outflows (inflows) of resources
2023	\$ 1,124,974
2024	1,124,974
2025	1,122,647
2026	744,972
2027	654,658
Thereafter	340,410
Total	\$ 5,112,635

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 three participants in the program as of September 30, 2022.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

18 Pension Benefits

Plan Description

The City of Richardson participates as one of 926 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 ACFR https://www.thrs.com/down/pubs/ACFR_2021/ACFR_2021.pdf.

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	864
Inactive employees entitled to but not yet receiving benefits	535
Active employees	948
Total	<u>2,347</u>

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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 14.80% and 14.07% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$11,655,687 which exceeded the required contributions by \$541,345.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 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. Other actuarial assumptions used in the December 31, 2021, 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. 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, 2022

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)*
Global Public Equity	35.00 %	7.55
Core Fixed Income	6.00	2.00
Non-Core Fixed Income	20.00	5.68
Public and Private Markets	12.00	7.22
Real Estate	12.00	6.85
Hedge Funds	5.00	5.35
Private Equity	10.00	10.00
Total	100.00 %	

*Net of the inflation assumption.

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) 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 (Asset) 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 (Asset) to Changes in the Discount Rate		
1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$75,305,967	\$(4,860,650)	\$(69,765,493)

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, 2022

**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Current Period**

	Increase (Decrease)
Total pension liability:	
Service Cost	\$ 11,524,130
Interest (on the Total Pension Liability)	38,939,714
Difference between expected and actual experience	6,716,536
Benefit payments, including refunds of employee contributions	(30,491,141)
Net Change in Total Pension Liability	26,689,239
Total Pension Liability - Beginning	586,368,152
Total Pension Liability - Ending (A)	613,057,391
Plan Fiduciary Net Position:	
Contributions - Employer	11,485,650
Contributions - Employee	5,377,928
Net Investment Income	72,835,182
Benefit payments, including refunds of employee contributions	(30,491,141)
Administrative expense	(337,211)
Other	2,309
Net Change in Plan Fiduciary Net Position	58,872,717
Plan Fiduciary Net Position - Beginning	559,045,324
Plan Fiduciary Net Position - Ending (B)	617,918,041
Net Pension Liability (Asset) - Ending (A-B)	\$ (4,860,650)
Plan Fiduciary Net Position as Percentage of Total Pension Liability (Asset)	100.79 %
Covered Payroll	76,827,535
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(6.33)%

*FNP may be off a dollar due to rounding

The net pension liability (asset) and the total pension liability were calculated by Gabriel, Roeder, Smith & Company ("GRS"). The measurement date and the actuarial valuation date was December 31, 2021.

CITY OF RICHARDSON, TEXAS

Notes to the Financial Statements

Year ended September 30, 2022

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

For the year ended September 30, 2022 the City recognized pension expense (income) of (\$3,632,204). 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
Difference between expected and actual experience	\$ 5,557,738	\$ 1,255,752
Net difference between projected and actual earnings on pension plan investments	-	37,450,155
Difference in assumptions	19,076	-
Employers' Contributions to the pension plan subsequent to the measurement date	<u>8,691,456</u>	<u>-</u>
Total	<u>\$ 14,268,270</u>	<u>\$ 38,705,907</u>

Of the \$14,268,270 total for deferred outflows of resources, \$8,691,456 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 9/30/2023. The remainder of the total net deferred outflows/inflows of resources, \$(33,129,093), related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net deferred outflows (inflows) of resources
2023	\$ (5,073,084)
2024	(14,801,381)
2025	(6,446,121)
2026	<u>(6,808,507)</u>
Total	<u>\$ (33,129,093)</u>

19 Subsequent Events

On May 24, 2023, the City issued \$43,885,000 in General Obligation Bonds for the benefit of the Capital Projects Fund. The City also issued \$39,875,000 in Certificates of Obligation, with \$24,450,000 designated for the Capital Projects Fund, \$13,405,000 designated for the Water & Sewer Fund and \$1,930,000 for the Solid Waste Fund. Additionally, the City issued \$9,130,000 in Taxable Certificates of Obligation for the benefit of the Capital Projects Fund.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Year ended September 30, 2022

	<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	\$ 67,907,553	\$ 67,471,294	\$ 66,178,453	\$ 1,530,566	\$ 67,709,019	\$ 237,725
Franchise fees	16,429,343	17,256,132	17,793,504	-	17,793,504	537,372
Sales tax	38,864,812	50,814,411	53,413,338	896,850	54,310,188	3,495,777
Mixed beverage and bingo tax	518,454	657,027	728,925	-	728,925	71,898
911 revenue	615,004	761,170	701,477	-	701,477	(59,693)
Intergovernmental revenue	-	-	55,964	-	55,964	55,964
Licenses and permits	2,992,209	2,794,547	2,629,755	-	2,629,755	(164,792)
Fines and forfeitures	3,084,468	2,056,010	1,823,206	205,383	2,028,589	(27,421)
Interest revenue (temporary loss)	187,842	262,496	(218,476)	668,159	449,683	187,187
Civic center use	-	292	-	-	-	(292)
Recreation and leisure	3,279,472	3,036,826	3,258,371	-	3,258,371	221,545
Public safety	-	-	3,249,963	-	3,249,963	3,249,963
Other	4,039,476	4,051,627	736,601	-	736,601	(3,315,026)
General administration	8,648,645	8,631,545	8,607,956	-	8,607,956	(23,589)
Contributions	-	-	68,394	-	68,394	68,394
Total revenues	<u>146,567,278</u>	<u>157,793,377</u>	<u>159,027,431</u>	<u>3,300,958</u>	<u>162,328,389</u>	<u>4,535,012</u>
Expenditures						
Current:						
General government	40,513,194	39,510,723	35,401,283	3,474,175	38,875,458	635,265
Public safety	56,791,685	59,236,285	58,880,806	195,944	59,076,750	159,535
Public services	21,383,043	20,966,701	19,895,456	300,386	20,195,842	770,859
Library	3,373,047	3,399,134	3,348,539	3,033	3,351,572	47,562
Parks and recreation	12,549,284	12,599,998	11,923,778	5,783	11,929,561	670,437
Public health	1,902,178	1,921,137	1,844,498	-	1,844,498	76,639
Capital outlay	-	-	74,538	(56,339)	18,199	(18,199)
Debt service						
Interest and fiscal charges	-	-	102	(102)	-	-
Payments for other obligations	-	-	150,591	(150,591)	-	-
Total expenditures	<u>136,512,431</u>	<u>137,633,978</u>	<u>131,519,591</u>	<u>3,772,289</u>	<u>135,291,880</u>	<u>2,342,098</u>
Excess of revenues over expenditures	<u>10,054,847</u>	<u>20,159,399</u>	<u>27,507,840</u>	<u>(471,331)</u>	<u>27,036,509</u>	<u>6,877,110</u>
Other financing sources (uses)						
Transfers in	700,000	700,000	700,000	-	700,000	-
Transfers out	(12,470,163)	(21,420,163)	(28,055,163)	-	(28,055,163)	(6,635,000)
Proceeds from sale of capital assets	-	-	14,551	-	14,551	14,551
Insurance and other recoveries	-	-	700,000	-	700,000	700,000
Issuance of other obligations	-	-	111,222	(111,222)	-	-
Total other financing sources (uses)	<u>(11,770,163)</u>	<u>(20,720,163)</u>	<u>(26,529,390)</u>	<u>(111,222)</u>	<u>(26,640,612)</u>	<u>(5,920,449)</u>
Net change in fund balance	(1,715,316)	(560,764)	978,450	(582,553)	395,897	956,661
Fund balances, October 1	<u>28,422,925</u>	<u>38,619,587</u>	<u>40,357,945</u>	<u>7,535,587</u>	<u>47,893,532</u>	<u>9,273,945</u>
Fund balances, September 30	<u>\$ 26,707,609</u>	<u>\$ 38,058,823</u>	<u>\$ 41,336,395</u>	<u>\$ 6,953,034</u>	<u>\$ 48,289,429</u>	<u>\$ 10,230,606</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Federal Grants Fund
 Year ended September 30, 2022

	<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	\$ 18,081,253	\$ 23,310,466	\$ 4,215,662	\$ (19,094,804)
Fines and forfeitures	65,000	-	-	-
Interest revenue (temporary loss)	612	31,026	(80,665)	(111,691)
Total revenues	<u>18,146,865</u>	<u>23,341,492</u>	<u>4,134,997</u>	<u>(19,206,495)</u>
Expenditures:				
General government	35,000	82,445	7,133	75,312
Public safety	83,344	83,799	185,378	(101,579)
Capital outlay	18,035,000	10,756,371	3,051,099	7,705,272
Total expenditures	<u>18,153,344</u>	<u>10,922,615</u>	<u>3,243,610</u>	<u>7,679,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,479)</u>	<u>12,418,877</u>	<u>891,387</u>	<u>(11,527,490)</u>
Other financing sources (uses):				
Transfers out	-	(974,595)	(965,767)	8,828
Total other financing sources (uses)	<u>-</u>	<u>(974,595)</u>	<u>(965,767)</u>	<u>8,828</u>
Net change in fund balance	(6,479)	11,444,282	(74,380)	(11,518,662)
Fund balances, October 1	<u>58,742</u>	<u>85,624</u>	<u>85,624</u>	<u>-</u>
Fund balances, September 30	<u>\$ 52,263</u>	<u>\$ 11,529,906</u>	<u>\$ 11,244</u>	<u>\$ (11,518,662)</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Hotel/Motel Tax Fund
 Year ended September 30, 2022

	<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	\$ 2,549,521	\$ 3,418,664	\$ 3,956,162	\$ 537,498
Parking Fees	275,000	371,801	446,712	74,911
Eisemann center revenue	1,107,139	1,456,509	1,406,866	(49,643)
Interest revenue (temporary loss)	5,776	21,867	274,002	252,135
Other	-	-	67,915	67,915
Contributions	-	-	1,150	1,150
Total revenues	<u>3,937,436</u>	<u>5,268,841</u>	<u>6,152,807</u>	<u>883,966</u>
Expenditures:				
General government	2,972,909	4,012,626	4,092,587	(79,961)
Capital outlay	-	194,380	191,598	2,782
General administration	324,466	307,366	283,777	(591,143)
Total expenditures	<u>3,297,375</u>	<u>4,514,372</u>	<u>4,567,962</u>	<u>(53,590)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>640,061</u>	<u>754,469</u>	<u>1,584,845</u>	<u>830,376</u>
Transfers in	-	817,847	809,019	(8,828)
Total other financing sources (uses)	<u>-</u>	<u>817,847</u>	<u>809,019</u>	<u>(8,828)</u>
Net change in fund balance	640,061	1,572,316	2,393,864	821,548
Fund balances, October 1	<u>3,645,878</u>	<u>4,201,418</u>	<u>4,201,418</u>	<u>-</u>
Fund balances, September 30	<u>\$ 4,285,939</u>	<u>\$ 5,773,734</u>	<u>\$ 6,595,282</u>	<u>\$ 821,548</u>

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2022

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 2,805,395	\$ 2,513,572	\$ 1,979,670	\$ 1,981,275	\$ 1,656,080
Interest (on the total OPEB liability)	1,176,485	1,445,329	1,871,002	1,568,415	1,640,160
Differences between expected and actual experience	(71,716)	(139,592)	(72,942)	1,906,943	105,618
Change of Assumptions	1,022,921	4,123,289	(173,959)	(660,122)	2,443,407
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,934,353)</u>	<u>(1,709,027)</u>	<u>(1,780,176)</u>	<u>(1,716,882)</u>	<u>(1,628,228)</u>
Net change in total OPEB liability	<u>2,998,732</u>	<u>6,233,571</u>	<u>1,823,595</u>	<u>3,079,629</u>	<u>4,217,037</u>
Total OPEB liability - beginning	<u>58,388,734</u>	<u>52,155,163</u>	<u>50,331,568</u>	<u>47,251,939</u>	<u>43,034,902</u>
Total OPEB liability - ending	<u>\$ 61,387,466</u>	<u>\$ 58,388,734</u>	<u>\$ 52,155,163</u>	<u>\$ 50,331,568</u>	<u>\$ 47,251,939</u>
Covered employee payroll	76,826,799	75,577,640	76,353,079	73,564,399	70,946,642
Total OPEB liability as a percentage of covered employee payroll	79.90 %	77.26 %	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 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

*Note: The City implemented GASB 75 in FY 2018 with actuarial data as of December 31, 2017, therefore the required information for this schedule will be built over the next five calendar years.

As of September 30, 2021 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
 Required Supplementary Information
 Year ended September 30, 2022

Schedule of Pension Contributions
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 11,114,342	\$ 11,364,819	\$ 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>(11,655,687)</u>	<u>(11,490,448)</u>	<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>\$ (541,345)</u>	<u>\$ (125,629)</u>	<u>\$ (1,667,582)</u>	<u>\$ (165,063)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 77,964,464	\$ 76,858,905	\$ 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	14.26 %	14.79 %	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, Closed
 Remaining Amortization Period 24 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 two years.

CITY OF RICHARDSON, TEXAS
 Required Supplementary Information
 Year ended September 30, 2022

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:								
Service cost	\$ 11,524,130	\$ 11,321,609	\$ 11,430,056	\$ 11,005,234	\$ 10,613,618	\$ 10,202,479	\$ 9,282,442	\$ 8,595,083
Interest (on the Total Pension Liability)	38,939,714	37,728,817	36,261,004	34,850,859	33,439,920	31,995,989	31,310,006	30,001,418
Differences between expected and actual experience	6,716,536	(2,342,984)	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>(30,491,141)</u>	<u>(27,247,853)</u>	<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	26,689,239	19,459,589	21,818,894	22,466,961	21,306,974	21,957,610	26,732,703	18,208,400
Total Pension Liability - Beginning	<u>586,368,152</u>	<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>	<u>434,417,023</u>
Total Pension Liability - Ending (A)	<u>\$ 613,057,391</u>	<u>\$ 586,368,154</u>	<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>\$ 452,624,423</u>
Plan fiduciary Net Position								
Contributions - Employer	\$ 11,485,650	\$ 12,568,995	\$ 11,399,536	\$ 10,887,470	\$ 10,342,735	\$ 9,073,163	\$ 9,067,267	\$ 9,312,812
Contributions - Employee	5,377,928	5,291,206	5,479,173	5,149,508	4,967,489	4,767,618	4,599,369	4,541,066
Net Investment Income	72,835,182	40,100,443	72,190,327	(14,664,558)	60,507,332	28,105,129	622,684	23,194,326
Benefit payments, including refunds of employee contributions	(30,491,141)	(27,247,853)	(27,209,284)	(23,632,610)	(22,432,659)	(20,889,414)	(19,961,687)	(20,245,744)
Administrative expense	(337,211)	(259,633)	(408,090)	(283,512)	(313,643)	(317,470)	(379,292)	(242,173)
Other	<u>2,309</u>	<u>(10,130)</u>	<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	58,872,717	30,443,028	61,439,403	(22,558,514)	53,055,359	20,721,921	(6,070,394)	16,540,376
Plan Fiduciary Net Position - Beginning	<u>559,045,324</u>	<u>528,602,296</u>	<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>\$ 617,918,041</u>	<u>\$ 559,045,324</u>	<u>\$ 528,602,296</u>	<u>\$ 467,162,895</u>	<u>\$ 489,721,407</u>	<u>\$ 436,666,048</u>	<u>\$ 415,944,127</u>	<u>\$ 422,014,521</u>
Net Pension Liability (Asset)- Ending (A-B)	<u>\$ (4,860,650)</u>	<u>\$ 27,322,830</u>	<u>\$ 38,306,269</u>	<u>\$ 77,926,776</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 (Asset)	100.79 %	95.34 %	93.24 %	85.70 %	93.70 %	87.10 %	86.77 %	93.24 %
Covered payroll	\$ 76,827,535	\$ 75,578,149	\$ 76,353,079	\$ 73,564,399	\$ 70,946,642	\$ 68,061,898	\$ 65,693,151	\$ 64,872,361
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(6.33)%	36.15 %	50.17 %	105.93 %	46.37 %	94.99 %	96.53 %	47.19 %

* The City implemented GASB 68 in FY 2015 with actuarial data as of December 31, 2014, therefore the required information for this schedule will be built over the next two calendar years.

CITY OF RICHARDSON, TEXAS
Notes to the Required Supplementary Information
Year Ended September 30, 2022

(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, with certain exceptions made for non-cash GAAP adjustments such as accruals for court fines or mark to market interest revenue adjustments. 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	\$ 148,982,594	\$ 159,054,141
Debt Service	45,285,196	45,285,196
Federal Grants	18,153,344	11,897,210
Hotel/Motel Tax	3,297,375	4,514,372
Water and Sewer	89,162,615	93,165,253
Solid Waste Services	15,847,323	16,175,979
Golf	2,364,091	2,441,974
Internal Service (Combined)	18,207,271	19,071,622
Special Police	107,000	236,250
State Grants	-	10,467
Municipal Court Security	70,691	68,497
Wireless 911	655,000	663,253
Judicial Efficiency	30,040	24,620
Technology	91,440	55,610
Tax Increment Financing #1	6,592,912	8,745,874
Tax Increment Financing #2	6,508,809	8,275,140
Tax Increment Financing #3	1,059,551	1,285,466
Richardson Improvement Corp.	8,500	12,500
Franchise Peg Fund	72,500	197,689
Drainage Fee Fund	3,981,460	4,958,922
Jury Fund	-	2,000
Juvenile Case Manager Fund	55,253	57,632
Ann & Charles Eisemann Edge Permanent Fund	25,000	25,000

CITY OF RICHARDSON, TEXAS
Notes to the Required Supplementary Information
Year Ended September 30, 2022

(A) Budgetary Information

Excess of Expenditures over Appropriations

For the year ended September 30, 2022 expenditures (including transfers) exceeded appropriations in the General Fund and the Hotel/Motel Fund totaling \$4,292,902 and \$53,590. The General Fund experienced greater than anticipated sales tax revenue which allowed for a larger year end transfer to the Capital Fund than originally contemplated. The Hotel/Motel Fund experienced greater than expected programmatic expenses as hotel properties rebounded from the COVID-19 pandemic, allowing for additional show performances at the venue. Expenditures also exceeded appropriations in the Golf Fund by \$465,283, the State Grant Fund by \$237, the Municipal Court Security Fund by \$13,244 and the Juvenile Case Manager Fund by \$137 for various reasons. These expenditures were covered by greater than expected revenues, other financing sources or available fund balances.

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

Excess of revenues and other sources over expenditures and other uses-GAAP basis	\$ 978,450
End of year adjustment for encumbrances not recognized as expenditures	(1,456,095)
Non-cash mark to market investment revenue recognized for GAAP basis	668,159
Increase in fines and forfeitures recognized for GAAP basis	<u>205,383</u>
Excess of revenues and other sources over expenditures and other uses-budget basis	<u><u>\$ 395,897</u></u>



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COMBINING FINANCIAL STATEMENTS



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CITY OF RICHARDSON, TEXAS
Nonmajor Governmental Funds
September 30, 2022

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.

Municipal Court Funds consist of the following funds. The allowable purposes for each fund are specified by state law:

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

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 Funds consist of the following:

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.

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.

CITY OF RICHARDSON, TEXAS
Nonmajor Governmental Funds
September 30, 2022

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.



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CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2022

	<u>State Grants</u>	<u>Municipal Court Funds(1)</u>	<u>Tax Increment Financing Funds(1)</u>	<u>Special Police Funds</u>	<u>Wireless 911 Fund</u>
Assets:					
Current assets:					
Cash, cash equivalents, and investments	\$ -	\$ 544,545	\$ 2,003,376	\$ 526,187	\$ 525,055
Receivables (net of allowances)	44,041	-	-	34,059	-
Due from other funds	-	-	13,000,000	-	-
Total assets	<u>44,041</u>	<u>544,545</u>	<u>15,003,376</u>	<u>560,246</u>	<u>525,055</u>
Liabilities:					
Current liabilities:					
Accounts payable	-	-	175,432	2,570	-
Retainage payable	2,527	-	24,113	-	-
Accrued liabilities	-	2,221	163,360	114,183	-
Due to other funds	44,041	-	-	-	-
Total liabilities	<u>46,568</u>	<u>2,221</u>	<u>362,905</u>	<u>116,753</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:					
Permanent fund principal	-	-	-	-	-
Restricted for:					
General government	-	542,324	14,640,471	-	-
Public safety	-	-	-	443,493	525,055
Committed for:					
General government	-	-	-	-	-
Public services	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Assigned for:					
Parks and recreation	-	-	-	-	-
Unassigned	(2,527)	-	-	-	-
Total fund balances	<u>(2,527)</u>	<u>542,324</u>	<u>14,640,471</u>	<u>443,493</u>	<u>525,055</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,041</u>	<u>\$ 544,545</u>	<u>\$ 15,003,376</u>	<u>\$ 560,246</u>	<u>\$ 525,055</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, 2022

PEG Fund	Drainage Fund	Special Revenue Funds			Special Revenue Funds Subtotal	Permanent Fund Ann & Charles Eisemann Edge	Total Nonmajor Governmental Funds Total
		Richardson Improvement Corporation Fund	Economic Development Fund	Golf Fund			
\$ 810,991	\$ 907,738	\$ 44,214	\$ 608,515	\$ 531,559	\$ 6,502,180	\$ 229,453	\$ 6,731,633
-	272,323	-	-	112,885	463,308	-	463,308
-	2,000,000	-	4,000,000	-	19,000,000	-	19,000,000
<u>810,991</u>	<u>3,180,061</u>	<u>44,214</u>	<u>4,608,515</u>	<u>644,444</u>	<u>25,965,488</u>	<u>229,453</u>	<u>26,194,941</u>
-	681,116	-	-	38,792	897,910	-	897,910
-	149,755	-	-	-	176,395	-	176,395
-	48,794	-	-	46,812	375,370	-	375,370
-	-	8,500	-	-	52,541	-	52,541
-	<u>879,665</u>	<u>8,500</u>	-	<u>85,604</u>	<u>1,502,216</u>	-	<u>1,502,216</u>
-	272,323	-	-	-	272,323	-	272,323
-	<u>272,323</u>	-	-	-	<u>272,323</u>	-	<u>272,323</u>
-	-	-	-	-	-	215,737	215,737
810,991	-	-	-	-	15,993,786	13,716	16,007,502
-	-	-	-	-	968,548	-	968,548
-	-	-	4,608,515	-	4,608,515	-	4,608,515
-	2,028,073	-	-	-	2,028,073	-	2,028,073
-	-	-	-	558,840	558,840	-	558,840
-	-	35,714	-	-	35,714	-	35,714
-	-	-	-	-	(2,527)	-	(2,527)
<u>810,991</u>	<u>2,028,073</u>	<u>35,714</u>	<u>4,608,515</u>	<u>558,840</u>	<u>24,190,949</u>	<u>229,453</u>	<u>24,420,402</u>
<u>\$ 810,991</u>	<u>\$ 3,180,061</u>	<u>\$ 44,214</u>	<u>\$ 4,608,515</u>	<u>\$ 644,444</u>	<u>\$ 25,965,488</u>	<u>\$ 229,453</u>	<u>\$ 26,194,941</u>

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2022

	<u>State Grants</u>	<u>Municipal Court Funds(1)</u>	<u>Tax Increment Financing Funds(1)</u>	<u>Special Police Funds</u>	<u>Wireless 911 Fund</u>
Revenues:					
Property taxes	\$ -	\$ -	\$ 11,923,531	\$ -	\$ -
Franchise taxes	-	-	-	-	-
Drainage fees	-	-	-	-	-
911 revenue	-	-	-	-	650,992
Intergovernmental revenue	10,704	-	2,638,352	184,224	-
Intergovernmental - state	-	-	-	15,975	-
Fines and forfeitures	-	169,449	-	8,446	-
Interest revenue (temporary loss)	-	(2,328)	(47,337)	(2,509)	(2,582)
Golf course revenue	-	-	-	-	-
Golf course restaurant	-	-	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	11,724	-
Total revenues	<u>10,704</u>	<u>167,121</u>	<u>14,514,546</u>	<u>217,860</u>	<u>648,410</u>
Expenditures:					
General government	237	117,144	5,148,986	-	-
Public safety	10,467	81,741	-	143,114	13,253
Public services	-	-	-	-	-
Parks and recreation	-	-	204,983	-	-
General administration	-	-	175,000	-	-
Capital outlay	-	-	563,108	-	-
Debt service:					
Interest and fiscal charges	-	-	3,590,815	-	-
Payments for other obligations	-	-	5,109,898	-	-
Total expenditures	<u>10,704</u>	<u>198,885</u>	<u>14,792,790</u>	<u>143,114</u>	<u>13,253</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(31,764)</u>	<u>(278,244)</u>	<u>74,746</u>	<u>635,157</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(50,000)	(650,000)
Issuance of other obligations	-	-	2,688,559	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,688,559</u>	<u>(50,000)</u>	<u>(650,000)</u>
Net change in fund balances	-	(31,764)	2,410,315	24,746	(14,843)
Fund balances, October 1	(2,527)	574,088	12,230,156	418,747	539,898
Fund balances, September 30	<u><u>\$ (2,527)</u></u>	<u><u>\$ 542,324</u></u>	<u><u>\$ 14,640,471</u></u>	<u><u>\$ 443,493</u></u>	<u><u>\$ 525,055</u></u>

(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, 2022

PEG Fund	Drainage Fund	Special Revenue Funds			Special Revenue Funds Subtotal	Permanent Fund Ann & Charles Eisemann Edge	Total Nonmajor Governmental Funds Total
		Richardson Improvement Corporation Fund	Economic Development Fund	Golf Fund			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,923,531	\$ -	\$ 11,923,531
181,648	-	-	-	-	181,648	-	181,648
-	2,888,883	-	-	-	2,888,883	-	2,888,883
-	-	-	-	-	650,992	-	650,992
-	-	-	-	-	2,833,280	-	2,833,280
-	-	-	-	-	15,975	-	15,975
-	-	-	-	-	177,895	-	177,895
(3,293)	(6,769)	-	(17,478)	(5,020)	(87,316)	(888)	(88,204)
-	-	-	-	2,789,505	2,789,505	-	2,789,505
-	-	-	-	53,284	53,284	-	53,284
-	-	-	-	-	-	13,987	13,987
-	-	-	-	116,986	128,710	-	128,710
<u>178,355</u>	<u>2,882,114</u>	<u>-</u>	<u>(17,478)</u>	<u>2,954,755</u>	<u>21,556,387</u>	<u>13,099</u>	<u>21,569,486</u>
49,616	-	-	452,006	-	5,767,989	20,000	5,787,989
-	-	-	-	-	248,575	-	248,575
-	2,950,508	-	-	-	2,950,508	-	2,950,508
-	-	10,237	-	2,467,731	2,682,951	-	2,682,951
-	828,861	-	-	112,176	1,116,037	-	1,116,037
34,842	972,275	-	-	214,710	1,784,935	-	1,784,935
-	-	-	-	5,695	3,596,510	-	3,596,510
-	-	-	-	106,945	5,216,843	-	5,216,843
<u>84,458</u>	<u>4,751,644</u>	<u>10,237</u>	<u>452,006</u>	<u>2,907,257</u>	<u>23,364,348</u>	<u>20,000</u>	<u>23,384,348</u>
<u>93,897</u>	<u>(1,869,530)</u>	<u>(10,237)</u>	<u>(469,484)</u>	<u>47,498</u>	<u>(1,807,961)</u>	<u>(6,901)</u>	<u>(1,814,862)</u>
-	-	-	899,194	-	899,194	-	899,194
-	-	-	-	(491,000)	(1,191,000)	-	(1,191,000)
-	-	-	-	462,063	3,150,622	-	3,150,622
-	-	-	899,194	(28,937)	2,858,816	-	2,858,816
93,897	(1,869,530)	(10,237)	429,710	18,561	1,050,855	(6,901)	1,043,954
717,094	3,897,603	45,951	4,178,805	540,279	23,140,094	236,354	23,376,448
<u>\$ 810,991</u>	<u>\$ 2,028,073</u>	<u>\$ 35,714</u>	<u>\$ 4,608,515</u>	<u>\$ 558,840</u>	<u>\$ 24,190,949</u>	<u>\$ 229,453</u>	<u>\$ 24,420,402</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - State Grants Fund
 Year ended September 30, 2022

	<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	\$ -	\$ 12,994	\$ 10,704	\$ (2,290)
Total revenues	<u>-</u>	<u>12,994</u>	<u>10,704</u>	<u>(2,290)</u>
Expenditures:				
General government	-	-	237	(237)
Public safety	-	-	10,467	(10,467)
Capital outlay	-	10,467	-	10,467
Total expenditures	<u>-</u>	<u>10,467</u>	<u>10,704</u>	<u>(237)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,527</u>	<u>-</u>	<u>(2,527)</u>
Net change in fund balance	-	2,527	-	(2,527)
Fund balances, October 1	<u>(3,054)</u>	<u>(2,527)</u>	<u>-</u>	<u>2,527</u>
Fund balances, September 30	<u>\$ (3,054)</u>	<u>\$ -</u>	<u>\$ (2,527)</u>	<u>\$ (2,527)</u>

CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds - Municipal Court Funds
September 30, 2022

	Special Revenue Funds					Total
	Building Security	Technology	Judicial Efficiency	Municipal Jury Fund	Juvenile Case Manager	
Assets:						
Cash, cash equivalents, and investments	\$ 80,605	\$ 252,498	\$ 91,454	\$ 1,792	\$ 118,196	\$ 544,545
Total	<u>80,605</u>	<u>252,498</u>	<u>91,454</u>	<u>1,792</u>	<u>118,196</u>	<u>544,545</u>
Liabilities:						
Accrued liabilities	1,141	-	-	-	1,080	2,221
Total liabilities	<u>1,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,080</u>	<u>2,221</u>
Fund balances:						
Restricted for:						
General government	79,464	252,498	91,454	1,792	117,116	542,324
Total fund balances	<u>79,464</u>	<u>252,498</u>	<u>91,454</u>	<u>1,792</u>	<u>117,116</u>	<u>542,324</u>
Total liabilities and fund balances	<u>\$ 80,605</u>	<u>\$ 252,498</u>	<u>\$ 91,454</u>	<u>\$ 1,792</u>	<u>\$ 118,196</u>	<u>\$ 544,545</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, 2022

	Special Revenue Funds					Total
	Building Security	Technology	Judicial Efficiency	Municipal Jury Fund	Juvenile Case Manager	
Revenues:						
Fines and forfeitures	\$ 50,511	\$ 41,996	\$ 25,874	\$ 1,000	\$ 50,068	\$ 169,449
Interest revenue (temporary loss)	(309)	(1,110)	(411)	(8)	(490)	(2,328)
Total revenues	<u>50,202</u>	<u>40,886</u>	<u>25,463</u>	<u>992</u>	<u>49,578</u>	<u>167,121</u>
Expenditures:						
General government	-	51,390	6,434	1,551	57,769	117,144
Public safety	81,741	-	-	-	-	81,741
Total expenditures	<u>81,741</u>	<u>51,390</u>	<u>6,434</u>	<u>1,551</u>	<u>57,769</u>	<u>198,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,539)</u>	<u>(10,504)</u>	<u>19,029</u>	<u>(559)</u>	<u>(8,191)</u>	<u>(31,764)</u>
Net change in fund balances	(31,539)	(10,504)	19,029	(559)	(8,191)	(31,764)
Fund balances, October 1	111,003	263,002	72,425	2,351	125,307	574,088
Fund balances, September 30	<u>\$ 79,464</u>	<u>\$ 252,498</u>	<u>\$ 91,454</u>	<u>\$ 1,792</u>	<u>\$ 117,116</u>	<u>\$ 542,324</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Municipal Court Building Security Fund
 Year ended September 30, 2022

	<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	\$ 101,000	\$ 50,118	\$ 50,511	\$ 393
Interest revenue (temporary loss)	227	417	(309)	(726)
Total revenues	<u>101,227</u>	<u>50,535</u>	<u>50,202</u>	<u>(333)</u>
Expenditures:				
Public safety	70,691	68,497	81,741	(13,244)
Total expenditures	<u>70,691</u>	<u>68,497</u>	<u>81,741</u>	<u>(13,244)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,536</u>	<u>(17,962)</u>	<u>(31,539)</u>	<u>(13,577)</u>
Net change in fund balance	30,536	(17,962)	(31,539)	(13,577)
Fund balances, October 1	<u>118,878</u>	<u>111,003</u>	<u>111,003</u>	<u>-</u>
Fund balances, September 30	<u>\$ 149,414</u>	<u>\$ 93,041</u>	<u>\$ 79,464</u>	<u>\$ (13,580)</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Technology Fund
 Year ended September 30, 2022

	<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	\$ 98,800	\$ 41,627	\$ 41,996	\$ 369
Interest revenue (temporary loss)	801	1,037	(1,110)	(2,147)
Total revenues	<u>99,601</u>	<u>42,664</u>	<u>40,886</u>	<u>(1,778)</u>
Expenditures:				
General government	91,440	55,610	51,390	4,220
Total expenditures	<u>91,440</u>	<u>55,610</u>	<u>51,390</u>	<u>4,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,161</u>	<u>(12,946)</u>	<u>(10,504)</u>	<u>2,442</u>
Net change in fund balance	8,161	(12,946)	(10,504)	2,442
Fund balances, October 1	<u>273,573</u>	<u>263,002</u>	<u>263,002</u>	<u>-</u>
Fund balances, September 30	<u>\$ 281,734</u>	<u>\$ 250,056</u>	<u>\$ 252,498</u>	<u>\$ 2,442</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Judicial Efficiency Fund
 Year ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 45,000	\$ 29,695	\$ 25,874	\$ (3,821)
Interest revenue (temporary loss)	115	379	(411)	(790)
Total revenues	<u>45,115</u>	<u>30,074</u>	<u>25,463</u>	<u>(4,611)</u>
Expenditures:				
General government	30,040	24,620	6,434	18,186
Total expenditures	<u>30,040</u>	<u>24,620</u>	<u>6,434</u>	<u>18,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,075</u>	<u>5,454</u>	<u>19,029</u>	<u>13,575</u>
Net change in fund balance	15,075	5,454	19,029	13,575
Fund balances, October 1	<u>61,738</u>	<u>72,425</u>	<u>72,425</u>	<u>-</u>
Fund balances, September 30	<u><u>\$ 76,813</u></u>	<u><u>\$ 77,879</u></u>	<u><u>\$ 91,454</u></u>	<u><u>\$ 13,575</u></u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Municipal Jury Fund
 Year ended September 30, 2022

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ 974	\$ 1,000	\$ 26
Interest revenue (temporary loss)	4	8	(8)	(16)
Total revenues	<u>2,004</u>	<u>982</u>	<u>992</u>	<u>10</u>
Expenditures:				
General government	-	2,000	1,551	449
Total expenditures	<u>-</u>	<u>2,000</u>	<u>1,551</u>	<u>449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,004</u>	<u>(1,018)</u>	<u>(559)</u>	<u>459</u>
Net change in fund balance	2,004	(1,018)	(559)	459
Fund balances, October 1	<u>2,889</u>	<u>2,351</u>	<u>2,351</u>	<u>-</u>
Fund balances, September 30	<u>\$ 4,893</u>	<u>\$ 1,333</u>	<u>\$ 1,792</u>	<u>\$ 459</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Juvenile Case Manager
 Year ended September 30, 2022

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 101,000	\$ 45,528	\$ 50,068	\$ 4,540
Interest revenue (temporary loss)	208	535	(490)	(1,025)
Total revenues	<u>101,208</u>	<u>46,063</u>	<u>49,578</u>	<u>3,515</u>
Expenditures:				
General government	55,253	57,632	57,769	(137)
Total expenditures	<u>55,253</u>	<u>57,632</u>	<u>57,769</u>	<u>(137)</u>
Excess (deficiency) of revenues over (under) expenditures	45,955	(11,569)	(8,191)	3,378
Net change in fund balance	45,955	(11,569)	(8,191)	3,378
Fund balances, October 1	<u>131,133</u>	<u>125,307</u>	<u>125,307</u>	<u>-</u>
Fund balances, September 30	<u>\$ 177,088</u>	<u>\$ 113,738</u>	<u>\$ 117,116</u>	<u>\$ 3,378</u>

CITY OF RICHARDSON, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds - Tax Increment Financing Funds
September 30, 2022

	Special Revenue Funds			
	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	Total
Assets:				
Cash, cash equivalents, and investments	\$ 662,602	\$ 808,829	\$ 531,945	\$ 2,003,376
Due from other funds	11,000,000	2,000,000	-	13,000,000
Total	<u>11,662,602</u>	<u>2,808,829</u>	<u>531,945</u>	<u>15,003,376</u>
Liabilities:				
Accounts payable	175,432	-	-	175,432
Retainage payable	24,113	-	-	24,113
Accrued liabilities	163,360	-	-	163,360
Total liabilities	<u>362,905</u>	<u>-</u>	<u>-</u>	<u>362,905</u>
Fund balances:				
Restricted for:				
General government	11,299,697	2,808,829	531,945	14,640,471
Total fund balances	<u>11,299,697</u>	<u>2,808,829</u>	<u>531,945</u>	<u>14,640,471</u>
Total liabilities and fund balances	<u>\$ 11,662,602</u>	<u>\$ 2,808,829</u>	<u>\$ 531,945</u>	<u>\$ 15,003,376</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, 2022

	Special Revenue Funds			Total
	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	
Revenues:				
General property taxes	\$ 5,727,753	\$ 5,334,759	\$ 861,019	\$ 11,923,531
Intergovernmental revenue	1,365,646	1,097,068	175,638	2,638,352
Interest revenue (temporary loss)	(45,230)	(1,481)	(626)	(47,337)
Total revenues	<u>7,048,169</u>	<u>6,430,346</u>	<u>1,036,031</u>	<u>14,514,546</u>
Expenditures:				
General government	5,148,986	-	-	5,148,986
Parks and recreation	204,983	-	-	204,983
General administration	150,000	25,000	-	175,000
Capital outlay	563,108	-	-	563,108
Debt service:				
Payments for other obligations	1,821,857	3,288,041	-	5,109,898
Interest and fiscal charges	550,916	2,194,973	844,926	3,590,815
Total expenditures	<u>8,439,850</u>	<u>5,508,014</u>	<u>844,926</u>	<u>14,792,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,391,681)</u>	<u>922,332</u>	<u>191,105</u>	<u>(278,244)</u>
Other financing sources (uses):				
Issuance of other obligations	<u>2,688,559</u>	-	-	<u>2,688,559</u>
Total other financing sources (uses)	<u>2,688,559</u>	-	-	<u>2,688,559</u>
Net change in fund balances	1,296,878	922,332	191,105	2,410,315
Fund balances, October 1	<u>10,002,819</u>	<u>1,886,497</u>	<u>340,840</u>	<u>12,230,156</u>
Fund balances, September 30	<u>\$ 11,299,697</u>	<u>\$ 2,808,829</u>	<u>\$ 531,945</u>	<u>\$ 14,640,471</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Tax Increment Financing #1
 Year ended September 30, 2022

	<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	\$ 5,912,384	\$ 5,818,451	\$ 5,727,753	\$ 58,801	\$ 5,786,554	\$ (31,897)
Intergovernmental revenue	1,509,091	1,365,646	1,365,646	-	1,365,646	-
Interest revenue (temporary loss)	43,591	48,596	(45,230)	-	(45,230)	(93,826)
Total revenues	<u>7,465,066</u>	<u>7,232,693</u>	<u>7,048,169</u>	<u>58,801</u>	<u>7,106,970</u>	<u>(125,723)</u>
Expenditures:						
General government	3,999,754	6,245,144	5,148,986	(256,985)	4,892,001	1,353,143
General administration	150,000	150,000	150,000	-	150,000	-
Parks and recreation	-	-	204,983	-	204,983	(204,983)
Capital outlay	2,443,158	2,350,730	563,108	-	563,108	1,787,622
Debt service:						
Payments for other obligations	-	-	1,821,857	(1,821,857)	-	-
Interest and fiscal charges	-	-	550,916	(550,916)	-	-
Total expenditures	<u>6,592,912</u>	<u>8,745,874</u>	<u>8,439,850</u>	<u>(2,629,758)</u>	<u>5,810,092</u>	<u>2,935,782</u>
Excess of revenues over (under) expenditures	<u>872,154</u>	<u>(1,513,181)</u>	<u>(1,391,681)</u>	<u>2,688,559</u>	<u>1,296,878</u>	<u>2,810,059</u>
Other financing sources (uses)						
Issuance of other obligations	-	-	2,688,559	(2,688,559)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,688,559</u>	<u>(2,688,559)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	872,154	(1,513,181)	1,296,878	-	1,296,878	2,810,059
Fund balances, October 1	<u>7,171,738</u>	<u>10,002,819</u>	<u>10,002,819</u>	<u>-</u>	<u>10,002,819</u>	<u>-</u>
Fund balances, beginning of year	<u>7,171,738</u>	<u>10,002,819</u>	<u>10,002,819</u>	<u>-</u>	<u>10,002,819</u>	<u>-</u>
Fund balances, September 30	<u>\$ 8,043,892</u>	<u>\$ 8,489,638</u>	<u>\$ 11,299,697</u>	<u>\$ -</u>	<u>\$ 11,299,697</u>	<u>\$ 2,810,059</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Tax Increment Financing #2
 Year ended September 30, 2022

	<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	\$ 5,364,658	\$ 5,334,759	\$ 5,334,759	\$ -	\$ 5,334,759	\$ -
Intergovernmental revenue	1,128,052	1,097,068	1,097,068	-	1,097,068	-
Interest revenue (temporary loss)	10,909	15,355	(1,481)	-	(1,481)	(16,836)
Total revenues	<u>6,503,619</u>	<u>6,447,182</u>	<u>6,430,346</u>	<u>-</u>	<u>6,430,346</u>	<u>(16,836)</u>
Expenditures:						
General government	6,483,809	8,250,140	-	5,483,014	5,483,014	2,767,126
General administration	25,000	25,000	25,000	-	25,000	-
Debt service:						
Payments for other obligations	-	-	3,288,041	(3,288,041)	-	-
Interest and fiscal charges	-	-	2,194,973	(2,194,973)	-	-
Total expenditures	<u>6,508,809</u>	<u>8,275,140</u>	<u>5,508,014</u>	<u>-</u>	<u>5,508,014</u>	<u>2,767,126</u>
Excess of revenues over (under) expenditures	<u>(5,190)</u>	<u>(1,827,958)</u>	<u>922,332</u>	<u>-</u>	<u>922,332</u>	<u>2,750,290</u>
Net change in fund balance	(5,190)	(1,827,958)	922,332	-	922,332	2,750,290
Fund balances, October 1	<u>55,190</u>	<u>1,886,497</u>	<u>1,886,497</u>	<u>-</u>	<u>1,886,497</u>	<u>-</u>
Fund balances, September 30	<u>\$ 50,000</u>	<u>\$ 58,539</u>	<u>\$ 2,808,829</u>	<u>\$ -</u>	<u>\$ 2,808,829</u>	<u>\$ 2,750,290</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Tax Increment Financing #3
 Year ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Property taxes	\$ 880,750	\$ 861,019	\$ 861,019	\$ -	\$ 861,019	\$ -
Intergovernmental revenue	185,256	175,638	175,638	-	175,638	-
Interest revenue (temporary loss)	2,062	2,632	(626)	-	(626)	(3,258)
Total revenues	<u>1,068,068</u>	<u>1,039,289</u>	<u>1,036,031</u>	<u>-</u>	<u>1,036,031</u>	<u>(3,258)</u>
Expenditures:						
General government	1,059,551	1,285,466	-	844,926	844,926	440,540
Debt service:						
Interest and fiscal charges	-	-	844,926	(844,926)	-	-
Total expenditures	<u>1,059,551</u>	<u>1,285,466</u>	<u>844,926</u>	<u>-</u>	<u>844,926</u>	<u>440,540</u>
Excess of revenues over (under) expenditures	<u>8,517</u>	<u>(246,177)</u>	<u>191,105</u>	<u>-</u>	<u>191,105</u>	<u>437,282</u>
Net change in fund balance	8,517	(246,177)	191,105	-	191,105	437,282
Fund balances, October 1	<u>63,500</u>	<u>340,840</u>	<u>340,840</u>	<u>-</u>	<u>340,840</u>	<u>-</u>
Fund balances, September 30	<u>\$ 72,017</u>	<u>\$ 94,663</u>	<u>\$ 531,945</u>	<u>\$ -</u>	<u>\$ 531,945</u>	<u>\$ 437,282</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Debt Service Fund
 Year ended September 30, 2022

	<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	\$ 42,792,627	\$ 42,699,305	\$ 42,768,553	\$ 69,248
Interest revenue (temporary loss)	38,722	22,540	45,212	22,672
Total revenues	<u>42,831,349</u>	<u>42,721,845</u>	<u>42,813,765</u>	<u>91,920</u>
Expenditures:				
Debt service:				
Interest and fiscal charges	9,110,746	9,110,746	9,166,967	(56,221)
Principal retirement	35,815,000	35,815,000	35,815,000	-
Payments for other obligations	359,450	359,450	298,339	61,111
Total expenditures	<u>45,285,196</u>	<u>45,285,196</u>	<u>45,280,306</u>	<u>4,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,453,847)</u>	<u>(2,563,351)</u>	<u>(2,466,541)</u>	<u>96,810</u>
Other financing sources (uses):				
Transfers in	-	8,283	-	(8,283)
Total other financing sources (uses)	<u>-</u>	<u>8,283</u>	<u>-</u>	<u>(8,283)</u>
Net change in fund balance	(2,453,847)	(2,555,068)	(2,466,541)	88,527
Fund balances, October 1	<u>6,204,340</u>	<u>6,281,217</u>	<u>6,281,217</u>	<u>-</u>
Fund balances, September 30	<u>\$ 3,750,493</u>	<u>\$ 3,726,149</u>	<u>\$ 3,814,676</u>	<u>\$ 88,527</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Special Police Funds
 Year ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 155,000	\$ 150,750	\$ 184,224	\$ 33,474
Intergovernmental - state	-	-	15,975	15,975
Fines and forfeitures	15,000	8,150	8,446	296
Interest revenue (temporary loss)	1,211	2,245	(2,509)	(4,754)
Other	45,000	31,750	11,724	(20,026)
Total revenues	<u>216,211</u>	<u>192,895</u>	<u>217,860</u>	<u>24,965</u>
Expenditures:				
General government	11,000	32,000	-	32,000
Public safety	46,000	143,750	143,114	636
Capital outlay	-	10,500	-	10,500
Total expenditures	<u>57,000</u>	<u>186,250</u>	<u>143,114</u>	<u>43,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>159,211</u>	<u>6,645</u>	<u>74,746</u>	<u>68,101</u>
Other financing sources (uses):				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	109,211	(43,355)	24,746	68,101
Fund balances, October 1	<u>381,545</u>	<u>418,747</u>	<u>418,747</u>	<u>-</u>
Fund balances, September 30	<u>\$ 490,756</u>	<u>\$ 375,392</u>	<u>\$ 443,493</u>	<u>\$ 68,101</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Wireless 911 Fund
 Year ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
911 revenue	\$ 640,000	\$ 640,000	\$ 650,992	\$ 10,992
Interest revenue (temporary loss)	2,046	2,141	(2,582)	(4,723)
Total revenues	<u>642,046</u>	<u>642,141</u>	<u>648,410</u>	<u>6,269</u>
Expenditures:				
Public safety	5,000	13,253	13,253	-
Total expenditures	<u>5,000</u>	<u>13,253</u>	<u>13,253</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>637,046</u>	<u>628,888</u>	<u>635,157</u>	<u>6,269</u>
Other financing sources (uses):				
Transfers out	(650,000)	(650,000)	(650,000)	-
Total other financing sources (uses)	<u>(650,000)</u>	<u>(650,000)</u>	<u>(650,000)</u>	<u>-</u>
Net change in fund balance	(12,954)	(21,112)	(14,843)	6,269
Fund balances, October 1	<u>537,680</u>	<u>539,898</u>	<u>539,898</u>	<u>-</u>
Fund balances, September 30	<u>\$ 524,726</u>	<u>\$ 518,786</u>	<u>\$ 525,055</u>	<u>\$ 6,269</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - PEG Fund
 Year ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Franchise taxes	\$ 185,000	\$ 186,193	\$ 181,648	\$ (4,545)
Interest revenue (temporary loss)	2,171	3,337	(3,293)	(6,630)
Total revenues	<u>187,171</u>	<u>189,530</u>	<u>178,355</u>	<u>(11,175)</u>
Expenditures:				
General government	-	189	49,616	(49,427)
Capital outlay	72,500	197,500	34,842	162,658
Total expenditures	<u>72,500</u>	<u>197,689</u>	<u>84,458</u>	<u>113,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114,671</u>	<u>(8,159)</u>	<u>93,897</u>	<u>85,738</u>
Net change in fund balance	114,671	(8,159)	93,897	85,738
Fund balances, October 1	<u>652,596</u>	<u>717,094</u>	<u>717,094</u>	<u>-</u>
Fund balances, September 30	<u>\$ 767,267</u>	<u>\$ 708,935</u>	<u>\$ 810,991</u>	<u>\$ 102,056</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Drainage Fund
 Year ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest revenue (temporary loss)	\$ 13,884	\$ 17,614	\$ (6,769)	\$ (24,383)
Drainage fees	2,885,400	2,893,294	2,888,883	(4,411)
Total revenues	<u>2,899,284</u>	<u>2,910,908</u>	<u>2,882,114</u>	<u>(28,794)</u>
Expenditures:				
Public services	1,008,000	2,747,447	2,950,508	(203,061)
General administration	828,861	828,861	828,861	-
Capital outlay	2,144,599	1,382,614	972,275	410,339
Total expenditures	<u>3,981,460</u>	<u>4,958,922</u>	<u>4,751,644</u>	<u>207,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,082,176)</u>	<u>(2,048,014)</u>	<u>(1,869,530)</u>	<u>178,484</u>
Net change in fund balance	(1,082,176)	(2,048,014)	(1,869,530)	178,484
Fund balances, October 1	<u>2,893,211</u>	<u>3,897,603</u>	<u>3,897,603</u>	<u>-</u>
Fund balances, September 30	<u>\$ 1,811,035</u>	<u>\$ 1,849,589</u>	<u>\$ 2,028,073</u>	<u>\$ 178,484</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Richardson Improvement Corporation Fund
 Year ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue (temporary loss)	\$ 7	\$ 2	\$ -	\$ (2)
Total revenues	<u>7</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Expenditures:				
Parks and recreation	8,500	12,500	10,237	2,263
Total expenditures	<u>8,500</u>	<u>12,500</u>	<u>10,237</u>	<u>2,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,493)</u>	<u>(12,498)</u>	<u>(10,237)</u>	<u>2,261</u>
Net change in fund balance	(8,493)	(12,498)	(10,237)	2,261
Fund balances, October 1	<u>48,250</u>	<u>45,951</u>	<u>45,951</u>	<u>-</u>
Fund balances, September 30	<u>\$ 39,757</u>	<u>\$ 33,453</u>	<u>\$ 35,714</u>	<u>\$ 2,261</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Ann & Charles Eisemann Edge Permanent Fund
 Year ended September 30, 2022

	Budgeted Amounts		Actual Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue (temporary loss)	\$ 879	\$ 1,020	\$ (888)	\$ (1,908)
Contributions	-	-	13,987	13,987
Total revenues	<u>879</u>	<u>1,020</u>	<u>13,099</u>	<u>12,079</u>
Expenditures:				
General government	25,000	25,000	20,000	5,000
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>20,000</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,121)</u>	<u>(23,980)</u>	<u>(6,901)</u>	<u>17,079</u>
Net change in fund balance	(24,121)	(23,980)	(6,901)	17,079
Fund balances, October 1	<u>235,546</u>	<u>236,354</u>	<u>236,354</u>	<u>-</u>
Fund balances, September 30	<u>\$ 211,425</u>	<u>\$ 212,374</u>	<u>\$ 229,453</u>	<u>\$ 17,079</u>

CITY OF RICHARDSON, TEXAS
 Budgetary Comparison Schedule - Golf Fund
 Year ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Golf course revenue	\$ 2,355,833	\$ 2,623,150	\$ 2,789,505	\$ 166,355
Golf course restaurant	35,320	44,820	53,284	8,464
Other				
Interest	2,163	2,447	(5,020)	(7,467)
Other Miscellaneous	19,000	114,830	116,986	2,156
Total revenues	<u>2,412,316</u>	<u>2,785,247</u>	<u>2,954,755</u>	<u>169,508</u>
Expenditures:				
General administration	112,176	112,176	112,176	-
Parks and recreation	2,251,915	2,329,798	2,467,731	(137,933)
Capital outlay	-	-	214,710	(214,710)
Interest and fiscal charges	-	-	5,695	(5,695)
Payments for other obligations	-	-	106,945	(106,945)
Total expenditures	<u>2,364,091</u>	<u>2,441,974</u>	<u>2,907,257</u>	<u>(465,283)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,225</u>	<u>343,273</u>	<u>47,498</u>	<u>(295,775)</u>
Other financing sources (uses):				
Transfers out	(102,000)	(410,700)	(491,000)	(80,300)
Issuance of other obligations	-	-	462,063	462,063
Total other financing sources (uses)	<u>(102,000)</u>	<u>(410,700)</u>	<u>(28,937)</u>	<u>381,763</u>
Net change in fund balance	(53,775)	(67,427)	18,561	85,988
Fund balances, October 1	<u>465,725</u>	<u>540,279</u>	<u>540,279</u>	<u>-</u>
Fund balances, September 30	<u>\$ 411,950</u>	<u>\$ 472,852</u>	<u>\$ 558,840</u>	<u>\$ 85,988</u>

CITY OF RICHARDSON, TEXAS
Nonmajor Governmental Funds - Internal Service Funds
September 30, 2022

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 three 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, 2022

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Assets:				
Current assets:				
Cash, cash equivalents, and investments	\$ 321,103	\$ 14,671,792	\$ 3,240,333	\$ 18,233,228
Accounts receivable	-	408,199	-	408,199
Inventories	316,008	-	-	316,008
Prepaid items	-	86,058	-	86,058
Total current assets	<u>637,111</u>	<u>15,166,049</u>	<u>3,240,333</u>	<u>19,043,493</u>
Capital and leased assets:				
Land	56,011	-	-	56,011
Buildings	259,990	-	-	259,990
Improvements	23,023	-	-	23,023
Vehicles, machinery and equipment	372,762	-	34,225	406,987
Leased assets	101,890	-	-	101,890
Total capital and leased assets	<u>813,676</u>	<u>-</u>	<u>34,225</u>	<u>847,901</u>
Less accumulated depreciation	(588,780)	-	(357)	(589,137)
Less: accumulated amortization	(31,979)	-	-	(31,979)
Total capital and leased assets, net of accumulated depreciation and amortization	<u>192,917</u>	<u>-</u>	<u>33,868</u>	<u>226,785</u>
Total assets	<u>830,028</u>	<u>15,166,049</u>	<u>3,274,201</u>	<u>19,270,278</u>
Deferred outflows of resources:				
Pension contributions investment experience and assumptions	63,399	48,674	-	112,073
OPEB contributions, investment experience and assumptions	23,821	16,550	-	40,371
Total deferred outflows of resources	<u>87,220</u>	<u>65,224</u>	<u>-</u>	<u>152,444</u>
Liabilities:				
Current liabilities:				
Accounts payable	7,078	487,509	68,406	562,993
Interest payable	71	-	-	71
Compensated absences	5,929	2,022	-	7,951
Workers' compensation liability	9,053	-	-	9,053
Accrued liabilities	7,902	37,215	630,400	675,517
Current maturities of bonds, leases and contractual obligations	25,790	-	-	25,790
Unpaid claims liabilities	-	930,186	-	930,186
Total current liabilities	<u>55,823</u>	<u>1,456,932</u>	<u>698,806</u>	<u>2,211,561</u>
Noncurrent liabilities:				
Compensated absences	53,365	18,201	-	71,566
Bonds, leases and contractual obligations	42,681	-	-	42,681
Net pension liability (asset)	100,527	15,392	-	115,919
Total OPEB liability	<u>192,220</u>	<u>172,992</u>	<u>-</u>	<u>365,212</u>
Total noncurrent liabilities	<u>388,793</u>	<u>206,585</u>	<u>-</u>	<u>595,378</u>
Total liabilities	<u>444,616</u>	<u>1,663,517</u>	<u>698,806</u>	<u>2,806,939</u>
Deferred inflows of resources:				
Pension actuarial experience	126,596	88,039	-	214,635
OPEB assumptions	3,173	1,507	-	4,680
Total deferred inflows of resources	<u>129,769</u>	<u>89,546</u>	<u>-</u>	<u>219,315</u>
Net position:				
Net investment in capital assets	124,446	-	33,868	158,314
Unrestricted	218,417	13,478,210	2,541,527	16,238,154
Total net position	<u>\$ 342,863</u>	<u>\$ 13,478,210</u>	<u>\$ 2,575,395</u>	<u>\$ 16,396,468</u>

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - All Internal Service Funds
Year ended September 30, 2022

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Operating revenues:				
Charges for services	\$ 555,739	\$ -	\$ 2,350,000	\$ 2,905,739
City and employee contributions	-	14,961,975	-	14,961,975
Miscellaneous	-	813,928	-	813,928
Total operating revenues	<u>555,739</u>	<u>15,775,903</u>	<u>2,350,000</u>	<u>18,681,642</u>
Operating expenses:				
Personal services	433,950	1,700,966	-	2,134,916
Professional and technical services	1,122	871,606	106,392	979,120
Property services	28,181	-	1,273,340	1,301,521
Other purchased services	-	5,715	57,352	63,067
Insurance claims	-	12,045,084	-	12,045,084
Supplies	13,203	18	66,507	79,728
Depreciation	7,634	-	357	7,991
Amortization	31,979	-	-	31,979
Total operating expenses	<u>516,069</u>	<u>14,623,389</u>	<u>1,503,948</u>	<u>16,643,406</u>
Operating income (loss)	<u>39,670</u>	<u>1,152,514</u>	<u>846,052</u>	<u>2,038,236</u>
Nonoperating revenues:				
Interest revenue (temporary loss)	(1,061)	(58,273)	(15,579)	(74,913)
Interest expense and fiscal charges	(193)	-	-	(193)
Total nonoperating revenues	<u>(1,254)</u>	<u>(58,273)</u>	<u>(15,579)</u>	<u>(75,106)</u>
Change in net position	38,416	1,094,241	830,473	1,963,130
Net position, October 1	304,447	12,383,969	1,744,922	14,433,338
Net position, September 30	<u>\$ 342,863</u>	<u>\$ 13,478,210</u>	<u>\$ 2,575,395</u>	<u>\$ 16,396,468</u>

CITY OF RICHARDSON, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year ended September 30, 2022

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Cash flows from operating activities:				
Cash received from service users	\$ 555,739	\$ -	\$ 2,350,000	\$ 2,905,739
Cash received from City, employee, and other contributions	-	15,381,849	-	15,381,849
Cash payments to employees	(426,376)	(1,741,962)	-	(2,168,338)
Cash payments for claims	-	(12,013,827)	-	(12,013,827)
Cash payments for goods and services	(103,281)	(864,199)	(1,318,356)	(2,285,836)
Net cash provided by (used in) operating activities	<u>26,082</u>	<u>761,861</u>	<u>1,031,644</u>	<u>1,819,587</u>
Cash from capital and related financing activities:				
Acquisition and construction of capital and leased assets	(101,893)	-	(34,225)	(136,118)
Bond proceeds and accrued interest	68,471	-	-	68,471
Interest paid on debt	(122)	-	-	(122)
Net cash provided by (used in) capital and related financing activities	<u>(33,544)</u>	<u>-</u>	<u>(34,225)</u>	<u>(67,769)</u>
Cash flows from investing activity:				
Interest received on investments	(1,061)	(58,273)	(15,579)	(74,913)
Net increase (decrease) in cash and cash equivalents	(8,523)	703,588	981,840	1,676,905
Cash and cash equivalents, October 1	329,626	13,968,204	2,258,493	16,556,323
Cash and cash equivalents, September 30	<u>\$ 321,103</u>	<u>\$ 14,671,792</u>	<u>\$ 3,240,333</u>	<u>\$ 18,233,228</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 39,670	\$ 1,152,514	\$ 846,052	\$ 2,038,236
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	39,613	-	357	39,970
Changes in assets and liabilities:				
(Increase)Decrease in accounts receivable	-	(394,054)	-	(394,054)
(Increase)Decrease in inventory of supplies	(59,808)	-	-	(59,808)
(Increase)Decrease in prepaid items	-	(1,600)	-	(1,600)
Increase(Decrease) in accounts payable	(6,168)	87,750	(445,165)	(363,583)
Increase(Decrease) in unpaid claims liabilities	-	(76,911)	-	(76,911)
Increase(Decrease) in compensated absences	24,564	(14,953)	-	9,611
Increase(Decrease) in workers compensation	9,053	-	-	9,053
Increase(Decrease) in post-employment benefits	6,478	6,478	-	12,956
Increase(Decrease) in pension liabilities	(69,511)	(69,511)	-	(139,022)
Increase(Decrease) in accrued liabilities	5,200	35,157	630,400	670,757
Increase(Decrease) in deferred inflows/outflows	36,991	36,991	-	73,982
Total adjustments	<u>(13,588)</u>	<u>(390,653)</u>	<u>185,592</u>	<u>(218,649)</u>
Net cash provided by (used in) operating activities:	<u>\$ 26,082</u>	<u>\$ 761,861</u>	<u>\$ 1,031,644</u>	<u>\$ 1,819,587</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Total cash and investments per the statement of net position	\$ 321,103	\$ 14,671,792	\$ 3,240,333	\$ 18,233,228
Less investments not meeting the definition of cash equivalents	-	-	-	-
Cash and cash equivalents at September 30, 2022	<u>\$ 321,103</u>	<u>\$ 14,671,792</u>	<u>\$ 3,240,333</u>	<u>\$ 18,233,228</u>



STATISTICAL SECTION

CITY OF RICHARDSON, TEXAS
Statistical Section
September 30, 2022

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.	116
<i>Revenue Capacity</i> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	122 - 125
<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.	126 - 130
<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.	131 - 132
<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.	133 - 135
<i>Pension Information</i> - This schedule contains information regarding pension benefits funding progress.	136

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

Table 1

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities:										
Net investment in capital assets	\$ 113,992	\$ 129,095	\$ 134,199	\$ 130,402	\$ 110,728	\$ 150,625	\$ 156,267	\$ 179,372	\$ 215,347	\$ 237,511
Restricted	7,103	7,072	10,511	10,682	26,607	9,692	13,653	16,090	20,174	30,114
Unrestricted	(6,582)	(19,188)	(23,943)	(19,160)	(23,077)	(31,515)	(30,919)	(15,973)	(22,904)	(189)
Total governmental activities net position	<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>	<u>\$ 212,617</u>	<u>\$ 267,436</u>
Business-type activities:										
Net investment in capital assets	\$ 55,251	\$ 50,634	\$ 51,770	\$ 55,464	\$ 56,619	\$ 57,169	\$ 57,513	\$ 57,032	\$ 56,716	\$ 54,163
Restricted	6,700	4,069	5,464	3,262	3,016	3,071	5,172	17,005	24,197	36,178
Unrestricted	11,399	8,983	10,694	12,427	12,823	15,512	14,243	8,630	5,971	10,894
Total business-type activities net position	<u>\$ 73,350</u>	<u>\$ 63,686</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>	<u>\$ 86,884</u>	<u>\$ 101,235</u>
Primary government:										
Net investment in capital assets	\$ 169,243	\$ 179,729	\$ 185,969	\$ 185,866	\$ 167,347	\$ 207,794	\$ 213,780	\$ 236,404	\$ 272,063	\$ 291,674
Restricted	13,803	11,141	15,975	13,944	29,623	12,763	18,825	33,095	44,371	66,292
Unrestricted	4,817	(10,205)	(13,249)	(6,733)	(10,254)	(16,003)	(16,676)	(7,343)	(16,933)	10,705
Total primary government net position	<u>\$ 187,863</u>	<u>\$ 180,665</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>	<u>\$ 299,501</u>	<u>\$ 368,671</u>

* 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses:										
Governmental activities:										
General government	\$ 29,705	\$ 36,311	\$ 36,761	\$ 45,754	\$ 60,771	\$ 36,545	\$ 50,473	\$ 36,981	\$ 45,672	\$ 40,753
Public safety	45,616	47,533	48,745	54,796	56,883	56,951	61,285	61,902	62,940	58,295
Public services	27,044	28,931	30,588	34,955	32,108	30,921	37,633	33,526	36,151	38,960
Library	3,963	3,989	4,161	4,311	4,339	4,217	4,433	4,473	3,590	3,627
Parks and recreation	15,078	15,282	18,310	18,987	19,813	19,259	20,114	17,379	17,450	17,087
Public health	1,606	1,714	1,807	2,054	2,185	2,173	2,228	2,043	1,645	1,583
Interest and fiscal charges	11,134	10,757	9,884	9,524	11,136	12,984	14,417	12,386	12,319	12,399
Total governmental activities expenses	<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>190,583</u>	<u>168,690</u>	<u>179,767</u>	<u>172,704</u>
Business-type activities:										
Water and sewer	54,341	55,648	59,159	63,836	71,437	76,642	81,682	83,298	82,101	84,797
Solid waste	12,574	12,441	13,725	14,418	14,509	14,369	15,003	14,521	14,233	14,062
Golf	2,544	2,558	-	-	-	-	-	-	-	-
Total business-type activities expenses	<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>	<u>96,334</u>	<u>98,859</u>
Total primary government expenses	<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>\$ 287,268</u>	<u>\$ 266,509</u>	<u>\$ 276,101</u>	<u>\$ 271,563</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 3,875	\$ 3,327	\$ 3,398	\$ 6,027	\$ 6,025	\$ 4,736	\$ 6,266	\$ 2,207	\$ 1,911	\$ 3,236
Public safety	9,506	9,252	9,691	9,421	7,867	7,977	8,872	8,154	9,438	6,967
Public services	6,583	6,163	6,152	10,200	6,940	5,947	5,887	5,610	5,975	5,418
Library	6	5	-	-	-	-	-	31	41	44
Parks and recreation	3,756	4,103	5,328	6,110	6,367	6,281	6,138	4,389	4,900	6,236
Public health	293	291	340	346	369	615	429	385	721	378
Operating grants and contributions	522	788	967	3,689	1,821	7,241	2,564	10,897	4,562	3,877
Capital grants and contributions	8,363	15,022	8,168	1,819	4,468	429	424	2,912	735	4,177
Total governmental activities program revenues	<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>	<u>28,283</u>	<u>30,333</u>
Business-type activities:										
Charges for services:										
Water and sewer	54,257	51,271	60,310	63,914	68,876	78,920	80,911	86,814	84,392	95,926
Solid waste	12,375	12,555	13,047	13,345	14,679	14,614	14,832	15,026	15,257	16,219
Golf	2,231	1,919	-	-	-	-	-	-	-	-
PR Op grants and contributions-Solid waste	-	-	-	-	-	6	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
PR Cap grants and contributions-Water and sewer	908	1,551	1,549	4,032	3,416	1,974	1,046	603	613	967
PR Cap grants and contributions-Solid waste	-	-	-	-	41	-	-	-	-	-
Total business-type activities program revenues	<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>96,789</u>	<u>102,443</u>	<u>100,262</u>	<u>113,112</u>
Total primary government program revenues	<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>\$ 127,369</u>	<u>\$ 137,028</u>	<u>\$ 128,545</u>	<u>\$ 143,445</u>

(Continued)

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net (expense) revenue:										
Governmental activities	\$ (101,242)	\$ (105,566)	\$ (116,212)	\$ (132,769)	\$ (153,378)	\$ (129,824)	\$ (160,003)	\$ (134,105)	\$ (151,484)	\$ (142,371)
Business-type activities	312	(3,351)	2,022	3,037	1,066	4,503	104	4,624	3,928	14,253
Total primary government net expense	<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>	<u>\$ (147,556)</u>	<u>\$ (128,118)</u>
General revenues:										
Governmental activities:										
Taxes:										
Property	\$ 64,602	\$ 68,368	\$ 70,677	\$ 78,761	\$ 87,312	\$ 96,107	\$ 103,685	\$ 110,279	\$ 118,829	\$ 120,906
Sales	26,600	29,805	31,065	33,660	36,044	35,357	40,164	41,535	45,810	53,413
Other taxes	3,673	4,129	4,460	4,979	4,863	4,861	4,896	2,998	2,903	4,685
Franchise	14,289	15,039	15,647	16,058	16,446	17,415	17,331	17,184	16,601	17,975
Unrestricted interest earnings (temporary loss)	94	92	137	399	724	2,324	4,025	2,769	305	141
Transfers	(4,506)	4,058	(2,064)	-	-	(250)	(196)	(206)	-	-
Gain on sale of assets	35	40	78	69	323	727	97	33	160	55
Contributions to permanent fund principal	-	-	-	-	-	-	200	1	1	14
Total governmental activities	<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>	<u>184,609</u>	<u>197,189</u>
Business-type activities:										
Unrestricted interest earnings (temporary loss)	29	23	47	109	164	458	774	683	68	(52)
Transfers	4,506	(4,058)	2,064	-	-	250	196	206	-	-
Gain on sale of assets	3	181	109	80	74	241	103	225	222	150
Total business-type activities	<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>	<u>290</u>	<u>98</u>
Total primary government	<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>	<u>\$ 184,899</u>	<u>\$ 197,287</u>
Change in net position:										
Governmental activities	\$ 3,545	\$ 15,965	\$ 3,788	\$ 1,157	\$ (7,666)	\$ 26,717	\$ 10,199	\$ 40,488	\$ 33,127	\$ 54,819
Business-type activities	4,850	(7,205)	4,242	3,226	1,304	5,452	1,177	5,738	4,216	14,351
Total primary government	<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>	<u>\$ 37,344</u>	<u>\$ 69,171</u>



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Table 3

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund:										
Nonspendable	\$ 1,027	\$ 882	\$ 933	\$ 720	\$ 666	\$ 595	\$ 552	\$ 515	\$ 697	\$ 688
Assigned for	337	665	800	634	598	532	4,541	13,696	847	1,456
Unassigned	16,513	17,789	18,007	19,788	21,612	23,858	27,856	30,836	38,814	39,193
Total general fund	<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>	<u>\$ 40,358</u>	<u>\$ 41,337</u>
All other governmental funds:										
Reserved for:										
Unreserved, reported in:										
Non spendable:										
Property held for redevelopment and resale	\$ 2,495	\$ 2,495	\$ 274	\$ 274	\$ 274	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	98	77	120	65	62	83	61	2	9	23
Permanent fund principal	-	-	-	-	-	-	200	201	202	216
Restricted for:										
Debt service	2,324	2,328	2,381	2,653	2,794	3,083	3,192	3,328	6,281	3,815
Library	63	7	26	89	-	172	-	-	1,035	-
Parks and recreation projects	3,831	4,101	1,156	471	836	5,371	-	2,668	1,883	132
Public services	16,284	8,692	5,544	4,800	18,978	27,683	16,359	15,631	39,000	56,441
Neighborhood vitality projects	5,325	2,509	1,745	-	-	-	-	-	-	-
Municipal public buildings	341	37	27	-	-	-	-	-	-	-
Capital projects	129	118	1,608	1,226	1,379	1,955	-	1,481	-	4,356
General government	1,223	2,561	4,415	3,921	4,432	6,164	8,380	12,021	27,351	16,511
Health/shelter	-	229	40	68	-	26	-	-	-	-
Public safety	1,917	1,906	2,147	3,726	26,187	44,232	49,119	32,704	5,749	2,435
Committed for:										
General government	-	-	-	1,211	1,873	2,734	3,716	4,370	4,179	4,609
Public services	1,921	2,743	2,841	2,557	3,208	4,357	4,027	4,128	3,898	2,028
Parks and recreation	-	-	-	107	195	164	219	448	1,437	559
Assigned for:										
Public services	1,474	1,507	90	2,457	1,553	1,255	1,255	5,534	22,999	20,505
Public safety	-	2	44	3	-	-	-	367	1,719	1,139
Library	-	-	-	-	-	-	-	-	398	36
Parks and recreation	23	65	225	767	83	77	67	2,500	4,357	2,704
Neighborhood Vitality Projects	-	65	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	44
Capital projects	4,896	-	2,578	7,630	6,012	9,359	9,465	6,927	4,153	27,180
General government	1,081	5,405	2,120	3,179	3,026	3,770	3,625	4,776	6,771	8,274
Unassigned	-	-	-	-	-	-	-	(2)	(136)	(62)
Total all other governmental funds	<u>\$ 43,425</u>	<u>\$ 34,847</u>	<u>\$ 27,381</u>	<u>\$ 35,204</u>	<u>\$ 70,892</u>	<u>\$ 110,485</u>	<u>\$ 99,685</u>	<u>\$ 97,084</u>	<u>\$ 131,285</u>	<u>\$ 150,945</u>

Table 4

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:										
Property taxes	\$ 64,565	\$ 68,362	\$ 70,744	\$ 78,762	\$ 87,317	\$ 95,825	\$ 103,706	\$ 110,508	\$ 118,421	\$ 120,871
Franchise taxes	14,289	15,038	15,647	16,058	16,446	17,416	17,331	17,184	16,601	17,975
Sales tax	26,600	29,805	31,065	33,660	36,044	35,357	40,164	41,535	45,810	53,413
Mixed beverage and bingo tax	352	464	523	543	587	616	651	545	607	729
Hotel/motel taxes	3,322	3,665	3,937	4,436	4,276	4,245	4,245	2,453	2,296	3,956
Drainage fees	2,705	2,582	2,702	2,755	2,754	2,765	2,817	2,842	2,891	2,889
911 revenue	1,724	1,723	1,731	1,727	1,727	1,656	1,655	1,361	1,317	1,352
Intergovernmental revenue	7,732	9,261	4,866	4,927	4,034	3,905	3,761	13,513	6,794	7,121
Licenses and permits	4,000	3,310	3,380	4,638	4,253	2,890	3,168	2,766	3,166	2,630
Fines and forfeitures	6,339	5,482	5,461	5,042	3,461	3,493	3,560	3,102	3,572	2,002
Interest revenue (temporary loss)	92	90	134	375	685	2,200	3,774	2,543	273	216
Civic center use	328	295	300	315	268	249	355	121	-	-
Eisemann center revenue	2,026	2,177	2,143	2,232	2,543	2,324	2,423	1,125	506	2,040
Recreation and leisure	3,743	4,091	5,302	6,064	6,336	6,227	6,094	4,341	4,827	6,101
Public safety	2,236	2,095	2,434	2,602	2,636	2,631	3,468	3,565	2,744	3,250
Contributions	64	615	256	261	194	431	565	171	65	85
Participation	316	272	2,257	405	-	52	38	365	433	-
Other	813	1,184	1,129	1,644	1,399	1,282	821	865	914	944
General administration	8,235	7,652	8,128	8,054	7,955	8,010	8,309	8,300	8,404	8,608
Total revenues	\$ 149,481	\$ 158,163	\$ 162,139	\$ 174,500	\$ 182,915	\$ 191,574	\$ 206,905	\$ 217,205	\$ 219,641	\$ 234,182
Expenditures:										
General government	30,454	37,522	37,401	45,649	60,986	37,209	50,860	37,940	48,376	45,444
Public safety	41,881	43,163	44,415	47,917	49,976	51,800	54,259	56,362	56,728	59,387
Public services	19,704	20,920	22,142	25,288	22,136	21,119	26,627	23,680	26,822	29,738
Library	3,513	3,478	3,543	3,640	3,754	3,836	3,872	4,067	3,467	3,766
Parks and recreation	11,891	11,790	14,339	14,349	15,443	15,179	15,166	13,744	14,622	15,467
Public health	1,535	1,629	1,673	1,863	1,982	2,030	2,015	1,878	1,754	1,844
General administration	2,130	1,565	2,028	2,013	1,058	1,082	1,106	1,108	1,111	1,400
Capital outlay	50,941	40,698	38,419	28,386	29,967	48,420	62,652	44,637	35,277	37,655
Debt service:										
Principal retirement	16,421	17,901	19,300	19,860	24,614	26,685	27,490	29,525	28,830	35,815
Interest and fiscal charges	10,772	10,608	10,344	11,316	10,950	12,478	14,911	14,413	13,920	12,764
Payments for other obligations	1,052	1,215	902	2,584	2,954	4,838	5,258	4,812	5,583	5,666
Issuance costs	272	119	541	342	509	564	394	493	372	233
Total expenditures	\$ 190,566	\$ 190,608	\$ 195,047	\$ 203,207	\$ 224,329	\$ 225,240	\$ 264,610	\$ 232,659	\$ 236,862	\$ 249,179
Deficiency of revenues under expenditures	(41,085)	(32,445)	(32,908)	(28,707)	(41,414)	(33,666)	(57,705)	(15,454)	(17,221)	(14,997)

(Continued)

Table 4

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Other financing sources (uses):										
Transfers in	\$ 5,650	\$ 4,594	\$ 6,503	\$ 10,011	\$ 9,610	\$ 9,961	\$ 10,476	\$ 14,857	\$ 30,872	\$ 30,212
Transfers out	(6,202)	(5,652)	(9,531)	(10,011)	(9,610)	(9,961)	(10,476)	(14,857)	(30,872)	(30,212)
Issuance of certificates of obligation	4,290	12,500	17,270	4,045	30,930	26,290	20,990	6,055	18,610	1,305
Issuance of general obligation bonds	-	-	-	8,265	19,725	38,525	16,790	15,015	12,630	28,915
Issuance of refunding bonds	18,000	-	45,741	14,020	-	-	-	40,425	-	-
Issuance of other obligations	10,909	13,789	10,654	22,252	26,042	5,667	14,498	2,076	12,855	3,354
Premium/discount on bonds	2,811	34	277	2,720	1,660	3,946	1,866	9,137	2,181	1,111
Payment to refunded bond escrow agent	(20,417)	-	(45,341)	(15,904)	-	-	-	(48,241)	-	-
Insurance and other recoveries	170	10	190	2,459	137	182	598	310	231	886
Proceeds from sale of capital assets	77	51	84	74	342	758	127	174	226	64
Total other financing sources	<u>15,288</u>	<u>25,326</u>	<u>25,847</u>	<u>37,931</u>	<u>78,836</u>	<u>75,368</u>	<u>54,869</u>	<u>24,951</u>	<u>46,733</u>	<u>35,635</u>
Net change in fund balances	<u>\$ (25,797)</u>	<u>\$ (7,119)</u>	<u>\$ (7,061)</u>	<u>\$ 9,224</u>	<u>\$ 37,422</u>	<u>\$ 41,702</u>	<u>\$ (2,836)</u>	<u>\$ 9,497</u>	<u>\$ 29,512</u>	<u>\$ 20,638</u>
Debt service as a percentage of non-capital expenditures	19.48 %	19.02 %	18.93 %	17.83 %	18.30 %	22.15 %	20.99 %	23.37 %	21.21 %	22.97 %

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
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
2021	8,601,187,678	12,826,442,876	555,893,645	5,366,562,279	16,616,961,920	0.62516
2022	9,048,103,417	13,412,313,024	539,281,873	5,306,504,226	17,693,194,088	0.61516

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

(1) Net of Tax Increment Financing (TIF) Districts values and values in dispute at the time of certification.

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	Dallas County Community College	Dallas County School Equalization Fund
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	0.124000	0.010000
2021	0.381240	0.243920	0.625160	1.404700	0.172531	0.081222	1.323750	1.256300	0.239740	0.266100	0.124000	0.010000
2022	0.377210	0.237950	0.615160	1.390900	0.168070	0.081220	1.320750	1.256300	0.227946	0.255000	0.123510	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	2022			2013		
	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	\$ 707,032,327	1	3.59 %	\$ -	-	- %
Collins Technology Park Partners	501,512,880	2	2.55	68,656,880	9	0.68
Texas Instruments	436,399,368	3	2.22	97,206,509	7	0.96
Bank of America	410,912,598	4	2.09	249,002,334	1	2.47
Health Care Service Corporation	344,797,577	5	1.75	223,642,779	2	2.22
Qorvo	333,574,209	6	1.70	-	6	-
Cisco Systems	228,328,198	7	1.16	206,854,494	3	2.05
Verizon	193,426,886	8	0.98	124,709,481	5	1.24
Linkedin	188,513,560	9	0.96	-	-	-
Northside Campus Partners	175,936,596	10	0.89	-	-	-
AT&T	-	-	-	126,856,414	4	1.26
Fujitsu	-	-	-	120,965,744	6	1.20
IBM	-	-	-	81,223,404	8	0.81
Triquint Semiconductor	-	-	-	64,016,131	10	0.64
Total	<u>\$ 3,520,434,199</u>		<u>17.89 %</u>	<u>\$ 1,363,134,170</u>		<u>13.53 %</u>

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

Note:

- (a) Includes TIF values
- (b) Total Taxable Value October 1, 2021= \$19,669,556,707
- (c) Total Taxable Value October 1, 2012 = \$10,079,565,561

Table 8

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

Fiscal year ended September 30	Taxes Levied for the Fiscal Year (1)	Subsequent Adjustments & Subsequent Collections	Total Adjusted Levy at 9/30/22	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
2013	\$ 64,374,498	\$ (202,944)	\$ 64,171,554	\$ 63,980,358	99.39 %	\$ 151,482	\$ 64,131,840	99.94 %
2014	68,105,024	(90,008)	68,015,016	67,862,416	99.64	99,208	67,961,624	99.92
2015	70,561,704	(37,660)	70,524,044	70,275,798	99.59	186,584	70,462,382	99.91
2016	78,509,994	(208,482)	78,301,512	78,176,975	99.58	34,754	78,211,729	99.89
2017	87,404,711	(113,745)	87,290,966	87,087,236	99.64	88,852	87,176,088	99.87
2018	97,013,107	(652,370)	96,360,737	96,535,083	99.51	(315,975)	96,219,108	99.85
2019	106,052,791	(611,482)	105,441,309	105,475,738	99.46	(216,172)	105,259,566	99.83
2020	113,980,138	(733,818)	113,246,320	113,752,271	99.80	(736,674)	113,015,597	99.80
2021	121,211,637	(574,872)	120,636,765	120,738,397	99.61	(352,423)	120,385,974	99.79
2022	122,716,964	-	122,716,964	122,238,084	99.61	-	122,238,084	99.61

(1) 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
GOVERNMENTAL ACTIVITIES										
General obligation bonds	\$ 191,375,000	\$ 178,185,000	\$ 160,715,000	\$ 154,310,000	\$ 159,740,000	\$ 181,910,000	\$ 181,100,000	\$ 156,265,000	\$ 152,665,000	\$ 167,815,000
General obligation bonds from direct borrowings	3,800,450	3,264,602	1,954,259	639,412	-	-	-	15,015,000	15,015,000	4,445,000
Certificates of obligation (2)	18,825,000	21,550,000	21,535,000	19,710,000	36,510,000	55,915,000	71,610,000	68,615,000	80,635,000	73,585,000
Certificates of obligation from direct borrowings (2)	-	5,600,000	17,025,000	17,025,000	21,475,000	18,030,000	13,435,000	8,885,000	2,875,000	-
Unamortized premium/(discount)	13,044,030	12,131,942	15,950,679	16,398,001	16,341,255	18,389,067	18,212,785	21,165,144	20,836,143	19,340,476
Total general obligation bonds and general obligation bonds from direct borrowings	<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>272,026,143</u>	<u>265,185,476</u>
TIF obligation (3)	18,175,159	31,964,048	41,506,816	62,451,680	86,132,860	87,571,447	97,049,085	92,983,493	94,838,897	90,625,573
Tax Notes	-	-	-	-	-	-	-	-	5,855,000	5,605,000
Lease Obligation	-	-	-	-	-	-	-	-	-	2,041,850
Other obligations	4,842,740	3,622,492	3,832,124	2,554,995	1,962,228	1,352,943	1,115,324	2,444,931	2,006,319	1,934,383
Total TIF and other obligations	<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>	<u>102,700,216</u>	<u>100,206,806</u>
Total governmental activities	<u>\$ 250,062,379</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>	<u>\$ 374,726,359</u>	<u>\$ 365,392,282</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) 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.

(3) 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.

(4) See Table 13 for personal income and population data.

(Continued)

Table 9

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>BUSINESS-TYPE ACTIVITIES</u>										
General obligation refunding bonds (2)	\$ 18,415,000	\$ 16,805,000	\$ 17,410,000	\$ 21,495,000	\$ 19,095,000	\$ 16,480,000	\$ 13,490,000	\$ 16,900,000	\$ 15,720,000	\$ 12,660,000
General obligation bonds from direct borrowings (2)	419,550	360,398	215,741	70,588	-	-	-	-	-	-
Certificates of obligation	37,110,000	35,075,000	32,570,000	25,680,000	28,275,000	32,860,000	39,835,000	38,130,000	47,600,000	58,330,000
Unamortized premium/(discount)	1,878,147	1,694,323	2,080,380	3,261,227	3,189,744	3,414,645	3,616,732	5,709,171	6,671,905	6,694,430
Total general obligation bonds and general obligation bonds from direct borrowings	<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>	<u>\$ 69,991,905</u>	<u>\$ 77,684,430</u>
Other Obligations	1,792	-	-	-	-	-	-	-	-	-
Total other obligations	1,792	-	-	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>\$ 69,991,905</u>	<u>\$ 77,684,430</u>
Total primary government	<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>	<u>\$ 444,718,264</u>	<u>\$ 443,076,712</u>
% of personal income (4)	9.3 %	9.2 %	8.9 %	9.0 %	10.0 %	10.9 %	10.9 %	9.4 %	10.9 %	11.2 %
Per capita (4)	\$ 3,053	\$ 3,047	\$ 3,073	\$ 3,103	\$ 3,470	\$ 3,776	\$ 3,865	\$ 3,685	\$ 3,722	\$ 3,615

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) 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.

(3) 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.

(4) See Table 13 for personal income and population data.

Table 10

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>GOVERNMENTAL ACTIVITIES</u>										
General obligation bonds	\$ 191,375,000	\$ 178,185,000	\$ 160,715,000	\$ 154,310,000	\$ 159,740,000	\$ 181,910,000	\$ 181,100,000	\$ 156,265,000	\$ 152,665,000	\$ 167,815,000
General obligation bonds from direct borrowings	3,800,450	3,264,602	1,954,259	639,412	-	-	-	15,015,000	15,015,000	4,445,000
Certificates of obligation (3)	18,825,000	21,550,000	21,535,000	19,710,000	36,510,000	55,915,000	71,610,000	68,615,000	80,635,000	73,585,000
Certificates of obligation from direct borrowings (3)	-	5,600,000	17,025,000	17,025,000	21,475,000	18,030,000	13,435,000	8,885,000	2,875,000	-
Unamortized premium/(discount)	13,044,030	12,131,942	15,950,679	16,398,001	16,341,255	18,389,067	18,212,785	21,165,144	20,836,143	19,340,476
Total general obligation bonds and general obligation bonds from direct borrowings	<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>272,026,143</u>	<u>265,185,476</u>
<u>BUSINESS-TYPE ACTIVITIES</u>										
General obligation refunding bonds (3)	18,415,000	16,805,000	17,410,000	21,495,000	19,095,000	16,480,000	13,490,000	16,900,000	15,720,000	12,660,000
General obligations bonds from direct borrowings (3)	419,550	360,398	215,741	70,588	-	-	-	-	-	-
Certificates of obligation	37,110,000	35,075,000	32,570,000	25,680,000	28,275,000	32,680,000	39,835,000	38,130,000	47,600,000	58,330,000
Unamortized premium/(discount)	1,878,147	1,694,323	2,080,380	3,261,227	3,189,744	3,414,645	3,616,732	5,709,171	6,671,905	6,694,430
Total general obligation bonds and certificates of obligation (3)	<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>	<u>69,991,905</u>	<u>77,684,430</u>
Total primary government	<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>	<u>\$ 342,018,048</u>	<u>\$ 342,869,906</u>
% of actual taxable value of property (2)	2.9 %	2.6 %	2.5 %	2.2 %	2.1 %	2.3 %	2.2 %	2.0 %	2.1 %	1.9 %
Per capita	\$ 2,825	\$ 2,698	\$ 2,631	\$ 2,479	\$ 2,650	\$ 2,967	\$ 3,001	\$ 2,860	\$ 2,863	\$ 2,797

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 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, 2022
 (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	\$ 952,430,000	37.25 %	\$ 354,780,175
Plano Independent School District	1,021,095,000	13.86	141,523,767
Dallas County	236,605,000	3.77	8,920,009
Dallas County Hospital District	559,905,000	3.77	21,108,419
Dallas County Community College District	436,680,000	3.77	16,462,836
Garland Independent School District	383,830,000	0.07	268,681
Collin County	478,430,000	4.96	23,730,128
Collin County Community College District	498,565,000	4.96	<u>24,728,824</u>
Subtotal, overlapping debt			591,522,839
City direct debt			<u>365,392,282</u> (2)
Total direct and overlapping bonded debt			<u><u>\$ 956,915,121</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 \$19,340,476 and tax notes, financed purchases and other contractual obligations, lease obligations, and TIF obligations of \$100,206,806. 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>
2013	\$ 1,451,488,433	\$ 233,279,620	\$ 1,218,208,813	16.07%
2014	1,452,124,244	223,036,472	1,229,087,772	15.36
2015	1,493,821,784	214,000,450	1,279,821,334	14.33
2016 (2)	1,566,257,510	208,599,602	1,357,657,908	13.32
2017	1,621,241,723	201,229,259	1,420,012,464	12.41
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
2021	N/A	N/A	N/A	N/A
2022	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>	
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	119,469	4,828,698	34,637	35.6	39,619	52,629	5.5
2021	119,469	4,828,698	34,637	35.6	38,787	50,405	3.8
2022	122,570	4,952,809	40,408	35.1	37,633	49,055	3.0

Sources:

- (1) NCTCOG as of April for each year except 2020 from US Census Bureau. NCTCOG released their 2021 estimates before Census data was available so the 2020 Census is being used until they restate their 2021 estimates.
- (2) Information regarding 2013-2021 was compiled from the Richardson Economic Development Partnership. Data for 2022 is compiled from the Richardson Economic Development Department.
- (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	2022			2013		
	Employees (1)	Rank	Percentage of total city employment (2)	Employees (3)	Rank	Percentage of total city employment (4)
State Farm Insurance	10,000	1	8.14 %	-	-	- %
RISD	5,961	2	4.85	2,500	5	1.92
University of Texas Dallas	3,455	3	2.81	3,500	2	2.69
Blue Cross & Blue Shield of Texas	3,100	4	2.52	3,100	3	2.38
Geico	2,300	5	1.87	-	-	-
Raytheon	2,200	6	1.79	-	-	-
RealPage	2,100	7	1.71	-	-	-
Cisco Systems	2,000	8	1.63	1,700	7	1.30
Texas Instruments	1,800	9	1.47	-	-	-
United Healthcare	1,700	10	1.38	1,700	8	1.30
AT&T	-	-	-	4,300	1	3.30
Ericsson, Inc	-	-	-	2,500	4	1.92
Verizon Business	-	-	-	2,250	6	1.73
Fujitsu	-	-	-	1,500	9	1.15
Fossil Inc	-	-	-	1,400	10	1.07
Total	34,616		28.17 %	24,450		18.76 %

Source:

- (1) Richardson Economic Development Department as of December 2022.
- (2) 2013 information compiled from the Richardson Economic Development Partnership. The Richardson Economic Development Department totaled city employment at 122,809 as of September, 2022.
- (3) Richardson Economic Development Partnership as of December, 2013.
- (4) NCTCOG as of September, 2013 total city employment was approximately 130,309.
- (5) RISD Employment number is district-wide as of January 2022

Table 15

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

Function/program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	145	149	153	153	152	165	168	159	179	158
Public safety	396	397	411	419	428	432	432	433	432	449
Public services	159	156	154	156	156	141	148	163	165	164
Library	35	29	30	30	30	30	30	30	29	30
Parks and recreation (1)	81	77	94	95	95	101	101	95	100	92
Public health	17	17	17	18	18	18	18	18	19	21
Water	66	66	68	70	70	72	73	76	68	64
Wastewater	12	12	12	12	14	14	15	12	12	12
Solid waste	70	70	71	71	71	71	71	71	73	70
Golf (1)	16	14	-	-	-	-	-	-	-	-
Total	997	987	1,010	1,024	1,034	1,044	1,056	1,057	1,077	1,060

(1) In FY 2015, the Golf function was reclassified into the Parks and recreation function.
 Source: City Budget Office.

Table 16

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

Function/program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety:										
Police: Number of employees	246	245	253	258	263	267	267	268	241	240
Fire: Number of employees	150	152	158	161	165	166	165	165	169	163
Municipal court:										
Number of violations (citations)	48,249	43,144	39,042	32,313	31,338	36,269	37,242	27,272	26,985	14,558
Public services:										
Asphalt repairs (tons) (1)	978	572	600	662	775	718	897	548	900	900
Concrete replacement (yards) (1)	-	3,806	3,118	2,382	2,359	2,234	1,743	1,804	1,560	1,364
Parks and recreation: Acreage	865	865	870	873	900	900	900	900	900	900
Library: Volumes in collection (5)	252,261	252,789	256,620	255,904	260,881	275,138	280,183	276,965	287,390	242,955
Water and sewer:										
Number of water consumers	32,685	32,895	33,046	33,249	33,427	33,424	33,549	33,532	33,617	33,627
Average daily water consumption (thousands of gallons) (2)	20,482	19,148	22,478	21,920	22,522	24,203	22,773	23,372	22,579	25,984
Number of sewer consumers	29,295	29,533	29,681	29,869	29,983	30,016	30,121	30,119	30,170	30,144
Solid waste:										
Refuse collected (tons/day) (4)	138	136	188	163	151	132	140	133	131	135
Bulky/brush pickups (tons/day) (4)	62	71	36	37	24	23	34	34	30	24
Recyclables collected (tons/day)	27	26	26	27	19	20	20	20	20	19
Golf: Number of rounds played (3)	87,003	71,488	47,893	68,823	74,355	72,451	74,577	95,689	93,352	94,499

- (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 2014, average daily water consumption decreased due to watering restrictions in a drought year.
- (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.
- (5) Library: Volumes in collection restated for FY 2013-2020.

Source: City Departments

Table 17

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

Function/program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety:										
Police stations	2	2	2	2	2	2	2	2	2	2
Police patrol units	48	50	46	43	43	45	48	48	48	45
Volunteer patrol units	2	3	3	3	3	3	3	3	3	2
Fire stations	6	6	6	6	6	6	6	6	6	6
Public works:										
Streets - paved (miles)	409	411	587	590	590	591	591	592	592	593
Alleys - paved (miles)	222	222	222	223	223	223	223	223	223	223
Sidewalks (miles)	665	678	678	680	683	696	697	703	703	706
Streetlights	6,234	6,241	6,288	6,301	6,301	6,301	6,301	6,301	6,301	6,301
Parks and recreation:										
Parks	33	33	35	36	38	38	38	38	38	39
Playgrounds	30	30	31	31	32	32	32	32	32	32
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)	574	581	581	585	585	585	585	545	578	580
Fire hydrants	4,258	4,359	4,419	4,522	4,609	4,630	4,666	4,688	4,778	4,808
Wastewater:										
Sanitary sewers (miles) (1)	503	503	503	503	503	503	503	417	425	427

(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)	
12/31/12	2013	\$ 169,208,373	\$ 262,453,428	64.47 %	\$ 93,245,055	25	\$ 54,789,624	170.19 %
12/31/13	(3) 2014	176,026,211	276,540,082	63.65	100,513,871	17	58,633,974	171.43
12/31/14	2015	313,084,736	359,151,109	87.17	46,066,373	16	58,251,916	79.08
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	14	75,570,212	72.71
12/31/19	2020	513,963,111	566,908,565	90.66	52,945,454	13	77,952,017	67.92
12/31/20	2021	540,803,854	586,368,152	92.23	45,564,298	12	78,960,617	57.71
12/31/21	2022	568,808,555	613,057,391	92.78	44,248,836	11	78,289,774	56.52

- (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) 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.