

**Comprehensive
Annual Financial Report**

of the

City of Richmond, Texas

**Fiscal Year Ended
September 30, 2009**



Officials Issuing Report

**R. Glen Gilmore
City Manager**

**Terri Vela
Assistant City Manager/Finance Director**

CITY OF RICHMOND, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2009

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>		
Letter of Transmittal		i-v
GFOA Certificate of Achievement		vi
Organizational Chart		vii
Principal Officials		viii
<u>FINANCIAL SECTION</u>		
Independent Auditors' Report		3-4
Management's Discussion and Analysis		5-12
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Assets	A-1	15
Statement of Activities	A-2	16-17
Fund Financial Statements:		
Balance Sheet - Governmental Funds	A-3	18
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	A-4	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	A-5	21
Statement of Net Assets - Proprietary Fund	A-6	22
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	A-7	23
Statement of Cash Flows - Proprietary Fund	A-8	24-25
Notes to Financial Statements	A-9	27-47
<u>Required Supplementary Information</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	B-1	50
Notes to Required Supplementary Information	B-2	51
Schedule of Funding Progress - Texas Municipal Retirement System	B-3	52
<u>Combining and Individual Fund Statements and Schedules</u>		
Combining Balance Sheet - Nonmajor Governmental Funds	C-1	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	C-2	57
Combining Balance Sheet - Nonmajor Special Revenue Funds	C-3	58-59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	C-4	60-61

CITY OF RICHMOND, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2009

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Combining Balance Sheet - Nonmajor Capital Projects Funds	C-5	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	C-6	63
Comparative Balance Sheets - General Fund	C-7	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	C-8	65-67
Comparative Balance Sheets - Debt Service Fund	C-9	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	C-10	69
Balance Sheet - Governmental Funds - Discretely Presented Component Units	C-11	70
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Discretely Presented Component Units	C-12	71

STATISTICAL SECTION

	<u>Table</u>	
Net Assets by Component	1	74-75
Changes in Net Assets	2	76-79
Governmental Activities Tax Revenues by Source	3	80-81
Fund Balances of Governmental Funds	4	82-83
Changes in Fund Balances of Governmental Funds	5	84-85
General Governmental Tax Revenues by Source	6	86-87
Assessed Value and Estimated Actual Value of Taxable Property	7	88
Property Tax Rates - Direct and Overlapping Governments	8	89
Principal Property Taxpayers	9	90
Property Tax Levies and Collections	10	91
Ratios of Outstanding Debt by Type	11	92
Ratios of General Bonded Debt Outstanding	12	93
Direct and Overlapping Governmental Activities Debt	13	95
Legal Debt Margin Information	14	96-97
Demographic and Economic Statistics	15	98
Principal Employers	16	99
Full-time Equivalent City Governmental Employees by Function	17	101
Operating Indicators by Function	18	102-103
Capital Assets Statistics by Function	19	104

Introductory

Section

CITY OF RICHMOND

402 MORTON STREET
RICHMOND, TEXAS 77469
(281) 342-5456



HILMAR G. MOORE
MAYOR

JIM GONZALES
WILLIAM H. (BILL) DOSTAL, SR.
COMMISSIONERS

March 15, 2010

Honorable Mayor and Members of the City Commission
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 comprehensive annual financial report of the City of Richmond, Texas (the "City") for the fiscal year ended September 30, 2009, 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 financial 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 **Sandersen Knox & Co., L.L.P.**, 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, 2009, 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 on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended September 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The 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 4.074 square miles and serves a population of 14,372. 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 when deemed appropriate by the City Commission.

The City of Richmond has operated under a Commission form of government since 1913. The Commission, vested with policy-making and legislative authority, is comprised of a Mayor and two Commission members. The Mayor and Commission members are all elected at large for a two-year term, with no term limits. The City Commission is responsible, among other things, for passing ordinances, adopting the budget and the hiring of the City's manager 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 Commission, 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 June or July of each year. The city manager then presents the proposed budget to the Commission for review. The Commission is required to hold a public hearing on the proposed final budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety) and department (e.g. police). Department heads make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of Commission. 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 has adopted a budget for the General and Debt Service Funds, but not the Special Revenue or Capital Projects Funds. The City also utilizes an encumbrance accounting system to aid in accomplishing budgetary control. 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. Major industries and business activities in the area include healthcare, metals, oil and gas services and a variety of general retail operations. This diversification is evident in the fact that no single taxpayer represents more than 2.95% of assessed valuation in the City.

The City is also a major retail trade area for antiques, building materials, general merchandise, food stores, automotive, and restaurants.

Net taxable value for all residential and commercial property in the City exceeded \$399 million for fiscal year 2009, which is a 12% increase from fiscal year 2008.

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. The City Charter 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 management.

The objective of budgetary controls is to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Commission. Annual appropriated budgets are adopted for the general and debt service 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 department 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. The Commission has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.

Budgetary Controls

During the year, expenditure controls are maintained by each department with review of the budget provided by the Finance Director and overall control exercised by the City Manager. Constant review of revenue and expenditure estimates is performed to assure the integrity of the adopted budget and to assure funds are available to meet current obligations. As a result of this review, it is possible to exercise administrative budgetary controls throughout the year. As demonstrated by the financial statements presented in this report, the City continues to meet its responsibility for sound financial management.

LONG-TERM FINANCIAL PLANNING

The City has implemented a policy for the unreserved fund balance to be an amount equal to three months of operating expenditures. Following its recent review of the City of Richmond, Texas' strategic plan, the Commission is considering raising the unreserved, undesignated fund balance policy in the future.

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 severed financial burden.

RELEVANT FINANCIAL POLICIES

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 Regulatory Plan requires Groundwater permit holders within the Richmond/Rosenberg Sub-Area (as described by the Regulatory Plan) to limit their Groundwater withdrawals to seventy percent of their water consumption by 2015 and forty percent by 2025. A groundwater reduction plan showing how water conversion goals will be accomplished must be submitted by each Groundwater permit holder within the Richmond/Rosenberg Sub-Area to the Subsidence District by September 30, 2010. The City is developing a regional Groundwater Reduction Plan (GRP) to meet the Regulatory Plan requirements.

An alternative water source could be surface water. The estimated cost of the surface water plant is in excess of \$40 million. It is expected Capital Acquisition typically will result in long-term increases in operating costs connected with the operation and maintenance of new facilities.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended September 30, 2008. This was the fourth year that the City applied for this prestigious award.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the government had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

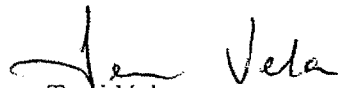
Acknowledgements

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

Respectfully submitted,



R. Glen Gilmore
City Manager



Terri Vela
Assistant City Manager/Finance Director

CITY OF RICHMOND, TEXAS

GFOA CERTIFICATE OF ACHIEVEMENT

September 30, 2008 (Prior Fiscal Year)

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to...

City of Richmond
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

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



A handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

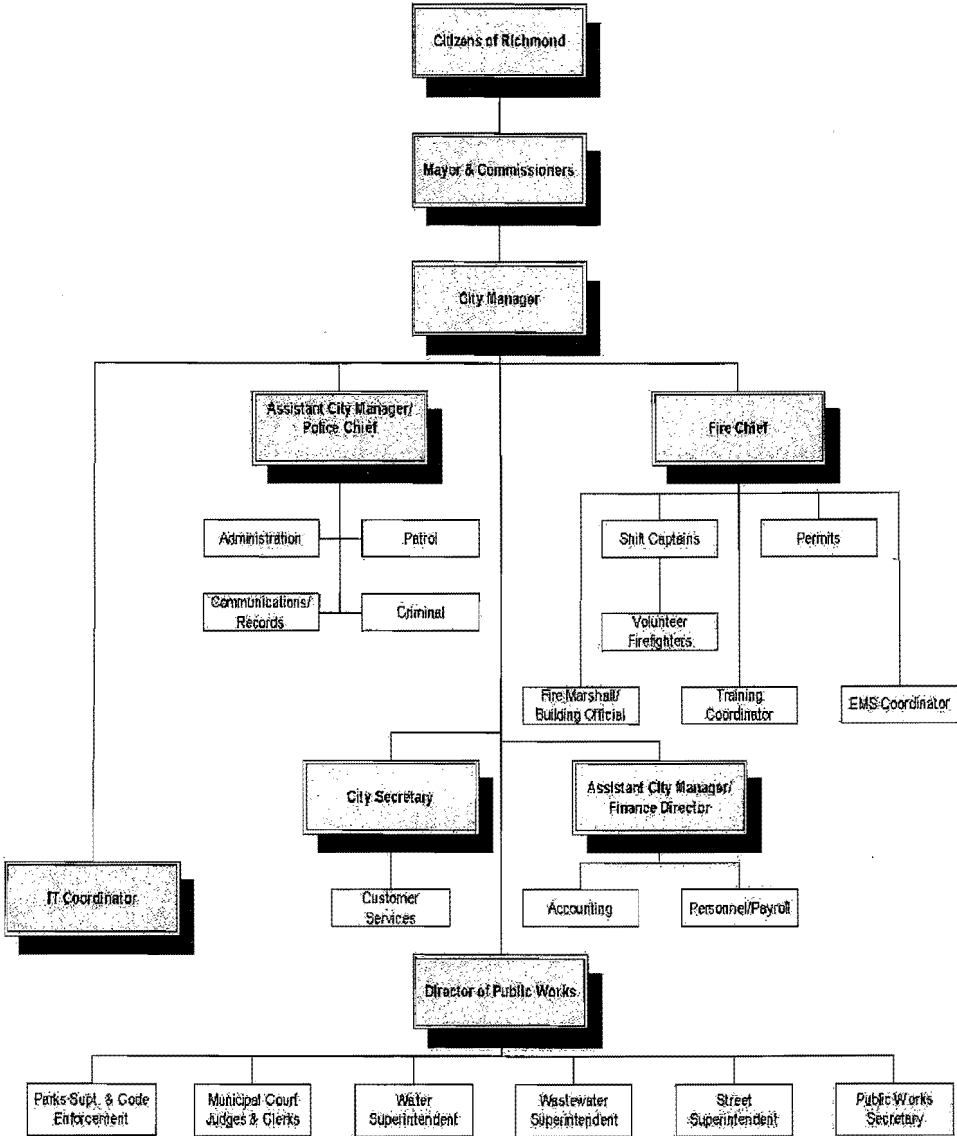
A handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

Executive Director

CITY OF RICHMOND, TEXAS

ORGANIZATIONAL CHART

Fiscal Year 2008-2009



CITY OF RICHMOND, TEXAS

PRINCIPAL OFFICIALS

September 30, 2009

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Hilmar G. Moore	Mayor	2010
William H. Dostal	City Commissioner	2010
James E. Gonzales	City Commissioner	2010
<u>Key Staff</u>	<u>Position</u>	
R. Glen Gilmore	City Manager *	
Lenert Kurtz	Public Works Director	
Terri Vela	Assistant City Manager/Finance Director	
William Whitworth	Assistant City Manager /Police Chief	
Stephen Noto	Fire Chief	
Mona Matak	City Secretary	
Stephen Gilbert	Municipal Court Judge *	

* - City Commission Appointive Position

FINANCIAL SECTION



130 Industrial Blvd, Suite 130 • Sugar Land, Texas 77478 • 281/242-3232 • fax 281/242-3252 • www.sktbc.com

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Richmond, Texas, as of September 30, 2009, and for the year then ended, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of Richmond, Texas, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, Texas, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2010, on our consideration of the City of Richmond, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 through 12, budgetary comparison information on page 50 and pension information on page 52 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods and measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Richmond, Texas, as listed in the table of contents. The introductory section, other supplementary information, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules and the budgetary comparison schedules within the other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script, appearing to read "Sugar Land & Co.", is written in black ink.

Sugar Land, Texas
February 9, 2010

Management's Discussion and Analysis

As management of Richmond, Texas (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 year ended September 30, 2009.

FINANCIAL HIGHLIGHTS

- The assets of the City, excluding component units, exceeded its liabilities at the close of the most recent fiscal year by \$36,085,353 (net assets). Of this amount, \$6,556,131 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets, excluding component units, increased by \$2,526,668.
- As of September 30, 2009, the City's governmental funds reported an ending fund balance of \$1,515,979, a decrease of \$125,808 in comparison with the prior year.
- At the end of the fiscal year, the General Fund reported a fund balance of \$87,398, or .8 percent of total General Fund expenditures.
- The City's long-term debt, excluding component units and compensated absences, decreased by \$868,946 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 City's net assets changed during the most recent fiscal year. All changes in net assets 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., depreciation and earned but unused vacation leave).

The government-wide financial statements present functions of the City that are provided from funding sources (governmental activities). The government-wide financial statements can be found on pages 15-17 of this report.

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. The funds of the City consist of governmental and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same function 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 the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the 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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide an adjustments column to facilitate this comparison between the governmental funds and *governmental activities*. The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary Funds - Proprietary Funds include the City's Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has one enterprise fund and it is used to account for its water and wastewater services.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements 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 27 through 47 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's General Fund budget and the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 50-52 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, excluding component units, assets exceeded liabilities by \$36,085,353 as of September 30, 2009.

The largest portion of the City's net assets (63.1 percent) reflects its investment in capital assets (e.g. land, buildings, vehicles, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the individuals we serve; consequently, these assets are not available for future spending.

The second largest portion of the City's net assets (18.7 percent) represents resources that are subject to restrictions on how they may be used.

Additionally, a portion of the City's net assets (18.2 percent) represents unrestricted financial resources available for future operations.

SUMMARY OF STATEMENT OF NET ASSETS
As of September 30, 2009 and 2008
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 2,736	\$ 2,762	\$ 12,648	\$ 10,583	\$ 15,384	\$ 13,345
Capital assets, net	11,614	11,423	19,537	19,857	31,151	31,280
Total Assets	14,350	14,185	32,185	30,440	46,535	44,625
Long-term liabilities	6,533	7,190	2,305	2,471	8,838	9,661
Other liabilities	868	787	743	619	1,611	1,406
Total Liabilities	7,401	7,977	3,048	3,090	10,449	11,067
Net Assets:						
Invested in capital assets, net of debt	5,535	4,642	17,232	17,385	22,767	22,027
Restricted	1,497	1,763	5,265	5,268	6,762	7,031
Unrestricted	(83)	(197)	6,640	4,697	6,557	4,500
Total Net Assets	\$ 6,949	\$ 6,208	\$ 29,137	\$ 27,350	\$ 36,086	\$ 33,558

Net assets of the City, excluding component units, increased by \$2,526,668. Key elements of the increase are as follows:

CHANGES IN NET ASSETS
For the Fiscal Years Ended September 30, 2009 and 2008
(amounts expressed in thousands)

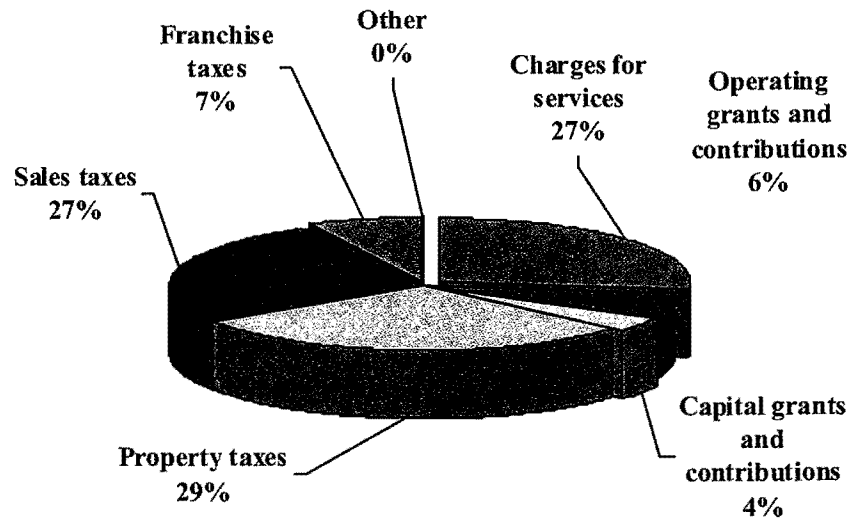
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 2,921	\$ 2,432	\$ 6,525	\$ 6,051	\$ 9,446	\$ 8,483
Operating grants and contributions	629	189			629	189
Capital grants and contributions	450				450	
General revenues:						
Property taxes, penalties and interest	3,134	2,854			3,134	2,854
Sales taxes	2,952	2,641			2,952	2,641
Franchise taxes	781	771			781	771
Investment income and other	7	564	21	193	28	757
Total Revenues	<u>10,874</u>	<u>9,451</u>	<u>6,546</u>	<u>6,244</u>	<u>17,420</u>	<u>15,695</u>
Expenses						
General government	1,289	1,408			1,289	1,408
Public works	2,593	2,401			2,593	2,401
Parks and recreation	472	479			472	479
Public safety-Police	3,104	2,807			3,104	2,807
Public safety-Fire	3,182	2,578			3,182	2,578
Water and sewer			3,956	3,842	3,956	3,842
Interest on long-term debt	296	337			296	337
Total Expenses	<u>10,936</u>	<u>10,010</u>	<u>3,956</u>	<u>3,842</u>	<u>14,892</u>	<u>13,852</u>
Increase (Decrease) in Net Assets Before Transfers	(62)	(559)	2,590	2,402	2,528	1,843
Transfers	803	611	(803)	(611)		
Change in Net Assets	741	52	1,787	1,791	2,528	1,843
Net assets, beginning	6,208	6,156	27,350	25,559	33,558	31,715
Net Assets, Ending	<u>\$ 6,949</u>	<u>\$ 6,208</u>	<u>\$ 29,137</u>	<u>\$ 27,350</u>	<u>\$ 36,086</u>	<u>\$ 33,558</u>

There was an increase of \$740,462 in net assets in connection with the City's governmental activities, compared to an increase of \$51,976 in the previous fiscal year. This is primarily due to a \$450,000 capital contribution from Fort Bend County in connection with a fire truck purchase and increased transfers in from the water and sewer fund.

The City's business-type net assets increased by \$1,786,206 in the current fiscal year. This increase in net assets was almost identical to the increase in the previous fiscal year.

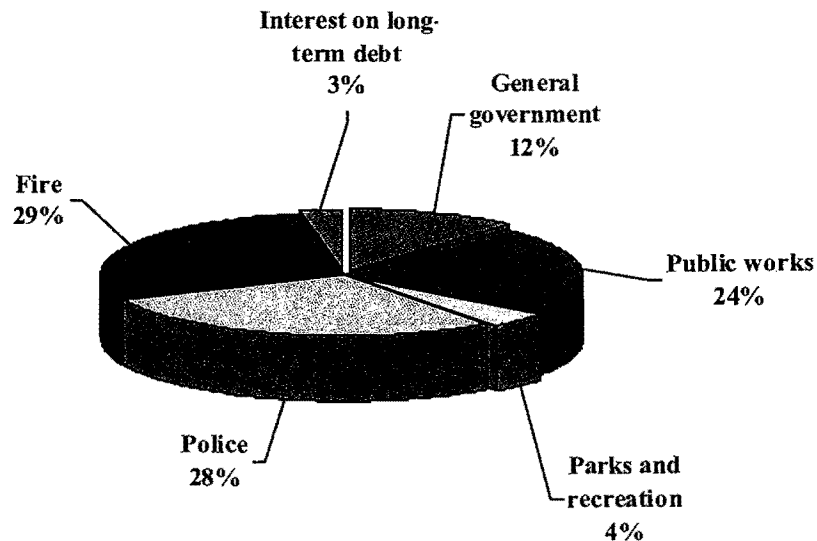
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

GOVERNMENTAL REVENUES



For the fiscal year ended September 30, 2009, revenues from governmental activities, excluding transfers, totaled \$10.9 million.

GOVERNMENTAL FUNCTIONAL EXPENSES



For the fiscal year ended September 30, 2009, expenses for governmental activities totaled \$10.9 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously noted, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's governmental funds are discussed below:

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, fund balances may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of September 30, 2009, the City's governmental funds, which consist of a general fund, debt service fund, capital projects fund and other nonmajor governmental funds reported an ending fund balance of \$1,515,979, which is a decrease of \$125,808 from last year's total of \$1,641,787. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. The General Fund reported a fund balance of \$87,398, or .8 percent of total general fund expenditures.

The fund balance of the General Fund increased by \$232,892 during the fiscal year. This increase is mainly attributable to increased property and sales tax revenues and reduced general government expenditures. General government expenditures decreased by \$245,309.

The Debt Service Fund has a fund balance of \$1,024,540, all of which is reserved for the payment of debt service. The net increase in fund balance for the year was \$20,999. This increase can be attributed to a reduction in debt payments.

The Capital Projects Fund has a fund balance of \$84,772 as of September 30, 2009. This ending fund balance represents an increase of \$29,343.

Proprietary Fund - The City's proprietary fund provides the same type of information as found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer Fund at the end of the fiscal year amounted to \$6,639,822. The increase in total net assets for the year was \$1,786,206. This increase is almost the same as the increase in the previous fiscal year of \$1,790,948.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, there were no changes in appropriations between the original and final amended budget for expenditures at the department level, the legal level of budgetary control. Fire department expenditures exceeded appropriations due to actual capital outlay exceeding appropriated amounts. This was offset by a \$450,000 capital contribution from Fort Bend County. Debt Service expenditures exceeded appropriations due to the fact that some principal and interest payments were originally budgeted for in other departments. In the future, these expenditures will be budgeted for in Debt Service.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets as of September 30, 2009 amounts to \$31,150,819 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, and infrastructure.

SCHEDULE OF CAPITAL ASSETS (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Non-Depreciable Assets						
Land	\$ 1,879	\$ 1,870	\$ 832	\$ 832	\$ 2,711	\$ 2,702
Construction in progress	307	1,523	513	733	820	2,256
Other Capital Assets						
Buildings	5,292	3,686	8,665	8,665	13,957	12,351
Improvements other than buildings	2,277	2,277	1,124	1,124	3,401	3,401
Machinery and equipment	4,679	4,107	929	926	5,608	5,033
Infrastructure	6,181	6,182	30,603	29,906	36,784	36,088
Accumulated depreciation on other capital assets	<u>(9,001)</u>	<u>(8,222)</u>	<u>(23,129)</u>	<u>(22,329)</u>	<u>(32,130)</u>	<u>(30,551)</u>
Totals	<u>\$ 11,614</u>	<u>\$ 11,423</u>	<u>\$ 19,537</u>	<u>\$ 19,857</u>	<u>\$ 31,151</u>	<u>\$ 31,280</u>

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

Long-term Debt - At the end of the current fiscal year, the City, excluding component units, had total bonds, certificates of obligation, capital lease obligations, and compensated absences of \$8.8 million. Of this amount, \$5.6 million is general obligation debt, and certificates of obligation account for \$2.3 million.

SCHEDULE OF LONG-TERM DEBT (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 5,560	\$ 6,115	\$	\$	\$ 5,560	\$ 6,115
Certificates of Obligation			2,305	2,455	2,305	2,455
Capital leases	518	666		16	518	682
Compensated absences	455	409			455	409
Total	<u>\$ 6,533</u>	<u>\$ 7,190</u>	<u>\$ 2,305</u>	<u>\$ 2,471</u>	<u>\$ 8,838</u>	<u>\$ 9,661</u>

Additional information on the City's long-term debt can be found in Note 7 in the notes to financial statements.

ECONOMIC FACTORS

- The General Fund reported a fund balance of \$87,398. It is intended that additional revenues and controls on spending will significantly increase fund balance during the 2010 fiscal year.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Richmond Texas' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Richmond, Texas: Terri Vela, Assistant City Manager/Finance Director, 402 Morton Street, Richmond, Texas 77469.

BASIC FINANCIAL STATEMENTS

CITY OF RICHMOND, TEXAS

Exhibit A-1

STATEMENT OF NET ASSETS

September 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Corporation of Richmond	Richmond Higher Education Finance Corp.
<u>Assets</u>					
Cash and cash equivalents	\$ 2,258,128	\$ 4,973,266	\$ 7,231,394	\$ 3,640,848	\$ 995
Investments					
Current portion of receivables	1,478,077	972,609	2,450,686	152,337	
Restricted cash and cash equivalents		5,701,569	5,701,569		
Internal balances	(1,000,000)	1,000,000			
Capital assets, net of accumulated depreciation:					
Land	1,878,751	832,109	2,710,860		
Buildings	4,324,625	5,299,547	9,624,172		
Improvements other than buildings	1,588,771	987,712	2,576,483		
Machinery and equipment	1,667,719	251,307	1,919,026		
Infrastructure	1,846,931	11,653,784	13,500,715		
Construction in progress	306,991	512,572	819,563		
Total Assets	14,349,993	32,184,475	46,534,468	3,793,185	995
<u>Liabilities</u>					
Accounts payable	845,645	306,053	1,151,698	3,805	
Accrued interest payable	21,825	17,161	38,986	1,831	
Unearned revenue	235		235		
Customer deposits		419,815	419,815		
Long-term liabilities due within one year	750,672	150,000	900,672	190,000	
Long-term liabilities due in more than one year	5,782,709	2,155,000	7,937,709	410,000	
Total Liabilities	7,401,086	3,048,029	10,449,115	605,636	
<u>Net Assets</u>					
Invested in capital assets, net of related debt	5,535,614	17,232,031	22,767,645		
Restricted for:					
Debt service	1,002,715	5,264,593	6,267,308		
Economic development	494,269		494,269	3,187,549	995
Unrestricted	(83,691)	6,639,822	6,556,131		
Total Net Assets	\$ 6,948,907	\$ 29,136,446	\$ 36,085,353	\$ 3,187,549	\$ 995

See Notes to Financial Statements.

CITY OF RICHMOND, TEXAS

STATEMENT OF ACTIVITIES

Year Ended September 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,288,832	\$	\$ 502,651	\$
Public works	2,592,763	1,552,105	879	
Parks and recreation	472,608			
Public safety-Police	3,104,121	300,536	5,848	
Public safety-Fire	3,181,886	1,068,670	119,964	450,000
Interest on long-term debt	295,805			
Total Governmental Activities	10,936,015	2,921,311	629,342	450,000
Business-type Activities				
Water and sewer	3,956,907	6,524,853		
Total Business-type Activities	3,956,907	6,524,853		
Total Primary Government	\$ 14,892,922	\$ 9,446,164	\$ 629,342	\$ 450,000
Component Units				
Development Corp. of Richmond	\$ 155,572	\$	\$	\$
Richmond Higher Education				
Finance Corporation				
Total Component Units	\$ 155,572	\$	\$	\$

General Revenues:

- Property taxes
- Sales taxes
- Franchise taxes
- Investment earnings

Transfers

Total General Revenues and Transfers

Change in Net Assets

- Net Assets, Beginning
- Net Assets, Ending

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Development Corporation of Richmond	Richmond Higher Education Finance Corp.
\$ (786,181)	\$	(786,181)	\$	\$
(1,039,779)		(1,039,779)		
(472,608)		(472,608)		
(2,797,737)		(2,797,737)		
(1,543,252)		(1,543,252)		
(295,805)		(295,805)		
<u>(6,935,362)</u>		<u>(6,935,362)</u>		
	2,567,946	2,567,946		
	2,567,946	2,567,946		
<u>\$ (6,935,362)</u>	<u>\$ 2,567,946</u>	<u>\$ (4,367,416)</u>		
			(155,572)	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (155,572)</u>	<u>\$</u>
\$ 3,133,847	\$	\$ 3,133,847	\$	\$
2,952,295		2,952,295	982,316	
780,241		780,241		
6,673	21,028	27,701	297	
802,768	(802,768)			
<u>7,675,824</u>	<u>(781,740)</u>	<u>6,894,084</u>	<u>982,613</u>	
740,462	1,786,206	2,526,668	827,041	
6,208,445	27,350,240	33,558,685	2,360,508	995
<u>\$ 6,948,907</u>	<u>\$ 29,136,446</u>	<u>\$ 36,085,353</u>	<u>\$ 3,187,549</u>	<u>995</u>

CITY OF RICHMOND, TEXAS

Exhibit A-3

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 820,757	\$ 1,024,540	\$ 95,409	\$ 317,422	\$ 2,258,128
Receivables:					
Taxes	893,559	90,129			983,688
Accounts	289,652			17,655	307,307
Intergovernmental	183,850			3,232	187,082
Total Assets	<u>\$ 2,187,818</u>	<u>\$ 1,114,669</u>	<u>\$ 95,409</u>	<u>\$ 338,309</u>	<u>\$ 3,736,205</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts payable and accrued liabilities	\$ 816,837	\$	\$ 10,637	\$ 18,170	\$ 845,644
Due to other funds	1,000,000				1,000,000
Deferred revenue	283,583	90,129		870	374,582
Total Liabilities	<u>2,100,420</u>	<u>90,129</u>	<u>10,637</u>	<u>19,040</u>	<u>2,220,226</u>
<u>Fund Balances</u>					
Fund Balances:					
Reserved		1,024,540		137,927	1,162,467
Unreserved	87,398		84,772	181,342	353,512
Total Fund Balances	<u>87,398</u>	<u>1,024,540</u>	<u>84,772</u>	<u>319,269</u>	<u>1,515,979</u>
Total Liabilities and Fund Balances	<u>\$ 2,187,818</u>	<u>\$ 1,114,669</u>	<u>\$ 95,409</u>	<u>\$ 338,309</u>	

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

Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds.	11,613,787
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	374,347
Some liabilities, including bonds payable (\$5,560,000), interest payable (\$21,825), capital leases payable (\$518,173), and accrued compensated absences (\$455,208) are not reported as liabilities in the governmental funds.	(6,555,206)
Net Assets of Governmental Activities	<u>\$ 6,948,907</u>

CITY OF RICHMOND, TEXAS

Exhibit A-4

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Taxes:					
Property	\$ 2,262,705	\$ 854,736	\$	\$	\$ 3,117,441
Sales	2,952,295				2,952,295
Franchise	780,241				780,241
Licenses and permits	242,820				242,820
Fines and forfeitures	289,967			10,569	300,536
Fees and charges for services	2,158,733				2,158,733
Intergovernmental	27,257			307,021	334,278
Investment earnings	3,630	1,207		1,836	6,673
Other	290,064			224,222	514,286
Total Revenues	9,007,712	855,943		543,648	10,407,303
<u>Expenditures</u>					
Current:					
General government	1,329,691				1,329,691
Public safety	6,253,472			9,094	6,262,566
Public works	2,280,917				2,280,917
Parks and recreation	376,298				376,298
Debt Service:					
Principal retirement	101,577	555,000	20,908		677,485
Interest and fiscal charges	7,865	279,944	10,577		298,386
Capital Outlay			194,125	366,411	560,536
Total Expenditures	10,349,820	834,944	225,610	375,505	11,785,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,342,108)	20,999	(225,610)	168,143	(1,378,576)
<u>Other Financing Sources (Uses)</u>					
Proceeds from the sale of bonds					
Capital contributions	450,000				450,000
Transfers from other funds	1,125,000		254,953		1,379,953
Transfers (to) other funds				(577,185)	(577,185)
Total Other Financing Sources (Uses)	1,575,000		254,953	(577,185)	1,252,768
Net Change in Fund Balance	232,892	20,999	29,343	(409,042)	(125,808)
Fund balances - beginning	(145,494)	1,003,541	55,429	728,311	1,641,787
Fund Balances - Ending	\$ 87,398	\$ 1,024,540	\$ 84,772	\$ 319,269	\$ 1,515,979

See Notes to Financial Statements.

CITY OF RICHMOND, TEXAS

Exhibit A-5

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2009

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

Net change in fund balances - total governmental funds	\$ (125,808)
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	190,576
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	16,406
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the net effect of these differences in the treatment of long-term debt and related items, and consists of principal repayment on bonds (\$555,000) and capital leases (\$147,639).	702,639
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This adjustment reflects the net change in interest payable (\$2,581) and accrued compensated absences (-\$45,932).	<u>(43,351)</u>
Change in Net Assets of Governmental Activities	<u>\$ 740,462</u>

See Notes to Financial Statements.

CITY OF RICHMOND, TEXAS

Exhibit A-6

STATEMENT OF NET ASSETS
PROPRIETARY FUND

September 30, 2009

	<u>Business-type Activities -</u>	
	<u>Enterprise Fund</u>	
	<u>Water & Sewer Fund</u>	
<u>Assets</u>		
<u>Current Assets:</u>		
Cash and cash equivalents	\$	4,973,266
Restricted cash and investments		586,976
<u>Receivables:</u>		
Accounts, net of allowance account		972,609
Due from other funds		1,000,000
Total Current Assets		7,532,851
<u>Noncurrent Assets:</u>		
Restricted cash and investments		5,114,593
Capital assets, net of accumulated depreciation:		
Land		832,109
Buildings		5,299,547
Improvements other than buildings		987,712
Machinery and equipment		251,307
Infrastructure		11,653,784
Construction in progress		512,572
Total Noncurrent Assets		24,651,624
Total Assets		32,184,475
<u>Liabilities</u>		
<u>Current Liabilities:</u>		
Accounts payable		306,053
Payable from restricted assets:		
Deposits		419,815
Accrued interest payable		17,161
Certificates of obligation payable		150,000
Total Current Liabilities		893,029
<u>Noncurrent Liabilities:</u>		
Certificates of obligation payable		2,155,000
Total Noncurrent Liabilities		2,155,000
Total Liabilities		3,048,029
<u>Net Assets</u>		
Invested in capital assets, net of related debt		17,232,031
Restricted for debt service		5,264,593
Unrestricted		6,639,822
Total Net Assets	\$	29,136,446

See Notes to Financial Statements.

CITY OF RICHMOND, TEXAS

Exhibit A-7

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND**

For the Year Ended September 30, 2009

	Business-type Activities - Enterprise Fund Water & Sewer Fund
<u>Operating Revenues</u>	
Charges for services	\$ 6,524,853
Total Operating Revenues	6,524,853
<u>Operating Expenses</u>	
Cost of sales and services	3,040,380
Depreciation	815,264
Total Operating Expenses	3,855,644
Operating Income	2,669,209
<u>Non-Operating Revenues (Expenses)</u>	
Investment earnings	21,028
Interest expense	(101,263)
Total Non-Operating Revenues (Expenses)	(80,235)
Income Before Transfers	2,588,974
Transfers in	322,232
Transfers (out)	(1,125,000)
Change in Net Assets	1,786,206
Net assets, beginning	27,350,240
Net Assets, Ending	\$ 29,136,446

CITY OF RICHMOND, TEXAS

Exhibit A-8 (Page 1 of 2)

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended September 30, 2009

	<u>Business-type Activities -</u> <u>Enterprise Fund</u> <u>Water & Sewer Fund</u>
<u>Cash Flows From Operating Activities</u>	
Receipts from customers and users	\$ 6,465,354
Disbursed for personnel services	(1,358,120)
Disbursed for goods and services to suppliers	(1,557,125)
Net Cash Provided by Operating Activities	3,550,109
<u>Cash Flows From Noncapital</u>	
<u>Financing Activities</u>	
Transfers from other funds	322,232
Transfers (to) other funds	(1,125,000)
Net Cash (Used) by Noncapital	
 Financing Activities	(802,768)
<u>Cash Flows From Capital and Related</u>	
<u>Financing Activities</u>	
Principal paid on capital debt	(166,307)
Interest paid on capital debt	(101,789)
Acquisition and construction of capital assets	(495,602)
Net Cash (Used) by Capital and Related	
 Financing Activities	(763,698)
<u>Cash Flows From Investing Activities</u>	
Interest received	21,028
Net Cash Provided by Investing Activities	21,028
Net Increase in Cash and Cash Equivalents	2,004,671
Cash and cash equivalents, beginning	8,670,164
Cash and Cash Equivalents, Ending	\$ 10,674,835

See Notes to Financial Statements.

CITY OF RICHMOND, TEXAS

Exhibit A-8 (Page 2 of 2)

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended September 30, 2009

	<u>Business-type Activities -</u> <u>Enterprise Fund</u> <u>Water & Sewer Fund</u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating income	\$ 2,669,209
Adjustments to reconcile operating income to net cash used by operating activities	
Depreciation	815,264
(Increase) in accounts receivable	(59,499)
(Decrease) in accounts payable	104,064
Increase in customer deposits	21,071
Total adjustments	<u>880,900</u>
Net Cash Provided by Operating Activities	<u>\$ 3,550,109</u>
Breakdown of Restricted and Unrestricted Cash and Cash Equivalents:	
Restricted for debt payments	\$ 5,701,569
Unrestricted	4,973,266
Total	<u>\$ 10,674,835</u>

See Notes to Financial Statements.

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO 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.

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.

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 following discretely presented component units: the Development Corporation of Richmond and the Richmond Higher Education Finance Corporation. 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 its 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. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

Discretely Presented Component Units

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. City Commission approval is required for annual budgets and bonded debt issuance. In the event of dissolution, net assets of the Corporation shall be conveyed to the City. The operations of the Corporation are presented as a governmental fund type.

Richmond Higher Education Finance Corporation

The Richmond Higher Education Finance Corporation (the "Education Corporation") has been included in the reporting entity as a discretely presented component unit. In 2002, the Education Corporation was created by the City for the purpose of financing buildings and other capital assets for universities. The Board of Directors is appointed by and serves at the discretion of the City Commission. City Commission approval is required for annual budgets and bonded debt issuance. In the event of dissolution, net assets of the Education Corporation shall be conveyed to the City. The operations of the Education Corporation are presented as a governmental fund type.

Separately issued audited financial statements are not issued for the discretely presented component units. Unaudited financial statements may be obtained from the City's finance office.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information about the City as a whole. These statements include all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

In September 1993, the Governmental Accounting Standards Board issued Statement No. 29, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" which are effective for the City's financial statements for the year ending September 30, 2005. This statement provides guidance on accounting and financial reporting for business-type and enterprise fund activities. The City has elected alternative number one (1) from those provided by this standard. This alternative method elects to apply all GASB pronouncements as well as FASB pronouncements that were issued after November 30, 1989.

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 a proprietary fund's ongoing operations. The principal sources of revenue of the Water & Sewer Fund are charges to customers for sales and services. Operating expenses include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. 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 when 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

The government reports the following major governmental funds:

General Fund

The General Fund accounts for the resources used to finance the fundamental operations of the City. The principal sources of revenue of the General Fund are property taxes, sales and use

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

taxes, franchise taxes, fines and forfeitures, permits and fees, and sanitation. Expenditures are for general government, public safety and public works.

Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payment made for principal and interest on long-term general obligation debt of governmental funds. The primary source of revenue for debt service is property taxes.

Capital Projects Fund

The Capital Projects Fund is used to account for the expenditures of resources accumulated from the sale of bonds and related interest earnings for capital improvement projects.

The government reports the following major proprietary fund:

Water & Sewer Fund

The Water & Sewer Fund accounts for the operations that provide water and wastewater utility services to the public. The services are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (including depreciation) of providing goods or services to the general public will be financed or recovered primarily through user charges.

D. Financial Statement Presentation

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments.

Certain of the significant changes in the Statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and changes in financial position.
- Government-wide financial statements prepared using the accrual basis of accounting for all of the City’s governmental and business-type activities.
- Fund financial statements focusing on the major funds.

Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which include a statement of net assets and a statement of activities. It requires the reclassification of net assets into three components-invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors,

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

or laws or regulation of other governments or constraints imposed by law through contractual provisions or enabling legislation.

- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. No encumbrances were outstanding at year-end.

F. Cash and Cash Equivalents

Cash and cash equivalents include cash and temporary investments as disclosed in Note 2. These cash and investments are generally available for the City's disbursement needs and have a maturity of three months or less from the date of acquisition.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

H. Inventories

Inventories are stated at cost. The City uses the FIFO method of accounting for inventories. Inventories consist of expendable supplies held for consumption, and the cost thereof is recorded as an expense/expenditure at the time the inventory items are issued (consumption method). No inventory was on hand at year-end.

I. Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are, for the most part, eliminated from the government-wide Statement of Net Assets and are classified as "due from other funds" or "due to other funds" in the fund financial statements.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure items, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure is not held to the \$5,000 limit; all infrastructure is capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	50 years
Building improvements	20 years
Public domain infrastructure	30 years
System infrastructure	30 years
Vehicles	5 years
Machinery and equipment	5 years

K. Compensated Employee 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.

L. Fund Equity

Reserved equity balances represent those portions of fund balance not appropriate for expenditure or legally segregated for a specific future use. Unreserved fund balances represent available balances for the City's future use.

M. Reclassifications

Certain reclassifications to prior year balances have been made to conform to current year presentation. Such reclassifications have had no effect on the excess of revenues over expenditures.

N. Date of Management's Review

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 9, 2010, the date that the financial statements were available to be issued.

O. 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 and liabilities and disclosure of contingent assets and liabilities at the date of financial statements

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental funds as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, interest payable, notes payable and accrued compensated absences, are not reported in the funds.”

The details of this \$6,555,206 difference are as follows:

Bonds payable	\$	5,560,000
Accrued interest payable		21,825
Notes payable		518,173
Compensated absences - governmental funds		455,208
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	\$	<u>6,555,206</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$190,576 difference are as follows:

Capital outlay	\$	988,645
Depreciation expense		<u>(798,069)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>190,576</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to state statutes. The depository bank deposits, for safekeeping and trust with the City's agent bank, approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance.

The Commission has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act (Chapter 2256 Texas Government Code). The investments of the City are in compliance with the Commission's investment policies. It is the City's policy to restrict its investments to direct obligations of the U.S. Government, commercial paper, fully collateralized certificates of deposit and other interest-bearing time and demand deposits, and other instruments and investments in public funds investment pools such as the Local Government Investment Cooperative (LOGIC) and Texas Local Government Investment Pool (TEXPOOL).

Cash and Cash Equivalents

The City's cash and cash equivalents, including component units, consist of cash on hand, demand deposits, certificates of deposit and government securities with a remaining maturity of less than three months. The City's cash and cash equivalents at September 30, 2009, are shown below.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash	\$ 10,609,906	\$ 10,609,906
Certificates of deposit	263,331	263,331
Government securities	5,701,569	5,701,569
Total Cash and Cash Equivalents	<u>\$ 16,574,806</u>	<u>\$ 16,574,806</u>

Custodial Credit Risk - Deposits

For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. Collateral is required for all bank deposits at 102% of deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Collateral pledged to cover the City's deposits is required to be held in the City's name by the trust department of a bank other than the pledging bank (the City's agent). Collateral securities must bear a Baa-1 or better rating to qualify for use in securing uninsured depository balances. Deposits at year-end are representative of the types of deposits maintained by the City during the year.

The City's deposits in banks at year-end, including component units, were entirely covered by federal depository insurance or by acceptable collateral held by the City's agent in the City's name.

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

Investments

At year-end, the City's investment balances were as follows:

	Fair Value	Weighted Average Maturity (Days)
Certificates of deposit	\$ 263,331	215
U.S. Treasury Notes	5,701,569	58
Total Investments	\$ 5,964,900	65

The fair values of the U.S. Government and Agency Securities are based on quoted market prices. The investments are reported at Fair Value in accordance with Governmental Accounting Standards Board Statement (GASB) No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The increase or decrease in the fair value of investments is recorded in investment income. The amount of increase or decrease in the fair value of investments during the year ended September 30, 2009, was not significant.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than two years to meet cash requirements for ongoing operation.

Credit Risk - Investments

In accordance with its investment policy, the City minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities. All of the City's U.S. Agency investments are insured, registered, or the City's agent holds the securities in the City's name; therefore the City is not exposed to custodial credit risk.

Restricted Cash and Investments

As of September 30, 2009, the Enterprise Fund held restricted cash and investments for the following purposes:

Special escrow	\$ 5,701,569
Total	\$ 5,701,569

NOTE 4 - PROPERTY TAXES

The City's property taxes are levied annually in October on the basis of the Appraisal District's assessed values as of January 1 of that calendar year. Appraised values are established by the Appraisal District at market value and assessed at 100% of appraised value. The City's property taxes are billed and collected by the Fort Bend County Tax Assessor/Collector. Such taxes are applicable to the fiscal year

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

in which they are levied and become delinquent with an enforceable lien on property on February 1 of the subsequent calendar year.

Property taxes are levied for operations and based on rates adopted for the year of the levy. For the current year, the City levied property taxes on \$0.79 per \$100 of assessed valuation. The resulting adjusted tax levy was \$3,120,709 on the total adjusted taxable valuation of \$395,020,611 for the 2008 tax year.

Property taxes receivable, at September 30, 2009, consists of the following:

<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
2008	\$ 78,335	\$ 28,510	\$ 106,845
2007	44,454	19,086	63,540
2006	21,419	10,580	31,999
2005	16,177	9,352	25,529
2004	11,460	8,106	19,566
2003 and prior	112,379	14,495	126,874
	<u>\$ 284,224</u>	<u>\$ 90,129</u>	<u>\$ 374,353</u>

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

Primary Government:

	<u>Governmental Activities</u>			<u>Business- type Activities</u>	<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor and Other Funds</u>		
Receivables:					
Taxes	\$ 893,559	\$ 90,129	\$	\$ 972,609	\$ 983,688
Accounts	289,652		17,655	972,609	1,279,916
Intergovernmental	183,850		3,232		187,082
Gross receivables	1,367,061	90,129	20,887	972,609	2,450,686
Less: allowance for uncollectibles					
Net Total Receivables	<u>\$ 1,367,061</u>	<u>\$ 90,129</u>	<u>\$ 20,887</u>	<u>\$ 972,609</u>	<u>\$ 2,450,686</u>

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

Component Units:

	Development Corporation of Richmond
Receivables	
Taxes	\$ 152,337
Total	\$ 152,337

All of the City and Component Units' receivables are considered collectible.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable - general fund	\$ 284,224	\$
Delinquent property taxes receivable - debt service fund	90,129	
Grant monies prior to meeting all eligibility requirements		870
Total Deferred Revenue for Governmental Funds	\$ 374,353	\$ 870

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

NOTE 6 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2009:

	<u>Balance</u> <u>Oct. 1, 2008</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>Sept. 30, 2009</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,870,541	\$ 8,210	\$	\$ 1,878,751
Construction in progress	1,523,380	25,251	(1,241,640)	306,991
Total capital assets not being depreciated	<u>3,393,921</u>	<u>33,461</u>	<u>(1,241,640)</u>	<u>2,185,742</u>
Capital assets being depreciated:				
Buildings	3,686,156	1,605,930		5,292,086
Improvements other than buildings	2,276,720			2,276,720
Infrastructure	6,181,633			6,181,633
Machinery and equipment	4,107,274	590,895	(19,270)	4,678,899
Total capital assets being depreciated	<u>16,251,783</u>	<u>2,196,825</u>	<u>(19,270)</u>	<u>18,429,338</u>
Less accumulated depreciation for:				
Buildings	(875,024)	(92,437)		(967,461)
Improvements other than buildings	(598,115)	(89,834)		(687,949)
Infrastructure	(4,128,034)	(206,668)		(4,334,702)
Machinery and equipment	(2,621,320)	(409,130)	19,270	(3,011,180)
Total accumulated depreciation	<u>(8,222,493)</u>	<u>(798,069)</u>	<u>19,270</u>	<u>(9,001,292)</u>
Total capital assets being depreciated, net	<u>8,029,290</u>	<u>1,398,756</u>		<u>9,428,046</u>
Governmental activities capital assets, net	<u>\$ 11,423,211</u>	<u>\$ 1,432,217</u>	<u>\$ (1,241,640)</u>	<u>\$ 11,613,788</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 832,109	\$ 64,872	\$ (285,275)	\$ 832,109
Construction in progress	732,975	64,872	(285,275)	512,572
Total capital assets not being depreciated	<u>1,565,084</u>	<u>64,872</u>	<u>(285,275)</u>	<u>1,344,681</u>
Capital assets being depreciated:				
Buildings	8,665,357			8,665,357
Improvements other than buildings	1,123,840			1,123,840
Infrastructure	29,905,445	697,124		30,602,569
Machinery and equipment	926,394	18,881	(15,802)	929,473
Total capital assets being depreciated	<u>40,621,036</u>	<u>716,005</u>	<u>(15,802)</u>	<u>41,321,239</u>
Less accumulated depreciation for:				
Buildings	(3,189,316)	(176,494)		(3,365,810)
Improvements other than buildings	(91,397)	(44,731)		(136,128)
Infrastructure	(18,479,234)	(469,551)		(18,948,785)
Machinery and equipment	(569,480)	(124,488)	15,802	(678,166)
Total accumulated depreciation	<u>(22,329,427)</u>	<u>(815,264)</u>	<u>15,802</u>	<u>(23,128,889)</u>
Total capital assets being depreciated, net	<u>18,291,609</u>	<u>(99,259)</u>		<u>18,192,350</u>
Business-type activities capital assets, net	<u>\$ 19,856,693</u>	<u>\$ (34,387)</u>	<u>\$ (285,275)</u>	<u>\$ 19,537,031</u>

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

Construction in progress for the various projects and remaining commitments under these construction contracts as of September 30, 2009, are as follows:

<u>Project Description</u>	<u>Total In Progress</u>	<u>Remaining Commitment</u>
Governmental Activities:		
Fire department main station	\$ 24,083	\$ 385,800
FM 2218 to FM 762 TXDOT project	30,134	198,803
Railroad overpass TXDOT project	26,000	
FM 3155 to Lane Drive TXDOT project		880,940
Helping hands	220,408	38,487
Williams Way sewer plant plat engineering	6,366	
Totals	<u>\$ 306,991</u>	<u>\$ 1,504,030</u>
Business-type Activities:		
Lamar Drive drainage and utility relocation	\$ 479,618	\$ 59,442
Lamar Drive Phase II	4,499	3,350,000
North 2nd WWTP expansion	3,900	
Water barn	23,045	21,269
Williams Way sewer plant plat survey	1,510	
Totals	<u>\$ 512,572</u>	<u>\$ 3,430,711</u>

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

Governmental Activities:		
General government	\$	38,285
Police		190,091
Fire		173,446
Public works		301,624
Parks and recreation		94,623
Total Depreciation Expense-Governmental Activities	<u>\$</u>	<u>798,069</u>
Business-type Activities:		
Water & sewer	\$	815,264

NOTE 7 - LONG-TERM DEBT

General Obligation Bonds and Certificates of Obligation

The City issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

obligation have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

The following is a summary of general obligation bonds and certificates of obligation outstanding as of September 30, 2009:

<u>Series</u>	<u>Original Issue</u>	<u>Matures</u>	<u>Interest Rate (%)</u>	<u>Debt Outstanding</u>
Governmental Activities:				
General Obligation Bonds				
Series 1999 general obligation bonds	\$ 4,400,000	2020	3.15-4.55	\$ 2,845,000
Series II 1999 public improvement & refunding general obligation bonds	4,475,000	2020	4.25-5.5	2,310,000
Series 2004 general obligation bonds	530,000	2024	4.625-5.25	405,000
Total Governmental Activities				<u>\$ 5,560,000</u>
Business-type Activities:				
Series 2004 certificates of obligation	\$ 3,055,000	2024	3.5-5.5	<u>\$ 2,305,000</u>
Component Units:				
Certificates of Obligation				
Series 1997 certificates of obligation	\$ 2,300,000	2012	4.5-6.5	<u>\$ 600,000</u>

The annual requirements to amortize all primary government general obligation bonds and certificates of obligation outstanding as of September 30, 2009 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 560,000	\$ 252,027	\$ 150,000	\$ 95,218
2011	575,000	225,374	150,000	88,892
2012	585,000	197,809	150,000	84,380
2013	595,000	169,599	150,000	78,642
2014	390,000	146,284	155,000	72,617
2015-2019	2,225,000	432,119	775,000	265,825
2020-2024	630,000	31,286	775,000	91,488
	<u>\$ 5,560,000</u>	<u>\$ 1,454,498</u>	<u>\$ 2,305,000</u>	<u>\$ 777,062</u>

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

The following is a summary of changes in the City's total governmental and business-type long-term liabilities and component unit liabilities for the year ended September 30, 2009.

	<u>Balance Oct. 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2009</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 6,115,000	\$	\$ (555,000)	\$ 5,560,000	\$ 560,000
Total bonds payable	<u>6,115,000</u>		<u>(555,000)</u>	<u>5,560,000</u>	<u>560,000</u>
Capital leases	665,812		(147,639)	518,173	145,151
Compensated absences	409,276	45,932		455,208	45,521
Total Governmental Activities	<u>\$ 7,190,088</u>	<u>\$ 45,932</u>	<u>\$ (702,639)</u>	<u>\$ 6,533,381</u>	<u>\$ 750,672</u>
Business-type Activities:					
Bonds payable:					
Certificates of obligation	\$ 2,455,000	\$	\$ (150,000)	\$ 2,305,000	\$ 150,000
Capital leases	16,307		(16,307)		
Total Business-type Activities	<u>\$ 2,471,307</u>	<u>\$</u>	<u>\$ (166,307)</u>	<u>\$ 2,305,000</u>	<u>\$ 150,000</u>
Component Units:					
Certificates of obligation	\$ 780,000	\$	\$ (180,000)	\$ 600,000	\$ 190,000

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

For governmental activities, compensated absences are generally liquidated by the General Fund.

Federal Tax Compliance (Arbitrage) for Long-Term Debt

In accordance with provisions of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code") the City's long-term debt obligations must meet certain minimum criteria to be considered and continue to be considered "tax exempt." This "tax exempt" status means that interest income earned by purchasers of the City's long-term debt instruments is not subject to federal income taxes. Related Treasury Regulations promulgated under section 148 of the Code generally provide that the determination of whether these obligations are tax exempt is made as of the date such obligations are issued based on a reasonable expectations regarding the use of the proceeds of the bonds issued. Long-term debt that does not meet and continue to meet the minimum criteria of Section 148 of the Code and the related Treasury Regulations described above are considered "arbitrage bonds" and are not considered "tax exempt" as described above.

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

Rebate

Obligations will become arbitrage bonds (as described above) if certain arbitrage profits are not paid to the federal government as rebate under section 148(f) of the Code. The City's obligations to calculate and make rebate payments (if any) will continue as long as there are gross proceeds allocable to outstanding debt issues.

Unexpended Debt Issuance Proceeds (Yield Restriction Requirements)

Section 148 of the Code also provides that in order for debt not to be considered arbitrage bonds (as described above), proceeds of such debt must be invested at a yield that is not materially higher than the yield on the debt issued starting on the third anniversary of the issue date of such debt. Accordingly, any unexpended proceeds of debt issued by the City that remain unexpended more than three years after such debt was issued should be yield restricted. The yield restriction may be accomplished by making yield reduction payments pursuant to Treas. Reg. Section 1.148-5(c). The City presently has unexpended proceeds from certain debt issues that require yield restriction as described above. The City is currently in compliance with these yield restriction requirements and does not anticipate associated significant noncompliance issues. The City is continuing to proceed with reasonable diligence to expend any remaining unexpended debt issuance proceeds on qualifying projects or to retire related debt issues still outstanding.

Capital Lease Obligations

The City has entered into capital lease agreements in order to purchase a fire truck, fire related equipment and various other equipment. The capital lease obligations are paid out of the General Fund.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$ 1,051,816
Less: accumulated depreciation	<u>(707,453)</u>
	<u>\$ 344,363</u>

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

Following is a summary of future lease payments due on these acquisitions:

Fiscal Year	Governmental Activities	Total
2010	\$ 167,785	\$ 167,785
2011	62,911	62,911
2012	62,912	62,912
2013	62,911	62,911
2014	62,912	62,912
2015-2017	188,734	188,734
Total minimum lease payments	608,165	608,165
Less interest portion	(89,992)	(89,992)
Present Value of Minimum Lease Payments	\$ 518,173	\$ 518,173

NOTE 8 - OPERATING LEASE

The City leases property under a cancelable operating lease. The 99-year lease expires December 31, 2069. Total costs for the lease were \$500 for the year ended September 30, 2009. The future minimum lease payments for this lease are as follows:

Year Ending September 30,	Amount
2010	\$ 500
2011	500
2012	500
2013	500
2014	500
2015-2069	27,500
	\$ 30,000

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM

Texas Municipal Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 833 administered by TMRS, an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

9153 or by calling 800-924-8677; in addition, the report is available on TMRS's website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2008	Plan Year 2009
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase	70% of CPI Repeating	70% of CPI Repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contributions rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to TMRS at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect.

Three year trend information is presented below:

	2009	2008	2007
Annual Required Contributions(ARC)	\$ 822,636	\$ 661,961	\$ 641,602
Percentage of ARC Contributed	100%	100%	100%
Net Pension Obligation at the End of Period	\$ 0	\$ 0	\$ 0

Because the actuary determines contribution rates on an annual basis and the City pays the calculated rate each month, the City will always have a net pension obligation (NPO) of zero at the beginning and end of the period, and the annually required contributions (ARC) will always equal contributions made.

The required contribution rates for the 2009 fiscal year were determined as part of the December 31, 2006 and 2007 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2008, also follows:

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

	Valuation Date		
	12/31/06	12/31/07	12/31/08
Actuarial Cost Method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	25 Years; Open Period	30 Years; Closed Period	29 Years; Closed Period
Asset Valuation Method	Amortized Cost	Amortized Cost	Amortized Cost
Actuarial Assumptions:			
Investment Rate of Return *	7.0%	7.0%	7.5%
Projected Salary Increases *	Varies by Age and Service	Varies by Age and Service	Varies by Age and Service
* - Includes Inflation at Cost-of-Living Adjustments	3.00% N/A	3.00% 2.1%	3.00% 2.1%

Funded Status and Funding Progress

The funded status as of December 31, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded AAL (UAAL)	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
12/31/08	\$13,547,806	\$ 18,724,322	72.4%	\$ 5,176,516	\$ 5,885,710	88.0%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City 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.

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); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. 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

CITY OF RICHMOND, TEXAS

Exhibit A-9

NOTES TO FINANCIAL STATEMENTS

death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

<u>Schedule of Contribution Rates</u>			
<u>Plan/Calendar Year</u>	<u>Annual Required Contribution (Rate)</u>	<u>Actual Contribution Made (Rate)</u>	<u>Percentage of ARC Contributed</u>
2007	0.20 %	0.20 %	100.0 %
2008	0.24 %	0.24 %	100.0 %
2009	0.23 %	0.23 %	100.0 %

NOTE 10 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following is a summary of interfund balances as of September 30, 2009:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
Due to/from primary government:		
General Fund	Water & Sewer Fund	\$ 1,000,000
		<u>\$ 1,000,000</u>

Amounts booked as due to/from are considered to be temporary loans and will be repaid during the following fiscal year.

For the year ended September 30, 2009, interfund transfers consisted of the following:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Water & Sewer Fund</u>	
Water & Sewer Fund	\$ 1,125,000	\$	\$	\$ 1,125,000
Non-Major Governmental Funds		254,953	322,232	577,185
Total Transfers Out	<u>\$ 1,125,000</u>	<u>\$ 254,953</u>	<u>\$ 322,232</u>	<u>\$ 1,702,185</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.

NOTE 11 - RESERVED FUND BALANCE

The City has reserved Special Revenue Fund equity in the amount of \$137,927 at September 30, 2009, for general government and parks and recreation purposes.

The City has reserved its Debt Service Fund equity at September 30, 2009, for retirement of long-term indebtedness. This equity totals \$1,024,540.

The City's Capital Projects Fund equity of \$84,772 at September 30, 2009, will be used in subsequent years for capital improvement projects.

CITY OF RICHMOND, TEXAS
NOTES TO FINANCIAL STATEMENTS

Exhibit A-9

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. The City has not significantly reduced insurance coverage or had settlements, which exceeded coverage amounts for the past three fiscal years.

The City had no material unpaid claims liabilities at the end of the current or prior year.

NOTE 13 - STRATEGIC PARTNERSHIP AGREEMENTS

On October 22, 2007, the City entered into Strategic Partnership Agreements (SPA) with Pecan Grove Municipal Utility District ("Pecan Grove MUD") and Fort Bend County Municipal Utility District No. 116 ("FBCMUD 116") whereby the City will annex certain commercial areas within Pecan Grove MUD and FBCMUD 116 (the Limited Purpose Tracts). 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 \$188,184 to Pecan Grove MUD and \$11,887 to FBCMUD 116 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.

NOTE 14 - DEFICIT NET EQUITY

As of September 30, 2009, the Municipal Court Technology Fund has a deficit fund balance of \$15,808. This deficit can be attributed to the purchase of electronic ticket writers for the police department. The City plans to make an operating transfer to this fund in order to eliminate this deficit.

NOTE 15 - SUBSEQUENT EVENTS

On October 13, 2009, the City issued \$4,000,000 of general obligation bonds for the construction and improvement of streets and related drainage. The interest rates on the bonds range from 1.5% - 4.25% and the maturity date is March 1, 2029.

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S
DISCUSSION AND ANALYSIS

CITY OF RICHMOND, TEXAS

Exhibit B-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND

Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Property	\$ 3,178,250	\$ 3,178,250	\$ 2,262,705	\$ (915,545)
Sales	2,650,000	2,650,000	2,952,295	302,295
Franchise	700,000	760,000	780,241	20,241
Licenses and permits	150,000	150,000	242,820	92,820
Fines and forfeitures	376,050	376,050	289,967	(86,083)
Fees and charges for services	2,110,000	2,110,000	2,158,733	48,733
Intergovernmental			27,257	27,257
Investment earnings	80,000	80,000	3,630	(76,370)
Other	331,596	331,596	290,064	(41,532)
Total Revenues	<u>9,575,896</u>	<u>9,635,896</u>	<u>9,007,712</u>	<u>(628,184)</u>
<u>Expenditures</u>				
Current:				
General government	1,454,242	1,454,242	1,329,691	124,551
Public safety	6,097,979	6,097,979	6,253,472	(155,493)
Public works	2,464,994	2,464,994	2,280,917	184,077
Parks and recreation	415,922	415,922	376,298	39,624
Debt Service:				
Principal retirement			101,577	(101,577)
Interest and fiscal charges	700	700	7,865	(7,165)
Total Expenditures	<u>10,433,837</u>	<u>10,433,837</u>	<u>10,349,820</u>	<u>84,017</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(857,941)	(797,941)	(1,342,108)	(544,167)
<u>Other Financing Sources</u>				
Capital contributions			450,000	450,000
Transfers from other funds	1,000,000	1,125,000	1,125,000	
Total Other Financing Sources	<u>1,000,000</u>	<u>1,125,000</u>	<u>1,575,000</u>	<u>450,000</u>
Net Change in Fund Balance	142,059	327,059	232,892	(94,167)
Fund (deficit) - beginning	(145,494)	(145,494)	(145,494)	
Fund Balance - Ending	<u>\$ (3,435)</u>	<u>\$ 181,565</u>	<u>\$ 87,398</u>	<u>\$ (94,167)</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

A. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for the General and Debt Service Funds on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

Expenditures may not legally exceed budgeted appropriations at the department 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. The Commission has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.

Management has the authority to transfer available funds allocated by the budget from one function or activity to another function or activity within the same department.

For the year ended September 30, 2009, debt service expenditures in the General Fund exceeded budgetary appropriations by \$108,7442. These expenditures in excess of appropriations were funded by appropriations in excess of expenditures in other departments.

In cooperation with the department heads of the City, the City Manager and Director of Finance prepare an annual budget for the General and Debt Service Funds for the ensuing fiscal year, in a form and style as deemed desirable by Commission. The budget, as adopted, must set forth the appropriations for services, functions, and activities of the various City departments and agencies, and shall meet all fund requirements provided by law and required by applicable bond covenants.

CITY OF RICHMOND, TEXAS

Exhibit B-3

SCHEDULE OF FUNDING PROGRESS - TEXAS MUNICIPAL RETIREMENT SYSTEM

The City's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because the City makes all the annually required contributions, no net pension obligation (NPO) exists. The information presented below represents the City's Schedule of Funding Progress.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Percentage AAL Funded</u>	<u>Unfunded AAL (UAAL)</u>	<u>Annual Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
12/31/2006	\$ 12,160,191	\$ 15,192,609	80.0%	\$ 3,032,418	\$ 4,829,006	62.8%
12/31/2007 *	12,954,882	17,521,261	73.9%	4,566,379	5,279,732	86.5%
12/31/2008	13,547,806	18,724,322	72.4%	5,176,516	5,885,710	88.0%

* - New actuarial cost method and assumptions were adopted by the TMRS Board of Trustees at their December 2007 meeting, to be effective for the 12/31/2007 valuation.

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These special revenue funds are used to account for specific revenues that are legally restricted for particular purposes.

Community Development Block Grant (CDBG) Fund - This fund is used to account for the community development block grant that is funding revitalization projects for substandard housing within the City.

TCLEOSE Fund - This fund accounts for intergovernmental grant revenues and expenditures related to the fire and police departments.

Festivals Fund - This fund accounts for the receipt and disbursement of monies for festival within the City.

Park Improvement Fund - This fund accounts for the intergovernmental revenues and expenditures related to park improvements.

State Narcotics Fund - This fund is used to account for receipts and disbursements from state seizures.

Federal Narcotics Fund - This fund is used to account for receipts and disbursements from federal seizures.

Municipal Court Building Security Fund - This fund is used to account for building security court fee assessments. Expenditures are made solely for building security purposes.

Municipal Court Technology Fund - This fund is used to account for technology court fee assessments. Expenditures are made solely for court technology purposes.

CAPITAL PROJECTS FUNDS

These capital projects funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities and are financed principally by capital grants and bond proceeds.

Ransom Road Substation Fund - This fund is used to account for the construction of a fire substation located on Ransom Road.

Highway 359 Substation Fund - This fund is used to account for the construction of a fire substation located on Highway 359.

CITY OF RICHMOND, TEXAS

Exhibit C-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2009

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
<u>Assets</u>			
Cash	\$ 136,080	\$ 181,342	\$ 317,422
Receivables:			
Accounts	17,655		17,655
Intergovernmental	3,232		3,232
	<u>156,967</u>	<u>181,342</u>	<u>338,309</u>
Total Assets	\$ 156,967	\$ 181,342	\$ 338,309
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts payable	\$ 18,170	\$	\$ 18,170
Deferred revenue	870		870
	<u>19,040</u>		<u>19,040</u>
Total Liabilities	19,040		19,040
<u>Fund Balances</u>			
Reserved for:			
General government	99,739		99,739
Parks and recreation	38,188		38,188
Unreserved		<u>181,342</u>	<u>181,342</u>
	<u>137,927</u>	<u>181,342</u>	<u>319,269</u>
Total Fund Balances	137,927	181,342	319,269
Total Liabilities and Fund Balances	\$ 156,967	\$ 181,342	\$ 338,309

CITY OF RICHMOND, TEXAS

Exhibit C-2

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended September 30, 2009

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 10,569	\$	\$ 10,569
Intergovernmental revenue	307,021		307,021
Investment earnings	1,041	795	1,836
Other		224,222	224,222
Total Revenues	<u>318,631</u>	<u>225,017</u>	<u>543,648</u>
<u>Expenditures</u>			
Current:			
Public safety	9,094		9,094
Capital Outlay		366,411	366,411
Total Expenditures	<u>9,094</u>	<u>366,411</u>	<u>375,505</u>
Excess of Revenues Over Expenditures	309,537	(141,394)	168,143
<u>Other Financing (Uses)</u>			
Transfers (to) other funds	<u>(303,185)</u>	<u>(274,000)</u>	<u>(577,185)</u>
Total Other Financing (Uses)	<u>(303,185)</u>	<u>(274,000)</u>	<u>(577,185)</u>
Net Change in Fund Balance	6,352	(415,394)	(409,042)
Fund Balances, beginning of year	<u>131,575</u>	<u>596,736</u>	<u>728,311</u>
Fund Balances, End of Year	<u>\$ 137,927</u>	<u>\$ 181,342</u>	<u>\$ 319,269</u>

CITY OF RICHMOND, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2009

	Community Development Block Grant Fund	TCLEOSE Fund	Festivals Fund	Park Improvement Fund
<u>Assets</u>				
Cash	\$	\$ 812	\$ 698	\$ 38,188
Receivables:				
Accounts	17,655			
Intergovernmental	870			
Total Assets	\$ 18,525	\$ 812	\$ 698	\$ 38,188
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts payable	\$	\$	\$	\$
Deferred revenue	870			
Total Liabilities	870			
<u>Fund Balances</u>				
Reserved for:				
General government	17,655	812	698	
Parks and recreation				38,188
Total Fund Balances	17,655	812	698	38,188
Total Liabilities and Fund Balances	\$ 18,525	\$ 812	\$ 698	\$ 38,188

Exhibit C-3

State Narcotics Fund	Federal Narcotics Fund	Municipal Court Building Security Fund	Municipal Court Technology Fund	Total Non-major Special Revenue Funds
\$ 36,039	\$ 6,491	\$ 53,852	\$	\$ 136,080
	2,362			17,655
				3,232
<u>\$ 36,039</u>	<u>\$ 8,853</u>	<u>\$ 53,852</u>	<u>\$</u>	<u>\$ 156,967</u>
\$ 2,362	\$	\$	\$ 15,808	\$ 18,170
				870
<u>2,362</u>			<u>15,808</u>	<u>19,040</u>
33,677	8,853	53,852	(15,808)	99,739
				38,188
<u>33,677</u>	<u>8,853</u>	<u>53,852</u>	<u>(15,808)</u>	<u>137,927</u>
<u>\$ 36,039</u>	<u>\$ 8,853</u>	<u>\$ 53,852</u>	<u>\$</u>	<u>\$ 156,967</u>

CITY OF RICHMOND, TEXAS

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended September 30, 2009

	<u>Community Development Block Grant Fund</u>	<u>TCLEOSE Fund</u>	<u>Festivals Fund</u>	<u>Park Improvement Fund</u>
<u>Revenues</u>				
Fines and forfeitures	\$	\$	\$	\$
Intergovernmental revenue	303,185	3,836		
Investment earnings			1	42
Total Revenues	<u>303,185</u>	<u>3,836</u>	<u>1</u>	<u>42</u>
<u>Expenditures</u>				
Current:				
Public safety		3,094		
Total Expenditures		<u>3,094</u>		
Excess (Deficiency) Revenues Over (Under) Expenditures	303,185	742	1	42
<u>Other Financing (Uses)</u>				
Transfers (to) other funds	(303,185)			
Total Other Financing (Uses)	<u>(303,185)</u>			
Net Change in Fund Balance		742	1	42
Fund Balances, beginning of year	<u>17,655</u>	<u>70</u>	<u>697</u>	<u>38,146</u>
Fund Balances, End of Year	<u>\$ 17,655</u>	<u>\$ 812</u>	<u>\$ 698</u>	<u>\$ 38,188</u>

State Narcotics Fund	Federal Narcotics Fund	Municipal Court Building Security Fund	Municipal Court Technology Fund	Total Non-major Special Revenue Funds
\$	\$	\$ 4,533	\$ 6,036	\$ 10,569
				307,021
992	6			1,041
992	6	4,533	6,036	318,631
	6,000			9,094
	6,000			9,094
992	(5,994)	4,533	6,036	309,537
				(303,185)
				(303,185)
992	(5,994)	4,533	6,036	6,352
32,685	14,847	49,319	(21,844)	131,575
\$ 33,677	\$ 8,853	\$ 53,852	\$ (15,808)	\$ 137,927

CITY OF RICHMOND, TEXAS

Exhibit C-5

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

September 30, 2009

	<u>Total Ransom Road Substation Fund</u>	<u>Highway 359 Substation Fund</u>	<u>Non-major Capital Projects Funds</u>
<u>Assets</u>			
Cash	\$ 80,186	\$ 101,156	\$ 181,342
Total Assets	<u>\$ 80,186</u>	<u>\$ 101,156</u>	<u>\$ 181,342</u>
 <u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts payable	\$ _____	\$ _____	\$ _____
Total Liabilities	_____	_____	_____
 <u>Fund Balances</u>			
Unreserved	<u>80,186</u>	<u>101,156</u>	<u>181,342</u>
Total Fund Balances	<u>80,186</u>	<u>101,156</u>	<u>181,342</u>
Total Liabilities and Fund Balances	<u>\$ 80,186</u>	<u>\$ 101,156</u>	<u>\$ 181,342</u>

CITY OF RICHMOND, TEXAS

Exhibit C-6

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS**

Year Ended September 30, 2009

	<u>Ransom Road Substation Fund</u>	<u>Highway 359 Substation Fund</u>	<u>Total Non-major Capital Projects Funds</u>
<u>Revenues</u>			
Investment earnings	\$ 89	\$ 706	\$ 795
Other		224,222	224,222
Total Revenues	89	224,928	225,017
<u>Expenditures</u>			
Capital outlay		366,411	366,411
Total Expenditures		366,411	366,411
<u>Other Financing (Uses)</u>			
Transfers (out)		(274,000)	(274,000)
Total Other Financing (Uses)		(274,000)	(274,000)
Net Change in Fund Balances	89	(415,483)	(415,394)
Fund Balances, beginning of year	80,097	516,639	596,736
Fund Balances, End of Year	\$ 80,186	\$ 101,156	\$ 181,342

CITY OF RICHMOND, TEXAS

Exhibit C-7

COMPARATIVE BALANCE SHEETS
GENERAL FUND

September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 820,757	\$ 613,336
Receivables:		
Taxes	893,559	816,430
Accounts	289,652	261,888
Due from other governments	183,850	
	<u>2,187,818</u>	<u>1,691,654</u>
Total Assets	\$ 2,187,818	\$ 1,691,654
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 816,837	\$ 609,063
Due to other funds	1,000,000	1,000,000
Deferred revenue	283,583	228,085
	<u>2,100,420</u>	<u>1,837,148</u>
Total Liabilities	2,100,420	1,837,148
<u>Equity</u>		
Fund Balance (Deficit):		
Unreserved and undesignated	87,398	(145,494)
	<u>87,398</u>	<u>(145,494)</u>
Total Equity	87,398	(145,494)
Total Liabilities and Equity	\$ 2,187,818	\$ 1,691,654

CITY OF RICHMOND, TEXAS

Exhibit C-8 Page 1 of 3

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

**Year Ended September 30, 2009
with Comparative Actual Balances for the Year Ended September 30, 2008**

	2009		Variance with Final Budget	2008 Actual
	Budget	Actual		
<u>Revenues</u>				
Property taxes	\$ 3,178,250	\$ 2,262,705	\$ (915,545)	\$ 1,978,809
Sales taxes	2,650,000	2,952,295	302,295	2,641,250
Franchise taxes	760,000	780,241	20,241	770,604
Licenses and permits	150,000	242,820	92,820	140,954
Fines and forfeitures	376,050	289,967	(86,083)	320,317
Fees and charges for services	2,110,000	2,158,733	48,733	1,973,729
Intergovernmental		27,257	27,257	
Investment earnings	80,000	3,630	(76,370)	36,530
Other	331,596	290,064	(41,532)	318,714
Total Revenues	9,635,896	9,007,712	(628,184)	8,180,907
<u>Expenditures</u>				
City Administration:				
Personnel services	393,781	381,925	11,856	380,319
Supplies	15,850	15,804	46	15,652
Repairs and maintenance	82,250	20,431	61,819	12,576
Other services and charges	398,950	360,626	38,324	469,600
Capital outlay		33,461	(33,461)	194,457
Total City Administration	890,831	812,247	78,584	1,072,604
Vehicle Maintenance:				
Personnel services	116,177	117,264	(1,087)	121,749
Supplies	12,450	11,359	1,091	15,419
Repairs and maintenance	4,500	583	3,917	2,325
Other services and charges	7,950	6,923	1,027	9,244
Total Vehicle Maintenance	141,077	136,129	4,948	148,737
Janitorial:				
Personnel services	75,174	73,643	1,531	71,640
Supplies	5,880	2,150	3,730	2,435
Repairs and maintenance	200		200	
Other services and charges	3,200	318	2,882	
Total Janitorial	84,454	76,111	8,343	74,075

CITY OF RICHMOND, TEXAS

Exhibit C-8 Page 2 of 3

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND

Year Ended September 30, 2009with Comparative Actual Balances for the Year Ended September 30, 2008

	2009		Variance with Final Budget	2008 Actual
	Budget	Actual		
<u>Expenditures (continued)</u>				
Municipal Court:				
Personnel services	177,621	169,396	8,225	172,171
Supplies	8,550	5,149	3,401	6,952
Repairs and maintenance	5,100	3,831	1,269	7,393
Other services and charges	123,609	100,340	23,269	93,068
Capital outlay	23,000	26,488	(3,488)	
Total Municipal Court	337,880	305,204	32,676	279,584
Total General Government	1,454,242	1,329,691	124,551	1,575,000
Public Safety:				
Police:				
Personnel services	2,698,871	2,599,534	99,337	2,326,502
Supplies	177,100	131,611	45,489	164,559
Repairs and maintenance	50,000	59,575	(9,575)	20,595
Other services and charges	108,325	101,055	7,270	96,471
Capital outlay	44,942	35,906	9,036	187,053
Total Police	3,079,238	2,927,681	151,557	2,795,180
Fire:				
Personnel services	2,361,649	2,391,058	(29,409)	1,970,714
Supplies	254,250	283,534	(29,284)	215,776
Repairs and maintenance	97,500	111,708	(14,208)	96,669
Other services and charges	154,842	141,867	12,975	123,012
Capital outlay	150,500	397,624	(247,124)	176,145
Total Fire	3,018,741	3,325,791	(307,050)	2,582,316
Total Public Safety	6,097,979	6,253,472	(155,493)	5,377,496
Public Works:				
Streets/Sanitation:				
Personnel services	538,694	493,989	44,705	509,467
Supplies	276,800	190,827	85,973	192,638
Repairs and maintenance	51,000	21,253	29,747	23,160
Other services and charges	1,400,475	1,379,629	20,846	1,278,567
Total Streets/Sanitation	2,266,969	2,085,698	181,271	2,003,832

CITY OF RICHMOND, TEXAS

Exhibit C-8 Page 3 of 3

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

**Year Ended September 30, 2009
with Comparative Actual Balances for the Year Ended September 30, 2008**

	2009		Variance with Final Budget	2008 Actual
	Budget	Actual		
<u>Expenditures (continued)</u>				
Administration:				
Personnel services	164,775	165,488	(713)	166,252
Supplies	13,900	12,999	901	10,496
Repairs and maintenance	5,200	948	4,252	5,962
Other services and charges	14,150	15,784	(1,634)	12,061
Total Administration	<u>198,025</u>	<u>195,219</u>	<u>2,806</u>	<u>194,771</u>
Total Public Works	<u>2,464,994</u>	<u>2,280,917</u>	<u>184,077</u>	<u>2,198,603</u>
Parks:				
Personnel services	316,522	300,292	16,230	285,167
Supplies	44,100	28,261	15,839	42,048
Repairs and maintenance	18,500	16,760	1,740	7,815
Other services and charges	36,800	30,985	5,815	48,901
Capital outlay				45,517
Total Parks	<u>415,922</u>	<u>376,298</u>	<u>39,624</u>	<u>429,448</u>
Debt Service:				
Principal		101,577	(101,577)	101,278
Interest and fiscal charges	700	7,865	(7,165)	11,853
Total Debt Service	<u>700</u>	<u>109,442</u>	<u>(108,742)</u>	<u>113,131</u>
Total Expenditures	<u>10,433,837</u>	<u>10,349,820</u>	<u>84,017</u>	<u>9,693,678</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(797,941)</u>	<u>(1,342,108)</u>	<u>(544,167)</u>	<u>(1,512,771)</u>
<u>Other Financing Sources</u>				
Capital contributoins		450,000	450,000	
Transfers from other funds	1,125,000	1,125,000		1,000,000
Total Other Financing Sources	<u>1,125,000</u>	<u>1,575,000</u>	<u>450,000</u>	<u>1,000,000</u>
Net Change in Fund Balance	327,059	232,892	(94,167)	(512,771)
Fund balance (deficit) - Beginning	<u>(145,494)</u>	<u>(145,494)</u>		<u>367,277</u>
Fund Balance (Deficit) - Ending	<u>\$ 181,565</u>	<u>\$ 87,398</u>	<u>\$ (94,167)</u>	<u>\$ (145,494)</u>

CITY OF RICHMOND, TEXAS

Exhibit C-9

COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND

September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,024,540	\$ 1,003,541
Receivables:		
Property taxes	<u>90,129</u>	<u>129,856</u>
Total Assets	<u>\$ 1,114,669</u>	<u>\$ 1,133,397</u>
<u>Liabilities and Fund Balance</u>		
<u>Liabilities</u>		
Deferred revenue	<u>\$ 90,129</u>	<u>\$ 129,856</u>
Total Liabilities	<u>90,129</u>	<u>129,856</u>
<u>Fund Balance</u>		
Reserved:		
Debt service	<u>1,024,540</u>	<u>1,003,541</u>
Total Liabilities and Fund Balance	<u>\$ 1,114,669</u>	<u>\$ 1,133,397</u>

CITY OF RICHMOND, TEXAS

Exhibit C-10

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

**Year Ended September 30, 2009
with Comparative Actual Balances for the Year Ended September 30, 2008**

	2009			2008
	Final Budget	Actual	Variance with Final Budget	Actual
<u>Revenues</u>				
Property Taxes and Penalties				
Property taxes	\$ 832,895	\$ 821,568	\$ (11,327)	\$ 835,108
Penalties and interest		33,168	33,168	22,197
	832,895	854,736	21,841	857,305
Other Revenues				
Investment earnings		1,207	1,207	14,668
Total Revenues	832,895	855,943	23,048	871,973
<u>Expenditures</u>				
Debt Service:				
Principal retirement	555,000	555,000		550,000
Interest and fiscal agent fees	277,895	279,944	(2,049)	305,434
Total Expenditures	832,895	834,944	(2,049)	855,434
Excess of Revenues Over Expenditures				
		20,999	20,999	16,539
Change in Fund Balance				
		20,999	20,999	16,539
Fund Balance - beginning	1,003,541	1,003,541		987,002
Fund Balance - Ending	\$ 1,003,541	\$ 1,024,540	\$ 20,999	\$ 1,003,541

CITY OF RICHMOND, TEXAS

Exhibit C-11

BALANCE SHEET
GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2009

	Development Corporation of Richmond	Richmond Higher Education Finance Corporation
<u>Assets</u>		
Cash and cash equivalents	\$ 3,640,848	\$ 995
Sales tax receivable	152,337	
Total Assets	\$ 3,793,185	\$ 995
<u>Liabilities and Fund Balances</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 3,805	\$
Total Liabilities	3,805	
<u>Fund Balances</u>		
Fund Balances:		
Reserved for economic development	3,789,380	995
Total Fund Balances	3,789,380	995
Total Liabilities and Fund Balances	\$ 3,793,185	\$ 995
Reconciliation of Fund Balance to Net Assets:		
Fund balance	\$ 3,789,380	\$ 995
Less accrued interest payable	(1,831)	
Less revenue bonds payable	(600,000)	
Net Assets	\$ 3,187,549	\$ 995

CITY OF RICHMOND, TEXAS

Exhibit C-12

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNITS**

For the Year Ended September 30, 2009

	Development Corporation of Richmond	Richmond Higher Education Finance Corporation
<u>Revenues</u>		
Taxes:		
Sales	\$ 982,316	\$
Investment earnings	297	
Total Revenues	982,613	
<u>Expenditures</u>		
Current:		
General government	124,317	
Debt Service:		
Principal retirement	180,000	
Interest and fiscal charges	31,925	
Total Expenditures	336,242	
Net Change in Fund Balance	646,371	
Fund balances - beginning	3,143,009	995
Fund Balances - Ending	\$ 3,789,380	\$ 995
Reconciliation of Change in Fund Balance to Change in Net Assets:		
Change in fund balance	\$ 646,371	\$
Add principal payments	180,000	
Add change in interest payable	670	
Change in Net Assets	\$ 827,041	\$

Statistical

Section

STATISTICAL SECTION

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

Contents	Page
Financial Trends	74
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	86
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	92
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	96
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities takes place.	
Operating Information	99
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.	

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

CITY OF RICHMOND, TEXAS

NET ASSETS BY COMPONENT

Last Six Fiscal Years *
(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities			
Invested in capital assets, net of related debt	\$ 978,271	\$ 1,660,627	\$ 2,310,521
Restricted	1,914,429	2,171,976	3,604,616
Unrestricted	662,787	530,074	829,468
Total Governmental Activities Net Assets	<u>\$ 3,555,487</u>	<u>\$ 4,362,677</u>	<u>\$ 6,744,605</u>
Business-type Activities			
Invested in capital assets, net of related debt	\$ 8,230,967	\$ 9,473,994	\$ 11,467,756
Restricted	7,013,460	6,335,495	5,772,531
Unrestricted	3,585,953	4,296,760	3,583,768
Total Business-type Activities Net Assets	<u>18,830,380</u>	<u>20,106,249</u>	<u>20,824,055</u>
Primary Government			
Invested in capital assets, net of related debt	\$ 9,209,238	\$ 11,134,621	\$ 13,778,277
Restricted	8,927,889	8,507,471	9,377,147
Unrestricted	4,248,740	4,826,834	4,413,236
Total Primary Government Net Assets	<u>\$ 22,385,867</u>	<u>\$ 24,468,926</u>	<u>\$ 27,568,660</u>

* The requirement for statistical data is ten years; only six years are available at this time.

Table 1

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 2,994,065	\$ 4,642,399	\$ 5,535,614
2,855,032	1,762,875	1,496,984
307,372	(196,829)	(83,691)
<u>\$ 6,156,469</u>	<u>\$ 6,208,445</u>	<u>\$ 6,948,907</u>
\$ 15,983,002	\$ 17,385,386	\$ 17,232,031
5,216,556	5,267,574	5,264,593
4,359,734	4,697,280	6,639,822
<u>25,559,292</u>	<u>27,350,240</u>	<u>29,136,446</u>
\$ 18,977,067	\$ 22,027,785	\$ 22,767,645
8,071,588	7,030,449	6,761,577
4,667,106	4,500,451	6,556,131
<u>\$ 31,715,761</u>	<u>\$ 33,558,685</u>	<u>\$ 36,085,353</u>

CITY OF RICHMOND, TEXAS

CHANGES IN NET ASSETS

Last Six Fiscal Years *
(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses			
Governmental Activities			
General government	\$ 1,094,640	\$ 1,120,885	\$ 1,306,839
Public works	1,971,723	2,035,111	2,179,577
Parks and recreation	332,545	381,381	348,408
Public safety	3,807,968	4,427,390	4,454,284
Interest and fiscal agent fees on long-term debt	376,126	380,647	372,282
Total Governmental Activities Expenses	<u>7,583,002</u>	<u>8,345,414</u>	<u>8,661,390</u>
Business-type activities			
Water and sewer	2,225,148	2,648,085	3,084,278
Total Business-type Activities Expenses	<u>2,225,148</u>	<u>2,648,085</u>	<u>3,084,278</u>
Total Primary Government Expenses	<u>\$ 9,808,150</u>	<u>\$ 10,993,499</u>	<u>\$ 11,745,668</u>
Program Revenues			
Governmental Activities			
Charges for services			
Public works	\$ 992,400	\$ 1,063,484	\$ 1,130,039
Public safety	946,011	893,814	872,626
Operating grants and contributions	699,672	411,705	494,492
Capital grants and contributions		170,000	219,000
Total Governmental Activities Program Revenues	<u>2,638,083</u>	<u>2,539,003</u>	<u>2,716,157</u>
Business-type Activities			
Charges for services:			
Water	4,391,726	4,166,798	3,014,573
Sewer	N/A	N/A	2,614,943
Capital grants and contributions		242,337	311,207
Total Business-type Activities Program Revenues	<u>4,391,726</u>	<u>4,409,135</u>	<u>5,940,723</u>
Total Primary Government Program Revenues	<u>\$ 7,029,809</u>	<u>\$ 6,948,138</u>	<u>\$ 8,656,880</u>
Net (Expense)/Revenue			
Governmental activities	\$ (4,944,919)	\$ (5,806,411)	\$ (5,945,233)
Business-type activities	2,166,578	1,761,050	2,856,445
Total Primary Government Net Expense	<u>\$ (2,778,341)</u>	<u>\$ (4,045,361)</u>	<u>\$ (3,088,788)</u>

N/A - Prior to 2006, governmental activities charges for services revenue is not available by source.

* The requirement for statistical data is ten years; only six years are available at this time.

CITY OF RICHMOND, TEXAS

CHANGES IN NET ASSETS

Last Six Fiscal Years *
(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes			
Property taxes	\$ 2,084,818	\$ 2,238,096	\$ 2,441,549
Sales taxes	2,021,523	2,271,727	2,608,362
Franchise taxes	555,889	541,607	746,044
Investment earnings	2,933	118,373	121,315
Miscellaenous			
Transfers	1,256,215	1,443,798	2,301,762
Total Governmental Activities	<u>5,921,378</u>	<u>6,613,601</u>	<u>8,219,032</u>
Business-type Activities			
Investment earnings	54,727	22,548	271,252
Transfers	(1,256,215)	(1,443,798)	(2,301,762)
Total Business-type Activities	<u>(1,201,488)</u>	<u>(1,421,250)</u>	<u>(2,030,510)</u>
Total Primary Government	<u>\$ 4,719,890</u>	<u>\$ 5,192,351</u>	<u>\$ 6,188,522</u>
Change in Net Assets			
Governmental activities	\$ 976,459	\$ 807,190	\$ 2,273,799
Business-type activities	965,090	339,800	825,935
Total Primary Government	<u>\$ 1,941,549</u>	<u>\$ 1,146,990</u>	<u>\$ 3,099,734</u>

* The requirement for statistical data is ten years; only six years are available at this time.

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 1,000,624	\$ 1,407,963	\$ 1,288,832
2,323,954	2,400,975	2,592,763
672,936	478,634	472,608
5,182,983	5,385,184	6,286,007
341,734	337,848	295,805
<u>9,522,231</u>	<u>10,010,604</u>	<u>10,936,015</u>
<u>3,292,781</u>	<u>3,841,501</u>	<u>3,956,907</u>
<u>3,292,781</u>	<u>3,841,501</u>	<u>3,956,907</u>
<u>\$ 12,815,012</u>	<u>\$ 13,852,105</u>	<u>\$ 14,892,922</u>
\$ 1,396,379	\$ 1,477,147	\$ 1,552,105
941,972	955,124	1,369,206
446,615	188,911	629,342
370,063		450,000
<u>3,155,029</u>	<u>2,621,182</u>	<u>4,000,653</u>
3,261,554	3,645,654	3,880,890
2,867,084	2,405,130	2,643,963
1,000,000		
<u>7,128,638</u>	<u>6,050,784</u>	<u>6,524,853</u>
<u>\$ 10,283,667</u>	<u>\$ 8,671,966</u>	<u>\$ 10,525,506</u>
\$ (6,367,202)	\$ (7,389,422)	\$ (6,935,362)
3,835,857	2,209,283	2,567,946
<u>\$ (2,531,345)</u>	<u>\$ (5,180,139)</u>	<u>\$ (4,367,416)</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	2,645,995	\$ 2,854,330	\$ 3,133,847
	2,584,512	2,641,250	2,952,295
	622,081	770,604	780,241
	172,436	69,038	6,673
	345,070	495,156	
	(591,028)	611,020	802,768
	<u>5,779,066</u>	<u>7,441,398</u>	<u>7,675,824</u>
	308,352	192,685	21,028
	591,028	(611,020)	(802,768)
	<u>899,380</u>	<u>(418,335)</u>	<u>(781,740)</u>
\$	<u>6,678,446</u>	<u>\$ 7,023,063</u>	<u>\$ 6,894,084</u>
\$	(588,136)	\$ 51,976	\$ 740,462
	<u>4,735,237</u>	<u>1,790,948</u>	<u>1,786,206</u>
\$	<u>4,147,101</u>	<u>\$ 1,842,924</u>	<u>\$ 2,526,668</u>

CITY OF RICHMOND, TEXAS

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Six Fiscal Years *
(accrual basis of accounting)

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Property taxes	\$ 2,084,818	\$ 2,238,096	\$ 2,441,549	\$ 2,645,995
Sales taxes	2,021,523	2,271,727	2,608,362	2,584,512
Franchise taxes	555,889	541,607	746,044	622,081
Total	<u>\$ 4,662,230</u>	<u>\$ 5,051,430</u>	<u>\$ 5,795,955</u>	<u>\$ 5,852,588</u>

* The requirement for statistical data is ten years; only six years are available at this time.

Table 3

<u>2008</u>	<u>2009</u>
\$ 2,854,330	\$ 3,133,847
2,641,250	2,952,295
<u>770,604</u>	<u>780,241</u>
<u>\$ 6,266,184</u>	<u>\$ 6,866,383</u>

CITY OF RICHMOND, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund				
Unreserved	\$ 471,563	\$ 497,091	\$ 815,588	\$ 367,277
Total General Fund	<u>\$ 471,563</u>	<u>\$ 497,091</u>	<u>\$ 815,588</u>	<u>\$ 367,277</u>
All Other Governmental Funds				
Reserved	\$ 1,947,700	\$ 2,202,734	\$ 3,526,735	\$ 2,227,525
Unreserved, reported in:				
Nonmajor governmental funds				653,843
Total All Other Governmental Funds	<u>\$ 1,947,700</u>	<u>\$ 2,202,734</u>	<u>\$ 3,526,735</u>	<u>\$ 2,881,368</u>

* The requirement for statistical data is ten years; only six years are available at this time.

Table 4

<u>2008</u>	<u>2009</u>
\$ (145,494)	\$ 87,398
<u>\$ (145,494)</u>	<u>\$ 87,398</u>
\$ 1,190,545	\$ 1,162,467
596,736	266,114
<u>\$ 1,787,281</u>	<u>\$ 1,428,581</u>

CITY OF RICHMOND, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2004	2005	2006
Revenues			
Taxes	\$ 4,608,532	\$ 5,062,256	\$ 5,804,159
Licenses and permits	102,916	108,204	120,410
Fines and forfeitures	390,798	452,873	377,600
Fees and charges for services	889,484	1,396,221	1,504,656
Intergovernmental	698,857	352,946	169,482
Investment earnings	2,933	118,373	121,315
Other revenues	556,028	228,759	325,009
	7,249,548	7,719,632	8,422,631
Expenditures			
General government	1,399,135	1,093,884	1,289,536
Public safety	3,777,023	4,084,857	4,341,840
Public works	1,781,330	1,586,158	1,908,356
Parks and recreation	256,454	300,714	282,158
Capital outlay	247,577	1,399,095	260,975
Debt service			
Principal	480,000	515,000	626,238
Interest and fiscal charges	374,743	383,160	372,792
	8,316,262	9,362,868	9,081,895
(Deficiency) of Revenues			
(Under) Expenditures	(1,066,714)	(1,643,236)	(659,264)
Other Financing Sources (Uses)			
Bonds issued	530,000		
Capital leases	50,697	480,000	
Transfers in	1,320,740	1,443,798	2,312,009
Transfers out	(64,525)		(10,247)
	1,836,912	1,923,798	2,301,762
Net Change in Fund Balances	\$ 770,198	\$ 280,562	\$ 1,642,498
Debt service as a percentage of noncapital expenditures	10.6%	11.3%	11.3%

* The requirement for statistical data is ten years; only six years are available at this time.

Table 5

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 5,875,449	\$ 6,247,968	\$ 6,849,977
264,546	140,954	242,820
389,364	330,922	300,536
1,689,441	1,973,729	2,158,733
441,615	190,862	334,278
172,436	69,038	6,673
345,070	495,156	514,286
9,177,921	9,448,629	10,407,303
1,413,237	1,575,000	1,329,691
5,067,779	5,386,062	6,262,566
2,153,206	2,198,603	2,280,917
661,921	429,448	376,298
13,209	1,045,918	560,536
633,702	691,698	677,485
345,646	339,778	298,386
10,288,700	11,666,507	11,785,879
(1,110,779)	(2,217,878)	(1,378,576)
500,000		
1,000,000	1,250,000	1,829,953
(1,591,028)	(638,980)	(577,185)
(91,028)	611,020	1,252,768
\$ (1,201,807)	\$ (1,606,858)	\$ (125,808)
9.5%	10.4%	9.1%

CITY OF RICHMOND, TEXAS

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

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

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Property taxes	\$ 2,031,120	\$ 2,248,922	\$ 2,449,753	\$ 2,668,856
Sales taxes	2,021,523	2,271,727	2,608,362	2,584,512
Franchise taxes	555,889	541,607	746,044	622,081
Total	\$ 4,608,532	\$ 5,062,256	\$ 5,804,159	\$ 5,875,449

* The requirement for statistical data is ten years; only six years are available at this time.

Table 6

<u>2008</u>	<u>2009</u>
\$ 2,836,114	\$ 3,117,441
2,641,250	2,952,295
<u>770,604</u>	<u>780,241</u>
<u>\$ 6,247,968</u>	<u>\$ 6,849,977</u>

CITY OF RICHMOND, TEXAS

Table 7

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

<u>Fiscal Year Ended Sept. 30,</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 (1)</u>	<u>Total Direct Tax Rate</u>
2000	\$ 122,729,630	\$ 138,093,325	\$ 46,993,380	\$ 88,721,985	\$ 219,094,350	\$ 0.79000
2001	132,769,175	143,196,915	47,064,850	93,339,379	229,691,561	0.79000
2002	139,594,515	146,682,525	74,659,324	117,592,376	243,343,988	0.79000
2003	142,585,950	147,513,215	70,023,180	114,752,362	245,369,983	0.79000
2004	153,915,155	150,821,915	71,030,722	117,592,624	258,175,168	0.79000
2005	163,279,425	159,521,405	69,132,387	117,990,409	273,942,808	0.79000
2006	180,924,040	174,946,815	73,487,307	128,237,791	301,120,371	0.79000
2007	181,800,785	215,023,230	73,325,583	139,762,146	330,387,452	0.79000
2008	191,067,275	243,104,120	81,100,922	151,602,280	363,670,037	0.79000
2009	206,216,948	285,710,705	81,043,685	173,417,360	399,553,978	0.79000

Source - Tax assessor/collector's records.

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Tax rates are per \$100 of assessed value.

CITY OF RICHMOND, TEXAS

Table 8

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Direct Rate</u>		<u>Overlapping Rates (1)</u>		<u>Total</u>
		<u>City of Richmond</u>	<u>Lamar CISD</u>	<u>Fort Bend County</u>		
<u>Tax Rates (*)</u>						
2000	1999	\$ 0.79000	\$ 1.62680	\$ 0.62410	\$ 3.04090	
2001	2000	0.79000	1.65128	0.60410	3.04538	
2002	2001	0.79000	1.66450	0.56410	3.01860	
2003	2002	0.79000	1.66450	0.53874	2.99324	
2004	2003	0.79000	1.69760	0.52374	3.01134	
2005	2004	0.79000	1.69760	0.52374	3.01134	
2006	2005	0.79000	1.54770	0.51674	2.85444	
2007	2006	0.79000	1.54770	0.51674	2.85444	
2008	2007	0.79000	1.29765	0.51674	2.60439	
2009	2008	0.79000	1.29765	0.49976	2.58741	

Source - Tax Department records of the various taxing authorities.

(*) Per \$100 of assessed valuation.

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

CITY OF RICHMOND, TEXAS

Table 9

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Six Years Ago

<u>Taxpayer</u>	<u>2009</u>			<u>2003</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Taxable Assessed Value</u>
Wal-Mart Real Estate Business	\$ 11,781,790	1	2.95 %	\$ 7,191,670	2	2.95 %
Wal-Mart Texas Stores, LP	9,035,950	2	2.26	6,124,830	4	2.51
Matrix Metals, LLC	7,554,960	3	1.89	6,578,060	3	2.70
Hunter, Clayton, LLC	6,313,810	4	1.58	1,672,260	9	0.69
Archer Daniel Midland Co	6,000,230	5	1.50	12,484,310	1	5.12
Oakbend Medical Center	5,503,210	6	1.38	3,883,180	7	1.59
G&I VI Country Club Place	5,500,000	7	1.38	4,621,560	5	1.90
Golfview Holdings LLC	4,522,190	8	1.13			
CenterPoint Energy Inc	3,922,020	9	0.98	4,238,310	6	1.74
Wolverine Lamar LP	3,093,700	10	0.77			
Southern Cotton Oil Co				1,821,830	8	0.75
Hobbs & Curry FLP				1,500,040	10	0.62
Subtotal	63,227,860		15.82	50,116,050		20.57
Other taxpayers	336,326,118		84.18	193,563,938		79.43
Total original roll	<u>\$ 399,553,978</u>		<u>100.00</u>	<u>\$ 243,679,988</u>		<u>100.00</u>

* The requirement for statistical data is ten years; only six years are available at this time.

Source - Tax assessor/collector's records.

CITY OF RICHMOND, TEXAS

Table 10

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Tax Rate	Total Tax Levy and Adjust.	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2000	\$ 0.79000	\$ 1,727,739	\$ 1,644,779	95.20 %	\$ 70,559	\$ 1,715,338	99.28 %
2001	0.79000	1,811,655	1,723,297	95.12	75,137	1,798,434	99.27
2002	0.79000	1,921,823	1,843,405	95.92	62,626	1,906,031	99.18
2003	0.79000	1,938,277	1,858,610	95.89	60,508	1,919,118	99.01
2004	0.79000	2,042,786	1,906,316	93.32	118,598	2,024,914	99.13
2005	0.79000	2,164,150	2,035,724	94.07	108,842	2,144,566	99.10
2006	0.79000	2,378,721	2,287,241	96.15	65,782	2,353,023	98.92
2007	0.79000	2,587,548	2,506,050	96.85	48,907	2,554,957	98.74
2008	0.79000	2,819,564	2,707,816	96.04	50,721	2,758,537	97.84
2009	0.79000	3,120,709	2,982,814	95.58		2,982,814	95.58

Source - Tax assessor/collector's records.

CITY OF RICHMOND, TEXAS

Table 11

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Six Fiscal Years *

Fiscal Year Ended Sept. 30,	Governmental Activities		Business-type Activities		Total Primary Government	% of Personal Income	Per Capita **
	General Obligation Bonds	Capital Leases	Certificates of Obligation	Capital Leases			
2004	\$ 8,245,000	\$ 46,870	\$ 3,055,000	\$	\$ 11,346,870	n/a	\$ 867
2005	7,730,000	517,407	2,905,000	39,194	11,191,601	n/a	833
2006	7,200,000	416,232	2,755,000	75,663	10,446,895	n/a	758
2007	6,665,000	812,374	2,605,000	46,301	10,128,675	n/a	705
2008	6,115,000	665,812	2,455,000	16,307	9,252,119	n/a	690
2009	5,560,000	518,173	2,305,000		8,383,173	n/a	621

n/a - information not available.

Source - Tax assessor/collector's records.

* The requirement for statistical data is ten years; only six years are available at this time.

** See the Schedule of Demographic and Economic Statistics (Table 15) for population data.

CITY OF RICHMOND, TEXAS

Table 12

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

Last Six Fiscal Years *

<u>Fiscal Year Ended Sept. 30,</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund (1)</u>	<u>Total</u>	<u>% of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2004	\$ 8,245,000	\$ 845,532	\$ 7,399,468	2.87%	\$ 565
2005	7,730,000	893,724	6,836,276	2.50%	509
2006	7,200,000	928,829	6,271,171	2.08%	455
2007	6,665,000	987,002	5,677,998	1.72%	395
2008	6,115,000	1,003,541	5,111,459	1.43%	381
2009	5,560,000	1,024,540	4,535,460	1.14%	336

(1) Amounts available in debt service fund are legally restricted for the repayment of principal.

* The requirement for statistical data is ten years; only six years are available at this time.

CITY OF RICHMOND, TEXAS

Table 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>City of Richmond Share of Debt</u>
Lamar CISD	\$ 477,400,708	4.22 %	\$ 20,146,310
Fort Bend County	466,890,000	1.03	4,808,967
Subtotal, overlapping debt			24,955,277
City Direct Debt			6,533,381
Total Direct and Overlapping Debt			\$ 31,488,658

Source - RBC Dain Rauscher.

Note - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the overlapping government's total taxable assessed value.

CITY OF RICHMOND, TEXAS

LEGAL DEBT MARGIN INFORMATION

Last Six Fiscal Years *

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 25,817,517	\$ 27,394,281	\$ 30,112,037
Total net debt applicable to limit	<u>7,399,468</u>	<u>6,836,276</u>	<u>6,271,171</u>
Legal debt margin	<u>\$ 18,418,049</u>	<u>\$ 20,558,005</u>	<u>\$ 23,840,866</u>
Total net debt applicable to the limit as a percentage of debt limit	40.18%	33.25%	26.30%

Legal Debt Margin Calculation by Fiscal Year

Assessed value	\$ 258,175,168	\$ 273,942,808	\$ 301,120,371
Debt limit (10% of assessed value)	25,817,517	27,394,281	30,112,037
Debt applicable to limit:			
General obligation bonds	8,245,000	7,730,000	7,200,000
Less: amount set aside for repayment of general obligation debt	<u>(845,532)</u>	<u>(893,724)</u>	<u>(928,829)</u>
Total net debt applicable to limit	<u>7,399,468</u>	<u>6,836,276</u>	<u>6,271,171</u>
Legal debt margin	<u>\$ 18,418,049</u>	<u>\$ 20,558,005</u>	<u>\$ 23,840,866</u>

Note - Under state finance law, the City of Richmond's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

* The requirement for statistical data is ten years; only six years are available at this time.

Table 14

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 33,038,745	\$ 35,690,690	\$ 39,955,398
<u>5,677,998</u>	<u>5,111,459</u>	<u>4,535,460</u>
<u>\$ 27,360,747</u>	<u>\$ 30,579,231</u>	<u>\$ 35,419,938</u>
20.75%	16.72%	12.80%
\$ 330,387,452	\$ 356,906,900	\$ 399,553,978
33,038,745	35,690,690	39,955,398
6,665,000	6,115,000	5,560,000
<u>(987,002)</u>	<u>(1,003,541)</u>	<u>(1,024,540)</u>
<u>5,677,998</u>	<u>5,111,459</u>	<u>4,535,460</u>
<u>\$ 27,360,747</u>	<u>\$ 30,579,231</u>	<u>\$ 35,419,938</u>

CITY OF RICHMOND, TEXAS

Table 15

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year Ended Sept. 30,</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2000	11,081	\$ n/a	\$ n/a	30	1,458	3.6%
2001	11,965	n/a	n/a	30	1,390	4.1%
2002	12,411	n/a	n/a	30	1,426	5.0%
2003	12,752	n/a	n/a	30	1,420	5.9%
2004	13,093	n/a	n/a	30	1,388	5.1%
2005	13,434	n/a	n/a	30	1,343	5.2%
2006	13,775	n/a	n/a	30	1,951	4.7%
2007	14,372	n/a	n/a	31	2,051	4.2%
2008	13,404	n/a	17,083	31	2,153	5.5%
2009	13,493	n/a	15,195	30	1,983	6.1%

n/a - information not available.

Data sources:

(1) Bureau of the Census.

(2) Lamar Consolidated Independent School District.

(3) Texas Workforce Commission - data prior to 2000 is not available.

CITY OF RICHMOND, TEXAS

Table 16

PRINCIPAL EMPLOYERS

Current Year and Six Years Ago

Employer	2009			2003		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Fort Bend County	2,116	1	28.21 %	\$ 1,537	1	20.49 %
Richmond State School	1,194	2	15.92	1,269	2	16.92
Oak Bend Hospital	586	3	7.81	468	3	6.24
Wal-Mart	278	4	3.71	189	4	2.52
City of Richmond	139	5	1.85	108	6	1.44
T.W. Davis YMCA	100	6	1.33	110	5	1.47
Richmond Post Office	63	7	0.84	85	7	1.13
ADM Cotton Mill	40	8	0.53	52	8	0.69
NEPCO Foundry	16	9	0.21	38	9	0.51
Office Depot	6	10	0.08	6	10	0.08
Total	4,538		60.51 %	\$ 3,862		51.49 %

Source - Municipal Advisory Council.

CITY OF RICHMOND, TEXAS

Table 17

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	7	7	7	7	8	8	9	10	10	10
Public safety										
Police										
Officers	27	27	28	28	28	31	31	32	31	31
Civilians	10	10	10	10	10	10	10	10	11	11
Fire										
Firefighters	13	14	14	15	20	21	24	28	34	34
Civilians	3	3	3	3	3	3	3	3	3	3
Public works										
Administration						2	2	2	2	2
Streets and sanitation	10	10	10	10	10	10	10	10	10	10
Maintenance and operations	5	5	5	4	4	4	4	4	4	4
Parks and recreation	7	7	7	8	8	8	8	6	7	7
Water and sewer	23	23	23	23	23	24	24	28	28	27
Total	105	106	107	108	114	121	125	133	140	139

Source - City personnel records.

CITY OF RICHMOND, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Six Fiscal Years *

Function	<u>2004</u>	<u>2005</u>	<u>2006</u>
Police			
Arrests	618	641	577
Accident reports	212	200	182
Citations	6,298	5,513	4,473
Offense reports	2,040	2,163	1,845
Calls for service	61,919	67,077	62,607
Fire			
Structural fires	32	37	27
Vehicle fires	26	14	24
Vegetation fires	12	26	27
Trash/dumpster/other fires	26	18	35
EMS	1,240	1,331	1,355
Rescue	355	166	303
Hazardous condition/material calls	133	178	145
Service calls	1,151	1,057	852
Good intent calls	320	451	322
False alarms	10	16	18
Automatic aid/mutual aid given	123	153	166
Total Incident Responses	3,428	3,447	3,274
Fire safety inspections conducted	203	382	495
Fire safety classes/total audience	58/4830	57/3876	52/4101
Fire investigations initiated	38	50	33
Building - total permits issued	1,087	1,296	1,885
Building - total inspections conducted	2,280	2,619	4,253
Water			
Average daily consumption (millions of gallons)	1.850	2.051	1.895
Total Consumption (millions of gallons)	597.993	625.965	691.921
Peak daily consumption (millions of gallons)	2.395	2.898	2.984
Sewer			
Average daily sewage treatment (millions of gallons)	1.518	1.294	1.334
Total Consumption (millions of gallons)	555.021	472.281	486.998
Peak daily consumption (millions of gallons)	3.610	2.882	3.060

Source - Various City departments.

* The requirement for statistical data is ten years; only six years are available at this time.

Table 18

<u>2007</u>	<u>2008</u>	<u>2009</u>
340	401	401
252	246	246
4,467	4,575	4,575
1,572	1,759	1,759
63,036	67,499	67,499
31	23	31
26	21	22
19	24	50
17	35	42
1,612	1,800	1,858
151	148	188
79	176	148
836	887	651
355	314	382
16	22	18
156	152	167
3,298	3,602	3,557
331	274	340
45/4582	54/3942	57/4134
30	37	37
1,952	1,567	1,262
3,953	4,320	2,903
1.788	1.977	1.977
652.961	723.511	723.511
3.408	3.214	3.214
1.452	1.376	1.376
529.939	503.745	503.745
3.566	3.000	3.000

CITY OF RICHMOND, TEXAS

Table 19

CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	18	18	20	23	25	25	25	27	27
Fire										
Stations	1	1	1	2	2	2	2	2	2	2
Public works										
Collection trucks	1	1	1	2	2	2	2	10	10	10
Streets (miles)	44	44	44	44	44	44	45	45	45	45
Parks and recreation										
Parks acreage	233	233	233	233	235	235	235	235	235	235
Parks	2	2	2	2	3	3	3	3	3	3
Water and sewer										
Water mains (miles)	n/a	n/a	48	48	50	50	50	50	50	50
Fire hydrants	n/a	n/a	213	223	234	239	287	287	292	292
Maximum daily capacity (millions of gallons)	n/a	n/a	2,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167
Sanitary sewers (miles)	n/a	n/a	44	44	44	44	44	44	44	44
Storm sewers (miles)	n/a	n/a	12	12	12	12	12	12	12	12
Maximum daily treatment capacity (millions of gallons)	2.184	2.387	2.164	3.712	3.610	2.882	3.060	3.060	3.000	3.000

n/a - information not available.

Source - Various City departments.

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