

A Charming Past. A Soaring Future.



Fiscal Year 2023

Annual Comprehensive
Financial Report

Fiscal Year Ended
September 30, 2023



City of Richmond, Texas

Vision Statement

Great opportunities and significant challenges are ahead. The goals of the City Commission for this century are to:

- encourage, promote, and welcome expanding residential and business growth and development;
- provide safe, secure, family-oriented communities;
- influence, foster, and maintain the interest of safety;
- protect and preserve well-known historic sites and memorabilia and provide a healthy business and economic atmosphere.

It is our belief that each resident and business is of the utmost importance and deserves the very best that taxpayer dollars can provide in order to develop and maintain a city that is financially secure and one in which we can all be proud!



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

CITY OF RICHMOND, TEXAS

**For the Fiscal Year Ended
September 30, 2023**

**Terri Vela
City Manager**

**Prepared by
Finance Department**

CITY OF RICHMOND, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION



RICHMOND
EST. **TEXAS** 1837

A Charming Past. A Soaring Future.

REBECCA K HAAS
MAYOR
BARRY BEARD
ALEX BEMENT
CARL DROZD
TERRY R. GAUL
COMMISSIONERS

City of Richmond

402 Morton Street
Richmond, TX 77469
(281) 342-5456



February 19, 2024

Honorable Mayor, Members of the City Commission, and Citizens
City of Richmond, Texas

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (“GAAP”) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the annual comprehensive financial report of the City of Richmond, Texas (the “City”) for the fiscal year ended September 30, 2023, is hereby submitted.

The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. The report consists of management's representations concerning the finances of the City. To provide a reasonable basis for making these representations, the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financials in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by Whitley Penn, LLP. Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City, incorporated in 1837 as one of the first three cities in the Republic of Texas, is located in Fort Bend County at the site of Stephen F. Austin's original colonies in Texas and currently occupies a land area of approximately 4.5 square miles and serves a population of approximately 12,578. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically upon request by the majority of landowners and approval is granted by the City Commission.

The Commission, vested with policy-making and legislative authority, is comprised of a Mayor and four Commissioners. The Mayor and Commissioners are all elected at large for staggered three-year terms, with no term limits. The City Commission is responsible, among other things, for passing ordinances, adopting the budget and hiring the City's manager, attorney and municipal judge.

The City provides a full range of municipal services: public safety (police and fire protection), public improvements, sanitation, repair and maintenance of infrastructure, recreation and general administrative services. As an independent political subdivision of the State of Texas governed by an elected Mayor and four Commissioners, the City is considered a primary government. In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds for which the City, as the primary government, is accountable.

The annual budget serves as the foundation for the City's financial planning and control. Department heads are required to submit requests for appropriation to the Finance Director in May. The City Manager reviews, makes recommendations and presents the proposed budget to the Commission for review. The Commission is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than September 30th, the close of the City's fiscal year. The appropriated budget is prepared by fund and department (e.g. police, fire). Department heads may make transfers of appropriations between line items (e.g. supplies) at the department level, and the City Manager is authorized to make transfers across departments. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The City officially adopts a budget for the General, Debt Service, and Enterprise Funds for accounting purposes. The City, for management control, also approves the Special Revenue, Internal Service, Component Units and Capital Projects Funds. In order to facilitate budgetary controls, the City utilizes an encumbrance accounting system to aid in accomplishing budgetary control, and unencumbered amounts lapse at year end. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

LOCAL ECONOMY

The City of Richmond is home to a diversified group of industries, including: healthcare, metals, oil and gas services, higher education, hospitality and a variety of general retail operations. This diversification is evident in the fact that no single taxpayer represents more than 5% of total assessed valuation in the City, which adds to the stable property tax base when coupled with the strong residential foundation.

The total net taxable assessed value for all residential and commercial property in the City exceeded \$770 million for tax year 2022 (fiscal year 2023), which is approximately an 24% increase from tax year 2021 (fiscal year 2022), which exceeded \$621 million.

ECONOMIC OUTLOOK

The planned development of over 1,000 acres of prime ranch land along the City's Interstate 69 (I-69) corridor is fueling a springboard of economic speculation and activity within the City's extraterritorial jurisdiction (ETJ), which is benefitting the economic growth within the city limits of Richmond. Strategic

Partnership Agreements are in place with various Municipal Utility Districts (MUDs) to share in the sales tax generated from commercial activity in the City's ETJ. Additionally, the City is working on other development agreements for property outside of MUDs along the I-69 corridor and the US Highway 90A corridor.

Average home values in the City continue to increase as new investments are being made. This year, the assessed average values increased from \$159,065 to \$193,919 or 2.19% for the fiscal year beginning October 1, 2023. Unemployment has decreased from 5.1% in the previous year to 4.5% based on the latest data available from the Bureau of Labor Statistics for the Houston MSA. The City continues to see strong sales tax growth and demand for single family residential housing.

The City continues to partner with property owners to strategically annex properties and engage in public private partnerships when appropriate in order to grow Richmond's local economy and increase city revenue. Richmond has seen an increase in economic opportunities that have resulted from executing its strategic planning objectives and from the rapid growth occurring in Fort Bend County as a whole. Richmond is located in the center of a wave of growth that is projected to grow the county's population to 2.25 million residents by the year 2050. Richmond's strategic infrastructure, investments and planning will help it to capitalize on this in the coming years.

The City of Richmond continues to engage in strategic activities to expand the city's tax base, increase sales tax revenues, and recruit new employment opportunities for residents. The City of Richmond was successful in deploying new economic development tools that will help to achieve these key economic goals. One of the notable achievements include the extension of a legislation that will help to enable commercial development by capturing state shares of hotel taxes, sales taxes, and mixed-beverage taxes for the development of a hotel and convention center. Currently, the City has three hotels, a LaQuinta Inn & Suites, a Hilton Home2 Suites and a Marriott Fairfield Inn.

Richmond's many cultural and historic sites mixed with its collection of unique restaurants and stores make it an ideal location for regional tourism. The new revenue stream of hotel occupancy tax dollars will enable the City of Richmond to invest in activities such as tourism promotion and historic preservation that will further enhance this sector of the local economy.

New growth within the City is underway, with a new subdivision, Mandola Farms, developing within the City that will add residential properties, as well as future commercial. Additionally, the land where the former Fort Bend Country Club Golf Course property occupied is under development. This property will be both residential and commercial, including a retail center providing additional amenities to the Veranda subdivision (a master planned community by Johnson Development), as well as the rest of the City and surrounding communities. Previously, the City Commission approved a development agreement with Meritage Homes which includes the annexation of approximately 45 acres for a new residential subdivision.

ACCOUNTING SYSTEMS AND BUDGETING CONTROL

Accounting Systems

The City's accounting records for general governmental operations are maintained on a modified accrual basis with the revenues recorded when available and measurable and expenditures recorded when the services and goods are received, and the liabilities are incurred. Accounting records for the City's proprietary activities are maintained on the accrual basis.

Consideration of adequate internal accounting controls has been made in designing the City's accounting system. Internal accounting controls, instituted by the Finance Department as part of the accounting system, are designed to provide reasonable assurances that assets are properly safeguarded against loss from unauthorized use or disposition, that financial records used in preparation of the financial statements are

reliable, and that accountability for the City's assets is maintained. The concept of reasonable assurance in relation to internal controls recognizes that the cost of a control process should not exceed the benefits derived from the performance of related procedures and that the City's management must make estimates and judgments in evaluating the cost and benefit relationships relating to internal control processes and procedures that become a part of the City's accounting system.

Budgetary Compliance

Because budgetary compliance is significant in managing governmental activities, budgetary compliance controls are critical. The objective of these controls is to ensure compliance with legal spending limits in annual or project appropriated budgets approved by City Commission. State Law provides that the City Commission shall adopt annual or project budgets every fiscal year for all City funds. The budgets are prepared and maintained by the City.

The objective of budgetary controls is to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Commission. The City officially adopts a budget for the General, Debt Service, and Enterprise Funds for accounting purposes, however, for management control, it also approves the Special Revenue, Internal Service, Component Units and Capital Projects Funds. The original budget is adopted by the City Commission prior to the beginning of the fiscal year. Expenditures may not legally exceed budgeted appropriations at the fund level. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by City Commission through a formal budget amendment. At any time in the fiscal year, the Commission may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare.

Budget Process

According to the City of Richmond's charter, the fiscal year shall begin on the first day of October and end on the last day of September on the next succeeding year. Such Fiscal year shall also constitute the budget and accounting year. The following process is followed in order to meet the requirements of the City's charter.

Submission of Budget and Budget Message

On or before August 15th of the fiscal year, the City Manager shall submit to the City Commission a budget for the ensuing fiscal year and an accompanying budget message. The proposed budget submitted to Commission for review will be an itemized budget in accordance with state law.

Budget Message

The City Manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures and revenues together with the reasons for such changes, summarize the City's debt position and include such other material as the City Manager deems desirable.

Budget a Public Record

In accordance with state law, the proposed budget and all supporting schedules shall be filed with the person performing the duties of City Secretary when submitted to the City Commission and shall be open to the public inspection by anyone interested. A notice of availability shall be published in the official newspaper within ten (10) days of the budget being presented to City Commission.

Public Hearing on Budget

At the City Commission meeting when the budget is submitted, the City Commission shall name the date and place of a public hearing and shall have published in the official newspaper of the City, the time and place, which will be not less than the ten (10) days nor more than thirty (30) days after the date of notice. At this hearing, interested citizens may express their opinions concerning items of expenditures, giving their reasons for wishing to increase or decrease any items of expense.

Proceeding on Adoption of Budget

After public hearing, the City Commission shall analyze the budget, making any additions or deletions which they feel appropriate, and shall, at least ten (10) days prior to the beginning of the next fiscal year, adopt the budget by the affirmative vote of a majority of the City Commission. Should the City Commission take no final action on or prior to such day, the current budget shall be in force on a month-to-month basis until a new budget is adopted, but the budget must be approved within sixty (60) days of the next fiscal year.

Budget Appropriation and Amount to be Raised by Taxation

On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City Commission shall constitute the official appropriations as proposed by expenditures for the current year and shall constitute the basis of official levy of the property tax as the amount of tax to be assessed and collected for the corresponding tax year. Estimated expenditures will in no case exceed proposed revenue plus cash on hand. Unused appropriations may be transferred back to general funds.

Amending the Budget

Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the City Commission may, by the affirmative vote of a majority of the City Commission, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be by ordinance and shall become an attachment to the original budget.

Certification; Copies Made Available

A copy of the budget, as finally adopted, shall be filed with the person performing the duties of City Secretary and such other places required by state law or as the City Commission shall designate. The final budget shall be printed, or otherwise reproduced, and sufficient copies shall be available for the use of all offices, agencies, and for the use of interested persons and civic organizations. A notice of availability shall be published in the official newspaper within ten (10) days of the budget being approved by the City Commission.

Capital Program

The City Manager shall submit a five (5) year capital program as an attachment to the annual budget. The program as submitted shall include:

1. A clear general summary of its contents;
2. A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years succeeding the budget year, with appropriate supporting information as to the necessity for such improvements;
3. Cost estimates, method of financing and recommended time schedules for each improvement, and

4. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

Lapse of Appropriations

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned. The purpose of any such appropriation with the exception of a bond fund, shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Any funds not expended, disbursed or encumbered shall be deemed excess funds.

Additional Funding

In any budget year, the City Commission may in accordance with state law, by affirmative vote of a majority of the Commission Members, authorize the borrowing of money. Notes may be issued which are repayable not later than the end of the current fiscal year.

Administration of the Budget

No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made, unless the City Manager, or the City Manager's designee, states or ensures first that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds therefor are or will be available to cover the claim or meet the obligation when it becomes due and payable.

Any authorization of payment or incurring of obligation in violation of the provisions of the Charter shall be void and any payment so made illegal. Such action shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such payment or obligation, and the officer shall also be liable to the City for any amount so paid.

This prohibition shall not be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds, time warrants, certificates of indebtedness or certificates of obligation or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, providing that such action is made or approved by ordinance.

The City Manager shall submit to the City Commission each month a report covering the revenues and expenditures of the City in such form as requested by the City Commission.

The City's General Fund balance shall be enough to handle any unexpected decrease in revenues or unbudgeted expenditures during the fiscal year. The minimum fund balance should be within the range of ninety (90) days of operating expenditures.

LONG-TERM FINANCIAL PLANNING

The established long-range policies regarding financial management are to retain a sound financial condition, strive to retain the best possible ratings on bonds, and provide future generations with the ability to borrow capital for construction of facilities, street, and drainage improvements without a severe financial burden. The City's current bond rating by Standard & Poors is AA-.

The City has adopted Comprehensive Master and Land Use Plans, a Trails Master Plan, Water and Sewer Master Plans and a Facilities Master Plan. Additionally, components of each of these plans are summarized

into a Long-term Capital Improvements Plan. Each of the adopted master plans is reviewed every five (5) years unless the need requires a sooner review. The master plans are a working model in which major projects are pinpointed, planned, engineered, and costs evaluated.

The City's strategic planning and budget processes are most closely related to the long-term capital improvement plan. The City has also created a strategic budgeting process that links with the strategic plan to ensure that the priorities identified are funded. The long-term capital improvements plan acts in concert with these other plans to provide critical financial information to these planning processes at key junctures. In this way, other planning processes will be better able to set achievable goals in light of available resources and ensures the City can identify and close any financial gaps projected by the long-term capital improvements planning process.

The three legs of the foundation for the future of Richmond and its assured financial health are the combination of the long-term capital improvements plan, the strategic plan, and the comprehensive master and land use plan. These three processes play key roles in establishing a firm financial foundation for Richmond and support the goals the City has set.

RELEVANT FINANCIAL IMPACTS

The Fort Bend Subsidence District (Subsidence District) was created by the Texas Legislature in 1989. In 2003, the Subsidence District adopted its District Regulatory Plan (Regulatory Plan) to reduce subsidence by regulating the withdrawal of Groundwater within Fort Bend County.

The current regulatory plan adopted June 22, 2022, requires groundwater permit holders within Regulatory Area A (as described by the regulatory plan) to limit their groundwater withdrawals to forty percent of their water consumption by 2027.

Next Year's Budget and Rates

The City's annual operating budget was prepared based on the current needs of the organization and aligned with the City's strategic planning document.

Strategic planning has been a priority for the organization, and we have successfully completed a formal process this year. The plans, developed as part of the strategic planning exercise, will help guide the Commission and Staff in the execution of the goals identified.

Optimizing existing resources is important for the organization as inflation maintains its grip on the economy. While the City has been able to maintain its financial stability and deliver high quality services in the current year, that flexibility could erode in the face of weaker economic conditions with increased inflation. In the near term, flexibility within the budget to respond to changing economic conditions will help ensure that the upward pressure on pricing won't impact service levels. By strategically maneuvering the budget, the general fund will increase by 9.8% over the prior year, with a planned drawdown of \$1.53 million set aside for contingencies to respond to changing economic conditions and organizational priorities.

As the City continues to maneuver through its strategic annexation plan, using the fiscal impact model as a tool, there will be a need to update important plans that guide the City. A new Utility master plan is set to be completed in calendar year 2024. This important document helps the Commission and staff make important decisions about where to invest scarce resources in order to create a better, more sustainable City for all who call Richmond home.

This year we took another step forward in annexation preparation by identifying financially viable annexation areas, as well as evaluating creative strategies to incorporate the growth from surrounding municipal utility districts and new developments into the City without impacting existing residents. Departments have begun the process to plan for annexation as part of the fiscal impact model process. Through annexation planning, departments will remain focused on service delivery, and project implementation outlined in the comprehensive master plan, parks and trails master plans, and the water and wastewater master plans.

Total taxable ad valorem value has experienced considerable growth with an increase of \$212,134,986, or approximately 27.64% over last year's certified tax roll which represents a total taxable ad valorem value of \$979,738,568. New property added to the tax roll resulted in \$492,402 in revenue for fiscal year 2024. The City lowered its property tax rate of \$0.66 per \$100 value to \$0.65 per \$100 valuation despite the disproportionately large amount of exempt property value.

The City's sales tax revenue has seen strong increases over the last several years. For fiscal year 2024 net sales tax projections are \$7.91 million, which is conservative based on growth trends. By projecting a conservative sales tax figure for fiscal year 2024, the City has better positioned itself to deal with the fluctuations associated with sales tax.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, Augusto Isaias Preza, 402 Morton Street, Richmond, Texas 77469.

Acknowledgements

In closing, without the dedication of the members of the City Commission and the employees, preparation of this report would not have been possible. We thank the Members of the City Commission for their support in planning and conducting the financial operations of the City in a responsible and proactive manner. We express our sincere appreciation to our employees, who have continually demonstrated their professionalism and abilities in the management of the financial function of their respective departments. We also thank the Members of the City Commission for their support in planning and conducting the financial operations of the City in a responsible and proactive manner.

Respectfully submitted,

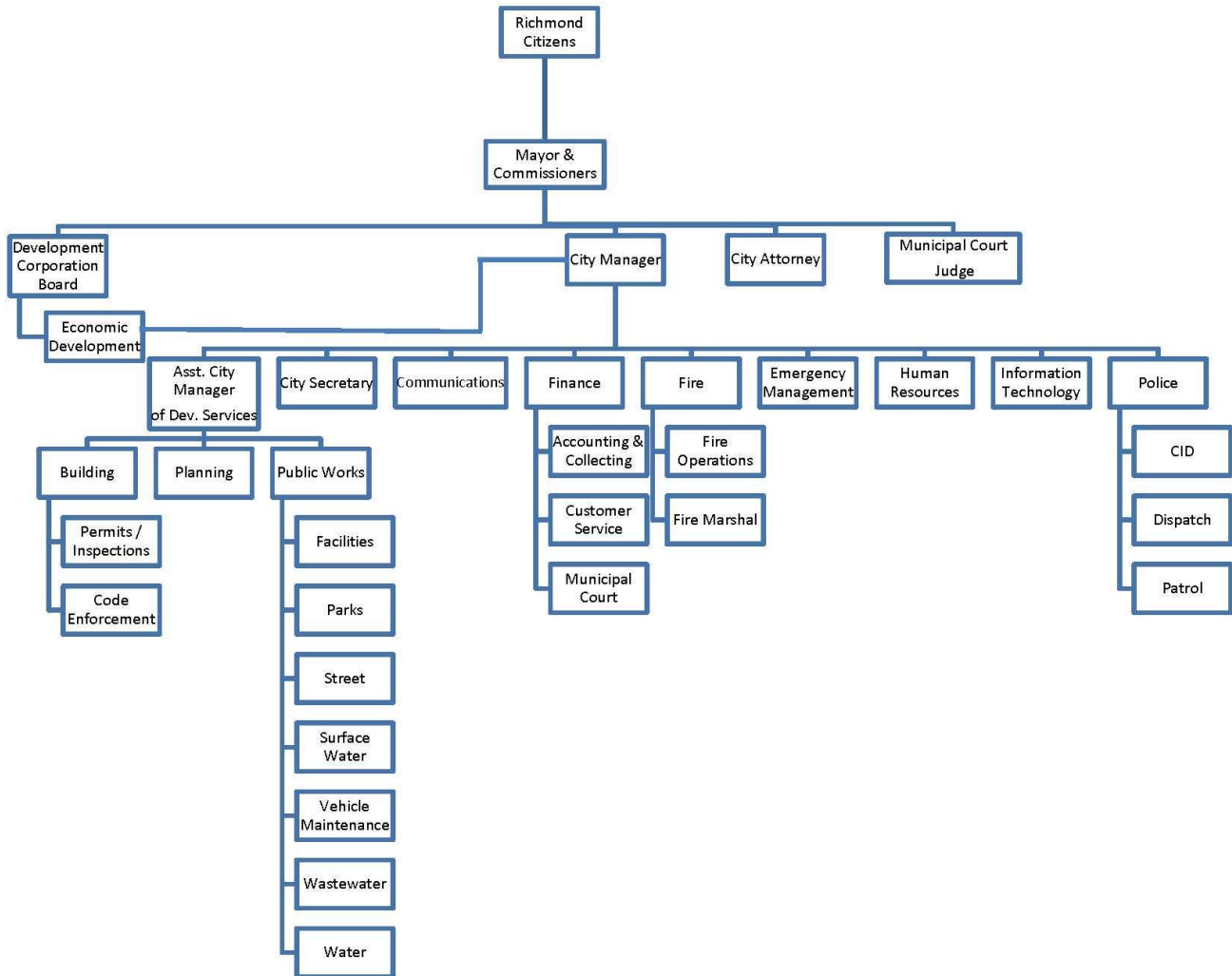


Terri Vela
City Manager



Isaias Preza
Finance Director

CITY OF RICHMOND, TEXAS
ORGANIZATIONAL CHART
September 30, 2023



CITY OF RICHMOND, TEXAS

PRINCIPAL CITY OFFICIALS

September 30, 2023

City Officials	Elective Position	Term Expires
Rebecca “Becky” Haas	Mayor	2026
Terry Gaul	Commissioner Position 1	2024
Barry Beard	Commissioner Position 2	2025
Carl Drozd	Commissioner Position 3	2024
Alex BeMent	Commissioner Position 4	2025

Key Staff	Position
Terri Vela	City Manager*
Lora Jean Lenzsch	Municipal Court Judge*
Gary Smith	City Attorney*
Howard Christian	Assistant City Manager
Scott Fajkus	Building Official
Lasha Gillespie	City Secretary
Jerry Jones	Economic Development Director
Robert Oliver	Emergency Management Coordinator
Augusto Isaias Preza	Finance Director
Mike Youngblood	Fire Chief
Shelly Freeman	Human Resources Director
Matt Easley	Information Technology Coordinator
Mason Garcia	Planning Director
Jeff Craig	Police Chief

* - City Commission Appointive Position



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Richmond
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



RICHMOND
EST. **TEXAS** 1837

A Charming Past. A Soaring Future.

FINANCIAL SECTION



RICHMOND
EST. **TEXAS** 1837

A Charming Past. A Soaring Future.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Commission
City of Richmond, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Richmond, Texas (the "City"), as of and for the year ended September 30, 2023, 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, 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*, 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.

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.

To the Honorable Mayor and
Members of the City Commission

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 management's discussion and analysis, general fund budgetary comparison schedule, pension information, and other post-employment benefits information, 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.

To the Honorable Mayor and
Members of the City Commission

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 and individual fund 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 and individual fund statements and schedules 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 February 19, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.



Houston, Texas
February 19, 2024



RICHMOND
EST. **TEXAS** 1837

A Charming Past. A Soaring Future.

MANAGEMENT'S DISCUSSION AND ANALYSIS



CITY OF RICHMOND, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Richmond (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$104.6 million (*net position*). Of this amount, \$19.5 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$12.6 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20.3 million, a increase of \$3.8 million over the prior year. Approximately 44% of this total amount, \$8.9 million, is *available for spending* at the government's discretion (*unassigned fund balance*).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and parks and recreation. The business-type activities of the City include a water and sewer operating fund.

The government-wide financial statements include the City itself (known as the *primary government*), but also a legally separate Development Corporation of Richmond and the Richmond Higher Education Finance Corporation. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 21 through 23 of this report.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements

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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 essentially the same functions reported as *governmental activities* in the government-wide financial 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 on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund and ARPA Grant Fund, which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its General Fund and Debt Service Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 24 through 27 of this report.

Proprietary Funds

The City maintains three types of proprietary funds, which 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 utility, surface water, and solid waste activities.

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 fund and surface water fund which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 58 of this report.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees and budgetary comparisons. Required supplementary information can be found on pages 60 through 67 of the City's Annual Comprehensive Financial Report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found beginning on page 70 of the City's Annual Comprehensive Financial Report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$104.6 million (net position). At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

By far, the largest portion of the City's net position, 68%, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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.

The following table provides a summary of the City's net position at September 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$25,951,622	\$22,864,033	\$36,661,251	\$27,290,203	\$ 62,612,873	\$50,154,236
Capital assets	34,314,216	25,376,133	63,404,558	61,555,620	97,718,774	86,931,753
Total Assets	60,265,838	48,240,166	100,065,809	88,845,823	160,331,647	137,085,989
Deferred outflows of resources	4,394,567	1,482,244	894,671	370,561	5,289,238	1,852,805
Current and other liabilities	4,827,884	5,347,680	3,385,669	3,132,897	8,213,553	8,480,577
Long-term liabilities	27,150,057	16,056,547	25,290,286	18,911,023	52,440,343	34,967,570
Total Liabilities	31,977,941	21,404,227	28,675,955	22,043,920	60,653,896	43,448,147
Deferred inflows of resources	315,571	2,810,971	83,480	702,742	399,051	3,513,713
Net investment in capital assets	21,546,995	11,861,060	49,541,540	47,799,843	71,088,535	59,660,903
Restricted	2,369,733	1,482,142	11,592,770	9,610,185	13,962,503	11,092,327
Unrestricted	8,450,165	12,164,010	11,066,735	9,059,694	19,516,900	21,223,704
Total Net Position	\$32,366,893	\$25,507,212	\$72,201,045	\$66,469,722	\$ 104,567,938	\$91,976,934

An additional portion of the City's net position, 13%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$19,516,900, may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased to \$104,567,938 during the current fiscal year, demonstrating the ability of the City's revenues to keep pace with annual expenses.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table summarizes the changes in net position for the City for the year ended September 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenue:						
Charges for services	\$ 4,760,434	\$ 4,436,181	\$17,858,192	\$17,629,773	\$ 22,618,626	\$22,065,954
Operating grants and contributions	1,180,305	1,206,966	-	-	1,180,305	1,206,966
Capital grants and contributions	3,592,734	145,027	1,313,170	465,777	4,905,904	610,804
General revenues:						
Property taxes	5,107,300	4,223,779	-	-	5,107,300	4,223,779
Sales and use taxes	7,407,332	6,699,051	-	-	7,407,332	6,699,051
Franchise taxes	754,873	756,687	-	-	754,873	756,687
Hotel/motel taxes	380,122	362,235	-	-	380,122	362,235
Unrestricted investment earnings	1,038,327	30,297	1,402,484	44,744	2,440,811	75,041
Miscellaneous	106,785	129,565	-	-	106,785	129,565
Total Revenues	24,328,212	17,989,788	20,573,846	18,140,294	44,902,058	36,130,082
Expenses:						
General government	4,402,711	2,775,070	-	-	4,402,711	2,775,070
Public safety	11,219,150	9,351,679	-	-	11,219,150	9,351,679
Public works	3,103,114	1,509,382	-	-	3,103,114	1,509,382
Culture and recreation	694,733	582,354	-	-	694,733	582,354
Community development	1,085,316	955,614	-	-	1,085,316	955,614
Agency fees and issuance costs	109,462	44,704	-	-	109,462	44,704
Interest on long-term debt	622,704	440,889	-	-	622,704	440,889
Water and Sewer	-	-	7,246,575	6,490,299	7,246,575	6,490,299
Surface Water	-	-	3,005,067	2,422,349	3,005,067	2,422,349
Solid Waste	-	-	822,222	796,540	822,222	796,540
Total Expenses	21,237,190	15,659,692	11,073,864	9,709,188	32,311,054	25,368,880
Increase in net position before transfers	3,091,022	2,330,096	9,499,982	8,431,106	12,591,004	10,761,202
Transfers	3,768,659	2,991,942	(3,768,659)	(3,457,719)	-	(465,777)
Change in net position	6,859,681	5,322,038	5,731,323	4,973,387	12,591,004	10,295,425
Net Position - Beginning	25,507,212	20,185,174	66,469,722	61,496,335	91,976,934	81,681,509
Net Position - Ending	\$32,366,893	\$25,507,212	\$72,201,045	\$66,469,722	\$104,567,938	\$91,976,934

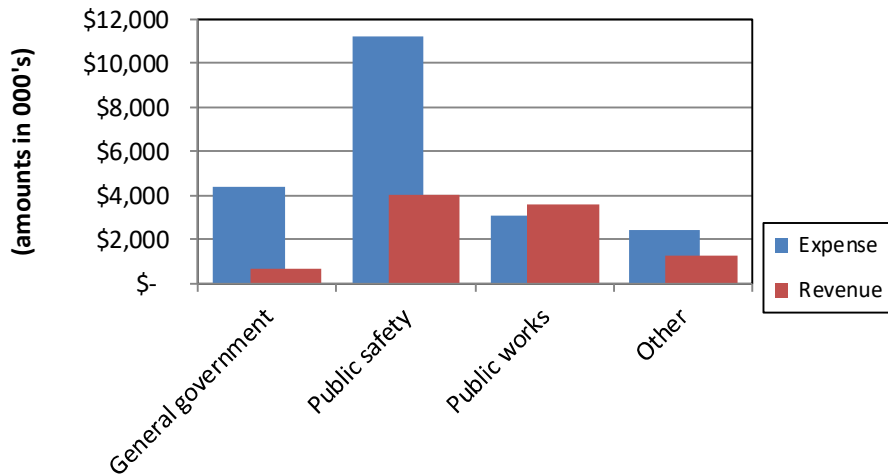
Governmental Activities

Governmental activities increased the City's net position by approximately \$6,859,681 , or 27%, of beginning net position. The key elements of this increase are as follows:

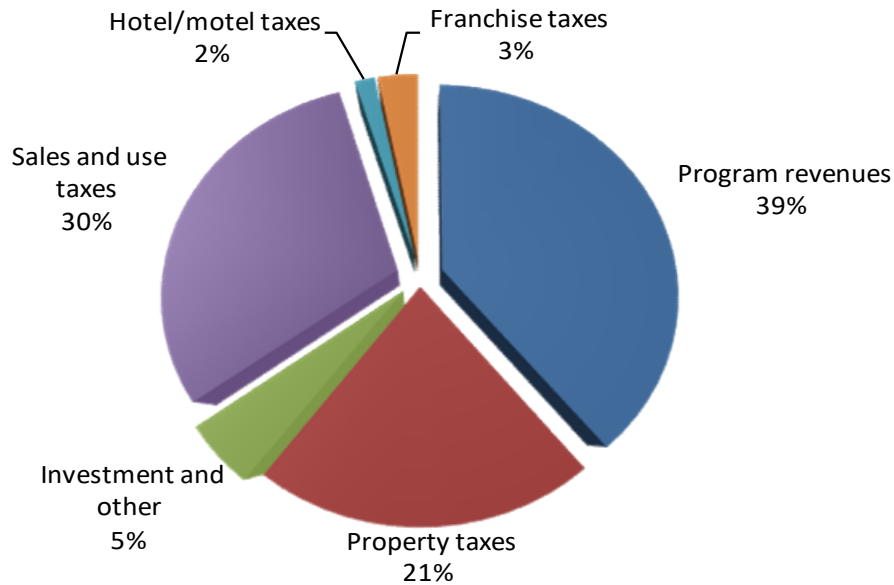
- Transfers from the water & sewer fund (business-type activity) are made to subsidize the general fund (governmental activity) for indirect costs associated with the operations of the business-type activity which are funded through the general fund departments such as vehicle maintenance, information technology, public safety, etc.
- Increases in amounts related to the TMRS pension and OPEB liabilities increased pension expense across all functions.
- Property tax revenues increased due to continued growth in the tax base from both new construction and appreciation of existing properties.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

A comparison of program expenses to program revenues follows:



Revenue sources for governmental activities were distributed as follows:

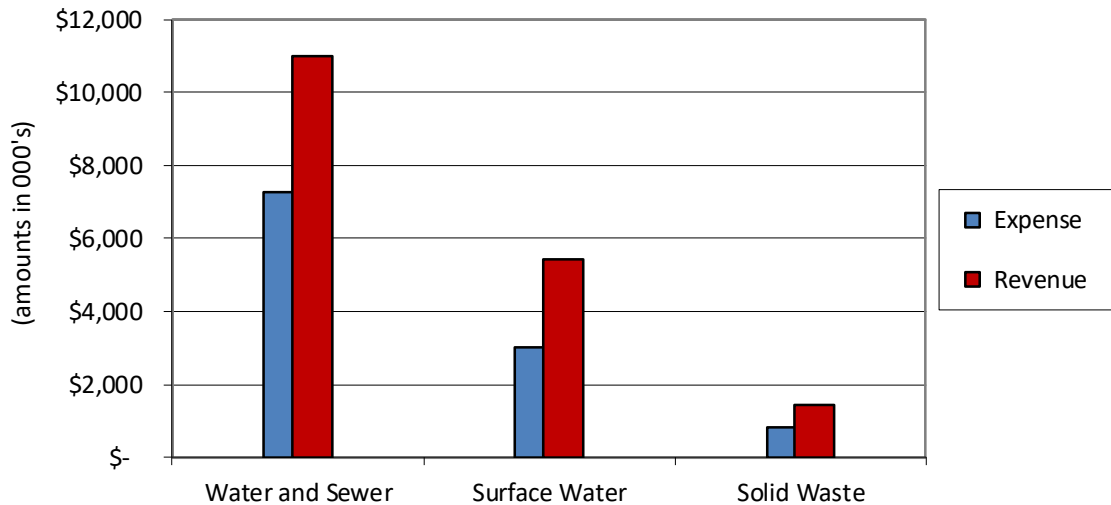


Business-Type Activities

Business-type activities increased the City's net position by \$5,731,323. This was caused by operating revenues (charges for services) of the business-type activities increasing by \$228,419. This increase primarily resulted from increases to Wastewater revenues and Groundwater Reduction revenues of \$0.8 million and \$0.08 million, respectively. These increases resulted in part from increased population growth driving demand for services, but primarily because of a 3% rate increase reflected in the 2023 budget. Investment earnings increased by \$1.4 million over the prior year due to an increase in interest rates.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

A comparison between expenses relating to water and sewer operations and program revenues (charges for services) for water and sewer and surface water activities follows:



Revenue sources for business-type activities were almost entirely comprised of charges for water, sewer and solid waste services.

Financial Analysis of the Government's Funds

As noted earlier, the City used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 a government's net resources available for spending at the end of the fiscal year.

At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$20,337,221, a \$3,838,799 increase from the prior year. Key elements of this increase include increases to property tax revenues and charges for services that resulted from the population growth discussed previously.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$8,884,170. The General Fund fund balance increased by \$1,147,327 from prior year. Key elements of this increase include increases to property taxes due to increased assessed values; increases to sales and use taxes and charges for services that resulted from the population growth; and increases to investment earnings due to an increase in interest rates.

At the close of the current fiscal year, the City's capital projects fund reported a fund balance of \$7,461,754, an increase of \$1,806,178 from the prior year. The increase was due to proceeds from the issuance of certificates of obligations and transfers from other funds to subsidize current and future planned capital expenditures.

The ARPA Grant Fund accounts for the proceeds of grant funds received under the American Rescue Plan Act. For the current year, \$1,468,887 in expenditures were incurred. Funds received but not yet expended totaled \$1,786,478 and were recorded as unearned revenue.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds

The City maintains three types of proprietary funds. Proprietary funds are used to report the same type of information found in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer utility, surface water utility, and solid waste utility.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$4,335,218 or 60% annual operating and non-operating expenses for the fund. Unrestricted net position of the Water and Sewer Fund increased primarily due to increases in charges for utility services resulting from higher usage.

The Surface Water Fund had an unrestricted net position of \$6,378,132 or 212% of annual operating and non-operating expenses for the fund. Unrestricted net position of the Surface Water Fund increased primarily due to charges for groundwater reduction services resulting from higher usage.

The Solid Waste Fund had an unrestricted net position of \$353,385 or 43% of annual operating and non-operating expenses for the fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget totaled \$1,749,830 primarily relate to decreases in the contingency and salary budgets. Actual revenues exceeded budgeted revenues by \$2,415,757 primarily from sales taxes growing even more strongly than anticipated. Appropriations exceeded expenditures, creating a positive variance to budget of \$100,719.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2023, the City's governmental activities and business-type activities had invested \$34,314,216 and \$63,404,558, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule. This represents an increase of \$8,938,083, or 35% over the end of last fiscal year for the governmental activities' capital assets and an increase of \$1,848,936 or 3% for the business-type activities.

The following table shows the balances at September 30, 2023 and 2022:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land and intangibles	\$ 4,084,465	\$ 4,084,466	\$ 1,936,937	\$ 1,936,937	\$ 6,021,402	\$ 6,021,403
Construction in progress	10,839,334	3,830,092	11,640,952	7,692,468	22,480,286	11,522,560
Capital assets, net of depreciation:						
Buildings	9,372,589	9,647,282	25,995,204	26,557,184	35,367,793	36,204,466
Improvements other than buildings	2,763,277	2,931,764	2,457,326	2,759,657	5,220,603	5,691,421
Infrastructure	3,716,550	3,400,317	21,151,044	22,443,387	24,867,594	25,843,704
Machinery and equipment	3,462,892	1,482,212	223,095	165,989	3,685,987	1,648,201
Subscriptions	75,109	-	-	-	75,109	-
Total Capital Assets	\$34,314,216	\$25,376,133	\$63,404,558	\$61,555,622	\$97,718,774	\$86,931,755

Significant additions included street, drainage and water and sewer improvements. Developer reimbursements of \$6.1 million were included in construction in process.

Additional information on the City's capital assets can be found in Note 2.C. to the basic financial statements of this report.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$42,940,000. This is an increase from the prior year of \$9,725,000 primarily due the issuance of its Series 2023 certificates of obligation in the amount of \$12,295,000. The entire amount of bonded debt, to include general obligation and certificates of obligation, is backed by the full faith and credit of the City.

A schedule of long-term debt September 30, 2023 and 2022, follows:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Bonds payable						
General obligation bonds	\$ 5,650,000	\$ 6,315,000	\$ -	\$ -	\$ 5,650,000	\$ 6,315,000
Certificates of obligation	13,830,000	7,930,000	23,460,000	18,970,000	37,290,000	26,900,000
Bond issuance						
premiums/discounts	708,142	718,325	1,086,684	881,788	1,794,826	1,600,113
Compensated absences	1,501,278	1,306,234	206,039	201,202	1,707,317	1,507,436
Subscriptions	40,833	-	-	-	40,833	-
Total Capital Assets	\$ 21,730,253	\$ 16,269,559	\$ 24,752,723	\$ 20,052,990	\$ 46,482,976	\$ 36,322,549

On November 2, 2017, Standard & Poor's Ratings Services affirmed its long-term debt rating and underlying rating (SPUR) on the City's general obligation (GO) of 'AA-'. The General Obligation Refunding Bonds Series 2020 received a SPUR rating of 'AA-' as well. The outlook is stable.

Additional information on the City's long-term debt can be found in Note 2.D. to the basic financial statements of this report.

Economic Factors

The planned development of over 1,000 acres of prime ranch land along the City's Interstate 69 (I-69) corridor is fueling a springboard of economic speculation and activity within the City's extraterritorial jurisdiction (ETJ), which is benefitting the economic growth within the city limits of Richmond. Strategic Partnership agreements are in place with various Municipal Utility Districts (MUDs) to share in the sales tax generated from commercial activity in the City's ETJ along the I-69 corridor. Additionally, the City is working on other development agreements for property outside of MUDs along the I-69 corridor and the US Highway 90A corridor.

Average home values in the City continue to increase as new investments are being made. This year, the values increased from \$159,065 to \$193,919 or 21.91% for the fiscal year beginning October 1, 2023.

Unemployment has decreased from 5.1% in the previous year to 4.5% based on the latest data available from the Bureau of Labor Statistics for the Houston MSA. The City continues to see strong sales tax growth and demand for single family residential housing.

The City continues to partner with property owners to strategically annex properties and engage in public private partnerships when appropriate in order to grow Richmond's local economy and increase city revenue. Richmond has seen an increase in economic opportunities that have resulted from executing its strategic planning objectives and from the rapid growth occurring in Fort Bend County as a whole. Richmond is located in the center of a wave of growth that is projected to grow the county's population to 2.25 million residents by the year 2050. Richmond's strategic infrastructure, investments and planning will help it to capitalize on this in the coming years.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Richmond continues to engage in strategic activities to expand the city's tax base, increase sales tax revenues, and recruit new employment opportunities for residents. The City of Richmond was successful in deploying new economic development tools that will help to achieve these key economic goals. Some of the notable achievements include the extension of a legislation that will help to enable commercial development by capturing state shares of hotel taxes, sales taxes, and mixed-beverage taxes for the development of a hotel and convention center. Currently, the City has three hotels, a LaQuinta Inn & Suites, a Hilton Home2 Suites and a Marriott Fairfield Inn.

Richmond's many cultural and historic sites mixed with its collection of unique restaurants and stores make it an ideal location for regional tourism. The new revenue stream of hotel occupancy tax dollars will enable the City of Richmond to invest in activities such as tourism promotion and historic preservation that will further enhance this sector of the local economy.

New growth within the City is underway, with a new subdivision, Mandola Farms, developing within the City that will add residential properties, as well as future commercial development. Additionally, the land where the former Fort Bend Country Club Golf Course property was located is close to being fully developed. This property will be both residential and commercial, including a retail center providing additional amenities to the Veranda subdivision (a master planned community by Johnson Development), as well as the rest of the City and surrounding communities. A new development agreement with Meritage Homes, which includes the annexation of approximately 45 acres for a new residential subdivision, is also commencing development.

Next Year's Budget and Rates

The City's annual operating budget was prepared based on the current needs of the organization and aligned with the City's strategic planning document.

Strategic planning is a major priority for the organization, and we have successfully completed a formal process this year. The plans, developed as part of the strategic planning exercise, will help guide the Commission and Staff in the execution of the goals identified.

Optimizing existing resources is important for the organization as inflation maintains its grip on the economy. While the City has been able to maintain its financial stability and deliver high quality services in the current year, that flexibility could erode in the face of weaker economic conditions with increased inflation. In the near term, flexibility within the budget to respond to changing economic conditions will help ensure that the upward pressure on pricing will not impact service levels. By strategically maneuvering the budget, the general fund will increase by 9.8% over the prior year, with a planned drawdown of \$1.53 million set aside for contingencies to respond to changing economic conditions and organizational priorities.

As the City continues to maneuver through its strategic annexation plan, using the fiscal impact model as a tool, there will be a need to update important plans that guide the City. A new Utility Master Plan is set to be completed in calendar year 2024. This important document helps staff and the Commission make necessary decisions about where to invest scarce resources to create a better, more sustainable City for all who call Richmond home.

This year we took another step forward in annexation preparation by identifying financially viable annexation areas, as well as evaluating creative strategies to incorporate the growth from surrounding municipal utility districts and new developments into the City without impacting existing residents. Departments have begun the process to plan for annexation as part of the fiscal impact model process. Through annexation planning, departments will remain focused on service delivery and project implementation outlined in the comprehensive master plan, parks and trails master plans, and the water and wastewater master plans.

Total taxable ad valorem value has experienced considerable growth with an increase \$212,134,986, or approximately 27.64% over last year's certified tax roll, which represents a total taxable ad valorem value of \$979,738,568. New property added to the tax roll resulted in \$492,402 in revenue for fiscal year 2024. The City lowered its property tax rate from \$0.66 per \$100 value to \$0.65 per \$100 valuation despite the disproportionately large amount of exempt property value.

CITY OF RICHMOND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's sales tax revenue has seen strong increases over the last several years. For fiscal year 2024, net sales tax projections are \$7.9 million, which is conservative based on growth trends. By projecting a conservative sales tax figure for fiscal year 2024, the City has better positioned itself to deal with the fluctuations associated with sales tax.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, Augusto Isaias Preza, 402 Morton Street, Richmond, Texas 77469.

BASIC FINANCIAL STATEMENTS



CITY OF RICHMOND, TEXAS
STATEMENT OF NET POSITION
September 30, 2023

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 23,473,697	\$ 33,410,821	\$ 56,884,518	\$ 5,504,120
Accounts receivable	133,879	3,223,792	3,357,671	412,348
Taxes receivable, net	1,719,420	-	1,719,420	-
Other receivables	34,952	-	34,952	-
Due from other governments	504,907	-	504,907	-
Prepaid items	84,767	26,638	111,405	-
Capital assets, not subject to depreciation	14,923,799	13,577,889	28,501,688	-
Capital assets, net of depreciation/amortization	19,390,417	49,826,669	69,217,086	-
Total Capital Assets	34,314,216	63,404,558	97,718,774	-
Total Assets	60,265,838	100,065,809	160,331,647	5,916,468
Deferred Outflows of Resources:				
Deferred outflows related to pension	4,304,637	872,188	5,176,825	-
Deferred outflows related to OPEB	89,930	22,483	112,413	-
Total Deferred Outflows of Resources	4,394,567	894,671	5,289,238	-
Liabilities				
Accounts payable	1,205,248	1,099,336	2,304,584	5,507
Accrued liabilities	166,399	31,467	197,866	-
Deposits	-	1,201,817	1,201,817	-
Unearned revenue	1,816,387	-	1,816,387	-
Accrued interest	60,487	67,445	127,932	-
Long-term liabilities:				
Due within one year	1,579,363	985,604	2,564,967	-
Due in more than one year	20,150,890	23,767,119	43,918,009	-
Net pension liability	6,682,305	1,443,952	8,126,257	-
Total OPEB liability	316,862	79,215	396,077	-
Total Liabilities	31,977,941	28,675,955	60,653,896	5,507
Deferred Inflows of Resources:				
Deferred inflows related to pension	125,683	36,008	161,691	-
Deferred inflows related to OPEB	189,888	47,472	237,360	-
Total Deferred Inflows of Resources	315,571	83,480	399,051	-
Net Position				
Net investment in capital assets	21,546,995	49,541,540	71,088,535	-
Restricted for:				
Debt service	464,879	-	464,879	-
Community projects	38,576	-	38,576	5,910,961
Public safety	583,946	-	583,946	-
Tourism	1,282,332	-	1,282,332	-
Capital projects	-	11,592,770	11,592,770	-
Unrestricted	8,450,165	11,066,735	19,516,900	-
Total Net Position	\$ 32,366,893	\$ 72,201,045	\$ 104,567,938	\$ 5,910,961

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities:				
General government	\$ 4,402,711	\$ 500	\$ 657,172	\$ -
Public safety	11,219,150	3,782,892	267,483	-
Public works	3,103,114	-	-	3,592,734
Culture and recreation	694,733	-	-	-
Community development	1,085,316	977,042	-	-
Agency fees and issuance costs	109,462	-	-	-
Interest on long-term debt	622,704	-	255,650	-
Total governmental activities	21,237,190	4,760,434	1,180,305	3,592,734
Business-type activities:				
Water and Sewer	7,246,575	10,996,781	-	1,313,170
Surface Water	3,005,067	5,442,030	-	-
Solid Waste	822,222	1,419,381	-	-
Total business-type activities	11,073,864	17,858,192	-	1,313,170
Total primary government	\$ 32,311,054	\$ 22,618,626	\$ 1,180,305	\$ 4,905,904
Component Unit				
Development Corporation of Richmond	2,832,369			
Total component unit	\$ 2,832,369			
General revenues:				
Taxes:				
Property taxes				
Sales and use taxes				
Franchise taxes				
Hotel/motel taxes				
Intergovernmental				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net Position - Beginning				
Net Position - Ending				

CITY OF RICHMOND, TEXAS
STATEMENT OF ACTIVITIES
September 30, 2023

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Discretely Presented Component Unit
Governmental Activities	Business-type Activities	Total	Development Corporation of Richmond
\$ (3,745,039)	\$ -	\$ (3,745,039)	
(7,168,775)	-	(7,168,775)	
489,620	-	489,620	
(694,733)	-	(694,733)	
(108,274)	-	(108,274)	
(109,462)	-	(109,462)	
(367,054)	-	(367,054)	
<u>(11,703,717)</u>	<u>-</u>	<u>(11,703,717)</u>	
-	5,063,376	5,063,376	
-	2,436,963	2,436,963	
-	597,159	597,159	
-	8,097,498	8,097,498	
<u>(11,703,717)</u>	<u>8,097,498</u>	<u>(3,606,219)</u>	
			\$ (2,832,369)
			<u>\$ (2,832,369)</u>
5,107,300	-	5,107,300	-
7,407,332	-	7,407,332	2,195,552
754,873	-	754,873	-
380,122	-	380,122	-
-	-	-	80,000
1,038,327	1,402,484	2,440,811	248,294
106,785	-	106,785	5,000
3,768,659	(3,768,659)	-	-
<u>18,563,398</u>	<u>(2,366,175)</u>	<u>16,197,223</u>	<u>2,528,846</u>
6,859,681	5,731,323	12,591,004	(303,523)
25,507,212	66,469,722	91,976,934	6,214,484
<u>\$ 32,366,893</u>	<u>\$ 72,201,045</u>	<u>\$ 104,567,938</u>	<u>\$ 5,910,961</u>

CITY OF RICHMOND, TEXAS
BALANCE SHEET GOVERNMENTAL FUNDS
September 30, 2023

	General Fund	Capital Projects Fund	ARPA Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 9,340,376	\$ 7,656,191	\$ 2,035,199	\$ 2,266,611	\$ 21,298,377
Accounts receivable, net	133,879	-	-	-	133,879
Taxes receivable, net	1,553,717	-	-	165,703	1,719,420
Other receivables	28,247	6,705	-	-	34,952
Due from other governments	429,208	-	-	75,699	504,907
Prepaid items	84,767	-	-	-	84,767
Total Assets	\$ 11,570,194	\$ 7,662,896	\$ 2,035,199	\$ 2,508,013	\$ 23,776,302
Liabilities					
Accounts payable	\$ 710,960	\$ 171,233	\$ 192,579	\$ 75,889	\$ 1,150,661
Unearned revenue	-	29,909	1,786,478	-	1,816,387
Accrued liabilities	108,353	-	56,142	1,904	166,399
Total Liabilities	819,313	201,142	2,035,199	77,793	3,133,447
Deferred Inflows of Resources					
Unavailable revenues - property taxes	122,712	-	-	49,043	171,755
Unavailable revenues - court fines	133,879	-	-	-	133,879
Total Deferred Inflows of Resources	256,591	-	-	49,043	305,634
Fund balances:					
Nonspendable	84,767	-	-	-	84,767
Restricted:					
Debt service	-	-	-	476,323	476,323
Capital projects	-	7,461,754	-	-	7,461,754
Public safety	-	-	-	583,946	583,946
Tourism	-	-	-	1,282,332	1,282,332
Community projects	-	-	-	38,576	38,576
Assigned - Subsequent year's appropriation of fund balance	1,525,353	-	-	-	1,525,353
Unassigned	8,884,170	-	-	-	8,884,170
Total Fund Balances	10,494,290	7,461,754	-	2,381,177	20,337,221
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,570,194	\$ 7,662,896	\$ 2,035,199	\$ 2,508,013	\$ 23,776,302

CITY OF RICHMOND, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2023

Total fund balance, governmental funds \$ 20,337,221

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 33,587,226

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Unavailable revenue 305,634

Long-term liabilities are not due in the current period and, therefore, are not reported as liabilities in the fund financial statements, but are included in the governmental activities of the Statement of Net Position

Bonds payable, at maturity (19,480,000)
Premium/discount on bonds payable (708,142)
Subscription payable (40,833)
Accrued long-term interest (60,487)
Compensated absences (1,501,278)

Net Pension Liability, Total OPEB Liability and related deferred outflows and inflows of resources due not represent current liabilities and are not reported in the fund financial statements, but are included in the governmental activities of the Statement of net position.

Deferred outflows - pension related items 4,304,637
Deferred outflows - OPEB related items 89,930
Net Pension Liability (6,682,305)
Total OPEB Liability (316,862)
Deferred inflows - pension related items (125,683)
Deferred inflows - OPEB related items (189,888)

Addition of Internal Service Fund net position 2,847,723

Net Position of Governmental Activities in the Statement of Net Position \$ 32,366,893

CITY OF RICHMOND, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
September 30, 2023

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>ARPA Grant Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property taxes	\$ 3,408,315	\$ -	\$ -	\$ 1,670,344	\$ 5,078,659
Sales and use taxes	7,407,332	-	-	-	7,407,332
Franchise taxes	754,873	-	-	-	754,873
Hotel/motel taxes	-	-	-	380,122	380,122
Fines and forfeitures	202,890	-	-	15,178	218,068
Licenses and permits	461,932	-	-	-	461,932
Intergovernmental	758,592	1,914,893	1,336,333	763,221	4,773,039
Charges for services	4,082,658	-	-	-	4,082,658
Investment earnings	425,872	299,320	130,512	83,905	939,609
Miscellaneous	80,292	13,410	-	25,748	119,450
Total Revenues	<u>17,582,756</u>	<u>2,227,623</u>	<u>1,466,845</u>	<u>2,938,518</u>	<u>24,215,742</u>
Expenditures					
Current:					
General government	4,263,063	-	-	-	4,263,063
Public safety	10,442,253	-	-	70,343	10,512,596
Public works	1,609,356	-	-	341,658	1,951,014
Culture and recreation	569,250	-	-	13,945	583,195
Community development	1,019,395	41,518	-	-	1,060,913
Capital Outlay	-	9,049,759	1,468,887	-	10,518,646
Debt Service:					
Principal	23,603	-	-	1,175,000	1,198,603
Interest and other charges	1,597	-	-	670,527	672,124
Agent fees/issuance cost	-	96,462	-	13,000	109,462
Total Expenditures	<u>17,928,517</u>	<u>9,187,739</u>	<u>1,468,887</u>	<u>2,284,473</u>	<u>30,869,616</u>
Revenues over (under) expenditures	<u>(345,761)</u>	<u>(6,960,116)</u>	<u>(2,042)</u>	<u>654,045</u>	<u>(6,653,874)</u>
Other Financing Sources (Uses)					
Issuance of general obligation bonds	-	6,405,784	-	4,216	6,410,000
Premium on issuance of bonds	-	310,679	-	-	310,679
Insurance recovery	3,335	-	-	-	3,335
Transfers in	3,239,584	2,049,831	-	229,075	5,518,490
Transfers out	(1,749,831)	-	-	-	(1,749,831)
Total other financing sources (uses)	<u>1,493,088</u>	<u>8,766,294</u>	<u>-</u>	<u>233,291</u>	<u>10,492,673</u>
Net Changes in Fund Balances	1,147,327	1,806,178	(2,042)	887,336	3,838,799
Fund Balances - Beginning of Year	<u>9,346,963</u>	<u>5,655,576</u>	<u>2,042</u>	<u>1,493,841</u>	<u>16,498,422</u>
Fund Balances - End of Year	<u>\$ 10,494,290</u>	<u>\$ 7,461,754</u>	<u>\$ -</u>	<u>\$ 2,381,177</u>	<u>\$ 20,337,221</u>

CITY OF RICHMOND, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
September 30, 2023**

Net change in fund balances - total governmental funds: \$ 3,838,799

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The capital asset expenditures are allocated over the assets' estimated useful lives as depreciation/amortization expense for the period.

This is the amount by which capital outlay of \$9,516,124 exceeded depreciation/amortization of \$1,006,294 in the current period. 8,509,830

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 10,417

Governmental funds report the proceeds of bonds as an other financial source or an increase to fund balance. In contrast, the Statement of Activities treats such proceeds as an increase in long-term liabilities. (6,720,679)

Governmental funds report repayment of bond principal and SBITA as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of payments made on long-term debt. 1,198,603

Deferred charges on bond refunding, and other debt charges which are treated as expenditures or other sources/uses in the fund basis financial statements are set up as assets and amortized in the Statement of Net Position. The net change for each represents an increase/(decrease) in net position.

Bond premiums/discounts 320,862

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Changes in accrued interest 17,807

Changes in accrued compensated absences (195,044)

Changes in net pension and OPEB liabilities, and related deferred outflows and inflows of resources. (500,165)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds. 379,251

Change in net position of governmental activities \$ 6,859,681

CITY OF RICHMOND, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water and Sewer	Surface Water	Solid Waste	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 25,469,053	\$ 7,567,942	\$ 373,826	\$ 33,410,821	\$ 2,175,320
Accounts receivable, net	2,434,073	685,734	103,985	3,223,792	-
Prepaid items	26,638	-	-	26,638	-
Total Current Assets	27,929,764	8,253,676	477,811	36,661,251	2,175,320
Non-current assets:					
Capital assets					
Land and improvements	1,811,714	125,223	-	1,936,937	-
Construction in progress	11,405,249	235,703	-	11,640,952	-
Infrastructure	50,378,587	3,159,446	-	53,538,033	-
Buildings	10,124,837	23,235,822	-	33,360,659	-
Improvements other than buildings	5,655,406	635,405	-	6,290,811	-
Equipment and furniture	1,717,412	22,167	-	1,739,579	850,133
Less accumulated depreciation	(42,416,042)	(2,686,371)	-	(45,102,413)	(123,143)
Total Non-Current Assets	38,677,163	24,727,395	-	63,404,558	726,990
Total Assets	66,606,927	32,981,071	477,811	100,065,809	2,902,310
Deferred Outflows of Resources					
Deferred outflows related to pension	872,188	-	-	872,188	-
Deferred outflows related to OPEB	22,483	-	-	22,483	-
Total Deferred Outflows of Resources	894,671	-	-	894,671	-
Liabilities					
Current liabilities:					
Accounts payable	930,351	44,559	124,426	1,099,336	54,587
Accrued liabilities	29,598	1,869	-	31,467	-
Deposits	1,201,817	-	-	1,201,817	-
Accrued interest payable	30,045	37,400	-	67,445	-
Compensated absences	20,604	-	-	20,604	-
Bonds, notes and loans payable	325,000	640,000	-	965,000	-
Total Current Liabilities	2,537,415	723,828	124,426	3,385,669	54,587
Non-current liabilities:					
Compensated absences	185,435	-	-	185,435	-
Bonds, notes and loans payable	9,759,000	13,822,684	-	23,581,684	-
Net pension Liability	1,443,952	-	-	1,443,952	-
Total OPEB Liability	79,215	-	-	79,215	-
Total Non-Current Liabilities	11,467,602	13,822,684	-	25,290,286	-
Total Liabilities	14,005,017	14,546,512	124,426	28,675,955	54,587
Deferred Inflows of Resources					
Deferred inflows related to pension	36,008	-	-	36,008	-
Deferred inflows related to OPEB	47,472	-	-	47,472	-
Total Deferred Inflows of Resources	83,480	-	-	83,480	-
Net Position					
Net investment in capital assets	37,485,113	12,056,427	-	49,541,540	726,990
Restricted for capital projects	11,592,770	-	-	11,592,770	-
Unrestricted	4,335,218	6,378,132	353,385	11,066,735	2,120,733
Total Net Position	\$ 53,413,101	\$ 18,434,559	\$ 353,385	\$ 72,201,045	\$ 2,847,723

CITY OF RICHMOND, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
September 30, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water and Sewer	Surface Water	Solid Waste	Total	Activities Internal Service Funds
Operating Revenues					
Charges for services:					
Water	\$ 5,932,836	\$ -	\$ -	\$ 5,932,836	\$ -
Sewer	4,593,500	-	-	4,593,500	-
Groundwater reduction	-	5,441,606	-	5,441,606	-
Solid waste collection	-	-	1,419,381	1,419,381	-
Tapping fees	48,803	-	-	48,803	-
Service charges	178,136	-	-	178,136	-
Interfund charges	-	-	-	-	2,975,763
Impact fees:					
Water	100,464	-	-	100,464	-
Sewer	135,971	-	-	135,971	-
Miscellaneous	7,071	424	-	7,495	-
Total Operating Revenues	10,996,781	5,442,030	1,419,381	17,858,192	2,975,763
Operating Expenses					
Personnel services	2,654,992	292,544	-	2,947,536	-
Supplies and materials	519,928	385,434	-	905,362	96,332
Contracted services	1,127,059	233,192	822,222	2,182,473	-
Insurance premiums	-	-	-	-	2,429,867
Utilities	440,896	613,279	-	1,054,175	-
Other	507,801	429,560	-	937,361	-
Depreciation	1,656,896	595,990	-	2,252,886	70,313
Total Operating Expenses	6,907,572	2,549,999	822,222	10,279,793	2,596,512
Operating Income (Loss)	4,089,209	2,892,031	597,159	7,578,399	379,251
Non-Operating Revenues (Expenses)					
Interest and investment revenue	1,070,080	327,968	4,436	1,402,484	98,718
Interest expense	(339,003)	(455,068)	-	(794,071)	-
Total Non-Operating Revenues (Expenses)	731,077	(127,100)	4,436	608,413	98,718
Income Before Transfers and Capital Contributions	4,820,286	2,764,931	601,595	8,186,812	477,969
Capital contributions	1,313,170	-	-	1,313,170	-
Transfers in	100,000	-	-	100,000	-
Transfers out	(3,165,806)	(200,000)	(502,853)	(3,868,659)	-
Change in Net Position	3,067,650	2,564,931	98,742	5,731,323	477,969
Total Net Position - Beginning of Year	50,345,451	15,869,628	254,643	66,469,722	2,369,754
Total Net Position - End of Year	\$ 53,413,101	\$ 18,434,559	\$ 353,385	\$ 72,201,045	\$ 2,847,723

CITY OF RICHMOND, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
September 30, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water and Sewer	Surface Water	Solid Waste	Total	Internal Service Funds
Cash Flows From Operating Activities					
Receipts from customers	\$ 10,599,752	\$ 5,345,879	\$ 1,683,321	\$ 17,628,952	\$ -
Receipts from interfund charges for insurance premiums	-	-	-	-	2,486,763
Interfund charges for use of city equipment	-	-	-	-	489,000
Payments to employees for salaries and benefits	(2,569,294)	(295,859)	-	(2,865,153)	-
Payments to suppliers and service providers	(1,975,423)	(1,640,308)	(811,078)	(4,426,809)	(2,474,126)
Net cash provided by operating activities	6,055,035	3,409,712	872,243	10,336,990	501,637
Cash Flows From Noncapital Financing Activities					
Transfers from other funds	100,000	-	-	100,000	-
Transfers to other funds	(3,165,806)	(200,000)	(502,853)	(3,868,659)	-
Net cash used by noncapital financing activities	(3,065,806)	(200,000)	(502,853)	(3,768,659)	-
Cash Flows From Capital and Related Financing Activities					
Proceeds from capital-related debt	6,170,458	-	-	6,170,458	-
Principal paid on capital debt	(140,000)	(1,255,000)	-	(1,395,000)	-
Interest paid on capital debt	(319,080)	(459,925)	-	(779,005)	-
Acquisition and construction of capital assets	(2,666,917)	(202,297)	-	(2,869,214)	(498,566)
Cash flows provided (used) by capital and related financing activities	3,044,461	(1,917,222)	-	1,127,239	(498,566)
Cash Flows From Investing Activities					
Interest received	1,070,080	327,968	4,436	1,402,484	98,718
Net cash provided by investing activities	1,070,080	327,968	4,436	1,402,484	98,718
Net increase (decrease) in cash and cash equivalents	7,103,770	1,620,458	373,826	9,098,054	101,789
Cash and cash equivalents - beginning of year	18,365,283	5,947,484	-	24,312,767	2,073,531
Cash and cash equivalents - end of year	\$ 25,469,053	\$ 7,567,942	\$ 373,826	\$ 33,410,821	\$ 2,175,320
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating Income (Loss)	\$ 4,089,209	\$ 2,892,031	\$ 597,159	\$ 7,578,399	\$ 379,251
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,656,896	595,990	-	2,252,886	70,313
(Increase) decrease in accounts receivable	(429,043)	(96,151)	-	(525,194)	-
(Increase) decrease in customer receivable	-	-	263,940	263,940	-
(Increase) decrease in other assets	(11,740)	-	-	(11,740)	-
(Increase) decrease in deferred outflows for pension	(530,223)	-	-	(530,223)	-
(Increase) decrease in deferred outflows for OPEB	6,113	-	-	6,113	-
Increase (decrease) in accounts payable	632,001	21,157	11,144	664,302	52,073
Increase (decrease) in accrued liabilities	(25,781)	(3,315)	-	(29,096)	-
Increase (decrease) in customer deposits	32,014	-	-	32,014	-
Increase (decrease) in compensated absences	4,837	-	-	4,837	-
Increase (decrease) in net pension liability	1,291,936	-	-	1,291,936	-
Increase (decrease) in total OPEB liability	(41,922)	-	-	(41,922)	-
Increase (decrease) in deferred inflows for pension	(658,729)	-	-	(658,729)	-
Increase (decrease) in deferred inflows for OPEB	39,467	-	-	39,467	-
Net cash provided by operating activities	\$ 6,055,035	\$ 3,409,712	\$ 872,243	\$ 10,336,990	\$ 501,637

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The City of Richmond, Texas (the City), was incorporated on June 5, 1837, by Act of the Senate and House of Representatives of the Republic of Texas. On July 30, 1913, the City adopted a Commission form of government. On May 7, 2013 the citizens of the City voted to adopt a home-rule charter which provided for a commission-manager form of government.

The City Commission is the principal legislative body of the City. The Mayor presides at meetings of the City Commission.

The City provides the following services: public safety to include police and fire, highways and streets, sanitation, water and wastewater, recreation, public improvements, and general administration.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected commission and a mayor and is considered a primary government. As required by U.S. generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of component units, which are other entities or organizations that are financially accountable to the City. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and as a result, data from these units are combined with data of the primary government. The City had no such blended component units. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize that they are legally separate from the primary government. Based on these considerations, the City's financial statements include the Development Corporation of Richmond as a discretely presented component unit. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity as a discretely presented component unit.

Development Corporation of Richmond

The Development Corporation of Richmond (the "Corporation") has been included in the reporting entity as a discretely presented component unit. In 1995, the Corporation was created by the City under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the City. The Board of Directors is appointed by and serves at the discretion of the City Commission. The Board of Directors and the City Commission are not substantively the same. City Commission approval is required for annual budgets and bonded debt issuance. In the event of dissolution, net position of the Corporation shall be conveyed to the City. Separately-issued audited financial statements are not issued for the discretely presented component unit.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided between the government's water and sewer fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Funds. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

General property taxes are recorded as receivables when levied and as revenue in the period for which they were levied and become available. Property taxes receivable have been recorded as deferred inflows of resources at year-end.

Property taxes collected within 60 days subsequent to September 30, 2022, have not been recorded as revenue as the amount is not considered material. Franchise taxes and sales taxes relating to underlying transactions that occurred prior to fiscal year end, have been recorded as receivables and revenue. Licenses and permits and fines are not susceptible to accrual since they are not measurable until received. Revenue on federal and state cost-reimbursement grants is accrued when the related expenditures are incurred. Interest is recorded when earned.

The City reports the following major governmental funds:

The **General Fund** is used to account for all financial transactions that are not accounted for in another fund. The principal sources of revenue of the General Fund are property taxes, sales and use taxes, franchise taxes, licenses and permits, and fines and forfeitures. Expenditures are for general government, public safety, public works, parks and recreation and community development.

The **Capital Projects Fund** is used to account for the accumulation of resources for the construction of capital projects through debt proceeds and other governmental activity resources.

CITY OF RICHMOND, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The **ARPA Grant Fund** is used to account for the accumulation of resources that are received from the American Rescue Plan Act and the related project costs.

In addition, the City reports the following governmental fund types:

Special Revenue Funds: Accounts for transactions related to resources received and used for restricted or specific purposes.

Proprietary Funds. The City's business type activities consist of the following proprietary funds:

The **Water and Sewer Enterprise Fund** is used to account for operations of the water and sewer division and the construction of related facilities.

The **Surface Water Enterprise Fund** is used to account for the operations of the surface water facilities revenues collected for the reduction of groundwater usage.

The **Solid Waste Enterprise Fund** is used to account for the operations of the solid waste division and related recycling and educational initiatives.

The **Internal Service Funds** are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. The City's internal service funds account for the City's health insurance premiums and the costs of certain vehicles and equipment. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

These funds are financed and operated in a manner similar to private business enterprises -- where the intent of the City is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), impact fees and other City funds.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater enterprise fund are charges to customers for sales and services. Operational expenses for the fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues not meeting this definition are reported as non-operating revenues and expenses.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

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

1. Cash, Cash Equivalents, and Investments

Investments for the City are reported at fair value, except for the position in investment pools. The City’s investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. City did not have any of the investments mentioned above in the current year.

The City maintains a cash pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on the combined financial statements as cash and cash equivalents. The City’s cash and cash equivalents can be readily converted to cash at their carrying value.

For purposes of the statement of cash flows, the City considers cash and other investments with maturities of three months or less from the date of purchase to be cash and cash equivalents. The City did not have any investments as defined above in the current year.

2. 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.

3. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 (\$20,000 for subscriptions) and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records exist. Donated capital assets are valued at acquisition cost, which is the price that would have been paid to acquire an asset with equivalent service potential on the date of acquisition.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements, including public domain, and equipment are capitalized and depreciated over the remaining useful lives of the related capital assets using the straight line method, as applicable.

Asset	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	30 years
Infrastructure	30 years
Vehicles	5 years
Machinery and equipment	5 years
Subscriptions	Contract term

CITY OF RICHMOND, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

4. *Compensated Absences*

The City's employees earn vacation and sick leave which may either be taken or accumulated, up to certain amounts, until paid upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The City accrues vacation and sick leave based on criteria established by the Governmental Accounting Standards Board. For all funds, this liability reflects amounts attributable to cumulative employee services previously rendered, where the payment is probable and can be reasonably estimated.

5. *Unearned Revenue*

Unearned revenue represents amounts received from grantors in excess of qualifying expenditures for grant programs as of the end of the fiscal year.

6. *Long-term Obligations*

In the government-wide financial statements, and the proprietary fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds if material in amount. In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt recorded as other financing sources. Bond premiums and discounts are recorded as other financing sources and uses.

7. *Interfund Receivables/Payables*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from/to other funds" and "advances to/from other funds" on the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

8. *Interfund Services Provided and Used*

Interfund services provided and used are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are recognized as revenues and expenditures (or expenses) in the funds involved just as they would be recognized if the transactions involved organizations outside the governmental unit.

9. *Pensions*

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City'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. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF RICHMOND, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

10. Post-Employment Benefits Other Than Pensions (OPEB)

Supplemental Death Benefit. For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Pension and OPEB contributions after measurement date - These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions and other inputs - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in expected and actual actuarial experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following types of items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual actuarial experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

12. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

14. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Commission has by resolution authorized the finance director to assign fund balance. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

15. General Property Taxes

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt and all taxes not paid prior to February 1 are deemed delinquent and are subject to such penalty and interest set forth by the Property Tax Code. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed. Appraised values are established by the Fort Bend County Central Appraisal District (the “CAD”). Taxes are levied by the City Commission based on the appraised values received from the CAD.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

16. Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for debt service on the general obligation debt is provided by the debt service tax together with interest earned in the Debt Service Fund.

17. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ from these estimates.

18. Subscription-Based Information Technology Arrangements (SBITA)

The City is under contracts for SBITA for various software licenses and subscriptions. The agreements/contracts are noncancellable and the City recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The City recognizes SBITA liabilities with an initial, individual value of \$20,000 or more.

At the commencement of the SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA 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 remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds

A. Deposits and Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal bonds, managed public fund investment pools, and certificates of deposit.

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 "Act"), provide for the creation of public funds investment pools, TexPool, and Texas Cooperative Liquid Assets Securities System Trust ("TexasCLASS"), such as through which political subdivisions and other entities may invest public funds.

TexPool, and TexasClass have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The City's cash and investments are classified as: cash and cash equivalents and restricted cash. The cash and cash equivalents include cash on hand and deposits with financial institutions. The restricted cash and investments are assets restricted for specific use.

The City and Development Corporation of Richmond's investments for the year ended September 30, 2023 are as follows:

	Reported Value	Fair Value Measurement Level		Weighted Average Maturity (Days)	Credit Risk
		Level 1	Level 2		
Investments					
Certificates of Deposit	\$ 2,190,929	\$ 2,190,929	\$ -	142	n/a
US Agency Securities	6,933,268	-	6,933,268	129	n/a
TexPool Prime	29,432,734	-	-	26	AAAm
TexasClass	21,964,908	-	-	49	AAAm
Total Investments	<u>\$ 60,521,839</u>				

At September 30, 2023, all of the City's deposits were entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name.

Interest Rate Risk: The City measures interest rate risk using the weighted average maturity method for the portfolio. The City's investment policy specifies a maximum weighted average maturity of 270 days based on the stated maturity date for each investment in the portfolio. To the extent possible, the City attempts to match investments with anticipated cash flow requirements. The City does not directly invest in securities with a stated maturity date more than three years or 1,095 days from date of purchase. The settlement date is considered the date of purchase.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk: The City's investment policy allows investments by type based on the following diversification requirements:

	Percentage of Portfolio (Maximum)
Repurchase Agreements	50%
Certificates of Deposit	50%
Commercial Paper	25%
U.S. Treasury Bills/Notes	100%
Local Government Investment Pools	100%
Other U.S. Government Securities	75%
Authorized Investment Pools	75%
Flexible Repurchase Agreements	50%
Bankers' Acceptances	25%
No Load Money Market Mutual Funds	100%
No Load Mutual Funds	50%

B. Receivables

Amounts recorded as receivables as of September 30, 2023, for the government's individual major and nonmajor funds, including the applicable allowance for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Total Primary Government</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Water and Sewer Fund</u>	<u>Surface Water Fund</u>	<u>Solid Waste Fund</u>	
Receivables							
Sales and use taxes	\$ 1,350,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,350,598
Property taxes	235,712	-	95,038	-	-	-	330,750
Franchise taxes	75,589	-	-	-	-	-	75,589
Hotel/motel taxes	-	-	114,284	-	-	-	114,284
Court fines	1,949,739	-	-	-	-	-	1,949,739
Customer accounts	-	-	-	2,681,235	685,734	442,216	3,809,185
Other	28,247	6,705	-	-	-	-	34,952
Gross Receivables	<u>3,639,885</u>	<u>6,705</u>	<u>209,322</u>	<u>2,681,235</u>	<u>685,734</u>	<u>442,216</u>	<u>7,665,097</u>
Less: allowance for uncollectibles	<u>(1,924,042)</u>	<u>-</u>	<u>(43,619)</u>	<u>(247,162)</u>	<u>-</u>	<u>(338,231)</u>	<u>(2,553,054)</u>
Net Total Receivables	<u>\$ 1,715,843</u>	<u>\$ 6,705</u>	<u>\$ 165,703</u>	<u>\$ 2,434,073</u>	<u>\$ 685,734</u>	<u>\$ 103,985</u>	<u>\$ 5,112,043</u>

Additionally, the discretely presented component unit reported a receivable of \$412,348 as of year-end for sales taxes. Management expects full collection, and accordingly, no allowance for uncollectible accounts was recorded.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

C. Capital Assets

A summary of activity for capital assets for the year ended September 30, 2023, follows:

	<u>Balance 9/30/2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 9/30/2023</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 4,084,466	\$ -	\$ (1)	4,084,465
Construction in progress	<u>3,830,092</u>	<u>7,753,631</u>	<u>(744,389)</u>	<u>10,839,334</u>
Total capital assets, not being depreciated	7,914,558	7,753,631	(744,390)	14,923,799
Capital assets being depreciated/amortized:				
Buildings	12,085,633	-	(1)	12,085,632
Improvements other than buildings	4,770,337	-	-	4,770,337
Infrastructure	11,533,744	462,346	-	11,996,090
Machinery and equipment	9,471,720	2,436,880	-	11,908,600
Subscriptions	-	106,225	-	106,225
Total capital assets being depreciated/amortized	<u>37,861,434</u>	<u>3,005,451</u>	<u>(1)</u>	<u>40,866,884</u>
Less accumulated depreciation for:				
Buildings	(2,438,351)	(274,692)	-	(2,713,043)
Improvements other than buildings	(1,838,573)	(168,487)	-	(2,007,060)
Infrastructure	(8,133,427)	(146,113)	-	(8,279,540)
Machinery and equipment	(7,989,508)	(456,200)	-	(8,445,708)
Subscriptions	-	(31,116)	-	(31,116)
Total accumulated depreciation	<u>(20,399,859)</u>	<u>(1,076,608)</u>	<u>-</u>	<u>(21,476,467)</u>
Total capital assets being depreciated/amortized, net	<u>17,461,575</u>	<u>1,928,843</u>	<u>(1)</u>	<u>19,390,417</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,376,133</u>	<u>\$ 9,682,474</u>	<u>\$ (744,391)</u>	<u>\$ 34,314,216</u>

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

C. Capital Assets (continued)

	Balance 9/30/2022	Additions	Deletions/ Transfers	Balance 9/30/2023
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,936,937	\$ -	\$ -	1,936,937
Construction in progress	7,692,468	3,948,484	-	11,640,952
Total capital assets, not being depreciated	9,629,405	3,948,484	-	13,577,889
Capital assets being depreciated:				
Buildings	33,360,659	-	-	33,360,659
Improvements other than buildings	6,290,811	-	-	6,290,811
Infrastructure	53,538,033	-	-	53,538,033
Machinery and equipment	1,586,240	153,339	-	1,739,579
Total capital assets being depreciated	94,775,743	153,339	-	94,929,082
Less accumulated depreciation for:				
Buildings	(6,803,476)	(561,979)	-	(7,365,455)
Improvements other than buildings	(3,531,154)	(302,331)	-	(3,833,485)
Infrastructure	(31,094,645)	(1,292,344)	-	(32,386,989)
Machinery and equipment	(1,420,253)	(96,231)	-	(1,516,484)
Total accumulated depreciation	(42,849,528)	(2,252,885)	-	(45,102,413)
Total capital assets being depreciated, net	51,926,215	(2,099,546)	-	49,826,669
Business-type Activities Capital Assets, Net	\$ 61,555,620	\$ 1,848,938	\$ -	\$ 63,404,558
Discretely Presented Component Unit				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,067,831	\$ -	\$ (1,067,831)	\$ -
Total capital assets, not being depreciated	1,067,831	-	(1,067,831)	-
Discretely Presented Component Unit Capital Assets, Net	\$ 1,067,831	\$ -	\$ (1,067,831)	\$ -

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

C. Capital Assets (continued)

Depreciation was charged to functions of the primary government as follows:

Governmental Activities	
General government	\$ 186,701
Public safety	564,302
Public works	184,779
Culture and recreation	140,296
Community development	530
	<u>\$ 1,076,608</u>
Business-type Activities	
Water and sewer	\$ 1,656,895
Surface water	595,990
	<u>\$ 2,252,885</u>

Construction in progress for the various projects and remaining commitments under these construction contracts at September 30, 2023, are as follows:

	Authorized Commitment	Total in Progress	Remaining Commitment
Governmental Activities			
Veranda In-City Developer Reimbursement	\$ 4,250,000	\$ 3,952,497	\$ 297,503
Mandola Developer Reimbursement	2,215,000	2,191,884	23,116
Henderson-Wessendorff Sidewalk Grant	1,832,714	1,832,714	-
Magnolia Street	429,550	429,550	-
Clay St Sidewalk & Drain	11,303,426	597,428	10,705,998
Myrtle Street Building	1,322,390	588,054	734,336
Collins Rd Sidewalk And Drainage Project	261,303	261,303	-
Police Department Renovation	214,963	214,963	-
Northside Drainage Improvements (GLO)	7,647,605	206,957	7,440,648
North 10Th St	299,900	196,163	103,737
Other	367,821	367,821	-
	<u>\$ 30,144,672</u>	<u>\$ 10,839,334</u>	<u>\$ 19,305,338</u>
Business-type Activities			
East Wastewater Treatment Plant	\$ 3,434,128	\$ 3,199,942	\$ 234,186
Elevated Storage Tank	1,636,700	1,636,700	-
Wayside Horns	1,356,526	1,026,546	329,980
FY22 Water Line Rehab	1,250,000	990,861	259,139
Regional Wastewater Plant Lift Station Rehab	750,983	750,983	-
South Wastewater Treatment Plant	4,149,301	573,559	3,575,742
Water Line Rehabilitation	1,000,000	556,263	443,737
Normandy	2,203,343	548,724	1,654,619
Water Rehab	695,000	397,606	297,394
Edgar Phase II	288,013	288,013	-
Wastewater Treatment Plant GRP Reuse Exp.	2,419,632	269,200	2,150,432
Mandola Commercial Sewer Line	2,025,000	260,935	1,764,065
New South Wastewater Treatment Plant Well	895,000	235,703	659,297
Motor Control Rehab	302,600	183,831	118,769
Other	2,000,000	722,086	1,277,914
	<u>\$ 24,406,226</u>	<u>\$ 11,640,952</u>	<u>\$ 12,765,274</u>

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

D. Long-term Debt

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for general government and enterprise fund activities. These instruments include general obligation bonds and certificates of obligation. General long-term bonds reported as the governmental activities are paid through the Debt Service Fund from tax revenues. Business-type activities long-term debt is paid from water and sewer system revenues. Governmental activities compensated absences are liquidated from the General Fund in the governmental activities and Enterprise funds in the business-type activities.

In January 2023, the City issued its Combination Tax and Revenue Certificates of Obligation, Series 2023, in the amount of \$12,295,000. The Certificates bear interest of 4% to 5% per annum and mature in series from 2024 to 2043. The net proceeds of the issuance of \$12,700,000 (net of an issuance premium of \$596,137 and costs of issuance) will be used to fund construction or acquisition of and/or improvements to the City’s water and wastewater and construction or acquisition of and/or improvements to City property.

During the year ended September 30, 2023, the following changes occurred in long-term debt:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 6,315,000	\$ -	\$ (665,000)	\$ 5,650,000	\$ 690,000
Certificates of obligation	7,930,000	6,410,000	(510,000)	13,830,000	715,000
Bond issuance premiums/discounts	718,325	310,679	(320,862)	708,142	-
Compensated absences	1,306,234	195,044	-	1,501,278	150,128
Subscriptions	-	64,436	(23,603)	40,833	24,235
Governmental Activities Long-term Liabilities	<u>\$ 16,269,559</u>	<u>\$ 6,980,159</u>	<u>\$ (1,519,465)</u>	<u>\$ 21,730,253</u>	<u>\$ 1,579,363</u>
Business-Type Activities:					
Bonds Payable:					
Certificates of obligation	\$ 18,970,000	\$ 5,885,000	\$ (1,395,000)	23,460,000	\$ 965,000
Bond issuance premiums/discounts	881,788	285,458	(80,562)	1,086,684	-
Compensated absences	201,202	4,837	-	206,039	20,604
Business-type Activities Long-term Liabilities	<u>\$ 20,052,990</u>	<u>\$ 6,175,295</u>	<u>\$ (1,475,562)</u>	<u>\$ 24,752,723</u>	<u>\$ 985,604</u>

In accordance with GASB Statement No. 101, *Compensated Absences*, the change in compensated absences is a net presentation.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

D. Long-term Debt (continued)

The following is a summary of the terms of obligations of general obligation bonds and certificates of obligation outstanding as of September 30, 2023:

Governmental Activities:		Original	Maturity	Debt
Series	Interest Rate	Issue	Date	Outstanding
General Obligation Bonds:				
Series 2013 general obligation and refunding bonds	3.00-4.25%	\$ 6,620,000	2038	\$ 4,090,000
Series 2020 general obligation and refunding bonds	3.00-4.00%	2,525,000	2029	1,560,000
				<u>5,650,000</u>
Certificates of Obligation:				
Series 2013 combination tax and revenue certificates of obligation	2.00-4.13%	2,265,000	2038	1,600,000
Series 2016B combination tax and revenue certificates of obligation	3.00%	3,375,000	2035	1,915,000
Series 2017B combination tax and revenue certificates of obligation	3.00%	3,405,000	2037	2,595,000
Series 2022 combination tax and revenue certificates of obligation	2.00-4.00%	1,380,000	2037	1,310,000
Series 2023 combination tax and revenue certificates of obligation	4.00-5.00%	6,410,000	2043	6,410,000
				<u>13,830,000</u>
Total Governmental Activities				<u>\$ 19,480,000</u>
Business-Type Activities:		Original	Maturity	Debt
Series	Interest Rate	Issue	Date	Outstanding
Certificates of Obligation:				
Series 2015 combination tax and revenue certificates of obligation	3.00-4.00%	\$ 9,705,000	2045	\$ 7,970,000
Series 2016A combination tax and revenue certificates of obligation	3.00%	6,025,000	2034	1,360,000
Series 2017A combination tax and revenue certificates of obligation	3.00-3.20%	5,955,000	2037	4,550,000
Series 2022 combination tax and revenue certificates of obligation	2.00-4.00%	3,835,000	2042	3,695,000
Series 2023 combination tax and revenue certificates of obligation	4.00-5.00%	5,885,000	2043	5,885,000
Total Business-Type Activities				<u>\$ 23,460,000</u>

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

D. Long-term Debt (continued)

Annual debt service requirements to retire outstanding general obligation bonds and certificates of obligation are as follows:

Year Ending September 30,	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 690,000	\$ 216,119	\$ 906,119
2025	405,000	194,103	599,103
2026	420,000	177,369	597,369
2027	445,000	159,825	604,825
2028	455,000	141,572	596,572
2029-2033	1,580,000	495,969	2,075,969
2034-2038	1,655,000	177,230	1,832,230
	<u>\$ 5,650,000</u>	<u>\$ 1,562,187</u>	<u>\$ 7,212,187</u>

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Certificates of Obligation			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 715,000	\$ 514,806	\$ 1,229,806	\$ 965,000	\$ 829,732	\$ 1,794,732
2025	740,000	487,800	1,227,800	995,000	796,089	1,791,089
2026	760,000	460,272	1,220,272	1,025,000	762,082	1,787,082
2027	705,000	433,113	1,138,113	1,050,000	727,341	1,777,341
2028	725,000	405,675	1,130,675	1,085,000	690,507	1,775,507
2029-2033	4,035,000	1,573,219	5,608,219	6,005,000	2,830,930	8,835,930
2034-2038	3,990,000	772,603	4,762,603	6,125,000	1,725,003	7,850,003
2039-2043	2,160,000	222,600	2,382,600	5,185,000	699,275	5,884,275
2044-2048	-	-	-	1,025,000	41,300	1,066,300
	<u>\$ 13,830,000</u>	<u>\$ 4,870,088</u>	<u>\$ 18,700,088</u>	<u>\$ 23,460,000</u>	<u>\$ 9,102,259</u>	<u>\$ 32,562,259</u>

Legal Compliance

A number of limitations and restrictions are contained in the various bond ordinances. The City has complied with all significant limitations and restrictions. In the event of default on any of the bonds or certificates, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make payment.

The revenue-supported portion of certificates of obligation were pledged with the net revenues of the City's Water and Wastewater Fund and the Surface Water Fund. For the Series 2013 and 2015 certificates, this pledge was limited to \$10,000 per issuance. For the year ended September 30, 2023, operating revenues for the two funds was \$16.4 million against operating expenses of \$9.5 million for a net operating income of \$6.9 million. Total debt service on outstanding certificates was approximately \$1.6 million.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

D. Long-term Debt (continued)

Subscription-Based Information Technology Arrangements

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

On 10/01/2022, the City entered into a 32 month subscription for the use of Disaster Recovery. An initial subscription liability was recorded in the amount of \$64,436. As of 09/30/2024, the value of the subscription liability is \$40,833. The City is required to make monthly fixed payments of \$2,100.00. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of 09/30/2023 is \$64,436 with accumulated amortization of \$24,013.

On 11/30/2022, the City entered into a 60 month subscription for the use of Meraki MR Enterprise. No initial subscription liability was recorded. As of 09/30/2023, the value of the subscription liability is \$0. The value of the right to use asset as of 09/30/2023 is \$41,789 with accumulated amortization of \$7,103.

The future principal and interest SBITA payments as of September 30, 2023, follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 24,235	\$ 965	\$ 25,200
2025	16,598	202	16,800
	<u>\$ 40,833</u>	<u>\$ 1,167</u>	<u>\$ 42,000</u>

Interfund Receivables, Payables and Transfers

For the year ended September 30, 2023, interfund transfers consisted of:

Transfer In	Transfers Out	Amount	Description
General fund	Water and sewer fund	\$ 2,936,731	To remit portion of fee collections
General fund	Solid waste fund	202,853	To remit portion of fee collections
General fund	Surface water fund	100,000	To remit portion of fee collections
Debt service fund	Water and sewer fund	229,075	To fund debt service payments
Capital projects fund	General fund	1,749,831	To fund capital improvement projects
Water and sewer fund	Surface water fund	100,000	To fund capital improvement projects
Capital projects fund	Solid waste fund	300,000	To fund capital improvement projects
		<u>\$ 5,618,490</u>	

Transfers are used to move revenues from the fund with collection authorization to other funds to finance various programs and projects of the City.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

E. Defined Benefit Pension Plan

Plan Description. The City participates as one of 919 plans in the nontraditional, 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 agency 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 Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.thrs.org.

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

Benefits provided. TMRS provides retirement, disability, and death benefits. Benefit provisions 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 over of seven payments options. Members may also choose to receive a portion of their benefit 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.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee’s accumulated contributions and are only payable in the form of an annuity.

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age; 5 years at age 60 and above
Updated Service Credit	100% Repeating, Transfers
Annuity increase to retirees	70% of CPI Repeating
Supplemental death benefit – employees and retirees	Yes

Employees covered by benefit terms. At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	95
Inactive employees entitled to but not yet receiving benefits	141
Active employees	153
Total	<u>389</u>

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 consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

E. Defined Benefit Pension Plan (continued)

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2022, the City made contributions of 14.17% for the months in 2022 and 14.94% for the months in 2023. The City's contributions to TMRS for the year ended September 30, 2023 were \$1,648,541 and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. Pension liabilities have been liquidated in prior years from the General Fund for governmental activities and the Water and Wastewater Fund for the business- type activities.

Actuarial Assumptions. The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post- retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

E. Defined Benefit Pension Plan (continued)

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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	<u>100.0%</u>	

Discount Rate. The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. 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.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

E. Defined Benefit Pension Plan (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2021	\$ 55,038,374	\$ 54,278,298	\$ 760,076
Changes for the year:			
Service Cost	1,838,630	-	1,838,630
Interest	3,701,132	-	3,701,132
Difference between expected and actual experience	115,099	-	115,099
Contributions - employer	-	1,522,020	(1,522,020)
Contributions - employee	-	724,278	(724,278)
Net Investment income	-	(3,964,246)	3,964,246
Benefit payments, including refunds, of employee contributions	(2,252,220)	(2,252,220)	-
Administrative expense	-	(34,286)	34,286
Other changes	-	40,914	(40,914)
Net changes	3,402,641	(3,963,540)	7,366,181
Balance at 12/31/2022	<u>\$ 58,441,015</u>	<u>\$ 50,314,758</u>	<u>\$ 8,126,257</u>

Plan fiduciary net position as a percentage of total pension liability 86.09%

Sensitivity of the Net Pension Liability. The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.75%) or 1- percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City’s net pension liability	\$16,994,685	\$ 8,126,257	\$ 920,909

Pension Plan Fiduciary Net Position. 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.tmrs.com.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2023, the City recognized pension expense of \$2,235,737.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

E. Defined Benefit Pension Plan (continued)

At September 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actuarial assumptions and actual experience	\$ 409,476	\$ 161,691
Changes in actuarial assumptions used	19,482	-
Differences between projects and actual investment earnings	3,475,491	-
Contributions subsequent to the measurement date	1,272,376	-
Total	\$ 5,176,825	\$ 161,691

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,272,376 will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2024	\$ 289,552
2025	936,678
2026	988,670
2027	1,527,858
Total	\$ 3,742,758

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

F. Postemployment Benefits Other Than Pensions (OPEB) - TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in a single-employer other postemployment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the City’s pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Commission opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to but not yet receiving benefits	24
Active employees	153
Total	245

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.31% for 2023 and 0.19% for 2022, of which 0.10% and 0.08%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees’ entire careers. The City’s contributions to the SDBF for the years ended September 30, 2023 and 2022 were \$31,268 and \$19,878, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5% including inflation
Discount rate	4.05%
Actuarial cost method	Entry Age Normal Method

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the following:

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

F. Postemployment Benefits Other Than Pensions (OPEB) - TMRS Supplemental Death Benefits Fund (continued)

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Changes in assumptions reflect the annual change in the municipal bond rate. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees, and the assets are not segregated for these groups. As such, a single discount rate of 4.05% was used to measure the Total OPEB Liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20- year Municipal GO AA Index” as of December 31, 2022.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.05%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (3.05%)	Current Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City’s total OPEB liability	\$479,401	\$ 396,077	\$ 331,470

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2023, the City reported a liability of \$396,077 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2022. For the year ended September 30, 2023, the City recognized OPEB expense of \$28,850. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

F. Postemployment Benefits Other Than Pensions (OPEB) - TMRS Supplemental Death Benefits Fund (continued)

Changes in the Total OPEB Liability

	Total Pension Liability
Balance at 12/31/2021	\$ 605,687
Changes for the year:	
Service Cost	36,214
Interest	11,402
Difference between expected and actual experience	(30,152)
Changes in assumptions	(218,797)
Benefit payments, including refunds, of employee contributions	(8,277)
Net changes	(209,610)
Balance at 12/31/2022	\$ 396,077

The total OPEB liability attributable to the governmental activities will be liquidated by the General Fund. The total liability attributable to the business-type activities will be liquidated by the Water and Wastewater Fund.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actuarial assumptions and actual experience	\$ 13,031	\$ 46,828
Changes in actuarial assumptions used	90,865	190,532
Contributions subsequent to the measurement date	8,517	-
Total	\$ 112,413	\$ 237,360

CITY OF RICHMOND, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

F. Postemployment Benefits Other Than Pensions (OPEB) - TMRS Supplemental Death Benefits Fund (continued)

\$8,517 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2024. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ (19,876)
2025	(21,733)
2026	(19,320)
2027	(28,143)
2028	(36,367)
Thereafter	(8,025)
Total	<u>\$ (133,464)</u>

G. Commitments and Contingencies Litigation and Other Contingencies

From time to time, the City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of City Management and legal counsel that any ultimate uninsured liability to the City from these lawsuits will not be material.

Arbitrage Rebate

In accordance with the provisions of the Internal Revenue Code, sections 103, 103A, and 148, as amended, a governmental debt issuance must qualify and maintain tax-exempt status by satisfying certain arbitrage requirements contained in these provisions. As part of the requirements, certain amounts earned on the nonpurpose investment of debt issuance proceeds, in excess of the yield on an issue, earned as arbitrage, will be required to be paid to the U.S. Treasury. As part of this process, the City annually determines potential arbitrage liabilities on its debt issues, on component unit debt issues and on debt issues assumed by the City from various Municipal Utility Districts.

H. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City participates in the Texas Municipal League’s General Liability Fund. In addition, the City participates in the Texas Municipal League’s Workers Compensation Fund to insure the City for workers compensation claims. The Texas Municipal League is not intended to operate as an insurance company but rather as contracting mechanism by which the city provides self-insurance benefits to its employees. The fund contracts with a third-party administrator for administration, investigation and adjustment services in the handling of claims. Premiums are based on the estimated City payroll risk factor and rates. The premiums are adjusted by the City’s experience modifier. All loss contingencies, including claims incurred but not reported, if any, are recorded and accounted for by the TML Pool. The City has not significantly reduced insurance coverage in the last three years.

CITY OF RICHMOND, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

I. Strategic Partnership Agreements

On October 22, 2007, the City entered into Strategic Partnership Agreements (SPA) with Pecan Grove Municipal Utility District ("Pecan Grove MUD"), Fort Bend County Municipal Utility District No.121 ("FBCMUD 121") and Fort Bend County Municipal Utility District No. 116 ("FBCMUD 116") whereby the City will annex certain commercial areas within Pecan Grove MUD, FBCMUD 121 and FBCMUD 116 (the Limited Purpose Tracts). The City also entered into a similar agreement with Fort Bend County Municipal Utility District No. 207 ("FBCMUD 207") on January 21, 2014. The City shall impose a Sales and Use Tax on the sale and use at retail of taxable items within the Limited Purpose Tracts. Pecan Grove MUD and FBCMUD 116 are entitled to one-half of all Sales and Use Tax revenues, which will be paid to the Districts by the City within 30 days of receipt by the City. During the current fiscal year, the City paid \$151,561 to Pecan Grove MUD, \$669 to FBCMUD 121, \$330,857 to FBCMUD 116 and \$317,768 to FBCMUD 207 in tax rebates in accordance with the SPA. The Districts may audit the Sales and Use Tax collections by the City solely to determine whether the Sales and Use Tax revenue payments have been made to the Districts in accordance with this agreement. The Districts must give the City a 30-day written notice of such audit and the audit shall be made at each District's sole cost and expense.

J. Richmond-Rosenberg Local Government Corporation

The Richmond-Rosenberg Local Government Corporation (the "RRLGC") was organized for the purpose of aiding, assisting and acting on behalf of the City of Richmond, Texas, and the City of Rosenberg, Texas, in the performance of the governmental functions thereof in order to promote the common good and general welfare, including, without limitation, acquiring, constructing, leasing, improving, enlarging, extending, repairing, maintaining and operating a regional water utility system. The Board of Directors consists of five members. Two Directors are appointed by a resolution adopted by the Richmond City Commission, two Directors are appointed by a resolution adopted by the City of Rosenberg City Commission and one Director is appointed jointly by a resolution of the Richmond City Commission and the Rosenberg City Commission. The RRLGC is currently inactive.

K. New Accounting Pronouncements

The following GASB pronouncements were applicable and effective during fiscal year 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* was issued in May 2020 and was effective for periods beginning after June 15, 2022. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The City has evaluated the effects of this statement and has determined that it does impact the financial statements. As such the City has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

GASB Statement No. 101, *Compensated Absences* was issued in June 2022 and was effective for periods beginning after December 15, 2023. This Statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Earlier application was encouraged. The City has evaluated the effects of this statement and has determined that it is applicable. As such the City has incorporated the requirements of this statement on the face of the financial statements and the note disclosures.

CITY OF RICHMOND, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Detailed Notes on All Activities and Funds (continued)

L. Subsequent Event

In November 2023, the City issued its Combination Tax and Revenue Certificates of Obligation, Series 2023A, in the amount of \$6,950,000. The Certificates bear interest of 5% per annum and mature in series from 2025 to 2044. The net proceeds of the issuance of \$7,000,000 (net of an issuance premium of \$239,446 and costs of issuance) will be used to fund construction and improvement of certain water and wastewater projects, the construction or acquisition of and/or improvements to City property and the costs of professional services incurred with these projects.

**REQUIRED SUPPLEMENTARY
INFORMATION**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-

BUDGET AND ACTUAL GENERAL FUND

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 3,383,876	\$ 3,383,876	\$ 3,408,315	\$ 24,439
Sales and use taxes	5,557,700	5,557,700	7,407,332	1,849,632
Franchise taxes	788,246	788,246	754,873	(33,373)
Fines and forfeitures	187,250	187,250	202,890	15,640
Licenses and permits	559,000	559,000	461,932	(97,068)
Intergovernmental	891,377	891,377	758,592	(132,785)
Charges for services	3,702,182	3,702,182	4,082,658	380,476
Investment earnings	60,000	60,000	425,872	365,872
Miscellaneous	100,812	100,812	80,292	(20,520)
Total Revenues	15,230,443	15,230,443	17,582,756	2,352,313
Expenditures				
General government:				
General government	1,794,152	1,550,095	1,550,094	1
Human resources	458,994	409,887	409,887	-
Vehicle maintenance	217,221	210,874	210,874	-
Information technology	425,199	345,332	345,332	-
Janitorial department	393,579	431,996	431,996	-
Municipal courts	555,242	482,531	482,531	-
Non-departmental	1,303,596	933,062	832,349	100,713
Total general government	5,147,983	4,363,777	4,263,063	100,714
Public safety:				
Police department	5,540,645	5,128,699	5,128,699	-
Fire department - central	4,863,134	4,744,930	4,744,929	1
Emergency management	150,754	156,231	156,229	2
Fire marshal	434,833	412,396	412,396	-
Total public safety	10,989,366	10,442,256	10,442,253	3
Public works:				
Public works	506,418	514,595	514,594	1
Street department	1,408,448	1,094,763	1,094,762	1
Total public works	\$ 1,914,866	\$ 1,609,358	\$ 1,609,356	\$ 2

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-

BUDGET AND ACTUAL GENERAL FUND

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued)				
Culture and recreation:				
Parks department	\$ 580,212	\$ 569,250	\$ 569,250	\$ -
Total culture and recreation	<u>580,212</u>	<u>569,250</u>	<u>569,250</u>	<u>-</u>
Community development:				
Building permits	743,135	728,565	728,565	-
Planning	378,304	290,830	290,830	-
Total community development	<u>1,121,439</u>	<u>1,019,395</u>	<u>1,019,395</u>	<u>-</u>
Debt service:				
Principal	23,603	23,603	23,603	-
Interest and other charges	1,597	1,597	1,597	-
Total debt service	<u>25,200</u>	<u>25,200</u>	<u>25,200</u>	<u>-</u>
Total Expenditures	<u>19,779,066</u>	<u>18,029,236</u>	<u>17,928,517</u>	<u>100,719</u>
Revenues over (under) expenditures	<u>(4,548,623)</u>	<u>(2,798,793)</u>	<u>(345,761)</u>	<u>2,453,032</u>
Other Financing Sources (Uses)				
Insurance recovery	100,000	100,000	3,335	(96,665)
Transfers in	3,239,584	3,239,584	3,239,584	-
Transfers out	-	(1,749,831)	(1,749,831)	-
Total other financing sources (uses)	<u>3,339,584</u>	<u>1,589,753</u>	<u>1,493,088</u>	<u>(96,665)</u>
Net changes in fund balance	(1,209,039)	(1,209,040)	1,147,327	2,356,367
Fund Balances - Beginning of Year	<u>9,346,963</u>	<u>9,346,963</u>	<u>9,346,963</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 8,137,924</u>	<u>\$ 8,137,923</u>	<u>\$ 10,494,290</u>	<u>\$ 2,356,367</u>

TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED)
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 For the Last Ten Measurement Years Ended December 31

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability:					
Service cost	\$ 1,838,630	\$ 1,746,030	\$ 1,673,829	\$ 1,653,668	\$ 1,557,569
Interest	3,701,132	3,458,782	3,287,732	3,057,585	2,867,145
Difference between expected and actual experience	115,099	522,205	(468,702)	318,513	(2,003)
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
Change in assumptions	-	-	-	147,222	-
Benefit payments, including refunds of employee contributions	<u>(2,252,220)</u>	<u>(2,113,684)</u>	<u>(1,876,089)</u>	<u>(1,678,889)</u>	<u>(1,619,962)</u>
Net change in total pension liability	3,402,641	3,613,333	2,616,770	3,498,099	2,802,749
Total pension liability - beginning	<u>55,038,374</u>	<u>51,425,041</u>	<u>48,808,271</u>	<u>45,310,172</u>	<u>42,507,423</u>
Total pension liability - ending (a)	<u>\$ 58,441,015</u>	<u>\$ 55,038,374</u>	<u>\$ 51,425,041</u>	<u>\$ 48,808,271</u>	<u>\$ 45,310,172</u>
Plan fiduciary net position:					
Contributions - employer	\$ 1,522,020	\$ 1,497,588	\$ 1,387,429	\$ 1,398,230	\$ 1,284,076
Contributions - employee	724,278	692,869	663,841	667,186	627,691
Net investment income	(3,964,246)	6,257,318	3,374,309	5,906,495	(1,171,306)
Benefit payments, including refunds of employee contributions	(2,252,220)	(2,113,684)	(1,876,089)	(1,678,889)	(1,619,962)
Administrative expense	(34,286)	(28,937)	(21,831)	(33,359)	(22,631)
Other	40,915	198	(852)	(1,002)	(1,183)
Net change in plan fiduciary net position	(3,963,539)	6,305,352	3,526,807	6,258,661	(903,315)
Plan fiduciary net position - beginning	<u>54,278,297</u>	<u>47,972,945</u>	<u>44,446,138</u>	<u>38,187,477</u>	<u>39,090,792</u>
Plan fiduciary net position - ending (b)	<u>50,314,758</u>	<u>54,278,297</u>	<u>47,972,945</u>	<u>44,446,138</u>	<u>38,187,477</u>
Net pension liability - ending (a) - (b)	<u>\$ 8,126,257</u>	<u>\$ 760,077</u>	<u>\$ 3,452,096</u>	<u>\$ 4,362,133</u>	<u>\$ 7,122,695</u>
Plan fiduciary net position as a percentage of total pension liability	86.09%	98.62%	93.29%	91.06%	84.28%
Covered employee payroll (measurement year)	\$ 10,346,822	\$ 9,898,127	\$ 9,483,448	\$ 9,531,226	\$ 8,967,008
Net pension liability as a percentage of covered employee payroll	78.54%	7.68%	36.40%	45.77%	79.43%

TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

For the Last Ten Measurement Years Ended December 31

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:				
Service cost	\$ 1,503,114	\$ 1,356,736	\$ 1,239,239	\$ 1,075,211
Interest	2,637,325	2,465,759	2,399,359	2,292,476
Difference between expected and actual experience	765,789	67,960	86,553	(534,308)
Contributions in relation to the actuarially determined contribution	-	-	-	-
Change in assumptions	-	-	(116,121)	-
Benefit payments, including refunds of employee contributions	<u>(1,437,457)</u>	<u>(1,406,391)</u>	<u>(1,422,763)</u>	<u>(1,354,207)</u>
Net change in total pension liability	3,468,771	2,484,064	2,186,267	1,479,172
Total pension liability - beginning	<u>39,038,652</u>	<u>36,554,588</u>	<u>34,368,321</u>	<u>32,889,149</u>
Total pension liability - ending (a)	<u>\$ 42,507,423</u>	<u>\$ 39,038,652</u>	<u>\$ 36,554,588</u>	<u>\$ 34,368,321</u>
Plan fiduciary net position:				
Contributions - employer	\$ 1,201,284	\$ 1,044,433	\$ 1,067,545	\$ 1,006,036
Contributions - employee	603,660	553,447	534,155	491,469
Net investment income	4,718,469	2,143,853	46,517	1,699,338
Benefit payments, including refunds of employee contributions	(1,437,457)	(1,406,391)	(1,422,763)	(1,354,207)
Administrative expense	(24,443)	(24,211)	(28,334)	(17,739)
Other	<u>(1,239)</u>	<u>(1,304)</u>	<u>(1,399)</u>	<u>(1,458)</u>
Net change in plan fiduciary net position	5,060,274	2,309,827	195,721	1,823,439
Plan fiduciary net position - beginning	<u>34,030,518</u>	<u>31,720,691</u>	<u>31,524,970</u>	<u>29,701,531</u>
Plan fiduciary net position - ending (b)	<u>39,090,792</u>	<u>34,030,518</u>	<u>31,720,691</u>	<u>31,524,970</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,416,631</u>	<u>\$ 5,008,134</u>	<u>\$ 4,833,897</u>	<u>\$ 2,843,351</u>
Plan fiduciary net position as a percentage of total pension liability	91.96%	87.17%	86.78%	91.73%
Covered employee payroll (measurement year)	\$ 8,623,716	\$ 7,906,389	\$ 7,630,779	\$ 7,015,606
Net pension liability as a percentage of covered employee payroll	39.62%	63.34%	63.35%	40.53%

CITY OF RICHMOND, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
For the Last Ten Fiscal Years Ended September 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,648,541	\$ 1,572,638	\$ 1,461,558	\$ 1,392,226	\$ 1,359,427
Contribution in relation of the actuarially determined contribution	<u>1,648,541</u>	<u>1,572,638</u>	<u>1,461,558</u>	<u>1,392,226</u>	<u>1,359,427</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll (fiscal year)	\$ 11,073,834	\$ 10,610,408	\$ 9,748,265	\$ 9,508,868	\$ 9,402,522
Contributions as a percentage of covered employee payroll	14.89%	14.82%	14.99%	14.64%	14.46%

CITY OF RICHMOND, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
For the Last Ten Measurement Years Ended December 31

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,259,725	\$ 1,919,364	\$ 1,018,458	\$ 1,012,728	\$ 1,004,526
Contribution in relation of the actuarially determined contribution	<u>1,259,725</u>	<u>1,919,364</u>	<u>1,018,458</u>	<u>1,012,728</u>	<u>1,004,526</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll (fiscal year)	\$ 8,765,110	\$ 8,580,137	\$ 7,713,975	\$ 7,015,606	\$ 6,657,271
Contributions as a percentage of covered employee payroll	14.37%	13.89%	13.20%	14.44%	15.09%

Notes to Required Supplementary Information:

Valuation Date: Actuarial determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	23 years
Asset Valuation Method:	10 Year smoothed market; 12% soft corridor
Inflation:	2.50%
Salary Increases:	3.50% to 11.50% 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:	There were no benefit changes during the year.

CITY OF RICHMOND, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM – SUPPLEMENTAL DEATH BENEFITS FUND

For the Last Six Measurement Years Ended December 31

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 36,214	\$ 35,633	\$ 25,605
Interest (on the Total OPEB Liability)	11,402	10,844	12,504
Difference between expected and actual experience	(30,152)	18,637	(24,423)
Change in assumptions	(218,797)	20,172	74,175
Benefit payments, including refunds of employee contributions	<u>(8,277)</u>	<u>(7,919)</u>	<u>(2,845)</u>
Net change in total pension liability	(209,610)	77,367	85,016
Total pension liability - beginning	<u>605,687</u>	<u>528,320</u>	<u>443,304</u>
Total pension liability - ending (a)	<u>\$ 396,077</u>	<u>\$ 605,687</u>	<u>\$ 528,320</u>
Covered employee payroll (measurement year)	\$ 10,346,822	\$ 9,898,127	\$ 9,483,448
Total OPEB liability as a percentage of covered-employee payroll	3.83%	6.12%	5.57%
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 20,969	\$ 22,418	\$ 18,972
Interest (on the Total OPEB Liability)	12,967	12,064	11,446
Difference between expected and actual experience	(6,485)	(19,903)	-
Change in assumptions	77,789	(26,975)	31,279
Benefit payments, including refunds of employee contributions	<u>(1,906)</u>	<u>(1,793)</u>	<u>(1,725)</u>
Net change in total pension liability	103,334	(14,189)	59,972
Total pension liability - beginning	<u>339,970</u>	<u>354,159</u>	<u>294,187</u>
Total pension liability - ending (a)	<u>\$ 443,304</u>	<u>\$ 339,970</u>	<u>\$ 354,159</u>
Covered employee payroll (measurement year)	\$ 9,531,226	\$ 8,967,008	\$ 8,623,716
Total OPEB liability as a percentage of covered-employee payroll	4.65%	3.79%	4.11%

Notes to Schedule:

No assets are accumulated in a trust for the SDB plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

CITY OF RICHMOND, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2023

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and debt service fund. The capital projects fund is appropriated on a project-length basis. Other special revenue funds are appropriated for management control.

The original budget is adopted by the City Commission prior to the beginning of the fiscal year. Expenditures may not legally exceed budgeted appropriations at the fund level (legal level of budgetary control). Expenditure requests, which would require an increase in the fund budgeted appropriations, must be approved by the City Commission through a formal budget amendment. At any time in the fiscal year, the Commission may make emergency appropriations to meet a pressing need for public expenditure in order to protect health, safety, or welfare. The City Commission has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.



RICHMOND
EST. **TEXAS** 1837

A Charming Past. A Soaring Future.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF RICHMOND, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Debt Service Fund	Festivals Fund	Opioid Remediation	Park Improvement Fund
Assets				
Cash and cash equivalents	\$ 473,947	\$ 754	\$ 25,137	\$ 7,770
Taxes receivable, net	51,419	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 525,366	\$ 754	\$ 25,137	\$ 7,770
Liabilities				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenues - property taxes	49,043	-	-	-
Total Deferred Inflows of Resources	49,043	-	-	-
Fund balances				
Restricted:				
Debt service	476,323	-	-	-
Public safety	-	-	-	-
Tourism	-	-	-	-
Community projects	-	754	25,137	7,770
Total Fund Balances	476,323	754	25,137	7,770
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 525,366	\$ 754	\$ 25,137	\$ 7,770

CITY OF RICHMOND, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Abandoned Motor Vehicle	State Seizures Fund	Federal Seizures Fund	Municipal Court Truancy Prevention Fund
Assets				
Cash and cash equivalents	\$ 17,349	\$ 474,968	\$ 93	\$ 15,123
Taxes receivable, net	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 17,349	\$ 474,968	\$ 93	\$ 15,123
Liabilities				
Accounts payable	-	-	-	-
Accrued liabilities	-	1,904	-	-
Total Liabilities	-	1,904	-	-
Deferred Inflows of Resources				
Unavailable revenues - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund balances				
Restricted:				
Debt service	-	-	-	-
Public safety	17,349	473,064	93	15,123
Tourism	-	-	-	-
Community projects	-	-	-	-
Total Fund Balances	17,349	473,064	93	15,123
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 17,349	\$ 474,968	\$ 93	\$ 15,123

CITY OF RICHMOND, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Municipal		Community Development Block Grant	
	Court Jury Fund	Tourism Fund	Fund	TCOLE Fund
Assets				
Cash and cash equivalents	\$ 303	\$ 1,168,048	\$ 4,915	\$ 12,596
Taxes receivable, net	-	114,284	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 303	\$ 1,282,332	\$ 4,915	\$ 12,596
Liabilities				
Accounts payable	-	-	-	40
Accrued liabilities	-	-	-	-
Total Liabilities	-	-	-	40
Deferred Inflows of Resources				
Unavailable revenues - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund balances				
Restricted:				
Debt service	-	-	-	-
Public safety	303	-	-	12,556
Tourism	-	1,282,332	-	-
Community projects	-	-	4,915	-
Total Fund Balances	303	1,282,332	4,915	12,556
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 303	\$ 1,282,332	\$ 4,915	\$ 12,596

CITY OF RICHMOND, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Court Technology Fund	Court Security Fund	CDBG HMGP SUPP 2022	Total Non- Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 26,267	\$ 39,191	\$ 150	\$ 2,266,611
Taxes receivable, net	-	-	-	165,703
Due from other governments			75,699	75,699
Total Assets	\$ 26,267	\$ 39,191	\$ 75,849	\$ 2,508,013
Liabilities				
Accounts payable	-	-	75,849	75,889
Accrued liabilities	-	-	-	1,904
Total Liabilities			75,849	77,793
Deferred Inflows of Resources				
Unavailable revenues - property taxes	-	-	-	49,043
Total Deferred Inflows of Resources	-	-	-	49,043
Fund balances				
Restricted:				
Debt service	-	-	-	476,323
Public safety	26,267	39,191	-	583,946
Tourism	-	-	-	1,282,332
Community projects	-	-	-	38,576
Total Fund Balances	26,267	39,191	-	2,381,177
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 26,267	\$ 39,191	\$ 75,849	\$ 2,458,970

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2023

	Debt Service Fund	Festivals Fund	Opioid Remediation	Park Improvement Fund
Revenues				
Taxes:				
Property taxes	\$ 1,670,344	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	255,650	-	-	-
Investment earnings	6,403	35	775	750
Miscellaneous	505	-	24,362	-
Total Revenues	<u>1,932,902</u>	<u>35</u>	<u>25,137</u>	<u>750</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	13,945
Debt Service:				
Principal	1,175,000	-	-	-
Interest and other charges	670,527	-	-	-
Agent fees/issuance cost	13,000	-	-	-
Total Expenditures	<u>1,858,527</u>	<u>-</u>	<u>-</u>	<u>13,945</u>
Revenues over (under) expenditures	<u>74,375</u>	<u>35</u>	<u>25,137</u>	<u>(13,195)</u>
Other Financing Sources (Uses)				
Issuance of general obligation bonds	4,216	-	-	-
Transfers in	229,075	-	-	-
Total other financing sources (uses)	<u>233,291</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Fund Balance	307,666	35	25,137	(13,195)
Fund Balances - Beginning of Year	<u>168,657</u>	<u>719</u>	<u>-</u>	<u>20,965</u>
Fund Balances - End of Year	<u>\$ 476,323</u>	<u>\$ 754</u>	<u>\$ 25,137</u>	<u>\$ 7,770</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2023

	Abandoned Motor Vehicle	State Seizures Fund	Federal Seizures Fund	Municipal Court Truancy Prevention Fund
Revenues				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-	-
Fines and forfeitures	-	-	-	5,119
Intergovernmental	-	162,530	-	-
Investment earnings	786	23,053	4	597
Miscellaneous	881	-	-	-
Total Revenues	<u>1,667</u>	<u>185,583</u>	<u>4</u>	<u>5,716</u>
Expenditures				
Current:				
Public safety	-	69,268	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Agent fees/issuance cost	-	-	-	-
Total Expenditures	<u>-</u>	<u>69,268</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,667</u>	<u>116,315</u>	<u>4</u>	<u>5,716</u>
Other Financing Sources (Uses)				
Issuance of general obligation bonds	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Fund Balance	1,667	116,315	4	5,716
Fund Balances - Beginning of Year	<u>15,682</u>	<u>356,749</u>	<u>89</u>	<u>9,407</u>
Fund Balances - End of Year	<u>\$ 17,349</u>	<u>\$ 473,064</u>	<u>\$ 93</u>	<u>\$ 15,123</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023**

	Municipal		Community Development Block Grant	
	Court Jury Fund	Tourism Fund	Fund	TCOLE Fund
Revenues				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel/motel taxes	-	380,122	-	-
Fines and forfeitures	102	-	-	-
Intergovernmental	-	-	-	3,533
Investment earnings	13	47,712	230	548
Miscellaneous	-	-	-	-
Total Revenues	115	427,834	230	4,081
Expenditures				
Current:				
Public safety	-	-	-	1,075
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Agent fees/issuance cost	-	-	-	-
Total Expenditures	-	-	-	1,075
Revenues over (under) expenditures	115	427,834	230	3,006
Other Financing Sources (Uses)				
Issuance of general obligation bonds	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Changes in Fund Balance	115	427,834	230	3,006
Fund Balances - Beginning of Year	188	854,498	4,685	9,550
Fund Balances - End of Year	\$ 303	\$ 1,282,332	\$ 4,915	\$ 12,556

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2023

	Court Technology Fund	Court Security Fund	CDBG HMGP SUPP 2022	Total Non- Major Governmental Funds
Revenues				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ 1,670,344
Hotel/motel taxes	-	-	-	380,122
Fines and forfeitures	4,578	5,379	-	15,178
Intergovernmental	-	-	341,508	763,221
Investment earnings	1,131	1,718	150	83,905
Miscellaneous	-	-	-	25,748
Total Revenues	<u>5,709</u>	<u>7,097</u>	<u>341,658</u>	<u>2,938,518</u>
Expenditures				
Current:				
Public safety	-	-	-	70,343
Public works	-	-	341,658	341,658
Culture and recreation	-	-	-	13,945
Debt Service:				
Principal	-	-	-	1,175,000
Interest and other charges	-	-	-	670,527
Agent fees/issuance cost	-	-	-	13,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>341,658</u>	<u>2,284,473</u>
Revenues over (under) expenditures	<u>5,709</u>	<u>7,097</u>	<u>-</u>	<u>654,045</u>
Other Financing Sources (Uses)				
Issuance of general obligation bonds	-	-	-	4,216
Transfers in	-	-	-	229,075
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,291</u>
Changes in Fund Balance	5,709	7,097	-	887,336
Fund Balances - Beginning of Year	<u>20,558</u>	<u>32,094</u>	<u>-</u>	<u>1,493,841</u>
Fund Balances - End of Year	<u>\$ 26,267</u>	<u>\$ 39,191</u>	<u>\$ -</u>	<u>\$ 2,381,177</u>

CITY OF RICHMOND, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND
For the Year Ended September 30, 2023

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
Revenues				
Taxes:				
Property taxes	\$ 1,696,984	\$ 1,670,344	\$ (26,640)	\$ 1,072,204
Intergovernmental	255,650	255,650	-	255,150
Investment earnings	407	6,403	5,996	23
Miscellaneous	-	505	505	-
Total Revenues	<u>1,953,041</u>	<u>1,932,902</u>	<u>(20,139)</u>	<u>1,327,377</u>
Expenditures				
Debt Service:				
Principal	1,385,000	1,175,000	210,000	1,070,000
Interest and other charges	796,712	670,527	126,185	507,802
Agent fees/issuance cost	13,000	13,000	-	7,250
Total Expenditures	<u>2,194,712</u>	<u>1,858,527</u>	<u>336,185</u>	<u>1,585,052</u>
Revenues over (under) expenditures	<u>(241,671)</u>	<u>74,375</u>	<u>316,046</u>	<u>(257,675)</u>
Other Financing Sources (Uses)				
Issuance of general obligation bonds	-	4,216	4,216	5,563
Transfers in	229,075	229,075	-	255,021
Total other financing sources (uses)	<u>229,075</u>	<u>233,291</u>	<u>4,216</u>	<u>260,584</u>
Net changes in fund balances	(12,596)	307,666	320,262	2,909
Fund Balances - Beginning of Year	<u>168,657</u>	<u>168,657</u>	<u>-</u>	<u>165,748</u>
Fund Balances - End of Year	<u>\$ 156,061</u>	<u>\$ 476,323</u>	<u>\$ 320,262</u>	<u>\$ 168,657</u>

CITY OF RICHMOND, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2023

	Insurance Premiums Fund	Fleet Replacement Fund	High-Tech Replacement Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,265	\$ 1,327,306	\$ 845,749	\$ 2,175,320
Total Current Assets	2,265	1,327,306	845,749	2,175,320
Non-current assets:				
Capital assets				
Equipment and furniture	-	850,133	-	850,133
Less accumulated depreciation	-	(123,143)	-	(123,143)
Total Non-Current Assets	-	726,990	-	726,990
Total Assets	2,265	2,054,296	845,749	2,902,310
Liabilities				
Current liabilities:				
Accounts payable	-	49,131	5,456	54,587
Total Liabilities	-	49,131	5,456	54,587
Net Position				
Investment in capital assets	-	726,990	-	726,990
Unrestricted	2,265	1,278,175	840,293	2,120,733
Total Net Position	\$ 2,265	\$ 2,005,165	\$ 840,293	\$ 2,847,723

CITY OF RICHMOND, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2023

	Insurance Premiums Fund	Fleet Replacement Fund	High-Tech Replacment Fund	Total
Operating Revenues				
Interfund charges	\$ 2,429,867	\$ 489,000	\$ 56,896	\$ 2,975,763
Total Operating Revenues	<u>2,429,867</u>	<u>489,000</u>	<u>56,896</u>	<u>2,975,763</u>
Operating Expenses				
Supplies and materials	-	-	96,332	96,332
Insurance premiums	2,429,867	-	-	2,429,867
Depreciation	-	70,313	-	70,313
Total Operating Expenses	<u>2,429,867</u>	<u>70,313</u>	<u>96,332</u>	<u>2,596,512</u>
Operating Income (Loss)	<u>-</u>	<u>418,687</u>	<u>(39,436)</u>	<u>379,251</u>
Non-Operating Revenues (Expenses)				
Interest and investment revenue	-	58,515	40,203	98,718
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>58,515</u>	<u>40,203</u>	<u>98,718</u>
Change in Net Position	-	477,202	767	477,969
Total Net Position - Beginning of Year	<u>2,265</u>	<u>1,527,963</u>	<u>839,526</u>	<u>2,369,754</u>
Total Net Position - End of Year	<u>\$ 2,265</u>	<u>\$ 2,005,165</u>	<u>\$ 840,293</u>	<u>\$ 2,847,723</u>

CITY OF RICHMOND, TEXAS
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2023

	Insurance Premiums Fund	Fleet Replacement Fund	High-Tech Replacment Fund	Total
Cash Flows From Operating Activities				
Receipts from interfund charges for insurance premiums	\$ 2,429,867	\$ -	\$ 56,896	\$ 2,486,763
Charges for use of city equipment	-	489,000		489,000
Payments to suppliers and service providers	(2,432,381)	49,131	(90,876)	(2,474,126)
Net cash provided by (used for) operating activities	<u>(2,514)</u>	<u>538,131</u>	<u>(33,980)</u>	<u>501,637</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	(498,566)		(498,566)
Cash flows used for capital and related financing activities	<u>-</u>	<u>(498,566)</u>	<u>-</u>	<u>(498,566)</u>
Cash Flows From Investing Activities				
Interest received	-	58,515	40,203	98,718
Net cash provided by investing activities	<u>-</u>	<u>58,515</u>	<u>40,203</u>	<u>98,718</u>
Net increase (decrease) in cash and cash equivalents	(2,514)	98,080	6,223	101,789
Cash and cash equivalents - beginning of year	<u>4,779</u>	<u>1,229,226</u>	<u>839,526</u>	<u>2,073,531</u>
Cash and cash equivalents - end of year	<u>\$ 2,265</u>	<u>\$ 1,327,306</u>	<u>\$ 845,749</u>	<u>\$ 2,175,320</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating Income (Loss)	\$ -	\$ 418,687	\$ (39,436)	\$ 379,251
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	70,313	-	70,313
Increase (decrease) in accounts payable	(2,514)	49,131	5,456	52,073
Net cash provided by (used for) operating activities	<u>\$ (2,514)</u>	<u>\$ 538,131</u>	<u>\$ (33,980)</u>	<u>\$ 501,637</u>



A Charming Past. A Soaring Future.

STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

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.

CITY OF RICHMOND, TEXAS
NET POSITION BY COMPONENT (UNAUDITED)
Last Ten Fiscal Years
(Accrual Basis Of Accounting)

Table 1
Page 1 of 2

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities					
Net investment in capital assets	\$ 5,179,999	\$ 5,129,543	\$ 5,321,684	\$ 8,050,928	\$ 6,897,558
Restricted	879,086	1,015,374	1,038,474	953,561	735,843
Unrestricted	<u>2,275,191</u>	<u>1,487,179</u>	<u>2,308,231</u>	<u>2,245,145</u>	<u>4,221,665</u>
Total Governmental Activities Net Position	<u>\$ 8,334,276</u>	<u>\$ 7,632,096</u>	<u>\$ 8,668,389</u>	<u>\$ 11,249,634</u>	<u>\$ 11,855,066</u>
Business-type Activities					
Net investment in capital assets	\$ 33,420,225	\$ 39,834,230	\$ 39,690,192	\$ 43,928,445	\$ 43,224,556
Restricted			3,898,062	5,547,798	5,933,209
Unrestricted	<u>10,154,972</u>	<u>8,434,269</u>	<u>6,890,509</u>	<u>3,810,709</u>	<u>5,492,386</u>
Total Business-type Activities Net Position	<u>\$ 43,575,197</u>	<u>\$ 48,268,499</u>	<u>\$ 50,478,763</u>	<u>\$ 53,286,952</u>	<u>\$ 54,650,151</u>
Primary Government					
Net investment in capital assets	\$ 38,600,224	\$ 44,963,773	\$ 45,011,876	\$ 51,979,373	\$ 50,122,114
Restricted	885,939	1,015,374	4,936,536	6,501,359	6,669,052
Unrestricted	<u>12,423,310</u>	<u>9,921,448</u>	<u>9,198,740</u>	<u>6,055,854</u>	<u>9,714,051</u>
Total Primary Government Net Position	<u>\$ 51,909,473</u>	<u>\$ 55,900,595</u>	<u>\$ 59,147,152</u>	<u>\$ 64,536,586</u>	<u>\$ 66,505,217</u>

CITY OF RICHMOND, TEXAS
NET POSITION BY COMPONENT (UNAUDITED)
Last Ten Fiscal Years
(Accrual Basis Of Accounting)

Table 1
Page 2 of 2

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities					
Net investment in capital assets	\$ 5,722,976	\$ 10,832,841	\$ 12,044,188	\$ 11,861,060	\$ 21,546,995
Restricted	458,562	664,365	916,594	1,482,142	2,369,733
Unrestricted	<u>4,856,894</u>	<u>3,773,049</u>	<u>7,224,392</u>	<u>12,164,010</u>	<u>8,450,165</u>
Total Governmental Activities Net Position	<u>\$ 11,038,432</u>	<u>\$ 15,270,255</u>	<u>\$ 20,185,174</u>	<u>\$ 25,507,212</u>	<u>\$ 32,366,893</u>
Business-type Activities					
Net investment in capital assets	\$ 45,809,547	\$ 48,602,170	\$ 48,257,681	\$ 47,799,843	\$ 49,541,540
Restricted	6,856,067	4,940,206	8,145,557	9,610,185	11,592,770
Unrestricted	<u>4,518,013</u>	<u>6,267,052</u>	<u>5,093,097</u>	<u>9,059,694</u>	<u>11,066,735</u>
Total Business-type Activities Net Position	<u>\$ 57,183,627</u>	<u>\$ 59,809,428</u>	<u>\$ 61,496,335</u>	<u>\$ 66,469,722</u>	<u>\$ 72,201,045</u>
Primary Government					
Net investment in capital assets	\$ 51,532,523	\$ 59,435,011	\$ 60,301,869	\$ 59,660,903	\$ 71,088,535
Restricted	7,314,629	5,604,571	9,062,151	11,092,327	13,962,503
Unrestricted	<u>9,374,907</u>	<u>10,040,101</u>	<u>12,317,489</u>	<u>21,223,704</u>	<u>19,516,900</u>
Total Primary Government Net Position	<u>\$ 68,222,059</u>	<u>\$ 75,079,683</u>	<u>\$ 81,681,509</u>	<u>\$ 91,976,934</u>	<u>\$ 104,567,938</u>

CITY OF RICHMOND, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

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	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 1,850,449	\$ 2,028,934	\$ 2,148,288	\$ 2,067,723	\$ 2,752,167
Public safety	6,807,890	7,356,199	8,063,344	8,955,266	9,345,497
Public works	4,888,517	5,493,672	4,050,246	3,143,354	3,496,887
Culture and recreation	464,973	469,734	692,201	1,096,613	827,222
Community development	-	56,951	137,820	248,418	250,017
Agency fees and issuance costs	-	-	-	-	-
Interest on long-term debt	351,599	502,028	606,835	539,032	701,024
Total governmental activities expenses	<u>14,363,428</u>	<u>15,907,518</u>	<u>15,698,734</u>	<u>16,050,406</u>	<u>17,372,814</u>
Business-type activities:					
Water and sewer	7,356,048	5,724,872	5,619,871	5,710,394	6,830,537
Surface water	-	475,315	1,515,334	1,517,533	2,061,224
Solid waste	-	-	-	-	-
Total business-type activities expenses	<u>7,356,048</u>	<u>6,200,187</u>	<u>7,135,205</u>	<u>7,227,927</u>	<u>8,891,761</u>
Total Primary Government Expenses	<u>\$ 21,719,476</u>	<u>\$ 22,107,705</u>	<u>\$ 22,833,939</u>	<u>\$ 23,278,333</u>	<u>\$ 26,264,575</u>
Program Revenue					
Governmental activities:					
Charges for services:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	1,837,584	2,356,960	2,437,425	2,495,391	2,723,782
Public works	1,996,562	1,984,941	1,992,205	2,222,489	1,941,754
Culture and recreation	-	-	-	-	323,971
Community development	-	-	-	-	-
Operating grants and contributions	4,452,136	2,015,232	1,161,045	2,477,246	1,539,114
Capital grants and contributions	124,819	-	-	-	124,581
Total governmental activities program revenues	<u>8,411,101</u>	<u>6,357,133</u>	<u>5,590,675</u>	<u>7,195,126</u>	<u>6,653,202</u>
Business-type activities:					
Charges for services:					
Water and sewer	8,576,256	8,446,349	8,621,016	9,490,742	7,942,673
Surface water	-	2,226,140	2,264,919	2,600,011	2,750,547
Solid waste	-	-	-	-	-
Operating grants and contributions	26,547	-	-	-	-
Capital grants and contributions	1,528,577	3,174,445	845,591	-	-
Total business-type activities program revenues	<u>10,131,380</u>	<u>13,846,934</u>	<u>11,731,526</u>	<u>12,090,753</u>	<u>10,693,220</u>
Total Primary Government Program Revenues	<u>\$ 18,542,481</u>	<u>\$ 20,204,067</u>	<u>\$ 17,322,201</u>	<u>\$ 19,285,879</u>	<u>\$ 17,346,422</u>
Net (Expense)/Revenue					
Governmental activities	\$ (5,952,327)	\$ (9,550,385)	\$ (10,108,059)	\$ (8,855,280)	\$ (10,719,612)
Business-type activities	2,775,332	7,646,747	4,596,321	4,862,826	1,801,459
Total Primary Government Net Expense	<u>\$ (3,176,995)</u>	<u>\$ (1,903,638)</u>	<u>\$ (5,511,738)</u>	<u>\$ (3,992,454)</u>	<u>\$ (8,918,153)</u>

CITY OF RICHMOND, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

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	2019	2020	2021	2022	2023
Expenses					
Governmental activities:					
General government	\$ 3,435,738	\$ 4,526,644	\$ 2,740,494	\$ 2,775,070	\$ 4,402,711
Public safety	10,321,982	8,921,781	10,230,935	9,351,679	11,219,150
Public works	3,438,462	3,284,828	1,647,963	1,509,382	3,103,114
Culture and recreation	952,248	813,004	1,128,751	582,354	694,733
Community development	273,382	311,391	243,888	955,614	1,085,316
Agency fees and issuance costs	-	-	-	44,704	109,462
Interest on long-term debt	593,917	620,302	462,865	440,889	622,704
Total governmental activities expenses	<u>19,015,729</u>	<u>18,477,950</u>	<u>16,454,896</u>	<u>15,659,692</u>	<u>21,237,190</u>
Business-type activities:					
Water and sewer	6,830,967	6,114,730	6,277,296	6,490,299	7,246,575
Surface water	2,155,410	2,417,188	2,717,748	2,422,349	3,005,067
Solid waste	-	-	1,615,762	796,540	822,222
Total business-type activities expenses	<u>8,986,377</u>	<u>8,531,918</u>	<u>10,610,806</u>	<u>9,709,188</u>	<u>11,073,864</u>
Total Primary Government Expenses	<u>\$ 28,002,106</u>	<u>\$ 27,009,868</u>	<u>\$ 27,065,702</u>	<u>\$ 25,368,880</u>	<u>\$ 32,311,054</u>
Program Revenue					
Governmental activities:					
Charges for services:					
General government	\$ -	\$ 1,100	\$ 1,100	\$ 500	\$ 500
Public safety	3,254,222	3,067,119	3,252,382	3,501,369	3,782,892
Public works	2,052,625	2,138,660	346,486	336,087	-
Culture and recreation	269,880	297,947	664,876	598,225	-
Community development	-	-	-	-	977,042
Operating grants and contributions	990,185	1,482,706	1,449,708	1,206,966	1,180,305
Capital grants and contributions	240,107	1,842,167	198,727	145,027	3,592,734
Total governmental activities program revenues	<u>6,807,019</u>	<u>8,829,699</u>	<u>5,913,279</u>	<u>5,788,174</u>	<u>9,533,473</u>
Business-type activities:					
Charges for services:					
Water and sewer	8,011,078	10,598,047	10,230,733	11,642,760	10,996,781
Surface water	2,868,351	3,537,108	3,322,236	4,642,722	5,442,030
Solid waste	-	-	1,718,521	1,344,291	1,419,381
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,746,541	-	-	465,777	1,313,170
Total business-type activities program revenues	<u>12,625,970</u>	<u>14,135,155</u>	<u>15,271,490</u>	<u>18,095,550</u>	<u>19,171,362</u>
Total Primary Government Program Revenues	<u>\$ 19,432,989</u>	<u>\$ 22,964,854</u>	<u>\$ 21,184,769</u>	<u>\$ 23,883,724</u>	<u>\$ 28,704,835</u>
Net (Expense)/Revenue					
Governmental activities	\$ (12,208,710)	\$ (9,648,251)	\$ (10,541,617)	\$ (9,871,518)	\$ (11,703,717)
Business-type activities	3,639,593	5,603,237	4,660,684	8,386,362	8,097,498
Total Primary Government Net Expense	<u>\$ (8,569,117)</u>	<u>\$ (4,045,014)</u>	<u>\$ (5,880,933)</u>	<u>\$ (1,485,156)</u>	<u>\$ (3,606,219)</u>

CITY OF RICHMOND, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,369,617	\$ 3,274,348	\$ 3,615,207	\$ 3,727,157	\$ 3,368,354
Sales and use taxes	3,411,152	3,856,250	4,219,534	4,522,169	5,005,098
Franchise taxes	714,824	742,401	773,538	800,274	759,287
Hotel/motel taxes	-	-	-	-	-
Investment earnings	35,628	37,601	8,239	13,298	7,084
Miscellaneous	300,215	403,067	124,834	303,627	338,460
Transfers	2,404,100	2,493,900	2,403,000	2,070,000	2,081,109
Total governmental activities	<u>10,235,536</u>	<u>10,807,567</u>	<u>11,144,352</u>	<u>11,436,525</u>	<u>11,559,392</u>
Business-type activities:					
Investment earnings	6,739	5,816	16,943	15,363	10,352
Transfers	<u>(2,404,100)</u>	<u>(2,493,900)</u>	<u>(2,403,000)</u>	<u>(2,070,000)</u>	<u>(2,081,109)</u>
Total business-type activities	<u>(2,397,361)</u>	<u>(2,488,084)</u>	<u>(2,386,057)</u>	<u>(2,054,637)</u>	<u>(2,070,757)</u>
Total primary government	<u>\$ 7,838,175</u>	<u>\$ 8,319,483</u>	<u>\$ 8,758,295</u>	<u>\$ 9,381,888</u>	<u>\$ 9,488,635</u>
Change in Net Position					
Governmental activities	\$ 4,283,209	\$ 1,257,182	\$ 1,036,293	\$ 2,581,245	\$ 839,780
Business-type activities	<u>377,971</u>	<u>5,158,663</u>	<u>2,210,264</u>	<u>2,808,189</u>	<u>(269,298)</u>
Total primary government	<u>\$ 4,661,180</u>	<u>\$ 6,415,845</u>	<u>\$ 3,246,557</u>	<u>\$ 5,389,434</u>	<u>\$ 570,482</u>

CITY OF RICHMOND, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
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	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,666,765	\$ 4,019,449	\$ 4,016,963	\$ 4,223,779	\$ 5,107,300
Sales and use taxes	5,161,034	5,679,465	7,288,162	6,699,051	7,407,332
Franchise taxes	810,817	768,560	743,722	756,687	754,873
Hotel/motel taxes	41,416	157,627	290,942	362,235	380,122
Investment earnings	25,343	97,004	7,680	30,297	1,038,327
Miscellaneous	548,729	70,969	124,878	129,565	106,785
Transfers	2,446,077	3,087,000	2,852,101	2,991,942	3,768,659
Total governmental activities	<u>12,700,181</u>	<u>13,880,074</u>	<u>15,324,448</u>	<u>15,193,556</u>	<u>18,563,398</u>
Business-type activities:					
Investment earnings	31,855	109,564	10,412	44,744	1,402,484
Transfers	<u>(2,446,077)</u>	<u>(3,087,000)</u>	<u>(2,852,101)</u>	<u>(3,457,719)</u>	<u>(3,768,659)</u>
Total business-type activities	<u>(2,414,222)</u>	<u>(2,977,436)</u>	<u>(2,841,689)</u>	<u>(3,412,975)</u>	<u>(2,366,175)</u>
Total primary government	<u>\$ 10,285,959</u>	<u>\$ 10,902,638</u>	<u>\$ 12,482,759</u>	<u>\$ 11,780,581</u>	<u>\$ 16,197,223</u>
Change in Net Position					
Governmental activities	\$ 491,471	\$ 4,231,823	\$ 4,782,831	\$ 5,322,038	\$ 6,859,681
Business-type activities	<u>1,225,371</u>	<u>2,625,801</u>	<u>1,818,995</u>	<u>4,973,387</u>	<u>5,731,323</u>
Total primary government	<u>\$ 1,716,842</u>	<u>\$ 6,857,624</u>	<u>\$ 6,601,826</u>	<u>\$ 10,295,425</u>	<u>\$ 12,591,004</u>

CITY OF RICHMOND, TEXAS
FUND BALANCES GOVERNMENTAL FUNDS (UNAUDITED)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund					
Nonspendable	\$ 2,864	\$ 3,886	\$ 13,478	\$ 8,510	\$ 13,873
Assigned	-	-	-	-	458,007
Unassigned	2,500,539	3,536,945	4,705,714	4,945,363	5,462,369
Total General Fund	<u>\$ 2,503,403</u>	<u>\$ 3,540,831</u>	<u>\$ 4,719,192</u>	<u>\$ 4,953,873</u>	<u>\$ 5,934,249</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:					
Debt service	637,862	671,887	752,519	573,022	386,243
Capital projects	7,187,551	3,036,998	4,915,125	3,305,979	5,648,233
Other	175,882	266,420	212,088	298,697	356,278
Unassigned	-	-	-	(3,494)	-
Total all other governmental funds	<u>\$ 8,001,295</u>	<u>\$ 3,975,305</u>	<u>\$ 5,879,732</u>	<u>\$ 4,174,204</u>	<u>\$ 6,390,754</u>

CITY OF RICHMOND, TEXAS
FUND BALANCES GOVERNMENTAL FUNDS (UNAUDITED)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

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	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund					
Nonspendable	\$ 24,558	\$ 6,301	\$ -	\$ 20,078	\$ 84,767
Assigned	219,130	1,300,819	1,541,960	1,209,031	1,525,353
Unassigned	5,576,426	5,841,903	7,827,018	8,117,854	8,884,170
Total General Fund	<u>\$ 5,820,114</u>	<u>\$ 7,149,023</u>	<u>\$ 9,368,978</u>	<u>\$ 9,346,963</u>	<u>\$ 10,494,290</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ 1,450,002	\$ -
Restricted:					
Debt service	183,353	172,960	165,748	168,957	476,323
Capital projects	3,028,006	1,885,114	2,579,769	4,205,574	7,461,754
Other	271,308	475,037	743,847	1,327,226	1,904,854
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,482,667</u>	<u>\$ 2,533,111</u>	<u>\$ 3,489,364</u>	<u>\$ 7,151,759</u>	<u>\$ 9,842,931</u>

CITY OF RICHMOND, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Taxes:					
Property taxes	\$ 3,165,900	\$ 3,245,746	\$ 3,615,207	\$ 3,679,654	\$ 3,654,979
Sales and use taxes	3,411,152	3,856,250	4,231,660	4,522,169	5,005,098
Franchise taxes	714,824	742,401	761,412	800,274	759,287
Hotel/motel	-	-	-	-	-
Fines and forfeitures	456,305	598,244	491,454	416,659	377,380
Licenses and permits	377,713	251,208	198,753	329,158	313,921
Intergovernmental	4,672,711	2,262,965	1,202,031	2,468,284	1,663,695
Charges for services	3,027,678	3,497,651	3,748,423	3,981,025	4,298,209
Investment earnings	35,628	37,601	8,239	13,298	7,084
Contributions	-	-	-	-	-
Miscellaneous	52,090	150,132	74,848	303,627	338,460
Total Revenues	<u>15,914,001</u>	<u>14,642,198</u>	<u>14,332,027</u>	<u>16,514,148</u>	<u>16,418,113</u>
Expenditures					
General government	1,764,555	1,991,009	2,070,135	1,980,842	2,663,234
Public safety	6,867,739	7,064,212	7,338,749	8,149,828	8,608,509
Public works	2,534,669	2,627,117	2,962,370	3,064,484	3,371,555
Culture and recreation	395,813	379,089	591,704	651,924	730,201
Community development	-	58,046	134,920	244,518	250,614
Capital outlay	4,500,246	6,522,278	2,442,203	4,159,061	1,182,860
Debt service:					
Principal	929,920	918,637	1,024,249	1,201,120	1,250,000
Interest and other charges	597,336	564,272	663,604	603,218	752,313
Agency fees/issuance cost	-	-	-	-	-
Total Expenditures	<u>17,590,278</u>	<u>20,124,660</u>	<u>17,227,934</u>	<u>20,054,995</u>	<u>18,809,286</u>
Excess of revenues over (under) expenditures	(1,676,277)	(5,482,462)	(2,895,907)	(3,540,847)	(2,391,173)
Other Financing Sources (Uses)					
Transfers in	2,404,100	2,493,900	2,423,384	2,070,000	4,028,342
Transfers out	-	-	(20,384)	-	(1,947,233)
Insurance recovery	-	-	-	-	-
Bonds issued	-	-	3,375,000	-	3,405,000
Premium on bonds issued	-	-	200,695	-	101,993
Payments to refunded bond escrow agent	-	-	-	-	-
Capital leases	79,149	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,483,249</u>	<u>2,493,900</u>	<u>5,978,695</u>	<u>2,070,000</u>	<u>5,588,102</u>
Net Change in Fund Balances	<u>\$ 806,972</u>	<u>\$ (2,988,562)</u>	<u>\$ 3,082,788</u>	<u>\$ (1,470,847)</u>	<u>\$ 3,196,929</u>
Debt service as a percentage of noncapital expenditures	11.7%	9.2%	10.8%	11.3%	11.5%

CITY OF RICHMOND, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

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	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues					
Taxes:					
Property taxes	\$ 3,624,399	\$ 3,997,225	\$ 4,077,062	\$ 4,250,080	\$ 5,078,659
Sales and use taxes	5,161,034	5,679,465	7,288,162	6,699,051	7,407,332
Franchise taxes	810,817	768,560	743,722	756,687	754,873
Hotel/motel	41,416	157,627	290,942	362,235	380,122
Fines and forfeitures	442,728	279,532	192,596	224,201	218,068
Licenses and permits	266,780	297,947	664,876	598,225	461,932
Intergovernmental	1,321,118	1,622,440	1,478,040	1,206,966	4,773,039
Charges for services	4,802,042	4,919,021	3,328,942	3,613,585	4,082,658
Investment earnings	25,343	97,004	7,680	26,732	939,609
Contributions	-	1,582,714	184,705	-	-
Miscellaneous	457,903	80,422	138,900	119,354	119,450
Total Revenues	<u>16,953,580</u>	<u>19,481,957</u>	<u>18,395,627</u>	<u>17,857,116</u>	<u>24,215,742</u>
Expenditures					
General government	3,205,749	3,361,669	3,914,461	4,615,724	4,263,063
Public safety	9,126,477	8,832,963	9,425,613	9,561,133	10,512,596
Public works	3,202,470	3,335,905	1,471,454	1,478,627	1,951,014
Culture and recreation	773,181	816,862	951,721	454,334	583,195
Community development	258,140	298,009	255,227	1,008,949	1,060,913
Capital outlay	2,624,107	3,619,585	691,222	452,751	10,518,646
Debt service:					
Principal	1,295,000	4,085,000	1,040,000	1,070,000	1,198,603
Interest and other charges	629,650	661,988	535,844	516,078	672,124
Agency fees/issuance cost	-	-	-	44,704	109,462
Total Expenditures	<u>21,114,774</u>	<u>25,011,981</u>	<u>18,285,542</u>	<u>19,202,300</u>	<u>30,869,616</u>
Excess of revenues over (under) expenditures	(4,161,194)	(5,530,024)	110,085	(1,345,184)	(6,653,874)
Other Financing Sources (Uses)					
Transfers in	3,707,029	3,746,021	4,156,300	5,372,071	5,518,490
Transfers out	(1,260,952)	(359,021)	(1,304,199)	(1,914,352)	(1,749,831)
Insurance recovery	-	-	81,934	27,778	3,335
Bonds issued	-	2,525,000	-	1,385,263	6,410,000
Premium on bonds issued	-	298,377	-	114,704	310,679
Payments to refunded bond escrow agent	-	-	-	-	-
Capital leases	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,446,077</u>	<u>6,210,377</u>	<u>2,934,035</u>	<u>4,985,464</u>	<u>10,492,673</u>
Net Change in Fund Balances	<u>\$ (1,715,117)</u>	<u>\$ 680,353</u>	<u>\$ 3,044,120</u>	<u>\$ 3,640,280</u>	<u>\$ 3,838,799</u>
Debt service as a percentage of noncapital expenditures	9.7%	22.2%	9.1%	9.1%	8.8%

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

Table 5

<u>Real Property Value (1)</u>							
<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Less Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value (2)</u>	<u>Total Direct Tax Rate (3)</u>
2014	2013	\$ 215,780,060	\$ 380,213,750	\$ 70,022,347	\$ 268,803,974	\$ 397,212,183	\$ 0.78000
2015	2014	222,059,615	393,692,525	61,290,328	268,799,985	408,242,483	0.77000
2016	2015	244,500,875	417,816,625	66,517,447	271,310,629	457,524,318	0.75500
2017	2016	255,834,815	482,722,025	57,026,778	312,417,700	483,165,918	0.73500
2018	2017	268,740,504	491,758,927	65,204,345	310,944,979	514,758,797	0.71000
2019	2018	286,856,577	509,443,504	66,154,935	344,804,407	517,650,609	0.69990
2020	2019	304,775,882	526,189,488	66,858,171	341,526,504	556,297,037	0.69990
2021	2020	313,003,830	526,227,437	59,268,070	322,683,007	575,816,330	0.68777
2022	2021	324,625,882	615,553,213	63,075,960	394,262,396	608,992,659	0.68000
2023	2022	387,710,597	705,052,573	64,822,999	410,819,364	746,766,805	0.66000

- (1) The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.
- (2) Property is assessed at actual value; therefore, the assessed values are equal to actual value
- (3) Tax rate per \$100 assessed valuation.

Source: Tax assessor/collector records

CITY OF RICHMOND, TEXAS

Table 6

PROPERTY TAX RATES (1)

DIRECT AND OVERLAPPING GOVERNMENTS (2)

Last Ten Fiscal Years

City of Richmond

Fiscal Year	Maintenance Rate	Debt Service Rate	Total Tax Rate	Lamar CISD	Fort Bend County	Total
2014	\$ 0.54380	\$ 0.23620	\$ 0.78000	\$ 1.39005	\$ 0.49976	\$ 2.66981
2015	0.54290	0.22710	0.77000	1.39005	0.49476	2.65481
2016	0.52900	0.22600	0.75500	1.39005	0.48600	2.63105
2017	0.52520	0.20980	0.73500	1.39005	0.47400	2.59905
2018	0.56520	0.14480	0.71000	1.39005	0.46900	2.56905
2019	0.54030	0.15960	0.69990	1.32000	0.46000	2.47990
2020	0.52540	0.17450	0.69990	1.26910	0.45321	2.42221
2021	0.50566	0.18211	0.68777	1.24200	0.45280	2.38257
2022	0.50855	0.17145	0.68000	1.24200	0.45120	2.37320
2023	0.44195	0.21805	0.66000	1.14920	0.43890	2.24810

(1) Tax rate per \$100 assessed valuation

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of Richmond. Not all overlapping rates apply to all City of Richmond property owners (e.g., the county rates apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the specific county).

Source: Tax department records of various taxing authorities

CITY OF RICHMOND, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 7

Taxpayer	2023			2014		
	Taxable Assessed Value (1)	Rank	% of Total Assessed Valuation (2)	Taxable Assessed Value (1)	Rank	% of Total Assessed Valuation (2)
Veranda Owner LLC	\$ 44,597,487	1	6.0%	\$ -	-	-
Ransom Road Partners LLC	35,998,449	2	4.8%	3,594,520	8	0.9%
Archer Daniel Midland Co	16,663,660	3	2.2%	9,918,070	1	2.5%
The Fairway at Bellevue LP	13,220,220	4	1.8%	-	-	-
Wal-Mart Real Estate Business Trust	12,370,392	5	1.7%	9,686,370	2	2.4%
SS Pointe West LP	10,616,000	6	1.4%	-	-	-
Wolverine Lamar LP	10,132,000	7	1.4%	-	-	-
Wolverine Mustang LP	9,119,021	8	1.2%	-	-	-
Apex Bank	9,000,000	9	1.2%	-	-	-
CenterPoint Energy Electric	8,923,300	10	1.2%	-	-	-
Houston MOB 3 LLC	-	-	-	-	-	-
Wal-Mart Stores Texas LLC	-	-	-	9,394,300	3	2.4%
Hunter, Clayton, LLC	-	-	-	6,661,870	5	1.7%
G&I VI Country Club Place, LP	-	-	-	8,201,970	4	2.1%
Oakbend Medical Center	-	-	-	4,365,210	6	1.1%
Golfview Holdings LLC	-	-	-	3,518,930	9	0.9%
CenterPoint Energy Inc	-	-	-	4,343,410	7	1.1%
Southern Cotton Oil Co	-	-	-	3,207,180	10	0.8%
	<u>170,640,529</u>		<u>22.9%</u>	<u>62,891,830</u>		<u>15.9%</u>
Other taxpayers	<u>576,126,276</u>		<u>77.1%</u>	<u>334,320,353</u>		<u>84.1%</u>
Total Assessed Valuation	<u>\$ 746,766,805</u>		<u>100.0%</u>	<u>\$ 397,212,183</u>		<u>100.0%</u>

(1) Assessed (taxable) value equals appraised value after exemptions.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.

Source: Fort Bend Central Appraisal District

CITY OF RICHMOND, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 8

Fiscal Year	Tax Year	Tax Rate (1)	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy	Amount	Amount	Percentage of Levy
2014	2013	\$ 0.78000	\$ 3,099,933	\$ 3,022,710	97.5%	\$ 64,418	\$ 3,087,128	99.6%
2015	2014	0.77000	3,230,521	3,142,305	97.3%	71,706	3,214,011	99.5%
2016	2015	0.75500	3,546,562	3,472,192	97.9%	54,384	3,526,576	99.4%
2017	2016	0.73500	3,662,777	3,559,751	97.2%	82,596	3,642,347	99.4%
2018	2017	0.71000	3,617,775	3,526,450	97.5%	69,536	3,595,986	99.4%
2019	2018	0.69990	3,638,414	3,559,704	97.8%	45,900	3,605,604	99.1%
2020	2019	0.69990	3,923,937	3,815,507	97.2%	58,578	3,874,085	98.7%
2021	2020	0.68777	3,994,247	3,915,395	98.0%	-	3,915,395	98.0%
2022	2021	0.68000	4,154,318	4,092,969	98.5%	26,786	4,119,755	99.2%
2023	2022	0.66000	5,009,224	4,911,228	98.0%	98,015	5,009,243	100.0%

(1) Tax rate per \$100 assessed valuation

Source: City tax department

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

Table 9
Page 1 of 2

Fiscal Year	Governmental Activities			Business-Type Activities	
	General Obligation Bonds (1)	Certificates of Obligation (1)	Leases/SBITA (1)	Certificates of Obligation (1)	Leases/SBITA (1)
2014	\$ 13,252,056	\$ 2,260,577	\$ 391,086	\$ -	\$ -
2015	12,522,056	2,200,577	235,344	9,988,256	-
2016	11,524,289	5,807,432	81,120	16,184,983	-
2017	10,656,547	5,511,854	-	15,524,643	-
2018	9,818,335	8,558,639	-	20,583,384	-
2019	8,885,907	8,147,647	-	19,423,356	-
2020	8,010,985	7,707,936	-	18,233,327	-
2021	7,327,637	7,281,134	-	17,013,298	-
2022	6,660,104	8,303,221	-	19,851,788	-
2023	5,978,430	14,209,712	40,833	24,546,684	-

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.

(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

N/A - information is unavailable

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

Table 9
Page 2 of 2

Fiscal Year	Total Primary Government	Percentage of Actual Taxable Value of Property (2)	Percentage of Personal Income (3)	Per Capita (3)
2014	\$ 15,903,719	4.00%	4.99%	\$ 1,323
2015	24,946,233	6.11%	10.15%	2,076
2016	33,597,824	7.34%	13.77%	2,768
2017	31,693,044	6.56%	13.09%	2,621
2018	38,960,358	7.57%	12.52%	3,167
2019	36,456,910	7.04%	13.25%	2,942
2020	33,952,248	6.10%	12.33%	2,806
2021	31,622,069	5.49%	10.93%	2,639
2022	34,815,113	5.72%	11.29%	2,998
2023	44,775,659	6.00%	12.26%	3,682

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.

(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

N/A - information is unavailable

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

Table 10
Page 1 of 2

Fiscal Year	General Obligation Bonds (1)	Certificates of Obligation (1)	Less Amounts Restricted for Debt Service	Net Bonded Deb
2023	\$ 5,978,430	\$ 38,756,396	\$ (464,879)	\$ 44,269,947
2022	6,660,104	28,155,009	(164,511)	34,650,602
2021	7,327,637	24,294,432	(177,173)	31,444,896
2020	8,010,985	25,941,263	(189,328)	33,762,920
2019	8,885,907	27,571,003	(187,254)	36,269,656
2018	9,818,335	29,142,023	(386,243)	38,574,115
2017	10,656,547	21,036,497	(573,022)	31,120,022
2016	11,524,289	21,992,415	(752,519)	32,764,185
2015	12,522,056	12,188,833	(637,862)	24,073,027
2014	13,252,056	2,260,577	(625,051)	14,887,582

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.

(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: The business-type activities debt is payable from a combination of the levy and collection of ad valorem tax and surplus net revenues of the City's Waterworks and Sewer System. However, it is the City's intent to fully fund the debt service from Waterworks and Sewer System revenues.

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

Table 10
Page 2 of 2

Fiscal Year	Percentage of Estimated Actual Taxable Value of Property (2)	Percentage of Personal Income (3)	Per Capita (3)
2023	5.93%	12.12%	\$ 3,641
2022	5.69%	11.23%	2,984
2021	5.46%	10.87%	2,624
2020	6.07%	12.27%	2,790
2019	6.52%	13.18%	2,927
2018	7.49%	12.39%	3,135
2017	6.44%	12.85%	2,574
2016	7.16%	13.43%	2,699
2015	5.90%	9.80%	2,003
2014	3.75%	4.67%	1,239

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.

(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: The business-type activities debt is payable from a combination of the levy and collection of ad valorem tax and surplus net revenues of the City's Waterworks and Sewer System. However, it is the City's intent to fully fund the debt service from Waterworks and Sewer System revenues.

CITY OF RICHMOND, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT
September 30, 2023

Table 11

Name of Governmental Unit	Gross Debt	Estimated Percentage Overlapping	Amount
Fort Bend County	\$ 954,413,703	0.67%	\$ 6,394,572
Fort Bend County Drainage District	23,615,000	0.67%	158,221
Lamar CISD	2,834,465,000	2.73%	77,380,895
Total Overlapping Debt			83,933,688
City of Richmond	42,940,000	100.00%	42,940,000
Total Direct and Overlapping Debt			\$ 126,873,688
Ratio of Direct and Overlapping Funded Debt to 2023 Taxable Assessed Valuation			<u>16.99%</u>
Per Capita Debt - Direct and Overlapping			<u>\$ 10,434</u>

Notes:

- 1) The business-type activities debt is included due to it being payable from a combination of the levy and collection of ad valorem tax and surplus net revenues of the City's Waterworks and Sewer System. However, it is the City's intent to fully fund the debt service from business-type activities.
- 2) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: Texas Municipal Advisory Council

CITY OF RICHMOND, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Table 12

Fiscal Year	Population	Personal Income	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Lamar CISD District Enrollment (4)	Unemployment Rate (3)
2014	12,018	\$ 318,633,234	\$ 26,513	33.00	2,258	-	4.3%
2015	12,018	245,683,974	20,443	33.00	2,401	-	4.3%
2016	12,138	243,925,248	20,096	34.00	2,439	-	5.3%
2017	12,092	242,166,484	20,027	34.80	2,373	-	5.3%
2018	12,303	311,290,506	25,302	33.10	2,402	-	4.6%
2019	12,391	275,204,110	28,672	33.30	-	32,146	3.5%
2020	12,100	275,275,000	22,750	33.60	-	33,444	8.3%
2021	11,982	289,329,354	24,147	33.50	-	35,156	5.6%
2022	11,611	308,422,993	26,563	33.10	-	36,519	3.9%
2023	12,160	365,213,440	30,034	33.80	-	44,694	2.9%

Data Sources:

- (1) United States Census Bureau
- (2) Lamar Consolidated Independent School District
- (3) Texas Workforce Commission



A Charming Past. A Soaring Future.

CITY OF RICHMOND, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 13

Employer	2023		2014	
	Employees	Rank	Employees	Rank
Lamar Consolidated ISD	5,103	1	-	-
Fort Bend County	2,942	2	2,290	1
Richmond State School	1,300	3	1,320	2
Oak Bend Medical Center	1,166	4	-	-
Oak Bend Hospital	1,115	5	660	3
HEB Grocery Company	650	6	-	-
Wharton County Junior College	339	7	-	-
NRG WA Parish Power Plant	250	8	-	-
Access Health	249	9	202	5
City of Richmond	179	10	150	6
Walmart	-	-	278	4
T.W. Davis YMCA	-	-	124	7
Richmond Post Office	-	-	104	8
ADM Cotton Mill	-	-	38	9
NEPCO Foundry	-	-	35	10
Office Depot	-	-	-	-
Total	13,293		5,201	

Source: Development Corporation of Richmond, 2014 Audit

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

Table 14
Page 1 of 2

Function	2014	2015	2016	2017	2018
General Government	9	8	13	13	13
Public Safety					
Police					
Officers	32	33	31	31	31
Civilians	10	10	12	14	14
Fire					
Firefighters	42	43	43	42	44
Civilians	4	5	10	10	10
Public Works					
Administration	2	4	5	5	5
Streets and Sanitation	11	11	11	12	13
Maintenance and Operations	6	6	5	5	5
Parks and Recreation	7	7	6	6	6
Water and Sewer	34	38	38	41	41
Total	157	165	174	179	182

Source: City personnel records

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

Table 14
Page 2 of 2

Function	2019	2020	2021	2022	2023
General Government	22	23	23	23	26
Public Safety					
Police					
Officers	35	35	35	35	36
Civilians	13	15	15	15	15
Fire					
Firefighters	40	38	38	38	38
Civilians	6	6	6	6	5
Public Works					
Administration	2	3	3	3	3
Streets and Sanitation	13	13	13	13	14
Maintenance and Operations	5	4	4	4	4
Parks and Recreation	6	6	6	6	6
Water and Sewer	41	40	40	40	39
Total	183	183	183	183	186

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

Table 15
Page 1 of 2

Function	2014	2015	2016	2017	2018
Police					
Arrests	353	589	578	607	666
Accident Reports	207	207	274	279	266
Citations	3,922	2,767	2,459	1,526	1,254
Offense reports	1,167	1,056	1,146	971	1,029
Calls for Service	22,862	23,168	21,583	16,919	17,330
Fire					
Fires	145	187	188	185	203
Explosion, Fireworks	5	22	5	2	3
Rescue / Emergency Medical Incident	2,070	2,382	2,709	3,098	3,159
Motor Vehicle Accidents	269	327	328	347	328
Hazardous Condition, no fire	120	162	150	140	111
Service Calls	331	308	274	335	285
Good Intent Calls	179	151	221	161	149
False Alarm / False Call / Fire Alarms	399	484	430	512	492
Special Incident Type, City Ordinance Violatic	52	96	149	118	44
Automatic Aid / Mutual Aid Given	145	167	200	156	152
Automatic Aid / Mutual Aid Received	61	86	54	55	50
Total Incident Reports	3,776	4,372	4,708	5,109	4,976
Fire Marshal					
Fire Safety inspections conducted	260	247	160	322	280
Fire Safety classes/total audience	81/3901	87/3800	45/3884	63/5701	47/3851
Fire investigations initiated	32	12	23	52	39
Building Permits					
Building - total permits issued	2,731	2,638	2,264	2,842	2,691
Building - total inspections conducted	8,426	9,105	8,505	7,192	6,978
*Groundwater					
Total Pumpage (millions of gallons)	820.761	869.066	803.309	862.470	605.854
Peak daily consumption (millions of gallons)	3.666	4.474	3.527	4.130	3.840
Average daily consumption (millions of gallons)	2.248	2.381	2.543	2.780	1.770
Sewer					
Average daily sewage treatment (millions of gallons)	1.341	1.354	1.504	1.495	1.440
Total Flow (millions of gallons)	489.465	494.192	577.946	547.335	439.501
Peak daily flow (millions of gallons)	3.908	6.102	6.122	6.262	4.371

Source: Various City departments

*Includes Groundwater and Surface Water Gallons

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

Table 15
Page 2 of 2

Function	2019	2020	2021	2022	2023
Police					
Arrests	749	317	335	448	316
Accident Reports	219	202	184	233	210
Citations	1,966	1,713	2,355	3,321	3,080
Offense reports	1,104	707	685	876	769
Calls for Service	20,248	19,383	18,233	20,215	18,350
Fire					
Fires	203	165	284	296	182
Explosion, Fireworks	2	2	3	2	3
Rescue / Emergency Medical Incident	3,198	2,842	3,502	3,752	3,934
Motor Vehicle Accidents	323	178	276	318	290
Hazardous Condition, no fire	133	80	156	145	130
Service Calls	272	165	275	342	346
Good Intent Calls	181	75	86	116	136
False Alarm / False Call / Fire Alarms	565	403	587	535	496
Special Incident Type, City Ordinance Violatic	55	20	23	20	12
Automatic Aid / Mutual Aid Given	170	105	230	165	158
Automatic Aid / Mutual Aid Received	50	40	84	116	76
Total Incident Reports	5,152	4,075	5,506	5,807	5,763
Fire Marshal					
Fire Safety inspections conducted	180	158	482	931	800
Fire Safety classes/total audience	35/2803	117/4060	6/252	29/1826	60/3300
Fire investigations initiated	15	22	16	11	12
Building Permits					
Building - total permits issued	2,414	3,080	3,340	3,066	2,460
Building - total inspections conducted	7,505	8,037	7,892	7,781	4,480
*Groundwater					
Total Pumpage (millions of gallons)	1,010.220	1,097.740	1,071.770	1,286.597	1,146.328
Peak daily consumption (millions of gallons)	5.287	4.822	7.107	6.532	5.924
Average daily consumption (millions of gallons)	4.121	3.779	3.412	3.588	3.056
Sewer					
Average daily sewage treatment (millions of gallons)	1.408	1.579	1.673	1.660	1.770
Total Flow (millions of gallons)	386.005	579.363	510.418	612.252	644.926
Peak daily flow (millions of gallons)	5.239	2.905	4.051	4.446	4.600

Source: Various City departments

*Includes Groundwater and Surface Water Gallons

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

Table 16
Page 1 of 2

Function	2014	2015	2016	2017	2018
Public safety					
Police					
Stations	1	1	1	1	1
Patrol units	23	23	25	28	29
Fire					
Fire stations	3	3	3	3	3
Public Works					
Dump trucks	9	9	8	8	8
Streets (miles)	38	38	38	38	38
Parks and recreation					
Parks acreage	211	211	211	224	224
Parks	4	4	5	6	6
Water and sewer					
Water mains (miles)	54	54	54	56	56
Fire hydrants	290	290	290	290	290
Maximum daily capacity (millions of gallons)	7.171	7.171	7.171	11.601	11.601
Sanitary sewers (miles)	44	44	44	54	54
Storm sewers (miles)	12	12	12	12	12
Maximum daily treatment capacity (millions of gallons)	3.000	3.000	3.000	3.000	3.000

Source: Various City departments

Note: No capital asset indicators are available for the general government function

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

Table 16
Page 2 of 2

Function	2019	2020	2021	2022	2023
Public safety					
Police					
Stations	1	1	1	1	1
Patrol units	29	29	29	29	29
Fire					
Fire stations	3	3	3	3	3
Public Works					
Dump trucks	8	8	8	8	8
Streets (miles)	41	41	41	47	47
Parks and recreation					
Parks acreage	224	224	224	241	241
Parks	6	6	6	6	6
Water and sewer					
Water mains (miles)	97	146	146	152	122
Fire hydrants	290	290	290	320	334
Maximum daily capacity (millions of gallons)	11.601	11.601	11.601	11.601	13.618
Sanitary sewers (miles)	107	121	121	130	86
Storm sewers (miles)	51	67	67	72	57
Maximum daily treatment capacity (millions of gallons)	3.000	3.000	3.000	4.000	4.000

Source: Various City departments

Note: No capital asset indicators are available for the general government function

