



RICHLAND
CITY HALL

CITY OF RICHLAND, WASHINGTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

CITY OF RICHLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2021

Prepared by:
Finance Department



625 Swift Blvd.
Richland, WA 99352
Phone: (509) 942-7390
Fax: (509) 942-7688
www.ci.richland.wa.us



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	3
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	9
Organization Chart.....	10
Richland City Council.....	11
Elected and Administrative Officials.....	12

FINANCIAL SECTION

<i>Independent Auditor's Report</i>	15
<i>Management's Discussion and Analysis</i>	21

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position.....	41
Statement of Activities.....	43

Fund Financial Statements:

Balance Sheet – Governmental Funds	45
Reconciliation of Governmental Funds Balance to the Net Position of Governmental Activities.....	46
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds..	47
Reconciliation of the Change in Governmental Fund Balances to the Change in Net Position of Governmental Activities.....	48
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	49
Statement of Net Position – Proprietary Funds.....	51
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	52
Statement of Cash Flows – Proprietary Funds	53
Statement of Fiduciary Net Position – Custodial Funds.....	55
Statement of Fiduciary Net Position – Custodial Funds.....	56
Notes to the Financial Statements	58

Required Supplementary Information:

Schedule of Changes in Total OPEB Liability and Related Ratios - Post Employment Healthcare Plan, the Fire and Police OPEB and Pension Plans, and the City's Proportional Share of State- Sponsored Pension Plans.....	122
--	-----

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds.....	129
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	130
Combining Balance Sheet – Nonmajor Special Revenue Funds	133

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Nonmajor Special Revenue Funds	135
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Streets Fund.....	137
Transportation Benefit District Fund.....	138
Park Reserve Fund	139
Industrial Development Fund	140
Criminal Justice Fund	141
PFD Facility Contingency Fund	142
Public Safety Sales Tax Fund	143
BCES Operations Fund	144
Hotel/Motel Tax Fund	145
Special Lodging Assessment Tax Fund.....	146
CDBG Fund	147
HOME Fund.....	148
Combining Balance Sheet – Nonmajor Debt Service Funds.....	151
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Nonmajor Debt Service Funds.....	153
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
LTGO Bonds Fund	155
Fire Station 74 Bond Fund.....	156
Police Station Debt Service Fund	157
Richland Community Ctr Debt Fund	158
Library Debt Service Fund	159
LRF Debt Service Fund	160
LID Guaranty-Debt Service Fund	161
Special Assessment Debt Service Fund	162
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	165
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Nonmajor Capital Projects Funds	166
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Capital Improvement Fund	167
Fire Station 75 Construction Fund	168
Fire Station 73 Construction Fund	169
Park Project Construction Fund	170
General Govt Construction Fund.....	171
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	174
Combining Statement of Revenues, Expenses and Changes in Fund Net Position -	
Nonmajor Enterprise Funds.....	175
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	176
Combining Statement of Net Position – Nonmajor Internal Service Funds.....	179
Combining Statement of Revenues, Expenses and Changes in Net Position -	
Nonmajor Internal Service Funds	181
Combining Statement of Cash Flows – Nonmajor Internal Service Funds	183
Combining Statement of Fiduciary Net Position – Custodial Funds	187

Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	189
---	-----

STATISTICAL SECTION

Financial Trends Information

Table 1 – Changes in Fund Balances, Governmental Funds.....	193
Table 2 – Net Position	194
Table 3 – Changes in Net Position.....	195
Table 4 – Fund Balances, Governmental Funds	198

Revenue Capacity Information

Table 5 – Tax Revenues by Source, Governmental Funds	199
Table 6 – Property Tax Levies and Collections.....	200
Table 7 – Assessed and Actual Value of Taxable Property	201
Table 8 – Direct and Overlapping Property Tax Rates	202
Table 9 – General Sales Tax Received by Category.....	203
Table 10 – Principal Property Taxpayers for 2021.....	204

Debt Capacity Information

Table 11 – Pledged Revenue Coverage.....	205
Table 12 – Ratios of Outstanding Debt by Type.....	207
Table 13 – Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	208
Table 14 – Direct and Overlapping Governmental Activities	209
Table 15 – Legal Debt Margin	210

Demographic and Economic Information

Table 16 – Demographic and Economic Statistics.....	211
Table 17 – Principal Employers for 2021 & 2012	212

Operating Information

Table 18 – Operating Indicators by Function/Program.....	213
Table 19 – Top Ten Customers for Selected Utilities	215
Table 20 – Full Time Equivalent City Government Employees by Function/Program	216
Table 21 – Capital Asset Statistics by Function/Program.....	217

Acknowledgement	218
-----------------------	-----



INTRODUCTORY SECTION





August 25, 2022

To The Honorable Mayor Alvarez, and
The Honorable Members of the City Council, and
Citizens of Richland, Washington

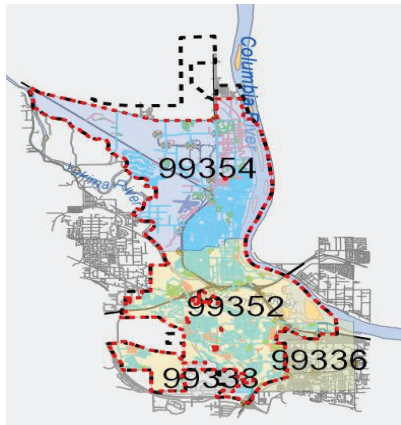
We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the City of Richland for the year ended December 31, 2021. This report has been prepared and is presented in conformance with Generally Accepted Accounting Principles (GAAP) and the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB).

Washington State law requires an annual independent audit of the City's financial statements by the Washington State Auditor's Office. The State Auditor's office (SAO) conducts its examination in accordance with generally accepted auditing standards and provides an independent assessment that helps assure fair presentation of the City's financial position, results of operations, and the cash flows of its proprietary fund types. In addition to the opinion on the City's financial statements, included in this report, the SAO also issues separate reports on internal control and compliance with laws and regulations that meet the requirements of the Single Audit Act and related OMB Uniform Guidance published in Title 2 CFR 200, Subpart F. These reports are available in the City's separately issued Single Audit Report. The City received an unmodified ("clean") audit opinion from the SAO, which means in the Auditor's opinion, the financial statements provide reasonable assurance that the users of the financial statements may rely on presentations contained therein and that the statements are presented fairly in all material respects. The auditor's report is presented as the first component of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of all information contained in this report based on a comprehensive framework of internal control that it has established for this purpose. These controls provide reasonable assurance that the City's assets are protected against loss and that the accounting records from which the financial statements are prepared are reliable. Because the cost of internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from any material misstatements. As Management, we assert that, to the best of our knowledge, this financial report is complete and reliable in all material respects and is presented in conformity with GAAP. 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 is designed to complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Richland is a full-service city, providing police and fire protection, water, waste and electric utilities, parks and recreation activities, maintenance of public streets and public facilities, as well as library services. In 1910, the small farming village of Richland was incorporated as a Fourth-Class City. In 1942, federal officials selected Richland as one of three communities nationwide to help develop the atomic bomb. The United States government took over the town of Richland as part of its Manhattan Project, and almost overnight the small town of 247 people grew into a federally owned town of 11,000 people. In 1958, Richland again became a self-governed city when residents approved its charter with a Council-Manager form of government.



Voters elect seven at-large City Council members who represent the entire community, not individual districts. From among themselves, Council members elect a Mayor and a Mayor Pro Tem. The Council sets policies, adopts ordinances and the annual budget, approves contracts, appoints individuals to boards and commissions and hires the City Manager. As Chief Executive Officer, the City Manager hires personnel, supervises daily operations, oversees enforcement of laws and is responsible for the annual budget. The Deputy and Assistant City Managers and the department heads are responsible for the City's day-to-day services and programs within the divisions they supervise.

BUDGETS AND BUDGETARY ACCOUNTING

The operating budget is proposed by the City Manager in early fall to the City Council. Following this, public hearings are conducted, allowing the public to provide comments. The preliminary budget is available for public review on the City's website. At least three public meetings and/or hearings are conducted as required by law. Richland is required to hold two readings before adopting ordinances. First and second readings are given to the budget ordinance, and final passage occurs upon second reading, which traditionally happens at the second meeting in November annually. The budget takes effect January 1 of the ensuing year. The budget appropriates fiscal year expenditures at the fund level. Appropriations in the budget are valid only for the fiscal year, except for appropriations that support capital projects, grants, or endowments that are specifically carried over by Council action, in accordance with RCW 35.33.151. The City Council also approves the City's Capital Improvement Plan (CIP). The CIP is proposed by the City Manager and adopted by the City Council during the budget process. It is a multiyear plan that provides a programmed approach to using the City's financial resources in the most efficient manner to meet capital needs.

ECONOMIC OUTLOOK AND ENVIRONMENTAL SUSTAINABILITY

The region's economy is anchored in research and development, technology, manufacturing, agriculture, retail, healthcare and government. Major employers include Battelle/Pacific Northwest National Laboratory, Kadlec Regional Medical Center, Lamb Weston, AREVA, CH2M Hill, Washington River Protection Solutions, Mission Support Alliance, Richland School District, and Bechtel National.

Unique community assets and business conditions include:

- No corporate, inventory, or personal income tax

- Businesses do not pay tax on interest, dividends or capital gains
- Low cost of living, low property taxes, good schools, a safe place to live and raise a family
- World-class companies with global perspective
- Affordable and profitable business environment
- Workforce is well educated, reliable and available
- Inexpensive and reliable power
- Facilities, equipment, and world-renowned scientists developing new technologies in logistics, biofuels and fuel efficiency

The region has an average 300 days of sunshine per year, with an annual average of 8.0 inches of rain. Three major rivers, the Columbia, Snake and Yakima Rivers, dominate the geography of the region. The rivers provide the Tri-Cities with abundant water for irrigation and energy, barge transportation, and is a coveted recreational resource. Richland has over 2,400 acres of parkland, and 58 parks, with 11 trails covering 26 miles, consisting of biking, running walking, horse-back riding and dog walking paths. Within the greater Tri-Cities area there are 335 restaurants, 200 wineries & breweries, 24 museums & art galleries, 6 community & performing arts theaters, 10 golf courses and 4 sports teams.

Richland's population of approximately 61,320 is highly educated and enjoys the third highest per capita income levels in Washington State. The median household income was \$85,735 in 2021 with median household expenditures of \$72,630. The median listing price of a home in the area in April 2021 was \$357,900. There were 2,241 building permits issued in 2021, with a total value of more than \$246.9 million. Property tax levied by all taxing districts was an average of \$11.36 per \$1,000 of assessed value in Benton County. Richland's assessed valuation for property of \$8.25 billion in 2021 is an increase of 6.92% from the prior year. Retail sales during 2021, which is driven by new business growth, resulted in sales tax revenues of \$17.8 million, a 31% increase from 2020 and a 24% increase from the previous record high of \$14.3 million in 2019.

FINANCIAL PLANNING

The City uses its operational forecasts and Capital Improvement Plan (CIP) as long-term financial planning tools. These planning tools provide valuable information that enables city management to make decisions with greater consideration of financial consequences in identifying and prioritizing capital projects and major capital purchases. We recognize our citizens demand accountability and adaptability. Richland is a leader in encouraging collaborative, community-wide efforts that contribute to our city's financial stability and sustainable growth. We strive for public trust and confidence.

The following planning objectives and tasks represent the remaining work from the City's 2022 Strategic Leadership Plan related to financial practices and infrastructure.

Core Focus: Promote financial stability and operational effectiveness

- Implement a biennial budget planning process
- Develop funding strategy for long-term critical infrastructure 2025 and beyond

Core Focus: Increase economic vitality

- Encourage greater residential densities in and around the Waterfront District
- Increase office and commercial demand within the core of downtown Richland

2021 MAJOR ACHIEVEMENTS

- Completed construction of Fire Stations 73 and 75
- Completed the Gateway Substation in the Horn Rapids Industrial Area which connects into the electrical system grid operated by Bonneville Power Administration
- Completed the 1st Street Extension which serves the Horn Rapids Industrial Park
- Completed design development and selected the preferred alternative for the South George Washington Way Intersection Improvements
- Completed a roof overlay at the Richland Community Center increasing the life of the roof an additional 15 years
- Added a basketball court and large gazebo to Drollinger Park
- Completed the Island View to Vista Field Trail System Planning Study
- Reconstructed pickleball sports courts at Claybell Park
- Constructed a mini roundabout at Van Giesen and Thayer Drive to enhance safety
- Continued to build our fiber backbone with another 7 builds in 2021
- Completed the Clubhouse Lane Roundabout and road extension creating five new commercial lots for future development in the area
- Completed Columbia Park Trail Improvements in the Island View area
- Completed the Columbia River Intake Screen Upgrade Project

2022 MAJOR INITIATIVES

- Progress continues on the City's Advance Metering Infrastructure (AMI) project for the water and electric utilities. Installation of both water and electric meters has begun with meter installations expected to be complete 1Q23
- 2022 Pavement preservation programs include microsurfacing on McMurray and Van Giesen, overlay on Jadwin, McPherson and Newcomer. Additionally, slurry seal will be performed in north Richland on numerous streets
- Completion of the water main replacement and road improvements on McPherson and Torbett
- Obtain completion of WSDOT approved design concept as another step in preliminary design work for the SR240 / Aaron Drive Interchange Modifications
- Completion of design engineering for the South George Washington Way Intersection Improvements
- Begin construction on the Center Parkway North Extension from Tapteal to Gage
- Complete design and permitting for the Center Parkway South Extension to add street connectivity between Steptoe Street and Leslie Road
- Complete project design for the Tapteal Pump Station replacement
- Complete land acquisition for future Fire Station 71 relocation
- Begin engineering design for the Downtown Connectivity Improvements to support development and redevelopment of the central Richland and waterfront areas
- Completion of design work and property acquisition for the Vantage Highway Pathway Phase 2 from SR-240 and Roberston Drive to Stevens Drive along Saint Street
- Renovate the Richland Public Library Science, Technology, Engineering, Art and Math (STEAM) space
- Renovate the lobby of the Richland Community Center
- Complete significant improvements on the aeration basin at the Wastewater Treatment Plant

- Begin construction of Fire Station 76
- Complete acquisition of West Village Park property and begin phase on construction

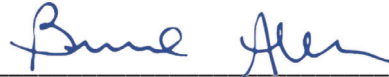
For the 8th consecutive year, the Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Richland by the Government Finance Officers Association for its Comprehensive Annual Financial Report, fiscal year ending December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

We would like to express thanks to the entire staff of the Finance division, City leadership, and other City departments who contributed to the preparation of this report. We also wish to express our sincere appreciation to the Mayor and the City Council for maintaining the highest standards of professionalism in the management of the City of Richland's finances.

Respectfully submitted,



Jon Amundson
City Manager



Brandon Allen, CPA
Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Richland
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

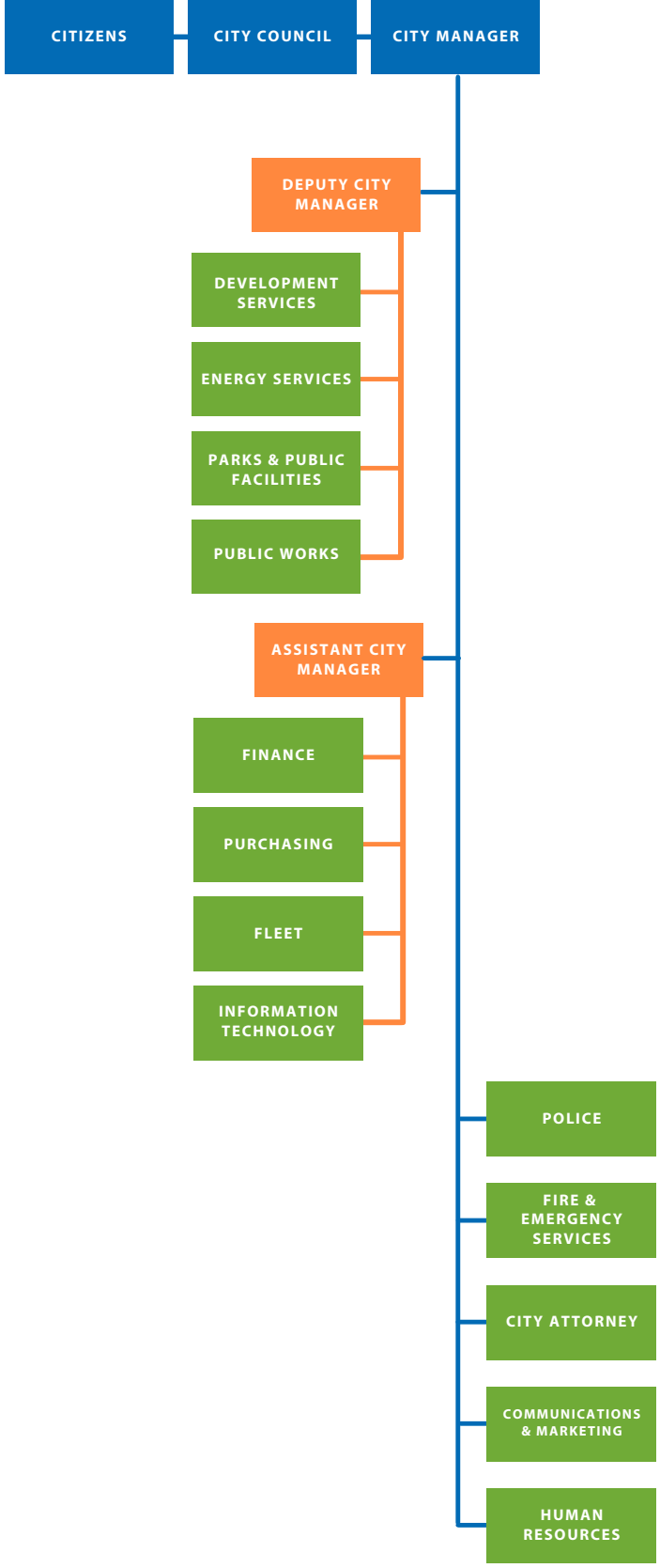
December 31, 2020

Christopher P. Morill

Executive Director/CEO



CITY OF RICHLAND ORGANIZATIONAL CHART



2021 RICHLAND CITY COUNCIL



MAYOR
Ryan Lukson
Term: 4 Years – Expires 12/31/2021



MAYOR PRO TEM
Sandra Kent
Term: 4 Years – Expires 12/31/2021



COUNCIL MEMBER
Bob Thompson
Term: 2 Years – Expires 12/31/2021



COUNCIL MEMBER
Marianne Boring
Expires 12/31/2021



COUNCIL MEMBER
Phillip Lemley
Term: 4 Years – Expires 12/31/2023



COUNCIL MEMBER
Terry Christensen
Term: 4 Years – Expires 12/31/2023



COUNCIL MEMBER
Michael Alvarez
Term: 4 Years – Expires 12/31/2021

**2021 City of Richland
Directory of City Officials
(as of December 31, 2021)**



ELECTED OFFICIALS	TERM EXPIRES
Mayor <i>Ryan Lukson</i>	12/31/2021
Mayor Pro Tem <i>Sandra Kent</i>	12/31/2021
Councilmember <i>Bob Thompson</i>	12/31/2021
Councilmember <i>Marianne Boring</i>	12/31/2021
Councilmember Phillip Lemley	12/31/2023
Councilmember <i>Terry Christensen</i>	12/31/2023
Councilmember <i>Michael Alvarez</i>	12/31/2021

ADMINISTRATIVE OFFICIALS

- City Manager**
Jon Amundson
- Deputy City Manager**
Vacant
- Assistant City Manager**
Drew Florence
- City Attorney**
Heather Kintzley
- Development Services Director**
Kerwin Jensen
- Energy Services Director**
Clint Whitney
- Fire & Emergency Services Director**
Tom Huntington
- Parks & Public Facilities Director**
Joe Schiessl
- Police Services Director**
John Bruce
- Public Works Director**
Pete Rogalsky

FINANCIAL SECTION



**Office of the Washington State Auditor
Pat McCarthy**

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE
FINANCIAL STATEMENTS**

Mayor and City Council
City of Richland
Richland, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Richland as of and for the year then ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Richland, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Matters of Emphasis

As discussed in Note 13 to the 2021 financial statements, as a result of the COVID-19 pandemic, the City budgets conservatively and maintains appropriate reserves to help mitigate economic fluctuations and unforeseen events. There are no known material financial or operational impacts to the City as a result of the COVID-19 pandemic. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. The City has remained economically stable and continues to adapt to the changing conditions. The length of time these measures will continue to be in place, and the full extent of the financial impact on the City is unknown at this time

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated August 25, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

August 25, 2022





MANAGEMENT'S DISCUSSION AND ANALYSIS



INTRODUCTION

The management of the City of Richland is pleased to present this discussion and analysis of the 2021 Annual Comprehensive Financial Report. The intent is to introduce the reader to the City’s operations, explain how they are presented in this report, highlight significant financial activities during the period and provide a look at what is anticipated in the future for the City. This discussion and analysis should be considered in conjunction with the Letter of Transmittal as well as the other components of the report.

The activities of the City are classified as either governmental, business-type, or other, depending on the nature of services provided and how those services are funded.

Governmental activities are the basic services of the City such as police and fire, street maintenance, park amenities, etc. and are primarily funded through taxes and other general revenues.

Resources are collected from all citizens in the form of taxes and other sources and are used collectively to provide governmental services.

The focus of accounting and reporting on governmental activities is to show the resources received, to what extent they were used to provide services, and what resources remain to fund services in the upcoming period. This is called the “Current Financial Resources” measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available revenues are those that are collected during the year, and soon enough after the close of the fiscal period (usually within 60 days) to pay the liabilities of the current period. Expenditures are generally recognized when a liability is incurred. Exceptions are the payment of debt and related interest, compensated absences and judgments as the entire amount owed will span multiple years.



Governmental funds are used to account for governmental activities. Governmental funds are divided into the General, Special Revenue, Debt Service and Capital Projects funds. The General Fund is the main operating fund of the City and accounts for all activities not accounted for in other governmental funds. Special Revenue Funds account for resources which are collected for a specific purpose. The use of these funds demonstrates that those resources are being used for their intended purpose. Debt Service funds account for the repayment of long-term debt. Capital Projects funds account for the construction of major governmental facilities.

For efficiency in reporting, certain funds are reported individually as “Major Funds” while the remaining activities are reported in aggregate. A fund is considered to be major when its assets, liabilities, revenues, or expenses are at least ten percent of the aggregated total for all governmental funds; and, at least five percent of the aggregated total for the City as a whole. A fund can also be identified as major if it is considered particularly important, even if it does not meet these thresholds. The City’s major governmental funds are the General Fund and Streets Capital Construction Fund.



Business-type activities are services such as electric, water, sewer and solid waste that are provided to Richland's citizens. These services are operated in a manner similar to private-sector businesses, with the exception of a profit motive. Each user of the service is assessed a charge that is a combination of their share of having the service available to them and their direct use of the service. Collectively, these charges should fully recover the cost of providing the service.

Business-type activities are accounted for in the City's proprietary funds. Transactions and events of these activities are recorded and reported, based on how they have changed the economic resources of their respective funds during the period. Revenues are recognized when earned, and expenses are recognized when a liability has been incurred, regardless of the timing of related cash flows.

Proprietary funds are further divided into fund types that account for services provided to external users, (i.e. citizens), and fund types that account for services provided to internal users, (i.e. other city departments). Services provided to external users are accounted for in proprietary funds called "Enterprise Funds," while services provided to internal users are accounted for in proprietary funds called "Internal Service Funds."

As with governmental funds, the City reports certain business-type funds as "Major". The City's Electric, Water, Sewer and Solid Waste Funds are the four major business-type funds.

Other activities include agency funds, which are fiduciary in nature. The agency funds account for activities where the City acts in a custodial manner on behalf of other external agencies or organizations. Resources in the agency funds do not belong to the City and cannot be used to support the City's own programs.

The statements and other supporting information contained in this report provide information on all the City's governmental, business-type and other activities, as well as a discreetly presented component unit, the Richland Public Facilities District. This report contains the following components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements
4. Required supplementary information (other than this discussion and analysis)
5. Other supplementary schedules
6. Statistical tables

The following provides a more detailed description of each component of the report, and the information it presents.

Government-Wide Financial Statements present the City's overall financial position as of December 31, 2021, and the activities that resulted in that position. It further provides the financial position and activities of the component unit. The financial position is found in the Statement of Net Position, while the activities resulting in the ending financial position are found in the Statement of Activities. Governmental and business-type activities are aggregated in their own respective columns.

Internal service fund activities and net position are not reported individually. Rather, each internal service fund is combined within the governmental-type or the business-type activity columns depending on which type it predominantly serves.

Most transactions occurring between activities have been eliminated from these statements to avoid presenting the same expenses, and recovery of those expenses, multiple times. Exceptions would be transactions which, if excluded, would distort the cost data reported for the City's various functions.

While the fund financial statements report governmental activities using the modified accrual basis of accounting, the Government-Wide statements present governmental activities and financial position on a full-accrual basis. This corresponds to the presentation of the business-type activities, thereby providing the reader with a consistent presentation for the entire City.

Fund financial statements present governmental activities in statements prepared using the modified accrual basis of accounting. Each major fund is presented individually, and all remaining funds are aggregated in the fund financial statements. Budgetary comparison statements for the City's major funds are presented as well. Budgets are statutorily required for most governmental funds and are an invaluable tool to ensure the City maintains adequate control over its spending. The budgetary comparison statements provide the reader with information on how the City's actual revenues and expenses compared to both the originally anticipated resources and uses, and to the final revised anticipated resources and uses.

Business-type activities are presented in statements using the full-accrual basis of accounting. Each major business-type fund is presented individually, with all remaining funds in aggregate. Internal service funds are integrated into the government-wide statements and are aggregated and presented in a separate column on business-type fund financial statements. The interfund transactions which were eliminated for government-wide reporting are presented in full in the fund financial statements.

To bridge the differences in the financial position and activities presented in the fund statements and those presented in the government-wide statements, a reconciliation accompanies the fund statements, showing the reader the adjustments needed to convert to the ending position and activities presented in the government-wide statements.

Notes to the Financial Statements provide explanations and disclosures regarding how information is compiled and presented in the statements. They also provide useful information on the balances presented in the financial statements. The notes assist the reader in understanding the financial information and balances presented in the statements, as well as provide the reader with additional information on other transactions and events which impact, or will impact, the City's future financial position.

Required Supplementary Information (RSI), other than this discussion and analysis, presents information on the funding progress for the City's Other Post-Employment Benefits (OPEB), and on anticipated amounts needed to fulfill the City's pension obligations. Pension obligations discussed in RSI include the City's ratable share of State PERS and LEOFF plans, as well as those statutory obligations arising from past service of participating police and firefighters who were hired by the City prior to October 1, 1977.

FINANCIAL HIGHLIGHTS

This discussion and analysis provide information on the amounts and activities presented in the summarized Government-Wide Statements, compared to the prior year, as well as significant events and transactions that impacted the City's financial activity during 2021.

Below are comparative, condensed financial information based on the Government-wide Statements in this report:

Condensed Statement of Net Position

	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	2021	2020	2021	2020	2021	2020
Current & other assets	\$ 155,074,033	\$ 120,594,371	\$ 74,279,311	\$ 59,480,239	\$ 229,353,344	\$ 180,074,610
Restricted assets			49,371,123	33,753,727	49,371,123	33,753,727
Capital assets, net	202,979,195	192,320,464	316,489,530	310,966,261	519,468,725	503,286,725
Total assets	358,053,228	312,914,835	440,139,964	404,200,227	798,193,192	717,115,062
Deferred outflows of resources	4,206,124	4,522,684	2,576,164	2,809,529	6,782,288	7,332,213
Current liabilities	14,127,131	15,262,424	20,598,924	19,078,157	34,726,055	34,340,581
Long-term liabilities outstanding	65,296,621	69,813,241	120,761,627	123,093,843	186,058,248	192,907,084
Total liabilities	79,423,752	85,075,665	141,360,551	142,172,000	220,784,303	227,247,665
Deferred inflows of resources	27,785,526	6,196,441	14,891,806	2,149,627	42,677,332	8,346,068
Net Position:						
Net investment in capital assets	166,048,664	152,919,749	209,892,995	203,775,917	375,941,659	356,695,666
Restricted	47,456,434	39,211,657	28,163,288	23,139,958	75,619,722	62,351,615
Unrestricted	41,544,977	34,034,006	48,407,488	35,772,255	89,952,465	69,806,261
Total net position	\$ 255,050,075	\$ 226,165,412	\$ 286,463,771	\$ 262,688,130	\$ 541,513,846	\$ 488,853,542

Amounts may not foot exactly due to rounding



City of Richland, Washington
Annual Comprehensive Financial Report
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Condensed Statement of Activities

	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program Revenues:						
Charges for services	\$ 22,145,106	\$ 20,910,599	\$ 127,350,143	\$ 120,241,343	\$ 149,495,249	\$ 141,151,942
Operating grants & contributions	2,543,280	4,478,358	1,316,500	1,160,728	3,859,779	5,639,086
Capital grants & contributions	7,394,837	8,762,071	5,554,974	5,921,686	12,949,810	14,683,757
General Revenues:						
Property taxes	20,167,579	19,278,175			20,167,579	19,278,175
Other taxes	45,711,694	38,197,177			45,711,694	38,197,177
Other	1,463,007	3,702,709	(487,885)	1,345,778	975,122	5,048,487
Total revenues	99,425,502	95,329,089	133,733,731	128,669,535	233,159,234	223,998,624
EXPENSES:						
Judicial	661,551	675,038			661,551	675,038
General government	13,652,099	16,312,011			13,652,099	16,312,011
Public safety	29,806,690	16,625,315			29,806,690	16,625,315
Transportation	10,403,708	7,313,605			10,403,708	7,313,605
Health & human services	17,471	16,285			17,471	16,285
Economic environment	6,459,960	5,940,607			6,459,960	5,940,607
Culture & recreation	7,238,877	8,305,056			7,238,877	8,305,056
Interest on long-term debt	1,447,430	1,497,678			1,447,430	1,497,678
Electric			68,841,236	70,718,528	68,841,236	70,718,528
Water			12,965,380	12,540,030	12,965,380	12,540,030
Wastewater			9,357,585	8,826,423	9,357,585	8,826,423
Solid waste			10,343,972	9,743,184	10,343,972	9,743,184
Stormwater			1,756,865	1,719,618	1,756,865	1,719,618
Golf course			2,014,493	1,709,015	2,014,493	1,709,015
Medical services			5,206,762	4,715,737	5,206,762	4,715,737
Broadband			265,445	251,078	265,445	251,078
Total expenses	69,687,787	56,685,595	110,751,737	110,223,613	180,439,524	166,909,208
Excess/(deficiency) before transfers	29,737,715	38,643,494	22,981,994	18,445,922	52,719,709	57,089,416
Transfers	(853,048)	(1,632,088)	853,048	1,632,088		
Change in net position	28,884,667	37,011,406	23,835,042	20,078,010	52,719,709	57,089,416
Net position, January 1	226,165,407	189,738,309	262,688,130	242,610,120	488,853,537	432,348,429
Prior period adjustments	0	(584,308)	(59,401)	0	(59,401)	(584,308)
Net position, December 31	\$ 255,050,075	\$ 226,165,407	\$ 286,463,771	\$ 262,688,130	\$ 541,453,846	\$ 488,853,537

Amounts may not foot exactly due to rounding

FINANCIAL RESULTS

Government-Wide Activities

Overall, the City's 2021 activities resulted in a \$52.4 million increase in net position before applying prior period adjustments. Adjustments to beginning net position reflecting prior period activity resulted in a decrease of \$59,401 and did not have a significant effect on a total increase in net position. A discussion of these adjustments can be found under the heading "Prior Period Adjustments" in Note 1 to the Financial Statements. By comparison, net position increased \$57.1 million in 2020 before prior period adjustments. The continued growth from one year to the next reflects the City's long-term approach to the economic environment within which the City operates. Of the total net position at December 31, 2021, \$89.7 million is unrestricted and available to finance future activities. Looking deeper into the Government-Wide Statements, governmental activities' net position increased \$28.6 million, while net position increased \$23.8 million as a result of business-type activities.

Total revenues on the Government-Wide Statement of Activities were \$9.2 million higher than the prior year, indicating the City's recovery from the COVID-19 pandemic. Governmental revenues were \$4.1 million higher than the prior year, while business-type activity revenues were \$5.1 million higher. In the Business-type activities the largest variance was a \$7.1 million increase in charges for services. A more in-depth discussion of major business-type funds occurs later in this discussion and analysis.



Governmental activities' charges for services increased \$1.2 million over the previous year. Of this increase, \$575,000 came from a new annual operations service fee paid by Battelle Memorial Institute for fire suppression and emergency medical services as part of the agreement for improved emergency response services at the Pacific Northwest National Laboratory. Re-opening of the City's recreational facilities resulted in \$124,182 increase in cultural and recreation programs revenues, including library fees, swimming pool fees, facilities rentals, and fitness classes. Cost allocation charges make up the rest of the increase with minor increases and decreases in other charges for services.

...the City's 2021 activities resulted in a \$52.4 million increase in net position ...

Governmental activities' operating grants and contributions decreased \$1.9 million from the prior year, mainly due to a reduction in recognized COVID-19 assistance revenues.

Governmental activities' capital grants and contributions decreased \$1.4 million from the prior year. Capital grants typically fluctuate depending upon the projects that are being pursued. Transportation grants and contributions for street construction projects account for nearly \$1.9 million of this decrease, mainly due to the Duportail Bridge completion.



In the general revenues section of the Statement of Activities, total tax revenues increased by net \$8.4 million over the prior year. New construction remained steady, resulting in an increased tax base and a \$889,404 increase in property tax revenues. Sales tax revenue continued its upward trend, posting a \$3.8 million increase due to increases in sales activity. Utility taxes collected increased \$346,211 over the prior year, mainly due to increases from the City's electric, water and solid waste utilities, and from taxes received from telephone companies. Real Estate Excise Tax increased \$1.8 million, buoyed by another year of continued gains in the local real estate market. Minor increases and decreases in other taxes occurred, rounding out the rest of the increase in tax revenues.

Other general revenues include investment earnings, gains on disposition of assets, and other miscellaneous revenues. Investment earnings decreased by nearly \$3.0 million with most of the cash available held in LGIP and related interest rates declining significantly throughout 2021. Gain on sale of capital land and land held for resale in 2021 was \$504,268 higher than the prior year. This revenue is highly variable depending on the interest of potential buyers in acquiring land primarily in the City's industrial area. The City did not have any miscellaneous revenues in the general revenues in 2021, resulting in \$1.3 million decrease from 2020 to 2021. In prior years, miscellaneous revenues consisted primarily of infrastructure contributed to the City by developers.

In Governmental expenses, salaries and benefits are the most significant expense, aside from wholesale power purchases. On the City-wide Statement of Activities, Governmental-type activity expenses were lower from the prior year, showing a \$13.0 million decrease, while business-type activity expenses decreased \$528,124. Looking at the Governmental activities' expenses change by functional category, we noted the following large variance in comparison with the prior year: Public safety expenses increased by approximately \$13.2 million. While public safety ongoing expenses remained comparable year over year, there was a \$14.4 million adjustment to public safety expenses in 2020 to eliminate expenditures related to pension liabilities incurred in prior years. This large decrease in the OPEB liability for fire and police pensions was a result of actuaries discovering medical costs inappropriately included long-term care costs and lower than expected claims costs due to COVID-19.

In business-type activities, electric utility expenses decreased \$1.9 million; while water utility expenses increased \$425,350; sewer utility expenses increased \$531,162; solid waste utility expenses increased \$600,788; stormwater expenses increased \$37,247; golf course expenses increased \$305,478; and medical services utility expenses increased \$491,025. More detail on activities of the major business-type funds is presented later in this discussion and analysis.

Following is a more in-depth discussion of the conditions affecting ending net position by activity type.

Governmental Activities

Governmental activities account for \$255.1 million in total net position at year end, a \$28.9 million increase over the prior year. The unrestricted portion of ending net position was \$41.5 million. The primary contributors to governmental activities' total net position are usually capital and debt-financed capital activities, as well as operating activities found in the City's General Fund.

Capital and Debt-Financed Capital: Governmental activities' net investment in capital assets increased \$13.1 million in 2021. This balance reflects not only capital purchases, but also the effect of depreciation expense and changes to general obligation debt, which financed past and current capital outlays. Of the \$217.4 million in total city liabilities, \$38.5 million or 17.7% is governmental activities' general obligation debt (i.e. payable on the full faith and credit of the City) related to capital activities. \$7.3 million in general obligation debt is voter approved and supported by a special property tax levy, while the remaining \$31.2 million is non-voted or "Councilmanic" debt.



The City maintains strong credit ratings on its general obligation debt with a Standard & Poor's rating of AA+ on Unlimited Tax General Obligation Debt and Limited Tax General Obligation Debt. For more information on long-term debt see Note 4 in the Notes to the Financial Statements.

Improvements to the City's parks and transportation infrastructure continue to remain a high ongoing priority for the City. City facilities have also risen in priority in the last few years, especially as the population increases and the City's borders continue to expand. The following were some of the major governmental capital outlays for fiscal year 2021. For more information on capital assets see Note 3 in the Notes to the Financial Statements.

- The City anticipated the need for additional fire stations to meet current and future demands as our population grows and spreads towards our borders. To prepare for this need, construction of Public Safety Response Stations 73 and 75 began in 2020 with design and groundwork completed. The City spent a total of \$7.6 million on both stations through 2021 and completed the project on time and under budget.
- The City continues to improve the area’s waterfront access by introducing dedicated bicycle and pedestrian features to the current street that lacks them. The City spent a total of \$3.8 million on Columbia Park Trail Improvements – East project to reconstruct the street surface, sidewalks, and bike lanes.
- Additional streets capital construction includes \$1.5 million on First Street extension past Kingsgate, \$774,125 on Van Giesen and Thayer intersection improvements, and \$380,280 on Clubhouse Lane extension.

Major Governmental Funds

General Fund activity resulted in a fund balance increase of \$8.5 million in 2021. In comparison, 2020 General Fund activities resulted in a \$5.9 million increase. Revenues increased by \$3.2 million or 5.2%, while expenditures increased by only \$684,619 or 1.3%. In addition to revenues and expenditures, the General Fund receives transfers from other funds, and also transfers money out to other funds. Interfund transfers into the General fund increased by \$279,380 in 2021 versus the prior year, while transfers out from the General fund to other City funds increased by \$219,221.

Tax revenues are the primary revenue source for the General Fund. Property taxes increased by \$767,004 mainly due to new residential and commercial construction in Richland. Sales taxes were strong and increased by \$3.0 million, reaching a new record high. Utility taxes increase by \$367,386 and charges for services increased by \$684,736, mainly related to a new annual operations service fee and cost allocation charges to City departments outside the General Fund offset by various other smaller increases and decreases.

General Fund operating expenditures on the 2021 Statement of Revenues, Expenditures and Changes in Net Position were \$684,619 higher than the prior year. The increase mainly occurred in culture and recreation, general government, and public safety expenditures.



With the many challenges facing the City’s primary operating fund, great care is taken to monitor its activities relative to the annual budget approved by the City Council. As described in Note 1 in the Notes to the Financial Statements, this fund is budgeted in accordance with Washington State law and City policies, such that revisions to the budget are carefully administered. A Schedule of Revenues, Expenditures and Changes in Net Position “Budget and Actual” is provided within the Annual Comprehensive Financial Report, to present comparisons between actual revenues and expenditures, and the original and amended final budgets. Overall, revenues and expenditures were 108.2% and 81.3% of their respective adjusted budgets. The largest budget-actual dollar variance in revenues was in taxes, at \$7.36 million more than the adjusted budget, a 17% variance. The next largest budget-actual dollar variance in revenues was intergovernmental, at \$2.06 million less than budget, a 46% variance, mostly due delayed recognition

of federal COVID-19 (ARPA) funds as revenue until the City expends proceeds on a future capital project.

The largest budget-actual dollar variance in expenditures, by function, was in general government operating expenditures, which came in \$5.15 million below the adjusted budget. This was primarily due to budgeted expenditures for the ERP project in the Information Technology department (\$3.0 million) and in salary savings from vacant positions in various departments. Most of the IT division amounts not spent in the current year are carried over to the subsequent year to continue this project. Other less significant general governmental budget variances occurred throughout the remaining divisions. Public safety capital outlay came in \$2.6 million below budget. This was due to projects that were budgeted but not completed during the year including \$2.0 million in budgeted contributions toward a regional animal control shelter still in the design phase.

The following are the more significant adjustments made to the General fund original budget in 2021:

- \$235,259 was appropriated to utilize assistance received from Washington State to purchase body-worn cameras, dashboard cameras, interview room cameras and other one-time costs associated with recent law enforcement and criminal justice-related legislation.
- \$240,000 was appropriated to provide additional funds needed for the Fire Station 73/75 capital project to cover unanticipated expenses including COVID-19 impacts.
- \$2,000,000 was appropriated to utilize federal American Recovery Plan Act (ARPA) funds for utility and business assistance.
- Budget carryovers for prior year uncompleted projects and encumbrances totaled \$3,068,286.



Streets Construction Fund activities resulted in a fund balance increase of \$1.5 million in 2021. By comparison, 2020 activities resulted in an \$0.9 million increase in fund balance. Revenues decreased by \$2.7 million or 31%, while expenditures decreased by \$2.2 million or 16%. Other financing sources increased \$1.1 million or 18%.

Intergovernmental revenues, generally grants, are the primary revenue source for the Streets Construction Fund, as most projects in this capital project fund are grant-reimbursable. Grants represent nearly \$2.9 million of the decrease in revenues over the prior year.

The largest project accounted for in the Streets Construction Fund in 2021 was Columbia Park Trail improvements - East. Capital expenditures on the project were \$3.8 million or 33% of all 2021 expenses in the fund. The project reconstructed the street surface to provide three lanes with curb, gutter, sidewalks, bike lanes, streetlights, storm drainage facilities and streetscape. The project also made improvements to the Wye Park parking lot and street frontage and was completed in 2021 in partnership with the Port of Kennewick. Next largest project expenditures were for the ongoing Pavement Preservation program with 2021 expenditures totaling \$2.1 million or 18% of all expenses in the fund.

Business-Type Activities

Business-type activities resulted in an ending net position of \$286.5 million, reflecting an increase of \$23.8 million. Unrestricted net position increased by \$12.6 million to provide a total of \$48.4 million in available resources to finance future activities of the business-type funds. The primary contributors to business-type net position are activities found in the City's four major business-type funds: The Electric, Water, Sewer and Solid Waste Funds, which comprise 83% of the total business-type net position.

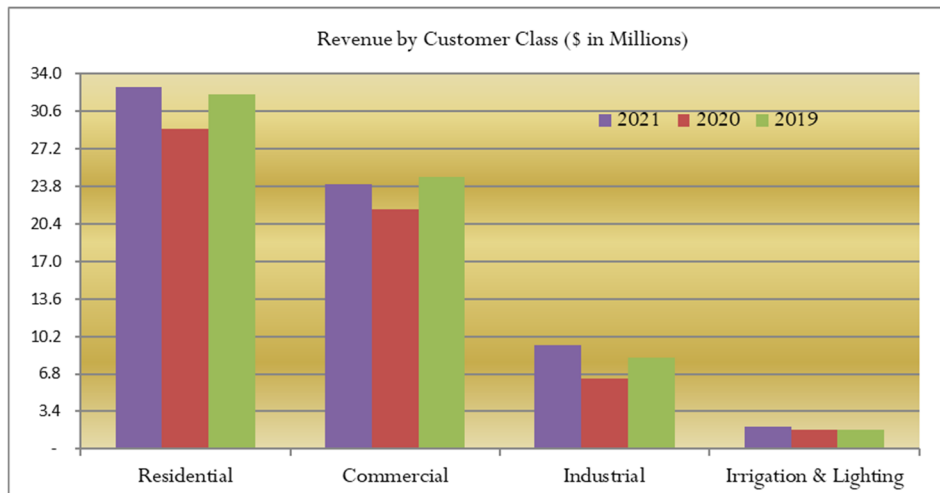
Electric Fund activities increased ending net position by \$9.5 million or 15.3% above the previous year-end balance. Annual debt repayment of \$3.1 million and depreciation of \$6.4 million were offset by the utility's \$10.9 million investment in capital. In response to forecasted growth in customer and consumption base, \$9.9 million in capital outlays was for projects that constructed, renewed and extended existing distribution infrastructure, as well as improved and expanded substation infrastructure. Capital outlay for equipment, machinery and software totaled over \$1.0 million.

Operating revenue increased \$2.8 million or 3.9% due to inconsistencies in customer loads and weather patterns. The last system-wide rate increase went into effect on June 1, 2019 and due to BPA rate adjustments, there is no additional utility rate action planned until 2024.

System-wide energy consumption increased 5.0% and total customer accounts increased 1.7% in 2021. When looking at energy consumption changes by customer class, residential consumption increased by 3.4%, commercial consumption increased by 3.3% and industrial consumption increased 10.5%. The irrigation and lighting class increased by 16.6%.

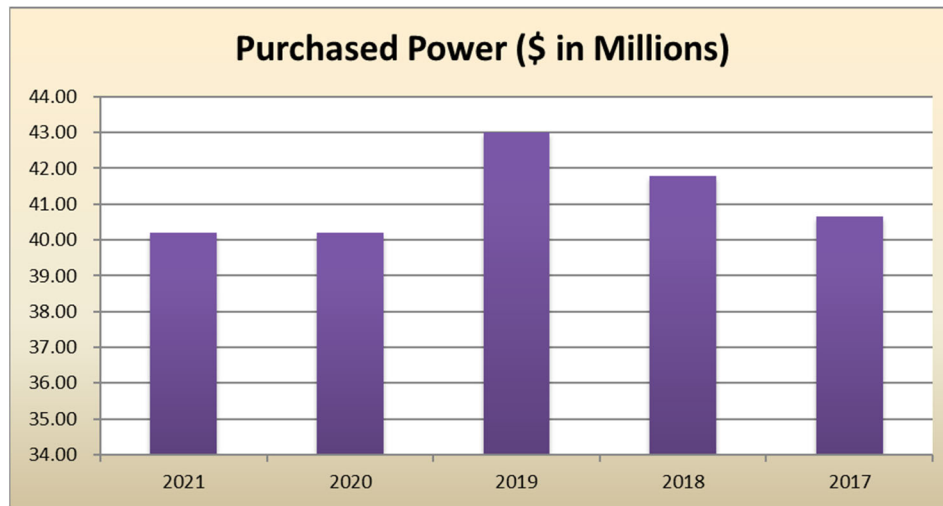
Energy consumption is largely dependent on weather conditions, particularly for residential and commercial customers. The 2021 weather was typical for the area with extended summer periods with highs over 100 and winter low temperatures getting into single digits. June's weather spiked with a coincidental peak system demand set at 211MW. Trends of increasing commercial loads from economic development activity and decreasing residential energy consumption as a result of the City's energy conservation program investment are expected.

The following graphs summarize energy revenue and consumption by customer class:



Operating expenses decreased \$2.2 million or 3.3% under the prior year. With wholesale power cost nearly identical to 2020, the 2021 decrease can be primarily attributed to a \$2.0 million pension cost credit. The credit is the result of State retirement plan investment earnings creating a \$10.0 billion pension asset at the system level. In previous years, the State plans typically carried plan liabilities. Richland, in tandem with other regional utilities, is constantly evaluating alternatives for its future wholesale power supply. The utility is currently in the 3rd year of purchasing non-Federal power resources for new base power load and along with the base power load provide by BPA, the short-term purchased power outlook is stable. Operating expenses in total are continually being mitigated by cost containment measures taken during the budget development process.

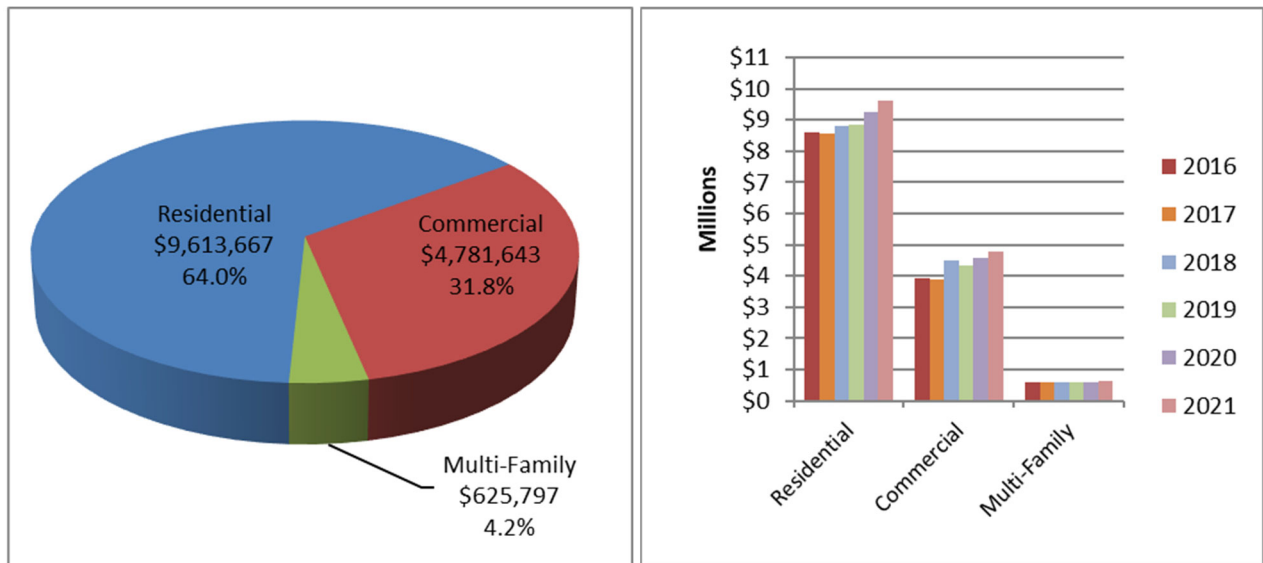
The following graph details purchased power expenses over the last five years:



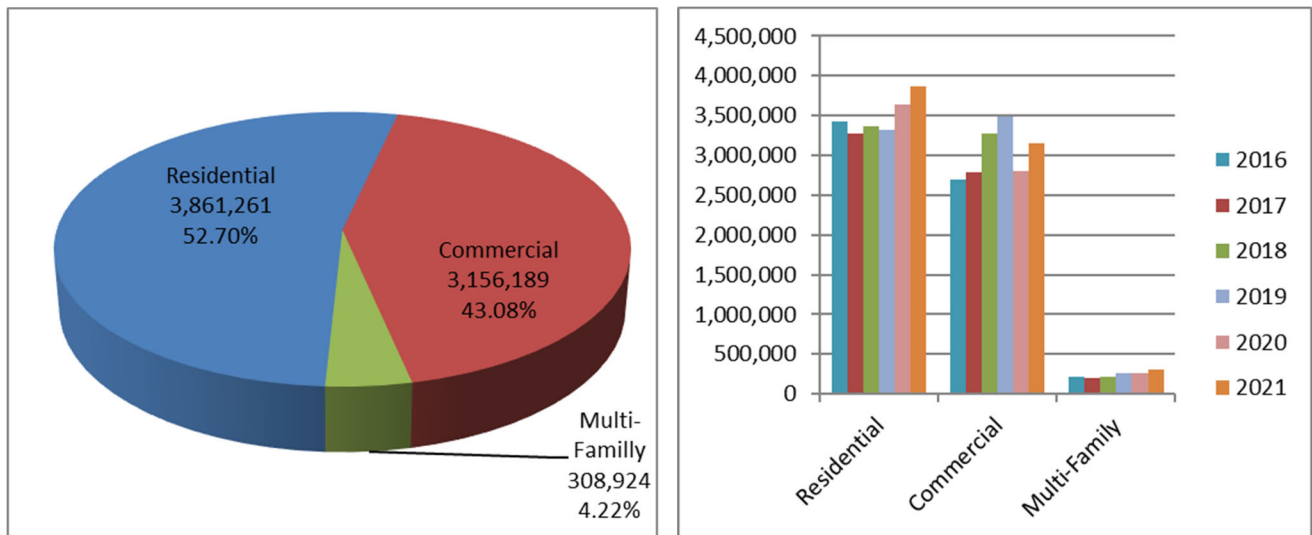
Standard & Poor’s (S&P) changed the Electric Utility’s credit rating on outstanding bonded debt from A+ to A with a Stable Outlook in 2019. The A rating was reaffirmed on the utility’s \$6.4 million 2021 bond issue. The slight downgrade in 2019 reflects S&P’s updated “U.S. Municipal Retail Electric and Gas Utilities: Methodology and Assumptions” published Sept. 27, 2018. The main drivers of the rating change were fixed-charge coverage levels and a decline in unrestricted cash. Notwithstanding, maintaining a base “A” rating is a significant reflection of the utility’s overall financial strength and stability. The rating also recognizes City management’s willingness to maintain adequate reserves, adjust rates and acquire additional capital financing when necessary. Maintaining or improving this credit rating is a key objective in minimizing debt service expense on future revenue bond sales. The next bond issuance is scheduled for the fall of 2023.

Water Fund activities generated a net position increase of \$6.1 million in 2021. Operating income was \$4.3 million in 2021; a \$177,866 increase over the prior year. Operating revenues increased \$674,291 and operating expenses increased \$496,425, when compared to 2020. Investment earnings dropped \$446,779 because of year-end fair market value adjustments, and interest expense decreased \$98,847. The utility recognized capital contributions of \$2.5 million in 2021. Twenty-three percent of these contributions were received from private sources, valued at \$558,572. This addition reflects the fair market value of capital improvements that were built and funded privately, and subsequently gifted to the City after the assets were placed in service. Donated capital is recognized when the development is completed and accepted by the City. The remaining capital contribution revenue is tied to new service requests that result in facilities fees charged to the owner, and to capital grants from the State. The facilities fee revenue for 2021 decreased from 2020 by \$217,299 or 16%. The utility transferred out \$20,000 in support of a multi-year cost sharing effort to install a fiber optic cable backbone. The fiber optic network carries the water utility’s communication systems.

Water revenue-composition and annual comparison by customer class (in millions):



Water consumption-composition and annual comparison by customer class (in hundreds of cubic feet):



In 2021, Water fund operating expenses increased by \$496,425 when compared to 2020. Total Salaries and benefits decreased approximately 13.2% or \$330,850. This is primarily due to adjustments to annual pension expense accruals for the state PERS plans. Supplies costs were relatively flat from 2020 to 2021, with a slight increase of \$15,694. The cost of supplies is typically outside the control of the utility. Timing and fluctuation of chemical needs and maintenance supplies can have a volatile effect on expenses.

Other service expenditures are driven by events that require outside input for the utility. For example, outside consultants, repairs to equipment or payment for a license or permit. Oftentimes an event, like the failure of a piece of equipment, necessitates such expenditures. Total costs in this category increased by \$69,085 when compared to 2020, mostly due to utility costs. The water utility uses a significant amount of electrical power at the treatment plant and pumping stations throughout the City. For 2021, utilities expense for water operations increased \$94,312 over 2020.

Tax expense increased in 2021 by \$112,153 and there was a decrease of \$63,420 in the recognition of bad debt expense. While collections on customer billings were uncertain with the effects of COVID-19 in 2020, by the end of 2021 the City determined that a less drastic allowance for uncollectable accounts was appropriate.

Finally, depreciation expense increased in 2021 by \$265,248 over the previous year.

In 2021, the utility made the following significant investments in its capital infrastructure:

- Began installation of automated meter reading infrastructure on a test basis. The Utility expects to start installation on a larger scale in late 2022. The Utility spent \$471,009 in 2021 on this project.
- Completed improvements to the solids handling equipment in the water treatment plant, with 2021 costs of \$189,170.
- Completed replacement and modification of the inlet structure with new screens that comply with current environmental standards. More than ninety percent of current water supplies are withdrawn from the Columbia River intake facility at Snyder Street. Capital spending for this effort was \$1,042,196 in 2021.

The capital related debt of the water and sewer utilities comprise a large portion, \$24 million, or 24.4% of all revenue debt and 17.7% of all City long-term borrowing. The water utility debt equals \$15.7 million, or 11.6% of all City long-term borrowing. The debt of the water utility is comprised of bonded debt, Public Works Trust Fund Loans, and State Safe Drinking Water Revolving Fund loans. The Public Works Trust Fund and Safe Drinking Water Revolving Fund loans were issued at coveted, below-market interest rates.

The water utility is required by its bond covenants to maintain a bond reserve in lieu of bond insurance. The water utility has adhered to this requirement and restricted \$1.0 million in cash and investments on the utility's balance sheet. The financial strength of the combined water and sewer utility was assessed by Standard & Poor's and rated AA in May 2017.

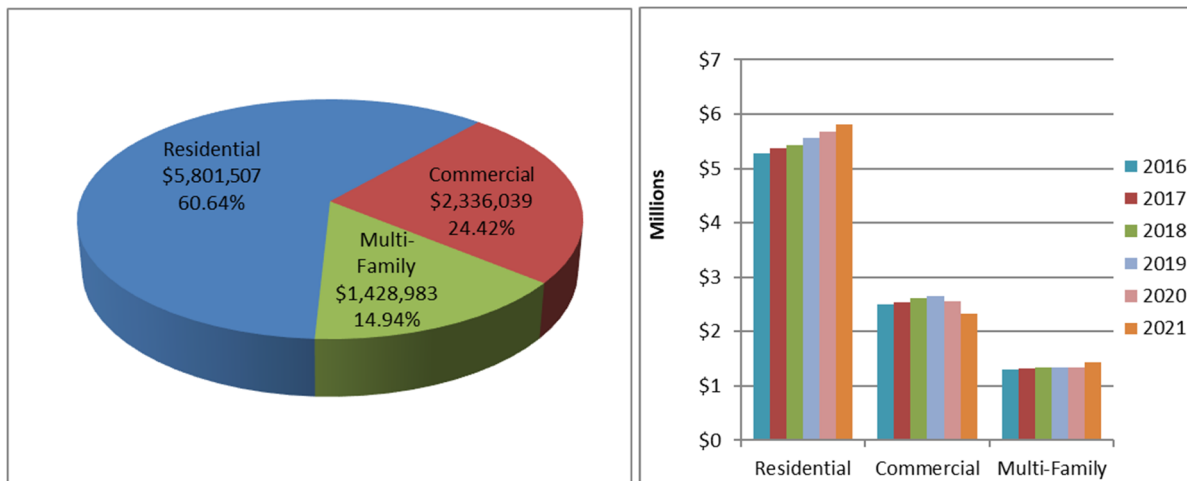
Sewer Fund activities generated a net position increase of \$1.8 million in 2021. Total operating income was \$551,914 in 2021, a decrease of \$604,271. This fluctuation was the result of flat growth in operating revenues coupled with an increase in operating expenses of \$544,122. Investment earnings, which also contribute to the non-operating decrease in net position, were \$282,898 less in 2021 as compared to 2020, due to year-end fair market value adjustments. Interest expense decreased by \$67,001 in 2021, compared to 2020.

In 2021, the utility recognized capital contributions of \$1.6 million. Of this addition, \$380,945 reflects the value of capital improvements that were built and funded by private development, and subsequently gifted to the City once placed in service. Donated capital is recognized as the development is completed and accepted by the City. The remaining capital contribution revenue, \$1,218,942, is tied to new utility service requests that result in facilities fees charged to the owner.

The utility transferred out \$5,000 in support of a multi-year cost sharing effort to install a fiber optic cable backbone. The fiber optic network supports the wastewater utility’s communication system.

The Sewer utility’s most recent rate change went into effect during 2010. Therefore, any increase in residential revenue is directly tied to customer growth. In 2021, residential revenue increased \$117,961, or 2.1%, over 2020 revenues. For the commercial and multifamily classes of service, water consumption is also a component in the calculation of the bill. Revenue from the multifamily class of customers increased \$84,232 over 2020, with a 6.26% increase, while the commercial class experienced a \$217,195, or 8.5% decrease.

Sewer revenues-composition and annual comparison by customer class (in millions):



In 2021, the operating expenses of the City’s sewer utility increased \$544,122 when compared to 2020. Total Salaries were within \$5,000 of the prior year total, and benefits decreased approximately 55.2% or \$374,237. That decrease was almost entirely due to decreases in Pension expense, as a result of funding status in the Washington State PERS plans.

Other professional service expenditures are driven by events that require outside input for the utility. For example, outside consultants, repairs to equipment or payment for a license or permit. Oftentimes an event, like the failure of a piece of equipment, necessitates such expenditures. Total costs in this category increased by \$102,370 over the prior year. The wastewater utility uses a significant amount of electrical power, and in 2021 utility expenses increased \$115,849 when compared to 2020.

The largest increase in operating expenditures in 2021 was due to a one-time project to inspect and video the interior of the sewer line infrastructure. At a cost of \$958,728 in 2021, this work will inform utility staff on where best to concentrate maintenance efforts and any future infrastructure renewal and replacement projects.

In 2021, the Wastewater utility made several investments in its capital infrastructure:

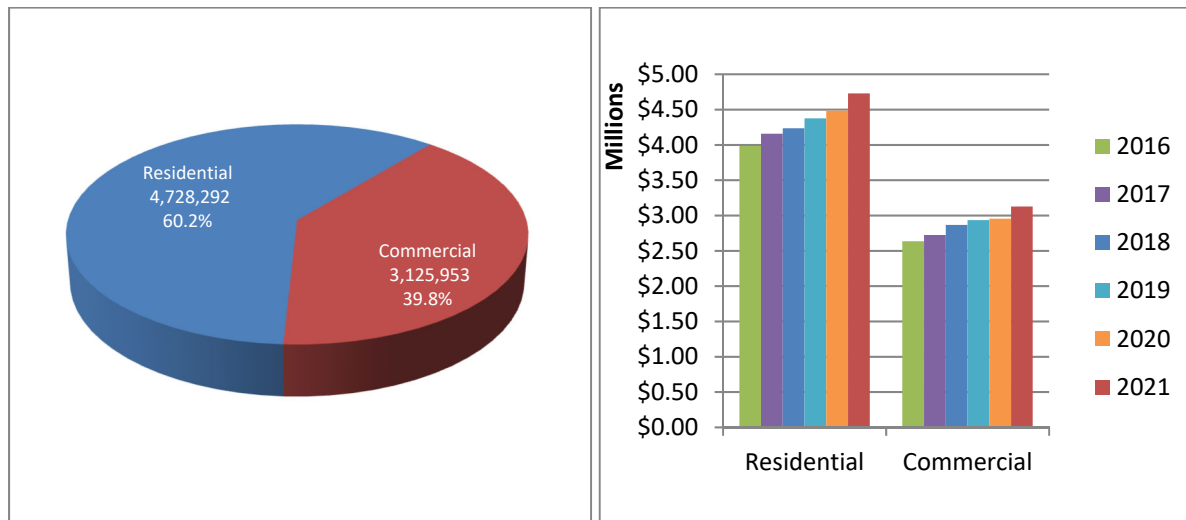
- Construction continues on various Collection System renewal and replacement projects. In 2021 the utility spent a modest \$18,668 on this type of work.
- The utility remains focused on improving its Wastewater Treatment Facility. The utility has planned annual improvements to eliminate downtime and ensure effective wastewater treatment. During 2021, the total spending on these capital improvements was over \$1.5 million.

The wastewater utility capital debt equals \$8.2 million, or 6.1% of all City long-term debt. The debt of the utility is comprised of bonded debt and an American Recovery and Reinvestment Act loan. The sewer utility has complied with bond covenant requirements and restricted \$587,392 in a bond reserve account. The financial strength of the combined water and sewer utility was assessed by Standard & Poor's and rated AA in May 2017.

Solid Waste Fund activities generated a net position increase of \$912,894 in 2021. The utility reported an operating income of \$2.4 million in 2021, an improvement of \$731,803 over the previous year. This was mainly due to an increase in operating revenue of \$856,205 over the prior year. Residential and commercial collection revenue increased by \$414,386, or 5.6%, landfill disposal revenue increased by \$141,126, or 8.4%, and drop box revenues increased by \$310,971, or 21.3% when compared to 2020. Operating income was also influenced by operating expenses. Operating expenses grew by \$124,401 over the prior year. Non-operating expenses for 2021 totaled \$1.5 million, most of which is related to the annual change in estimates for closure/post closure care costs and changes in engineering calculations of the remaining volume in the current landfill cell.

(Remainder of this page intentionally left blank)

Solid Waste revenues-composition and annual comparison by customer class (in millions):



Operating expenses increased \$334,928 when compared to 2020. Labor costs decreased \$360,312 or 12.7%. This was primarily due to a \$391,121 decrease as a result of state PERS pension valuation adjustments. Supplies costs increased \$21,774, mainly in the category of small equipment purchases. External services costs decreased \$85,956, mainly due to decreases in recycling processing fees and other expert services. Internal or cost-allocated service expense increased by \$605,334. Among the many types of allocated service expenses for the solid waste utility, the most significant fluctuations were increases in the costs tied to repair, maintenance and fuel costs for the utility's fleet of \$237,715 and accounting services increase of 207,645. As the utility continues to replace its aging fleet, repair costs should level out. Taxes increased \$110,280 as a result of improvements in revenue.

Net non-operating expenses increased in 2021 as compared to the previous year by \$336,946. The increase is driven mostly by a reduction to investment earnings as a result of year-end fair market value adjustments.

The long-term debt of the solid waste Fund includes a \$3.8 million Washington State Public Works Board loan and the estimated liability for landfill closure/postclosure care, in the amount of \$9.0 million. The combined total of this debt is the equivalent of 9.2% of all City long-term capital debt. The utility has no plans to issue any additional long-term debt in the coming year. The Solid Waste Fund is not usually classified as a major fund for financial statement reporting. However, in 2021 the liability for landfill closure/post closure increased dramatically as the City used up the remaining capacity in one cell and opened a new cell. Once closure activities on the old cell are completed in 2022-2023, the liability will drop to reflect just the amount for postclosure efforts, and eventual closure of the new cell.

ECONOMIC OUTLOOK

Richland's economy is strong and diverse, with plenty of activity in new construction and retail leading to increased sales and property tax revenues. Assessed property values in Richland continue to steadily increase, and while Richland's population is the lowest of the three major cities in the Tri-City area, the total assessed value is the highest in the region. Richland's population continues to increase as the city is a desirable location to live and raise a family.

In February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of the COVID-19 virus. While this declaration is still in effect, the most restrictive proclamations have been rescinded. The negative financial impacts to the City have been minimal.

Like most of the nation, the region is experiencing high inflation and supply chain challenges. The City is facing extremely long lead times on some supplies and vehicles. While this has not led to significant project delays at this time, the City is monitoring the situation closely and planning for potential disruptions.



Work on the Hanford nuclear cleanup north of Richland is ongoing, contributing to the employment stability of the area. Richland continues to enjoy strong new construction activity, including retail centers, office, and multifamily development. The Queensgate area continues to be an area of strong growth with a retail/commercial focus. The City has ongoing construction of road and infrastructure improvements in the in the Horn Rapids area, which attracts commercial growth. The Badger Mountain South area is experiencing significant residential growth. In 2022, the City plans to construct a new fire station in this area, as well as a 30-acre park.

Home building remains strong throughout the region and Richland despite climbing home prices and rising interest rates. Richland's Local Revitalization Financing program continues to pay off, resulting in robust construction and expansion in the Horn Rapids Industrial Park. Richland will continue to recruit primary sector job growth, primarily focused in energy, technology, and food and agricultural processing, which in turn further diversifies the local economy from reliance on federal spending.



BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements



City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Net Position
December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Richland Public Facilities District
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 41,441,553	\$ 21,005,873	\$ 62,447,426	\$ 846,200
Deposits with third parties	520,585	11,575	532,160	-
Investments	45,532,163	23,686,201	69,218,364	-
Taxes receivable	4,871,868	-	4,871,868	113,925
Interest receivable	2,033	-	2,033	-
Customer accounts, net	1,770,658	11,761,205	13,531,863	43,330
Due from other governments	1,913,949	170,089	2,084,037	-
Notes and contracts	1,720,120	125,000	1,845,120	-
Internal balances	4,314,707	(4,314,707)	-	-
Prepaid items	297,651	294,357	592,008	8,411
Inventory	123,195	5,026,642	5,149,837	30,485
Special assessments	7,763	37,820	45,584	-
Total current assets	102,516,244	57,804,056	160,320,299	1,042,351
Noncurrent assets:				
Cash and cash equivalents	\$ -	\$ 14,256,255	\$ 14,256,255	\$ 483,470
Restricted investments	-	35,114,868	35,114,868	-
Investment in joint ventures	2,288,019	-	2,288,019	-
Land held for resale	14,872,368	-	14,872,368	-
Special assessments	11,744	152,004	163,748	-
Net pension asset	35,385,659	16,323,250	51,708,909	-
Land	8,001,359	8,823,153	16,824,512	-
Depreciable assets (net)	62,378,926	43,285,995	105,664,921	5,533,338
Infrastructure (net)	125,112,798	260,138,695	385,251,493	1,820,596
Construction in progress	7,486,112	4,241,688	11,727,800	-
Total noncurrent assets	255,536,985	382,335,908	637,872,893	-
Total assets	358,053,228	440,139,964	798,193,192	8,879,755
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - amount on debt refunding	\$ 222,243	\$ 618,901	\$ 841,144	\$ 34,027
Deferred outflow - pension	3,304,669	1,776,114	5,080,783	-
Deferred outflow - OPEB	679,212	181,149	860,361	-
Total deferred outflows of resources	4,206,124	2,576,164	6,782,288	34,027
Total assets and deferred outflows of resources	362,259,352	442,716,128	804,975,480	8,913,782

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Net Position
December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Richland Public Facilities District
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 5,272,718	\$ 11,030,794	\$ 16,303,513	22,474
Payable to other governments	106,283	339,750	446,033	-
Deposits payable	10,011	732,445	742,456	3,522
Claims and judgments	2,984,819	-	2,984,819	-
Leases payable	-	250,157	250,157	-
Compensated absences	1,626,031	1,148,923	2,774,954	13,463
Notes and contracts payable	93,524	1,231,918	1,325,442	-
General obligation bonds payable	2,565,000	205,000	2,770,000	380,000
Revenue bonds payable	-	5,500,000	5,500,000	-
Total pension liability	320,762	-	320,762	-
Total OPEB liability	1,147,983	159,937	1,307,920	-
Total current liabilities	14,127,131	20,598,924	34,726,055	419,459
Noncurrent liabilities:				
Total pension liability	\$ 4,363,348	\$ -	\$ 4,363,348	\$ -
Leases payable	-	527,984	527,984	-
Compensated absences	1,992,046	1,148,925	3,140,971	-
Notes and contracts payable	339,506	6,871,473	7,210,979	-
General obligation bonds payable	39,558,767	4,843,611	44,402,378	3,141,164
Revenue bonds payable	-	94,116,394	94,116,394	-
Unearned revenue	3,418,419	1,222,804	4,641,223	30,903
Net pension liability	1,012,604	1,287,137	2,299,741	-
Total OPEB liability	14,611,931	1,736,914	16,348,845	-
Landfill closure liability	-	9,006,385	9,006,385	-
Total noncurrent liabilities	65,296,621	120,761,627	186,058,248	3,172,067
Total liabilities	79,423,752	141,360,551	220,784,303	3,591,526
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - transfer of service concession arrangement capital assets	\$ 2,688,500	\$ -	\$ 2,688,500	\$ -
Deferred inflow - pension	24,343,804	14,687,119	39,030,923	-
Deferred inflow - OPEB	747,911	199,471	947,382	-
Deferred inflow - amount on debt refunding	5,311	5,216	10,527	-
Total deferred inflows of resources	27,785,526	14,891,806	42,677,332	-
Total liabilities and deferred inflows of resources	107,209,278	156,252,357	263,461,635	-
NET POSITION				
Net investment in capital assets	\$ 166,048,664	\$ 209,892,995	\$ 375,941,659	\$ 3,866,797
Restricted for:				
Capital improvements	7,067,111	14,801,181	21,868,292	-
Debt service	1,193,142	8,989,699	10,182,841	697,900
Economic environment	20,701,739	-	20,701,739	-
Other purposes	1,367,016	-	1,367,016	-
Pensions	15,303,663	4,372,408	19,676,071	-
Public safety	1,801,625	-	1,801,625	-
Transportation	22,138	-	22,138	-
Unrestricted	41,544,976	48,407,488	89,952,464	757,560
Total net position	\$ 255,050,074	\$ 286,463,771	\$ 541,513,845	\$ 5,322,257

The notes to financial statements are an integral part of this statement.

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Richland Public Facilities District
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Judicial	\$ 661,551	\$ 452,849	\$ -	\$ -	\$ (208,702)	\$ -	\$ (208,702)	\$ -
General government	13,652,099	9,075,843	360,866	-	(4,215,390)	-	(4,215,390)	-
Public safety	29,806,690	6,709,971	507,376	676,941	(21,912,402)	-	(21,912,402)	-
Transportation	10,403,708	1,055,422	18,576	6,468,731	(2,860,978)	-	(2,860,978)	-
Health and human services	17,471	8,658	462,611	-	453,798	-	453,798	-
Economic environment	6,459,960	3,933,683	1,193,851	-	(1,332,427)	-	(1,332,427)	-
Culture and recreation	7,238,877	908,681	-	249,164	(6,081,032)	-	(6,081,032)	-
Interest on long-term debt	1,447,430	-	-	-	(1,447,430)	-	(1,447,430)	-
Total governmental activities	69,687,787	22,145,106	2,543,280	7,394,837	(37,604,565)	-	(37,604,565)	-
Business-type activities:								
Electric Utility Fund	68,841,236	77,478,580	-	1,161,550	-	9,798,894	9,798,894	-
Water Utility Fund	12,965,380	16,906,486	-	2,479,672	-	6,420,778	6,420,778	-
Wastewater Utility Fund	9,357,585	9,717,026	-	1,599,887	-	1,959,328	1,959,328	-
Solid Waste Utility Fund	10,343,972	11,488,700	-	-	-	1,144,728	1,144,728	-
Stormwater Utility Fund	1,756,865	1,980,786	472,269	313,865	-	1,010,056	1,010,056	-
Golf Course Fund	2,014,493	2,218,517	133,882	-	-	337,906	337,906	-
Medical Services Fund	5,206,762	7,330,019	710,349	-	-	2,833,606	2,833,606	-
Broadband Fund	265,445	230,028	-	-	-	(35,417)	(35,417)	-
Total business-type activities	110,751,737	127,350,143	1,316,500	5,554,974	-	23,469,879	23,469,879	-
Total primary government	\$ 180,439,524	\$ 149,495,249	\$ 3,859,779	\$ 12,949,810	\$ (37,604,565)	\$ 23,469,879	\$ (14,134,685)	\$ -
Component units:								
Richland Public Facilities District	\$ 1,302,256	\$ 423,845	\$ 268,274	\$ -	\$ -	\$ -	\$ -	\$ (610,137)
Total component units	\$ 1,302,256	\$ -	\$ 268,274	\$ -	\$ -	\$ -	\$ -	\$ (610,137)
General revenues:								
Property taxes					20,167,579	-	20,167,579	-
Sales taxes					20,863,564	-	20,863,564	-
Utility occupation taxes					13,855,423	-	13,855,423	-
Real estate excise tax					5,070,824	-	5,070,824	-
Motor fuel & multimodal transportation tax					1,217,547	-	1,217,547	-
Hotel/motel lodging tax					1,197,124	-	1,197,124	-
Other taxes					3,507,213	-	3,507,213	831,423
Investment earnings					(227,679)	(522,903)	(750,582)	5,635
Gain on disposition of capital assets					-	(3,702)	(3,702)	-
Gain on disposition of land held for sale					1,690,686	-	1,690,686	-
Insurance recoveries					-	38,720	38,720	-
Transfers					(853,048)	853,048	-	-
Total general revenues, special items, and transfers					66,489,232	365,163	66,854,394	837,058
Change in net position					28,884,667	23,835,042	52,719,709	226,921
Net position - beginning					226,165,407	262,688,130	488,853,538	5,095,336
Prior period adjustment					-	(59,401)	(59,401)	-
Net position - ending					\$ 255,050,075	\$ 286,463,771	\$ 541,513,846	\$ 5,322,257

The notes to financial statements are an integral part of this statement.

Amounts may not foot exactly due to rounding



BASIC FINANCIAL STATEMENTS

Fund Financial Statements

City of Richland, Washington
Annual Comprehensive Financial Report
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Streets Capital Construction Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,155,323	\$ 3,104,317	\$ 17,995,242	\$ 33,254,882
Deposits with third parties	19,425	-	28,600	48,025
Investments	33,133,954	-	5,614,605	38,748,559
Taxes receivable	4,109,129	-	1,180,048	5,289,177
Interest receivable	2,033	-	-	2,033
Customer accounts (net)	853,103	350,000	126,071	1,329,174
Due from other governments	162,358	1,363,469	388,121	1,913,949
Assessments	-	-	19,507	19,507
Notes and contracts	-	-	1,720,120	1,720,120
Prepaid items	65,454	-	18,263	83,717
Inventory	-	-	51,525	51,525
Total assets	<u>\$ 50,500,779</u>	<u>\$ 4,817,786</u>	<u>\$ 27,142,102</u>	<u>\$ 82,460,667</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 2,094,512	\$ 1,094,473	\$ 1,819,292	\$ 5,008,276
Payable to other governments	94,099	-	12,184	106,283
Interfund loans payable	-	-	624,577	624,577
Deposits payable	1,011	-	9,000	10,011
Unearned revenue-other	3,391,819	-	26,600	3,418,419
Total liabilities	<u>5,581,441</u>	<u>1,094,473</u>	<u>2,491,653</u>	<u>9,167,567</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	\$ 153,241	\$ -	\$ 13,222	\$ 166,463
Unavailable revenue-unbilled LID assessments	-	-	11,744	11,744
Total deferred inflows of resources	<u>153,241</u>	<u>-</u>	<u>24,966</u>	<u>178,207</u>
Total liabilities and deferred inflows of resources	<u>5,734,682</u>	<u>1,094,473</u>	<u>2,516,619</u>	<u>9,345,774</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Contractually maintained deposits	\$ -	\$ -	\$ 2,000	\$ 2,000
Inventory	-	-	51,525	51,525
Prepaid items	65,454	-	18,263	83,717
Restricted				
Capital improvements	\$ 76,275	\$ -	\$ 6,990,835	\$ 7,067,111
Debt service	-	-	1,193,142	1,193,142
Economic environment	1,687,569	-	4,141,802	5,829,371
Other purposes	1,367,016	-	-	1,367,016
Public safety	30,575	-	1,771,050	1,801,625
Transportation	-	-	22,138	22,138
Committed				
Capital improvements	\$ 452,951	\$ 139,008	\$ 5,630,589	\$ 6,222,549
Economic environment	115,855	-	3,995,201	4,111,057
Public safety	99,817	-	-	99,817
Assigned				
Debt service	\$ -	\$ -	\$ 357,142	\$ 357,142
Public safety	57,865	-	-	57,865
Transportation	-	3,584,305	451,796	4,036,101
Unassigned	\$ 40,812,719	\$ -	\$ -	\$ 40,812,719
Total fund balances (deficits)	<u>\$ 44,766,097</u>	<u>\$ 3,723,314</u>	<u>\$ 24,625,483</u>	<u>\$ 73,114,893</u>
Total liabilities and fund balances (deficits)	<u>\$ 50,500,779</u>	<u>\$ 4,817,786</u>	<u>\$ 27,142,102</u>	<u>\$ 82,460,667</u>

The notes to financial statements are an integral part of this statement.

City of Richland, Washington
Annual Comprehensive Financial Report
Reconciliation of Balance Sheet
To the Statement of Net Position
December 31, 2021

Fund balances of governmental funds		73,114,893
-------------------------------------	--	------------

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

Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements. They are reported in the government-wide statements, net of accumulated depreciation:

	202,979,195	
		202,979,195

The focus of governmental funds is on short-term financing. Long-term assets are deferred or not reported in the funds. They consist of the following:

Investment in joint venture	2,288,019	
Land held for sale	14,872,368	
Net pension asset	35,385,659	
Notes, contracts and taxes receivable, offset by deferred inflows of resources	178,207	
		52,724,253

Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in the governmental and business-type activities in the statement of net position based on which activity they predominantly serve. For governmental activities they consist of the following:

Net position	12,630,722	
Internal payable representing charges in excess of cost to business-type activities: prior years	3,695,012	
Internal payable representing charges in excess of cost to business-type activities: current year	1,253,669	
		17,579,403

Deferred outflows and inflows of resources related to long-lived assets and liabilities do not relate to the current period and therefore are not reported in fund financial statements:

Deferred outflow of resources related to pensions	3,304,669	
Deferred outflow of resources related to OPEB	679,212	
Deferred outflow of resources related to debt refunding	222,243	
Deferred inflow of resources related to service concession arrangement (ORV Park assets)	(2,688,500)	
Deferred inflow of resources related to pensions	(24,343,804)	
Deferred inflow of resources related to OPEB	(747,911)	
Deferred inflow of resources related to debt refunding	(5,311)	
		(23,579,402)

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. They consist of the following:

General obligation bonds	(38,020,000)	
Net premium/discount	(4,103,767)	
Other general government debt	(433,030)	
Net pension liability	(1,012,604)	
Total pension liability	(4,684,110)	
Total OPEB liability	(15,759,914)	
Compensated absences	(3,618,077)	
Accrued interest payable	(136,766)	
		(67,768,268)
Net position of governmental activities		255,050,074

The notes to financial statements are an integral part of this statement. 46

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Streets Capital Construction Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 50,615,374	\$ -	\$ 13,301,903	\$ 63,917,276
Licenses and permits	2,857,982	-	-	2,857,982
Intergovernmental	2,385,871	5,469,508	2,621,913	10,477,293
Charges for goods and services	8,940,713	551,977	7,233,711	16,726,400
Fines and forfeits	462,109	-	-	462,109
Investment earnings	(253,855)	23,455	29,984	(200,416)
Rents and leases	189,552	-	1,377,405	1,566,957
Miscellaneous revenue	262,960	-	277,356	540,317
Total revenues	<u>65,460,706</u>	<u>6,044,940</u>	<u>24,842,272</u>	<u>96,347,918</u>
EXPENDITURES				
Current:				
Judicial	661,551	-	-	661,551
General government	16,405,324	-	6,582	16,411,906
Public safety	24,871,760	-	8,055,031	32,926,792
Transportation	-	3,454,852	3,486,990	6,941,842
Health and human services	17,471	-	-	17,471
Economic environment	2,713,152	-	4,847,003	7,560,155
Culture and recreation	8,247,329	-	95,226	8,342,555
Debt service:				
Interest	-	26,841	1,710,858	1,737,699
Principal retirement	-	-	2,737,994	2,737,994
Capital outlay:				
General government	256,743	-	267,662	524,404
Public safety	23,878	-	7,584,278	7,608,156
Transportation	-	7,974,171	9,480	7,983,652
Economic environment	44,455	-	37,677	82,132
Culture and recreation	-	-	513,118	513,118
Total expenditures	<u>53,241,662</u>	<u>11,455,865</u>	<u>29,351,900</u>	<u>94,049,427</u>
Excess (deficiency) of revenues over expenditures	<u>12,219,043</u>	<u>(5,410,924)</u>	<u>(4,509,628)</u>	<u>2,298,491</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	563,192	6,919,513	5,683,840	13,166,544
Transfers out	(4,255,458)	-	(9,764,134)	(14,019,592)
Disposition of land held for sale	-	-	1,983,576	1,983,576
Total other financing sources (uses)	<u>(3,692,266)</u>	<u>6,919,513</u>	<u>(2,096,718)</u>	<u>1,130,528</u>
Net change in fund balances	8,526,777	1,508,589	(6,606,346)	3,429,019
Fund balances - beginning	36,239,320	2,214,725	31,231,829	69,685,874
Fund balances - ending	<u>\$ 44,766,097</u>	<u>\$ 3,723,314</u>	<u>\$ 24,625,483</u>	<u>\$ 73,114,893</u>

The notes to financial statements are an integral part of this statement.

City of Richland, Washington
Annual Comprehensive Financial Report
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended December 31, 2021

Net change in fund balances - total government funds \$ 3,429,019

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

The issuance and repayment of long-term liabilities are reported as resources and uses, respectively, of current financial resources in governmental funds. In the statement of net position, however, neither of these transactions impact net position. Also in governmental funds the effect of premiums or discounts and similar items are reported as resources or uses of current financial resources when the debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities. The following details the net change in long-term debt as reflected in government-wide reporting:

Principal repayment	2,737,994	
Amortization of premiums/discounts & deferred amounts on	281,431	
		3,019,425

Certain revenues and expenses in the statement of activities do not provide or use current financial resources and are therefore not reported as revenues or expenditures in the governmental funds. The following details those items:

Change in earned revenue reported as deferred inflows in the fund statements	(26,743)	
Change in the City's investment in joint ventures	(62,977)	
Change in the City's investment in land held for sale	(292,890)	
Change in the City's net pension liability and related deferred inflows/outflows	9,167,272	
Change in accrued interest payable	8,838	
Change in net OPEB obligation	298,312	
Change in compensated absences	366,015	
		9,457,827

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue of most of these activities is reported within governmental funds as follows:

Change in net position	1,524,696	
Internal payable representing charges in excess of cost to governmental activities-	1,253,669	
		2,778,365

Governmental funds report capital outlays as expenditures. In the statement of activities the cost of assets are allocated over the useful life of the asset as depreciation expense. the following depicts the changes to capital assets:

Capital outlays	16,711,462	
Depreciation	(7,509,530)	
Disposal of capital assets	(1,124)	
Donated capital assets received	999,223	
		10,200,031

Change in net position of governmental activities		\$ 28,884,667
---	--	---------------

The notes to financial statements are an integral part of this statement.

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 43,256,760	\$ 43,256,760	\$ 50,615,374	\$ 7,358,614
Licenses and permits	2,504,500	2,504,500	2,857,982	353,482
Intergovernmental	2,164,609	4,443,723	2,385,871	(2,057,852)
Charges for goods and services	9,239,646	9,239,646	8,940,713	(298,933)
Fines and forfeits	533,800	533,800	462,109	(71,691)
Investment earnings	130,000	130,000	(253,855)	(383,855)
Rents and leases	235,481	235,481	189,552	(45,929)
Miscellaneous revenue	138,905	153,905	262,960	109,055
Total revenues	<u>58,203,701</u>	<u>60,497,815</u>	<u>65,460,706</u>	<u>4,962,891</u>
EXPENDITURES				
Current:				
Judicial	806,508	806,508	661,551	144,957
General government	19,216,540	21,559,977	16,405,324	5,154,653
Public safety	26,098,099	28,854,132	24,871,760	3,982,372
Health and human services	15,965	15,965	17,471	(1,506)
Economic environment	2,778,714	3,000,049	2,713,152	286,897
Culture and recreation	8,511,215	8,595,538	8,247,329	348,209
Total current	<u>57,427,041</u>	<u>62,832,169</u>	<u>52,916,586</u>	<u>9,915,583</u>
Capital outlay:				
General government	-	-	256,743	(256,743)
Public safety	2,250,000	2,650,000	23,878	2,626,122
Economic environment	-	-	44,455	(44,455)
Total capital outlay	<u>2,250,000</u>	<u>2,650,000</u>	<u>325,076</u>	<u>2,324,924</u>
Total expenditures	<u>59,677,041</u>	<u>65,482,169</u>	<u>53,241,662</u>	<u>12,240,507</u>
Excess (deficiency) of revenues over expenditures	<u>(1,473,340)</u>	<u>(4,984,354)</u>	<u>12,219,043</u>	<u>17,203,397</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	563,192	563,192	563,192	-
Transfers out	(4,403,484)	(4,928,782)	(4,255,459)	673,323
Total other financing sources (uses)	<u>(3,840,292)</u>	<u>(4,365,590)</u>	<u>(3,692,267)</u>	<u>673,323</u>
Net change in fund balances	(5,313,632)	(9,349,944)	8,526,776	17,876,720
Fund balances - beginning	36,239,320	36,239,320	36,239,320	-
Fund balances - ending	<u>\$ 30,925,688</u>	<u>\$ 26,889,376</u>	<u>\$ 44,766,097</u>	<u>\$ 17,876,720</u>

The notes to financial statements are an integral part of this statement.



City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities						Internal Service Funds
	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Total Nonmajor Funds	Total Enterprise Funds	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 13,391,278	\$ -	\$ -	\$ 2,530,971	\$ 3,016,020	\$ 18,938,270	\$ 10,254,274
Deposits with third parties	1,900	5,775	2,650	1,050	-	11,375	472,760
Investments	307,911	-	9,101,242	4,329,979	5,645,410	19,384,542	11,085,263
Customer accounts (net)	6,916,795	869,361	844,900	943,475	2,179,684	11,754,215	31,165
Due from other governments	-	110,971	-	-	59,118	170,089	-
Interfund loans	-	3,890	-	-	-	3,890	-
Special assessments (current)	-	19,587	18,233	-	-	37,820	-
Due from other funds	-	-	-	-	-	-	645,625
Notes and contracts	-	-	-	-	125,000	125,000	-
Prepaid items	290,513	-	-	-	3,844	294,357	213,934
Inventory	4,864,132	92,207	1,040	-	69,262	5,026,642	71,670
Total current assets	25,772,530	1,101,792	9,968,065	7,805,475	11,098,338	55,746,201	22,774,692
Noncurrent assets:							
Cash and cash equivalents	3,346,715	5,459,298	3,196,665	2,206,691	46,885	14,256,255	-
Restricted investments	12,090,414	18,400,770	587,392	4,036,293	-	35,114,868	-
Net pension asset	4,921,406	1,353,150	1,194,067	1,552,371	5,091,836	14,112,830	2,210,420
Interfund loans	-	7,780	-	-	-	7,780	-
Special assessments (noncurrent)	-	78,723	73,281	-	-	152,004	-
Land	837,428	5,604	-	80,500	7,899,620	8,823,153	-
Depreciable assets (net)	1,535,244	4,989,176	10,222,191	7,969,096	1,554,847	26,270,554	17,015,441
Infrastructure	115,255,486	79,414,599	49,304,805	284,294	15,879,511	260,138,695	-
Construction in progress	1,012,900	829,160	2,060,560	53,538	285,529	4,241,688	-
Total noncurrent assets	138,999,594	110,538,260	66,638,963	16,182,782	30,758,229	363,117,827	19,225,861
Total assets	164,772,124	111,640,051	76,607,028	23,988,257	41,856,567	418,864,028	42,000,553
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflow on debt refunding	180,775	166,265	223,901	-	47,961	618,901	-
Pension deferred outflows	595,660	179,875	163,457	187,467	349,460	1,475,919	300,195
OPEB deferred outflows	92,502	30,368	21,442	15,882	9,065	169,260	11,889
Total deferred outflows of resources	868,937	376,508	408,799	203,349	406,486	2,264,080	312,084
Total assets and deferred outflows of resources	\$ 165,641,061	\$ 112,016,560	\$ 77,015,828	\$ 24,191,607	\$ 42,263,053	\$ 421,128,108	\$ 42,312,637
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	7,843,833	690,228	1,535,142	225,448	484,245	10,778,896	379,695
Payable to other governments	5,813	28,746	(323)	836	36,400	71,472	161
Due to other funds	-	-	-	-	-	-	9,397
Interfund loans payable	-	-	-	-	3,890	3,890	11,651
Deposits payable	-	32,109	6,202	-	776,151	814,462	185,978
Leases payable-current	-	-	-	-	-	-	250,157
Compensated absences-current	359,154	141,019	57,163	135,370	192,847	885,554	263,369
Claims and judgments-current	-	-	-	-	-	-	2,984,819
General obligation bonds payable-current	-	-	-	-	205,000	205,000	-
Revenue bonds payable-current	3,260,000	1,206,203	1,003,798	-	30,000	5,500,000	-
Notes and contracts payable	-	908,666	78,584	234,400	10,268	1,231,918	-
Total OPEB liability	81,671	26,812	18,931	14,023	8,004	149,441	10,497
Total current liabilities	11,550,472	3,033,784	2,699,496	610,077	1,746,804	19,640,633	4,095,724
Noncurrent liabilities:							
Interfund loans payable (noncurrent)	-	-	-	-	7,780	7,780	-
Leases payable	-	-	-	-	-	-	527,984
Compensated absences	359,156	141,019	57,163	135,370	192,847	885,556	263,369
Notes and contracts payable	-	2,507,885	768,396	3,578,947	16,245	6,871,473	-
General obligation bonds payable	-	-	-	-	4,843,611	4,843,611	-
Revenue bonds payable	74,323,182	11,923,584	7,114,739	-	754,890	94,116,394	-
Unearned revenue	766,667	78,723	229,281	-	148,133	1,222,804	-
Net pension liability	344,074	225,849	175,996	151,142	35,536	932,597	354,540
Total OPEB liability	886,941	291,180	205,590	152,285	86,921	1,622,918	113,995
Landfill closure liability	-	-	-	9,006,385	-	9,006,385	-
Total noncurrent liabilities	76,680,021	15,168,241	8,551,165	13,024,129	6,085,962	119,509,518	1,259,888
Total liabilities	88,230,492	18,202,025	11,250,661	13,634,206	7,832,767	139,150,151	5,355,612
DEFERRED INFLOWS OF RESOURCES							
Pension deferred inflows	5,211,944	1,414,465	1,306,117	1,626,223	2,793,558	12,352,307	2,334,812
OPEB deferred inflows	101,859	33,440	23,610	17,489	9,982	186,380	13,091
Deferred inflow on debt refunding	5,216	-	-	-	-	5,216	-
Total deferred inflows of resources	5,319,019	1,447,905	1,329,727	1,643,712	2,803,540	12,543,903	2,347,903
Total liabilities and deferred inflows of resources	93,549,511	19,649,930	12,580,389	15,277,918	10,636,307	151,694,054	7,703,515
NET POSITION							
Net investment in capital assets	49,330,757	68,457,378	51,539,256	4,589,381	19,738,922	193,655,695	16,237,300
Restricted for:							
Capital improvements	1,064,509	7,635,312	6,101,360	-	-	14,801,181	-
Debt service	6,275,298	1,641,527	840,991	146,681	85,203	8,989,699	-
Pensions	747,555	205,542	181,377	235,803	2,666,371	4,036,648	335,760
Unrestricted	14,673,430	14,426,871	5,772,455	3,941,824	9,136,251	47,950,831	18,036,061
Total net position	\$ 72,091,550	\$ 92,366,630	\$ 64,435,439	\$ 8,913,689	\$ 31,626,746	269,434,054	\$ 34,609,122
Net position of internal service funds predominantly serving business-type activities						21,978,398	
Internal payable representing charges in excess of cost to governmental activities-prior years						(3,695,012)	
Internal payable representing charges in excess of cost to governmental activities-current year						(1,253,669)	
Net position of business-type activities						\$ 286,463,771	

The notes to financial statements are an integral part of this statement.

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities						
	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES							
Electric	\$ 74,589,326	\$ -	\$ -	\$ -	\$ -	\$ 74,589,326	\$ -
Water	-	16,847,260	-	-	-	16,847,260	-
Sewer	-	-	9,697,791	-	-	9,697,791	-
Solid waste	-	-	-	11,454,847	-	11,454,847	-
Stormwater	-	-	-	-	1,980,786	1,980,786	-
Golf course	-	-	-	-	2,217,217	2,217,217	-
Medical services	-	-	-	-	7,328,684	7,328,684	-
Broadband	-	-	-	-	230,028	230,028	-
Internal service funds	-	-	-	-	-	-	27,592,378
Other operating revenues	1,793,744	-	-	-	-	1,793,744	134,744
Total operating revenues	<u>76,383,071</u>	<u>16,847,260</u>	<u>9,697,791</u>	<u>11,454,847</u>	<u>11,756,716</u>	<u>126,139,685</u>	<u>27,727,122</u>
OPERATING EXPENSES							
Maintenance and operations	45,876,603	5,603,265	5,279,406	6,860,420	6,672,825	70,292,518	19,082,525
Administrative and general	3,767,452	1,394,105	585,483	548,850	1,542,292	7,838,182	2,690,285
Taxes exp	8,946,719	2,802,671	1,287,536	1,405,149	351,651	14,793,726	-
Depreciation	6,358,130	2,782,418	1,993,452	459,094	537,055	12,130,149	2,975,844
Total operating expenses	<u>64,948,904</u>	<u>12,582,459</u>	<u>9,145,877</u>	<u>9,273,512</u>	<u>9,103,823</u>	<u>105,054,576</u>	<u>24,748,654</u>
Operating income (loss)	<u>11,434,166</u>	<u>4,264,801</u>	<u>551,914</u>	<u>2,181,335</u>	<u>2,652,893</u>	<u>21,085,109</u>	<u>2,978,468</u>
NONOPERATING REVENUES (EXPENSES)							
Investment earnings	(97,140)	(139,589)	(87,161)	(77,814)	(45,692)	(447,397)	(65,751)
Gain(loss) on disposition of capital assets	-	-	-	-	45,000	45,000	(3,702)
Miscellaneous nonoperating revenues/(expenses)	(60,718)	26,749	14,693	(1,132,268)	1,319,135	167,591	403,315
Interest expense	(2,683,446)	(476,501)	(297,647)	(58,358)	(241,950)	(3,757,903)	(52,206)
Debt costs	(179,888)	-	-	-	-	(179,888)	-
Total nonoperating revenues (expenses)	<u>(3,021,192)</u>	<u>(589,341)</u>	<u>(370,115)</u>	<u>(1,268,440)</u>	<u>1,076,493</u>	<u>(4,172,596)</u>	<u>281,656</u>
Income (loss) before contributions and transfers	8,412,974	3,675,460	181,799	912,895	3,729,386	16,912,513	3,260,124
Transfers in	\$ -	\$ -	\$ 8,090	\$ -	\$ 707,666	\$ 715,756	\$ 267,372
Transfers out	(30,000)	(20,000)	(5,000)	-	(54,603)	(109,603)	(20,477)
Insurance recoveries	-	13,720	-	-	-	13,720	19,030
Capital contributions	1,161,550	2,479,672	1,599,887	-	313,865	5,554,974	-
Change in net position	9,544,524	6,148,852	1,784,776	912,895	4,696,313	23,087,360	3,526,049
Total net position - beginning	\$ 62,547,026	\$ 86,277,180	\$ 62,650,663	\$ 8,000,794	\$ 26,930,432	\$ 246,406,095	\$ 31,083,073
Prior period adjustment	-	(59,401)	-	-	-	(59,401)	-
Total net position - ending	<u>\$ 72,091,550</u>	<u>\$ 92,366,630</u>	<u>\$ 64,435,439</u>	<u>\$ 8,913,689</u>	<u>\$ 31,626,746</u>	<u>\$ 269,434,054</u>	<u>\$ 34,609,122</u>
						Net change in enterprise funds net position	23,087,360
						Change in net position of internal service funds predominantly serving business -type activities	2,001,351
						Internal payable representing charges in excess of cost to governmental activities-current year	(1,253,669)
						Changes in net position of business-type activities	<u>\$ 23,835,042</u>

The notes to financial statements are an integral part of this statement.

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash receipts from customers	\$ 77,084,208	\$ 16,690,389	\$ 9,666,512	\$ 11,348,002	\$ 18,788,751	\$ 133,577,862	\$ 15,740,614
Receipts from interfund services provided	-	-	-	-	-	-	-
Cash Other	-	-	-	-	-	-	-
Payments to employees	(1,018,340)	(2,778,238)	(2,471,588)	(3,159,947)	(4,621,478)	(14,049,591)	(4,425,053)
Payments to suppliers	(48,402,973)	(2,778,731)	(561,149)	(1,271,056)	(10,378,296)	(63,392,205)	(17,242,666)
Other payments	-	-	-	-	-	-	-
Taxes paid	(6,340,093)	(2,802,750)	(1,287,579)	(1,404,881)	(352,602)	(12,187,904)	(262)
Payments for interfund services used	(2,456,406)	(2,668,982)	(1,507,138)	(3,814,867)	(1,679,509)	(12,126,901)	(1,394,084)
Net cash provided (used) by operating activities	<u>18,866,396</u>	<u>5,661,689</u>	<u>3,839,058</u>	<u>1,697,251</u>	<u>1,756,867</u>	<u>31,821,261</u>	<u>4,811,168</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers to other funds	(30,000)	(20,000)	-	-	(54,603)	(104,603)	-
Grants and contributions	-	-	-	-	1,060,344	1,060,344	-
Reimbursements and recoveries	-	17,121	2,659	33,853	(223,625)	(169,991)	176,241
Transfers from other funds	-	-	-	-	597,666	597,666	-
Proceeds from interfund loans	-	-	-	-	-	-	750,030
Interfund loan principal payments paid	-	-	-	-	-	-	(645,625)
Interfund loan principal payments received	-	1,077,539	-	-	-	1,077,539	-
Net cash provided (used) by noncapital financing activities	<u>(30,000)</u>	<u>1,074,660</u>	<u>2,659</u>	<u>33,853</u>	<u>1,379,782</u>	<u>2,460,954</u>	<u>280,646</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Principal paid on debt	(3,120,000)	(2,493,761)	(1,537,900)	(210,526)	(246,480)	(7,608,668)	(242,369)
Interest paid on debt	(2,936,269)	(636,120)	(402,092)	(34,484)	(244,815)	(4,253,780)	(52,206)
Transfers to other funds	-	-	(5,000)	-	-	(5,000)	(20,477)
Transfers from other funds	-	-	8,090	-	110,000	118,090	267,372
Payments related to acquisition, construction or improvements of capital assets	(11,124,124)	(3,075,003)	(2,587,636)	(248,965)	(1,373,446)	(18,409,173)	(3,326,791)
Bond issuance costs	(179,888)	-	-	-	-	(179,888)	-
Interfund loan principal paid	-	-	-	-	(203,890)	(203,890)	-
Proceeds from sale of capital assets	9,582	17,206	6,316	-	-	33,104	160,087
Proceeds from capital grants and contributions	864,289	2,731,194	1,218,942	-	(18,161)	4,796,264	-
Proceeds from debt	7,566,084	476,394	-	424,489	-	8,466,967	-
Net cash provided (used) by capital and related financing activities	<u>(8,920,326)</u>	<u>(2,980,090)</u>	<u>(3,299,279)</u>	<u>(69,487)</u>	<u>(1,976,792)</u>	<u>(17,245,974)</u>	<u>(3,214,384)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipt of interest	84,904	158,995	86,639	66,210	(21,318)	375,429	54,967
Investments sold	5,699,732	11,083,711	7,083,036	5,775,220	3,566,511	33,208,210	8,074,901
Investments purchased	(12,515,608)	(18,699,354)	(9,862,434)	(8,510,295)	(5,669,784)	(55,257,475)	(11,085,263)
Net cash provided (used) by investing activities	<u>(6,730,972)</u>	<u>(7,456,648)</u>	<u>(2,692,759)</u>	<u>(2,668,865)</u>	<u>(2,124,592)</u>	<u>(21,673,836)</u>	<u>(2,955,395)</u>
Net increase (decrease) in cash and cash equivalents	<u>3,185,098</u>	<u>(3,700,389)</u>	<u>(2,150,320)</u>	<u>(1,007,247)</u>	<u>(964,736)</u>	<u>(4,637,595)</u>	<u>(1,077,965)</u>
Balances - beginning of year	<u>13,552,895</u>	<u>9,159,687</u>	<u>5,346,986</u>	<u>5,744,910</u>	<u>4,027,642</u>	<u>37,832,120</u>	<u>11,332,240</u>
Balances - end of the year	<u>\$ 16,737,993</u>	<u>\$ 5,459,298</u>	<u>\$ 3,196,666</u>	<u>\$ 4,737,663</u>	<u>\$ 3,062,906</u>	<u>\$ 33,194,525</u>	<u>\$ 10,254,275</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating Income	\$ 11,434,166	\$ 4,264,801	\$ 551,914	\$ 2,181,335	\$ 2,652,892	\$ 21,085,107	\$ 2,978,468
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	6,358,130	2,782,418	1,993,452	459,094	537,055	12,130,149	2,975,844
Accrued pension and OPEB expense	(1,979,699)	(602,200)	(575,064)	(695,486)	(902,501)	(4,754,950)	(895,261)
Changes in assets and liabilities:							
Accounts Payable - Supplier	3,301,964	(530,571)	1,922,601	(137,285)	(133,290)	4,423,419	(356,373)
Customer Receivables	(21,852)	(176,613)	(44,508)	(117,424)	(573,779)	(934,177)	142,633
Inventory	(395,760)	(76,252)	57	-	6,308	(465,646)	3,403
Salaries & Benefits Payable	(35,978)	106	(9,394)	7,018	156,280	118,032	(27,864)
Unearned revenues	(5,034)	-	-	-	12,337	7,303	-
Prepaid items	47,515	-	-	-	1,564	49,078	(9,683)
Other income and adjustments	162,944	-	-	-	-	162,944	-
Net cash provided (used) by operating activities	<u>\$ 18,866,396</u>	<u>\$ 5,661,689</u>	<u>\$ 3,839,058</u>	<u>\$ 1,697,251</u>	<u>\$ 1,756,866</u>	<u>\$ 31,821,260</u>	<u>\$ 4,811,168</u>
Noncash investing, capital and financing activities							
Contribution of capital assets	<u>\$ 233,245</u>	<u>\$ 558,572</u>	<u>\$ 380,945</u>	<u>\$ -</u>	<u>\$ 313,865</u>	<u>\$ 1,486,627</u>	<u>\$ -</u>

The notes to financial statements are an integral part of this statement.



City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 5,581,656
Receivables:	
Accounts Receivable	786,742
Due from Gov'tl Units (Taxes)(Grants Rec'l)	266,647
Total Receivables	<u>6,635,045</u>
Noncurrent Assets:	
Land	14,593
Building	2,126,317
Less Allowance for Depreciation	(1,040,582)
Equipment	16,644,644
Less Allowance for Depreciation	(13,582,509)
Total Noncurrent Assets	<u>4,162,463</u>
Total Assets	<u><u>10,797,508</u></u>
 DEFERRED OUTFLOWS of RESOURCES	
LIABILITIES	
Current Liabilities:	
Accounts Payable	447,495
Salaries Payable	178,655
Total Current Liabilities	<u>626,149</u>
Long-Term Liabilities	
Employee Leave Benefits	178,655
Total Long-Term Liabilities	<u>178,655</u>
 DEFERRED INFLOWS OF RESOURCES	
NET POSITION	
Restricted for:	
Net Investment in Capital Assets	4,162,463
Unrestricted	5,830,240
Total net position	<u><u>\$ 9,992,703</u></u>

The notes to the financial statements are an integral part of this statement.

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Collections from Participants	\$ 5,365,808
Grant Revenues	779,721
Tax Revenues	2,770,920
Site & Facilities Rent	27,712
Contribution for Capital Projects	387,695
Interest Earnings	35,340
Total Additions	<u>9,367,196</u>
DEDUCTIONS	
Supplies	-
Charges for goods and services	7,802,423
Repairs & Maintenance	14,868
Admin. Services - Richland	485,848
Gain on Disposition of capital assets	208,585
Depreciation Expense	1,149,848
Total deductions	<u>9,661,572</u>
Net increase (decrease) in fiduciary net position	(294,376)
Net position - beginning	<u>10,287,079</u>
NET POSITION - ENDING	<u>\$ 9,992,703</u>

The notes to the financial statements are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Richland have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following summary of the City's more significant accounting policies is presented to assist readers in interpreting the financial statements and other data in this report and should be viewed as an integral part of the accompanying financial statements.

You may obtain a copy of the annual financial report on the City's website at www.ci.richland.wa.us.

THE REPORTING ENTITY

The City of Richland was incorporated as a chartered First Class City in 1958 and operates under a City Council/Manager form of government in accordance with the laws of the State of Washington applicable to cities. As required by GAAP, the financial statements present the City of Richland as the primary government with one component unit; the Richland Public Facilities District (PFD). The PFD was formed in July 2002 with the primary mission of building and operating a regional center (including any related parking facilities) as allowed by Washington State statute. The PFD is included in the City's report because of the significance of their financial relationships with the City; namely that the City Council appoints and can remove board members at will. They are discreetly presented in the component unit column of the government-wide financial statements to emphasize that they are a legally separate entity.

Complete financial statements for the Richland PFD may be obtained from the Finance Department at the City of Richland, 625 Swift Blvd, Richland, Washington 99352.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City and on its discreetly presented component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions are 1) those activities in internal service funds in which outside parties are engaged and 2) activities between the funds, the exclusion of which would distort the cost data reported for the City's various functions. 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 to external customers. Likewise, the City is reported separately from the PFD, for which the City is financially accountable.

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. The City's policy is not to allocate indirect costs to 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 operating 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 fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual

governmental and enterprise funds are reported as separate columns in the fund financial statements. Fund financial statements consist of the following:

1) Governmental Funds Financial Statements – The City reports two major governmental funds that are reported in separate columns: the General Fund and the Streets Construction Fund. All other governmental funds are aggregated in the “Other Governmental Funds” column.

- The General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The majority of General Fund revenue is generated by taxes, state and local shared revenues and charges for services.
- The Streets Construction Fund is a capital projects fund that accounts for proceeds of grants and other resources dedicated to capital projects related to the City’s transportation network.

2) Proprietary Funds Financial Statements – Includes business-type or “enterprise” activities and governmental-type internal service funds. Proprietary fund statements report in separate columns the City’s four major enterprise funds; the Electric, Water, Wastewater and Solid Waste Utility funds, which account for all activities necessary to provide electric, water, sewer, and garbage collection/landfill services to customers. This includes the acquisition, operation and maintenance of facilities, administration, debt service and personnel services.

All non-major enterprise funds are aggregated in the “Total nonmajor funds” column. The City’s internal service funds are aggregated and reported in the “Internal Service Funds” column.

Internal service funds account on a cost-reimbursement basis for 1) materials, supplies and inventory commonly used by other departments, 2) monies set aside for the future replacement of vehicles and related equipment when their useful life has expired, 3) maintenance and repair of all City-owned vehicles, 4) payments for health, dental and vision insurance claims; life and disability claims (and related administrative costs); uninsured losses resulting from claims against the City (primarily used for workers’ compensation on a “self-insured” basis); unemployment compensation claims (and related administrative costs) and 5) administration and engineering costs for the City’s Public Works department.

The Statement of Revenues, Expenses and Changes in Net Position distinguishes 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 principal ongoing operations. The principal operating revenues of the City’s various utilities and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost 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.

3) Fiduciary Funds Financial Statements – These statements report, in separate columns, the City’s custodial funds (aggregated into the “Custodial Funds” column). The City reports fiduciary activities as required by GASB Statement No. 84.

Custodial funds account for resources that are legally held in trust or custodial capacity for others, and therefore cannot be used to support the City’s own programs. Custodial funds include: 1) Columbia Point Master Association Fund, 2) Uptown Business Improvement District Fund, 3) Downtown Business Improvement District

Fund, 4) Southeast Communication Fund, 5) 800 MHz Radio Fund, 6) Microwave Fund and 7) Emergency Management Fund.

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 and fiduciary 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 City 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, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales 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 of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Because of the differences in measurement focus and basis of accounting between the governmental funds and government-wide financial statements, reconciliations are provided to facilitate the understanding of the City's financial statements. The governmental funds balance sheet includes a detailed reconciliation between fund balances of all governmental funds and governmental activities net position as reported in the Government-wide Statement of Net Position. The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a detailed reconciliation between the net changes in fund balances for all governmental funds and the changes in governmental activities net position as reported in the government-wide Statement of Activities.

BUDGET INFORMATION

The City's annual budget process begins early in the year with the development of the budget calendar, followed by workshops to identify priority parameters for the upcoming budget cycle. Formal budget preparation begins in May and lasts through September. As preparation progresses, meetings between staff and the City Manager are held to prioritize services and identify key projects to be incorporated into the

budget. All requests are thoroughly reviewed to ensure they are cohesive with the City's strategic plan and overall financial picture. The City Manager submits the proposed budget to the City Council in October and it is available on November 1st for public review, with a public hearing taking place in November to provide a forum for public comment. First reading is given to the budget ordinance in November with final adoption occurring two weeks later. The formally adopted budget takes effect on January 1st of the ensuing year.

Annual appropriated budgets are adopted by ordinance in accordance with Revised Code of Washington (RCW) 35.33, for all funds except capital projects. Capital project budgets are adopted for the life of the project, which is authorized by ordinance or State law for purposes therein specified. While not required by law, the City also adopts budgets for proprietary funds and debt service funds. There is no substantial difference between the budgetary basis and GAAP.

The budget is adopted at the fund level, which constitutes the level of control at which expenditures of any given fund may not legally exceed appropriations. Formal budgetary integration is employed as a management control device. Throughout the year, the need may arise for a department/division to revise its budget due to unanticipated revenues or expenditures. At such times, a budget adjustment request must be submitted to the Administrative Services Department. All adjustments that increase or decrease the fund budget, or that affect the number of authorized employee positions or FTE conditions of employment, require Council approval by Ordinance.

All appropriations lapse at year-end. Exceptions to this rule are capital outlay appropriations for the General Fund and Special Revenue Funds, and all appropriations for Capital Project Funds and Debt Service Funds. These are carried forward from year-to-year until fully expended, or the purpose of the appropriation has been accomplished or abandoned. Prior to this time, appropriations that have previously received Council approval will appear on a budget adjustment ordinance in order to provide the appropriations as specified in RCW 35.33.151.

For purposes of budgetary control, the City uses an encumbrance procedure through a centralized purchasing system linked to the City's general ledger. Encumbrances are recorded when items or services are requisitioned based upon estimated or known costs. When payment occurs, the encumbered value is reversed and actual cost is recorded. Encumbrances outstanding at year-end are reviewed, and the associated budget may be carried forward into the ensuing year with Council approval, or absorbed into the budgeted appropriations of the ensuing year.

Budgetary information reported in the financial statements includes the original adopted budget and a comparison of final amended budget to expenditures for the General Fund and Special Revenue Funds.

Budgets established for Debt Service, Capital Projects and Proprietary Funds are not reported in the Annual Comprehensive Financial Report (ACFR).

ASSETS, LIABILITIES AND NET POSITION

Cash and Cash Equivalents - The City reports both restricted and unrestricted cash and cash equivalents. Cash equivalents are considered to be all highly liquid investments with maturity of three months or less when purchased. The restricted cash and cash equivalents are those resources whose use is limited to capital improvements, debt service or other uses per contractual or legal requirements. The following details the amount and purpose of the restricted cash and cash equivalents:

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

PURPOSE	ELECTRIC	WATER	SEWER	SOLID WASTE	STORM WATER	COLUMBIA PT GOLF COURSE	TOTAL
Capital Improvements	\$ 2,178,485	\$ 4,850,026	\$ 2,961,300				\$ 9,989,811
Landfill Closure/Post Closure				2,060,011			2,060,011
Debt Service	1,168,230	609,272	235,365	146,680	24,331	22,555	2,206,433
Total Restricted	\$ 3,346,715	\$ 5,459,298	\$ 3,196,665	\$ 2,206,691	\$ 24,331	\$ 22,555	\$ 14,256,255

The City's deposits and certificates of deposit are entirely covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (WPDPC). The City's total deposits as of December 31, 2021, are as follows:

Treasurer's Cash, Net	\$ 8,750,888
Held by Component Unit	\$ 137,216
Deposits In Transit	\$ 296,619
Petty Cash/Change Funds	\$ 6,050
Deposits with Fiscal Agent	\$ 2,654
Outstanding Checks	\$ (2,464,341)
Retainage Held by 3rd Party	\$ 742,671
Unreconciled Items	\$ 62,327
Total Deposits	\$ 7,534,084

Receivables - The City's receivables consist of the following:

Taxes - These consist of unpaid property taxes as of December 31. The receivable is established when property taxes are levied (January 1st) and become an enforceable lien against the properties. The balance of taxes receivable includes related interest and penalties. No allowance for uncollectible tax is recorded because delinquent taxes are considered fully collectible.

The City is required to certify their budget with the Clerk of the Board of County Commissioners by November 30th and certify the amount of their taxes levied for the upcoming year. The levy is based on the value of all taxable real property in the City of Richland at 100% of the fair market value of the property listed as of the prior May 31st as assessed by the County Assessor. The City's regular property tax levy rate is limited to \$3.60 per \$1,000 assessed value (\$3.375 plus \$0.225 for cities with firefighter's pensions) by the Washington State Constitution and State law (RCW 84.55.010 and 84.55.0101). Special levies are approved by voters and not subject to the limitations. In 2021, the City's regular tax levy was \$2.2532 per \$1,000 on an assessed valuation of \$8,246,310,077 for a total regular levy of \$18,580,597 (after the appeals process). The City's regular levy included \$0.040 for the Fire Pension Fund, which resulted in collections of \$330,000. In addition, there were special levies for debt service on general obligation debt issued for capital acquisitions or construction at \$.1845 per \$1,000 of assessed valuation of \$8,215,601,523 totaling \$1,515,975 (after the appeals process). The composite City of Richland levy was \$2.43773 per \$1,000 of assessed valuation for a total levy of \$20,096,572.

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are remitted daily by the Treasurer in accordance with RCW 84.56.230. Tax bills are mailed on February 14th, and the first of two equal installments is due on April 30th with the final installment due on October 31st. Penalties of 3% and 8% are assessed on June 1st and December 1st, respectively, on the current year

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

delinquent taxes. In addition to the penalties, unpaid balances accrue interest of 1% of the outstanding balance beginning May 1st of the following year.

A portion of the receivable is expected to be collected within 60 days and is reported as revenue on the operating statements, as it is considered available to finance expenditures of the current period. However, a portion will remain delinquent and the property will become subject to foreclosure proceedings by the County Treasurer. Foreclosure proceedings take approximately two years to complete. The following delinquent property tax receivables are reported as unavailable revenue (deferred inflows of resources) in the fund financial statements:

General Fund	\$ 153,241
Other Governmental Funds	
Library Remodel Bond Fund	13,222
TOTAL	<u>\$ 166,463</u>

Customer Accounts (Net) – The City’s governmental activities consist primarily of accrued business taxes and receivables in internal service funds primarily serving governmental activities. Also reported in the governmental activities are amounts owed for unpaid leases, damages to City street infrastructure, administrative support provided by City staff and local improvement district assessments due. The City’s business-type activities consist primarily of amounts owed for billed utility services. Utility billings become a receivable as of the billing date. No adjustment is made to accrue revenues by service date, as any such adjustment is considered immaterial. All accounts receivable are recorded net of allowance for uncollectible accounts, where applicable.

In the City’s Medical Services Fund, these receivables consist of amounts billed for transport services provided as well as a utility charge. The revenue recorded for the receivable associated with transport services provided is recognized on the full-accrual basis in the period in which the services are provided at the City’s established transport rate. Certain transport services are reimbursed under Medicare and/or Medicaid programs which have allowed rates for transport services. The difference between the City’s transport rate and the Medicare/Medicaid established rate is written off by the City in accordance with State and Federal laws. The City records the estimated amount of the write-off based on the transports billed and reports this as a reduction to gross transport revenues.

Due from Other Governments – In the City’s governmental activities, these consist primarily of grant reimbursements and property tax distributions in transit, as well as sales tax and State shared revenues. Amounts due from other governments to the City’s business-type activities consist of amounts owed for grant reimbursements.

Assessments - These consist of assessments receivable from local improvement districts. The receivable is established when the final assessment roll has been adopted. No allowance for uncollectible assessments is recorded because delinquent assessments are considered fully collectible. Assessments are deferred for one year from the date of the adoption of the final assessment roll. Long-term assessments in the Special Assessment Debt Service Fund are offset by deferred inflows, as they are considered unavailable to finance expenditures of the current period. As of December 31, 2021, the City had the following assessment balances:

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

	Current Assessments	Delinquent Assessments	Long Term Assessments	Deferred Inflows	Fund Total
Debt Service Fund Assessments Receivable (LIDs)	\$ 5,170	\$ 2,594	\$ 11,744	\$ (11,744)	\$ 7,763
Water Fund Assessments Receivable	258	19,330	78,723	-	\$ 98,310
Sewer Fund Assessments Receivable	240	17,993	73,281	-	\$ 91,515
Total	\$ 5,667	\$ 39,917	\$ 163,748	\$ (11,744)	\$ 197,588

Notes and Contracts - These consist primarily of unpaid loans by grant participants in the City’s Community Development Block Grant (including Rental Rehabilitation) and HOME programs. The receivable is established when the loan is issued. These receivables are not considered to be available to finance expenditures of the current period. The following is a breakdown by fund:

Other Governmental Funds	
CDBG fund	\$769,262
HOME fund	<u>950,858</u>
TOTAL	<u>\$1,720,120</u>

The Columbia Point Golf Course also has a \$150,000 working capital advance from the City, which was established as part of a management contract for daily operation of the City’s golf course.

Internal Balances - The City’s activities between funds are representative of lending/borrowing arrangements outstanding at the end of the fiscal year. They are referred to as “interfund loans receivable/payable. All other outstanding balances between funds are reported as “due to/from other funds”. Loans between funds are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources. The City reports all interfund activity in the fund statements. In the government-wide Statement of Net Position, receivables and payables between like activities are eliminated leaving only receivables and payables between governmental and business-type activities, which are all reported as “internal balances.”

The following table shows a summary of the interfund balances for the year ended December 31, 2021:

OWED TO...	OWED BY...				
	Streets Construction	Other Governmental	Other Enterprise	Internal Service	TOTAL
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fund	-	-	3,890	-	3,890
Internal Service	-	624,577	-	21,048	645,625
Total	\$ -	\$ 624,577	\$ 3,890	\$ 21,048	\$ 649,515

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

Purpose: Amounts owed for work performed to be repaid over time.

OWED TO...	OWED BY...	
	Other Enterprise	TOTAL
Reported In	Columbia Point Golf Course	
Water Fund	\$ 3,890	\$ 3,890
Total	\$ 3,890	\$ 3,890

Purpose: To provide interim financing in anticipation of the receipt of grants, other revenues or payments on accounts.

OWED TO...		OWED BY ...				
Reported In	Fund	Internal Service		Other Governmental		TOTAL
		Equipment Maintenance	Central Stores	CDBG	Fire Station Construction	
Internal Service	Equipment Replacement	\$ 11,651	\$ 9,397	\$ 45,822	\$ 578,755	\$ 645,625
Total		\$ 11,651	\$ 9,397	\$ 45,822	\$ 578,755	\$ 645,625

Inventories and Prepaid Items - Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure or expense at the time individual inventory items are consumed. In the governmental fund statements, a portion of fund balance equal to the ending amount of inventory is presented as non-spendable to indicate that it is not available for future expenditures. A comparison to market value is not considered necessary as inventories in proprietary funds are valued at average cost, which approximates market value. Prepaid items include LEOFF trust monthly premium, maintenance and warranty support agreements, annual service renewals and annual subscription renewals.

Investment in Joint Ventures - These consist of the following:

Benton County Emergency Services (BCES) - BCES was formed January 1, 1997 through an interlocal agreement entered into by the Cities of Richland, Kennewick, West Richland, Benton City and Prosser as well as Benton County. A second amended and restated interlocal agreement was made and entered into by and between the following entities: Benton County, Franklin County, the Cities of Kennewick, Richland, West Richland, Prosser, Benton City, and Pasco, Benton and Franklin County Fire Protection Districts and the Public Utility District #1 of Benton County. An Executive Board oversees the operations of BCES and consists of the City Managers (or designee) from the Cities of Kennewick, Pasco and Richland, City Administrators from Prosser and West Richland, a Council member from Benton City, a Benton County Commissioner, a Franklin County Commissioner and a single representative collectively representing Benton and Franklin County Fire Protection Districts. The City of Richland serves as the operating jurisdiction providing all the necessary administrative support services and reporting for BCES. The total amount paid by BCES in 2021 for these services was \$485,848. No distributions of income to the City are expected since charges are assessed only to recover anticipated expenses.

BCES is comprised of four funds, Southeast Communications (SECOMM), 800 MHz Radio, Microwave, and Benton County Emergency Management (BCEM).

SECOMM - SECOMM provides public safety communications services to the Cities of Kennewick, Richland, Pasco and the Counties of Benton and Franklin. Each owns an equal share of SECOMM's net assets. Financial participation is allocated among the five participants based on equal shares of capital expenses, predetermined fixed costs, direct costs and percentages of use. SECOMM also provides service through contracts to the Cities of West Richland, Prosser, and Connell, the Benton and Franklin County Fire Protection Districts, Port of Pasco, Walla Walla Fire District #5 and the North Franklin County Hospital district. Service contract agencies are assessed on a cost per capita or cost per call basis.

The City of Richland's equity interest in SECOMM as of December 31, 2021 was \$1,166,064 which is reported as an asset in the government-wide Statement of Net Assets. The change in equity is reflected in Public Safety under the government-wide Statement of Activities. Upon dissolution of the Interlocal Agreement, the net assets will be shared equitably among the participants.

800 MHz - 800 MHz Radio Project fund provides communication infrastructure and technology for the dispatching of public safety agencies throughout Benton County. The Cities of Kennewick, Richland and Benton County each owns a share of 800 MHz's net assets. User agencies are Benton County's Sheriff Office, Jail, Juvenile Justice Center, Public Utility District, and Animal Control; the Cities of Richland, Kennewick, Prosser, Pasco and West Richland, as well as PNNL, DEA, and the Framatome Corporation. Radios are charged an annual fee per radio to generate the funds necessary to maintain and upgrade the system. The City of Richland's equity interest in 800 MHz as of December 31, 2021 was \$741,376 which is reported as an asset in the government-wide Statement of Net Position. The change in equity is reflected in Public Safety under the government-wide Statement of Activities. Upon dissolution of the Interlocal Agreement, the net position will be shared equitably among the participants.

Microwave - The microwave system is accounted for separately within its own fund and the user groups are charged a portion of costs based on number of circuits utilized. The Cities of Kennewick, Richland and Benton County each owns an equal share of Microwave's net assets. The City of Richland's equity interest in Microwave as of December 31, 2021 was \$52,310 which is reported as an asset in the government-wide Statement of Net Position. The change in equity is reflected in Public Safety under the government-wide Statement of Activities. Upon dissolution of the Interlocal Agreement, the net position will be shared equitably among the participants.

BCEM - BCEM provides disaster response planning, exercise coordination, response assistance and disaster recovery for Benton County and its political subdivisions per RCW 38.52. Four grant programs fund BCEM: Radiological Emergency Preparedness, DOE Emergency Preparedness, State Homeland Security Program and Emergency Management Program. The six (6) participating jurisdictions of the Cities of Richland, Kennewick, West Richland, Benton City and Prosser as well as Benton County participate in the grant programs through the Interlocal Agreement for Emergency Management. Financial position is allocated based on equal shares of a predetermined basic charge and a variable charge calculated using population percentages and assessed valuations. The City of Richland's equity interest in BCEM as of December 31, 2021 was \$25,057, which is reported as an asset in the government-wide Statement of Net Assets. The change in equity is reflected under Public Safety in the government-wide Statement of Activities. Upon dissolution of the Interlocal Agreement, the net assets will be shared equitably among the participants.

Complete and separate financial statements for all operations of Benton County Emergency Services may be obtained at the City of Richland, 625 Swift Blvd, Richland, Washington.

Bi-County Police Information Network - The Bi-County Police Information Network (BI-PIN) was established November 24, 1982, when an Interlocal Agreement was entered into by eight participating municipal corporations; the Cities of Kennewick, Pasco, Richland, Connell, West Richland, and Prosser, and Benton and Franklin Counties. BI-PIN was established to assist the participating police and sheriff's departments in the deterrence and solution of criminal incidents. BI-PIN is served by an Executive Committee composed of the City Manager of each of the cities and a member from each of the Boards of County Commissioners of Benton and Franklin Counties. A liaison from the Bi-County Chiefs and Sheriffs is an ex officio, non-voting member.

The allocation of financial participation among the participating jurisdictions is based upon the approved budget for that year and is billed quarterly in advance to each agency. On dissolution of the Interlocal Agreement, the net position will be shared based upon participant contribution. Effective January 1, 1992, the City of Kennewick assumed responsibility for operation of the BI-PIN system. As the Operating Jurisdiction, Kennewick provides all necessary support services for the operation of BI-PIN such as accounting, legal services, risk management and information systems. The total amount paid by BI-PIN in 2021 for these transactions was \$46,437.

The City of Richland's equity interest in BI-PIN was \$261,022 on December 31, 2021, which is reported as an investment in joint ventures in the Government-wide Statement of Net Position. The change in equity is reflected in the Government-wide Statement of Activities under Public Safety. The City does not anticipate any income distributions from BI-PIN since charges are assessed only to recover anticipated expenses. Complete separate financial statements for BI-PIN may be obtained at the City of Kennewick, 210 W. 6th Ave., Kennewick, Washington, 99336.

Metro Drug Forfeiture Fund - The Metropolitan Controlled Substance Enforcement Group (Metro) was established prior to 1987, when an Interlocal Agreement was entered into by six participating municipal corporations, the Cities of Kennewick, Pasco, Richland, and West Richland, and Benton and Franklin Counties. Metro was established to account for the proceeds of forfeitures, Federal grants, and court ordered contributions, and to facilitate the disbursement of those proceeds for the purpose of drug enforcement and investigations. Metro is served by an Executive Committee composed of the City Manager or designee of each of the cities and a member from each of the Boards of County Commissioners of Benton and Franklin Counties. In addition, a Governing Board consisting of the Chiefs of Police from the cities and the Sheriffs from the counties administers daily activity. Effective July 1, 2009, the City of Kennewick assumed responsibility for the operation of Metro. As the operating jurisdiction, Kennewick provides accounting services for the operation of Metro.

The City of Richland's equity interest in Metro was \$42,190 on June 30, 2021, which is reported as an investment in joint ventures in the Government-wide Statement of Net Position. The change in equity is reflected in the Government-wide Statement of Activities under Public Safety. The City does not anticipate any income distributions from Metro.

Complete separate financial statements for Metro may be obtained at the City of Kennewick, 210 West Sixth Avenue, Kennewick, Washington.

Land Held for Sale – The City maintains an inventory of land held for sale, primarily for industrial and economic development purposes. Land held for sale is presented on the Government-Wide Statement of Net Position at acquisition value, if known, or at estimated acquisition value.

Capital Assets - Capital assets, which include property, plant, equipment, intangibles (software) and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) with an initial, individual cost and estimated useful life in excess of \$5,000 and one year, respectively, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets include outlays for purchased assets as well as self-constructed assets.

Self-constructed assets are capitalized as work in progress until the projects are completed and ready to be placed in service. Self-constructed assets of proprietary funds are capitalized net of any interest costs; however, most self-constructed assets are completed within one or two months making the interest factor immaterial. Capital assets purchased or constructed are recorded at cost. Donated capital assets are recorded at acquisition value.

The cost of normal maintenance and repairs that do not add to the value or materially extend the useful life of the asset are not capitalized. In accordance with GASB 34, the City’s infrastructure assets include those acquired prior to fiscal periods ending after June 30, 1980. The City is not following the modified approach for its infrastructure assets.

Depreciation on all capital assets is recorded as an allocated expense in the Government-wide Statement of Activities and in the proprietary fund statements. Capital assets are reported net of depreciation. The City uses the straight-line method to depreciate assets based on the following estimated useful lives:

<u>ASSET TYPE</u>	<u>ESTIMATED USEFUL LIFE</u>
Buildings	20-50 years
Non-Building Improvements	10-100 years
Utility Plant	10-60 years
Equipment	2-25 years
Software	6 years

Depreciation in the utility funds is computed on asset pools to which a composite percentage rate is applied. The rate for the Electric Fund is from 1.5 to 10 percent per year as prescribed by the Federal Energy Regulatory Commission (FERC). Additional information on the City’s capital assets is provided in Note 3.

Liabilities

Accounts Payable and Accrued Expenses – These consist primarily of 1) unpaid claims of vendors for products and services provided to the City, which are normally satisfied in the first months of the subsequent fiscal period, 2) accrued interest on long-term debt, as applicable, 3) retainage, and 4) accrued wages and benefits.

Payable to Other Governments – In governmental activities, these consist primarily of amounts owed to Washington State for their share of City activities (e.g. gun permits, business licenses, etc.) and the City’s jail and court costs owed to Benton County. In business-type activities, these consist primarily of taxes due to Washington State resulting from the operation of the City’s golf course, debt service accrual for principal and interest payments of State loans.

Deposits Payable – These consist primarily of amounts due to customers for deposits made for City utility services.

Claims and Judgments – These consist primarily of amounts owed for incurred but not reported claims in the City’s Workers Compensation, Health Care Benefits Plan, Unemployment and Post-Employment Health Care Plan internal service funds.

Unearned Revenue – These include amounts recorded as receivables or other assets for which revenue recognition criteria has not yet been met. They consist primarily of unredeemed gift certificates at Columbia Point Golf Course; facility fees in electric, water and sewer funds; and unspent federal COVID assistance.

Net Pension Asset and/or Liability - For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/ deductions from those plans’ fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For purposes of calculating the restricted net position related to the net pension asset, the City includes the net pension asset and the related deferred outflows and deferred inflows.

The City’s financial statements recognize a proportionate share of Net Pension Liability (NPL), Net Pension Asset (NPA), deferred inflows and outflows and pension expense for its four State sponsored plans. The City’s financial statements also include two local government plans that are reported pursuant to GASB 73 requirements. Allocations to proprietary funds are reported on proprietary fund statements and allocations to governmental funds are reported on the Government Wide Statement of Net Position. This is discussed in more detail in Note 10.

Total Other Post-Employment Benefits (OPEB) Liability - For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information of the City’s Retiree Health Benefit Plan and City’s LEOFF 1 Fire and Police Plans (the Plans) have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. The City’s total OPEB liability was valued as of December 31, 2020, and was used to calculate the total OPEB liability measured as of December 31, 2021. The City implemented GASB Statement No. 75 in 2018. OPEB is discussed in detail in Note 9.

Long-term Liabilities – This section includes bonds, notes, contracts payable and other noncurrent liabilities – See Note 4 for a complete discussion of the City’s long-term liabilities.

Deferred Charges and Outflows/Inflows of Resources – In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement component represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement component represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources until that time. The City has uncollected property taxes levied and unbilled special assessments levied against benefitted property for the cost of local improvements. These deferred inflows are reported in the governmental funds balance sheet.

Net Position, Equity and Fund Balances

Restricted Net Position – In accordance with bond resolutions, related agreements and laws, separate restricted accounts have been established. These assets are restricted for specific uses including debt service, bond reserve requirements and capital additions. When both restricted and unrestricted resources are available for the purpose of the restriction, the City uses the restricted portion until entirely consumed, then the unrestricted portion.

Classification of Fund Balances – GASB Statement No. 54 requires fund balances to be classified as either; nonspendable, restricted, committed, assigned, or unassigned, based upon the level of constraint upon the resources contributing to them. *Restrictions* of fund balance follow the same policy as restricted net position described in the previous section. Resources and related fund balances are *committed* to a use or purpose by the City’s highest level of decision-making authority, represented by the City Council. The City Council can commit resources by ordinance during any Council meeting where a quorum is present. Similar action must be taken to change the commitment of resources. Resources are often *assigned* for specific purposes by management-level staff, usually when that resource relates to a specific function, which does not necessarily require Council action. Other than in the General fund, this is the least restrictive classification for fund balance. The City does not have a formal policy governing the assignment of resources. In the General fund, fund balances for which no constraint is made on use are considered *unassigned*.

When expenditures are incurred for which both restricted and unrestricted resources are available, the City will consider restricted resources to be used first until exhausted, and then spend unrestricted resources. When expenditures are incurred for which more than one classification of unrestricted resources are available, the City will consider committed resources to be spent first, followed by assigned and then unassigned resources.

Details on the purpose of constraints on fund balance are presented in Note 15 to the financial statements.

Minimum Fund Balance – The City’s financial policies, as outlined in the 2021 annual budget document, state that minimum reserves should be maintained in the General Fund equal to approximately 16.7% of projected annual operating expenditures. Any proposed reduction of this reserve level requires approval by a majority of the City Council.

Deficit Fund Equity – Two funds had deficit balances in fund equity at December 31, 2021, as follows:

- The Public Works Administration and Engineering Fund is reporting a deficit net position at December 31, 2021, in the amount of \$81,951. The Net Pension Liability reported in accordance with GASB 68 and Total OPEB Liability reported in accordance with GASB 75 results in a deficit fund balance at year-end.
- The Equipment Maintenance Fund is reporting a deficit net position at December 31, 2021, in the amount of \$281,135. The Net Pension Liability reported in accordance with GASB 68, as well as compensated absence accruals, contributed to a deficit fund balance at year-end.

Stewardship, Compliance and Accountability - There have been no material violations or possible violations of laws or regulations and finance-related legal or contractual provisions whose effects should be considered for disclosure in the financial statement or as a basis for recording loss contingencies, except as disclosed in Note 12.

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

The City has satisfactory title to all owned assets and there is no lien or encumbrance on such assets, nor has any asset been pledged.

Prior Period Adjustments – Occasionally, a prior period adjustment is required to adjust fund balance for corrections of prior year amounts that should not flow through the current year Revenue and Expenditure statements. The following table itemizes all the prior period adjustments made in 2021, along with the purposes for the adjustments:

	Purpose for Adjustment	Increase / (Decrease) due to adjustment		
		Assets	Liabilities	Net Position
Fund Financial Statements:				
Governmental Funds:				
Total Governmental Funds		-	-	-
Enterprise Funds:				
Water Utility	1	(59,401)	-	(59,401)
Total Enterprise Funds		(59,401)	-	(59,401)
Total prior period adjustments - all funds		<u>(59,401)</u>	-	<u>(59,401)</u>
Government-wide Financial Statements				
Governmental Activities:				
Total Governmental Activities		-	-	-
Total prior period adjustments - all funds and govt activities		<u>(59,401)</u>	-	<u>(59,401)</u>

Purpose for adjustments:

1. In 2021, three assets were identified as being demolished in a prior year. A prior period adjustment was required to record the disposal of two water chlorine scrubbers, and the water north Richland maintenance shop.

NOTE 2. INVESTMENTS

Investments Measured at Amortized Cost

As of December 31, 2021, the City held the following investments at amortized cost:

<u>Type of Investment</u>	Maturities	
State Investment Pool (LGIP)	Average 34 days	76,080,928
Total		76,080,928

The City is a voluntary participant in the Local Government Investment Pool (LGIP). The LGIP manages a portfolio of securities that meet the maturity, quality, diversification and liquidity requirements set forth by the Governmental Accounting standards Board (GASB) for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The funds are limited to high quality obligations with regulated maximum and average maturities to minimize both market and credit risk. Investments are reported on a trade date basis in accordance with GAAP. The LGIP was formed under and is regulated by the RCW. As mandated by State law, the State Treasurer periodically reports to the Governor, the State Auditor and the Joint Legislative Audit and Review Committee. The State Auditor’s Office is responsible for monitoring the pool’s compliance with State statutes and policy. The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the OST, PO Box 40200, Olympia, WA 98504-0200, online at www.tre.wa.gov.

The LGIP transacts with its participants at a stable net asset value per share of \$1.00, the same method used for reporting. Participants may contribute and withdraw funds on a daily basis. Participants must inform Office of State Treasurer (OST) of any contribution or withdrawal over one million dollars no later than 9:00 a.m. on the same day the transaction is made. Contributions or withdrawals for one million dollars or less can be requested at any time prior to 10:00 a.m. on the day of the transaction. However, participants may complete transactions greater than one million dollars when notification is made between 9:00 a.m. and 10:00 a.m. at the sole discretion of OST. All participants are required to file with the State Treasurer documentation containing the names and titles of the officials authorized to contribute or withdraw funds. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

Investments Measured at Fair Value

In order to receive the best interest rate possible, the City invests large increments of residual pooled cash over various lengths of time. Investments are reviewed daily and made regularly for all available monies not essential to operations. The interest on these investments is prorated to each fund based on the average of its previous two-month’s ending cash balances. As required by State law and the City’s Investment Policy, all investments of the City’s funds (except as noted) are obligations of the US Government or Washington State Municipalities.

Custodial Credit Risk: The risk that in event of a failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. All of the City’s investments are insured, registered and held by its agents in the City’s name. The City does not have a formal policy for custodial credit risk.

Interest Rate Risk: In order to manage its exposure to fair value losses arising from increasing interest rates, the City portfolio’s weighted average maturity was kept as low as possible while taking advantage of opportunities in short and medium term securities. The City does not have a formal policy that addresses interest rate risk.

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

Credit Risk: The following represents the allocation and credit rating of City investments by type of security as of December 31, 2021:

Federal Home Loan Mortgage Corporation	AAA	13%
Federal National Mortgage Association	AAA	8%
Federal Home Loan Bank	AAA	4%
Municipal Bonds	A- to AAA	17%
Local Governmental Investment Pool	Unrated	53%
Certificate of Participation	Unrated	4%
Pension Mutual Funds	Unrated	1%

The City measures and reports investments at fair value using the valuation input hierarchy established by GAAP, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3: Unobservable inputs for an asset or liability.

At December 31, 2021, the City had the following investments at fair value:

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Weighted Average Maturities
<u>GOVERNMENTAL ACTIVITIES</u>				
U.S. Treasury Securities	\$ 9,857,877	\$ 9,857,877	\$ -	0.72
U.S. Government Securities	19,897,131		\$ 19,897,131	0.72
Municipal Bonds	15,033,550		15,033,550	0.56
Bond Mutual Funds	<u>743,605</u>	<u>743,605</u>	<u>-</u>	N/A
Subtotal Governmental Activities	45,532,163	10,601,482	34,930,681	
<u>BUSINESS TYPE ACTIVITIES</u>				
U.S. Treasury Securities	12,942,004	12,942,004	-	0.72
U.S. Government Securities	26,122,131		26,122,131	0.72
Municipal Bonds	<u>19,736,934</u>		<u>19,736,934</u>	0.56
Subtotal Business Type Activities	58,801,069	12,942,004	45,859,065	
Total Investments by Fair Value Level	<u>\$ 104,333,232</u>	<u>\$ 23,543,486</u>	<u>\$ 80,789,746</u>	

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

NOTE 3. CAPITAL ASSETS

Governmental Activities - A summary of governmental capital assets for the year ended December 31, 2021 is presented in the following table:

Governmental activities	Balance			Transfers/ Reclassifications	Balance December 31, 2021
	January 1, 2021	Increases	Decreases		
Capital Assets, not being depreciated:					
Land	\$ 8,001,359	\$	\$	\$	\$ 8,001,359
Construction in progress	13,561,138	15,764,698	(21,839,724)		7,486,112
Total capital assets, not being depreciated	21,562,497	15,764,698	(21,839,724)	-	15,487,471
Capital Assets, being depreciated:					
Buildings and improvements	89,676,059	9,811,820	-	-	99,487,879
Machinery and equipment	9,545,295	158,547			9,703,842
Infrastructure	278,373,077	14,268,927	(172,016)		292,469,988
Intangibles	3,019,725	176,009			3,195,734
Total capital assets, being depreciated	380,614,156	24,415,304	(172,016)	-	404,857,443
Less accumulated depreciation for:					
Buildings and improvements	(38,570,554)	(2,543,302)			(41,113,857)
Machinery and equipment	(7,356,567)	(445,510)			(7,802,076)
Infrastructure	(163,123,281)	(4,233,909)			(167,357,190)
Intangibles	(805,787)	(286,810)			(1,092,596)
Total accumulated depreciation	(209,856,189)	(7,509,531)	-	-	(217,365,719)
Total capital assets being depreciated, net	170,757,968	16,905,773	(172,016)	-	187,491,724
Governmental activities capital assets, net	\$ 192,320,465	\$ 32,670,471	\$ (22,011,740)	\$ -	\$ 202,979,195

Depreciation expense was charged as follows:

FUNCTION	TOTAL
General government -	\$ 1,359,973
Public safety -	387,273
Transportation -	4,090,766
Economic environment -	183,798
Culture & recreation -	1,487,720
Physical environment -	-
TOTAL DEPRECIATION EXPENSE	\$7,509,531

The following is a list of construction commitments existing as of December 31, 2021 in the City's governmental-type activities:

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

<u>Fund</u>	<u>Project</u>	<u>Spent as of December 31, 2021</u>	<u>Remaining Committed</u>	<u>Asset #</u>
Streets Capital Const	Duportail Bridge	29,294,932	1,280,274	11036
Streets Capital Const	Duportail Bridge Phase II - Railroad Crossing	4,153,648	76,307	12492
Streets Capital Const	First Street Extension W of Kingsgate	1,590,637	21,155	12494
Streets Capital Const	McMurray Street Rapid Flash Beacon	385,116	66,423	12151
Streets Capital Const	SR240/Aaron Interchange Improvement	117,327	70,625	12495
Streets Capital Const	Center Parkway South - Environmental Srv	302,435	70,703	12019
Streets Capital Const	Center Parkway - North-Gage to Tapteal	2,415,058	4,465	11035
Streets Capital Const	South GWW Intersection Improvements	241,378	85,002	11037
Fire Station 75 Construction	Fire Station 75 Construction	4,271,781	561,923	12480
Fire Station 73 Construction	Fire Station 73 Construction	4,780,978	274,582	12481
Parks Construction	Howard Amon Riverfront Trail	74,976	24,247	12275
Parks Construction	Wayfinding Gateway Entrance	630,925	42,502	12025
Parks Construction	Shoreline Enhancements	56,554	78,166	11046
Parks Construction	Claybell Park Pickleball Courts	104,645	147,233	12618

Business-Type Activities - A summary of business-type capital assets for the year ended December 31, 2021 is presented in the following table:

Business-type activities	Balance			Transfers/ Reclassifications	Balance December 31, 2021
	January 1, 2021	Increases	Decreases		
Capital Assets, not being depreciated:					
Land	\$ 8,823,153	\$ -	\$ -	\$ -	\$ 8,823,153
Construction in progress	5,733,504	6,339,778	(7,831,595)	-	4,241,688
Total capital assets, not being depreciated	14,556,657	6,339,778	(7,831,595)	-	13,064,840
Capital Assets, being depreciated:					
Buildings and improvements	54,046,775	2,641,923	(147,819)	-	56,540,878
Machinery and equipment	46,350,628	4,076,309	(1,767,750)	-	48,659,187
Infrastructure	429,220,294	15,628,690	(14,638)	-	444,834,346
Total capital assets, being depreciated	529,617,696	22,346,922	(1,930,206)	-	550,034,412
Less accumulated depreciation for:					
Buildings and improvements	(32,262,892)	(929,534)	114,881	-	(33,077,545)
Machinery and equipment	(26,908,040)	(3,733,688)	1,805,202	-	(28,836,526)
Infrastructure	(174,037,158)	(10,658,492)	-	-	(184,695,650)
Total accumulated depreciation	(233,208,091)	(15,321,714)	1,920,083	-	(246,609,722)
Total capital assets being depreciated, net	296,409,605	7,025,209	(10,123)	-	303,424,690
Business-type activities capital assets, net	\$ 310,966,262	\$ 13,364,987	\$ (7,841,718)	\$ -	\$ 316,489,531

The following is a list of construction commitments existing as of the year ended December 31, 2021 in the City's business-type activities:

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

<u>Fund</u>	<u>Project</u>	<u>Spent as of December 31, 2021</u>	<u>Remaining Committed</u>
Electric	Underground Boring	-	1,249,046
Electric	Gateway Substation	2,198,265	1,698,251
Electric	Overhead Pole and Conductor Replacement	424,704	233,309
Water	Duportail Bridge Phase II - Railroad Crossing	488,230	13,805
Water	Chief Joseph Middle School Irrigation Well	15,432	216,581
Water	UV Facility Upgrades	27,042	113,223
Water	Tapteal Pump Station Upgrades	45,917	351,744
Water	Salt Silos	86,380	59,001
Water	Torbett-McPherson Water Main Replacement	74,621	2,290,708
Water	Yakima River Crossing Pipeline Replacement - Duportail Bridge	4,497,583	133,046
Sewer	Waste Water Treatment Facility Digester Improvements	1,103,394	864,497
Sewer	Waste Water Treatment Facility Aeration Basin #2 Retrofit	665,895	30,324
Sewer	Waste Water Treatment Facility Generator Replacement	283,181	323,372
Sewer	Torbett-McPherson Water Main Replacement	-	156,550
Stormwater	NR09 Upbasin Stormwater Retrofit	17,962	4,800
Stormwater	Hains Ave Stormwater Outflow Retrofit	20,398	15,000

NOTE 4. LONG-TERM DEBT AND LIABILITIES

Governmental Activities

Long-term liabilities of the City’s governmental activities consist of 1) general obligation bonds, 2) compensated absences, 3) notes, loans payable to state agencies, and Local Program loans through Office of the State Treasurer 4) Other Post-Employment Benefits (OPEB) Liability, and 5) Net Pension Liability. The following is a discussion of each type of liability (except compensated absences which is discussed in a separate section of this note). Following the discussion is a table of Long-Term Governmental Liabilities and Debt which includes changes to long-term liability activities for 2021.

General Obligation Bonds – General obligation bonds consist of voter approved and non-voted or Councilmanic bonds, issued to pay for the construction and acquisition of major capital assets. Voter approved bonds are repaid from special property tax levies, and Councilmanic bonds are repaid from general revenues of the City. The bonds support governmental activities and are included in the table of governmental liabilities in this section.

Notes, Loans Payable to State Agencies and Local Program Loans through Office of the State Treasurer – The governmental funds have one outstanding Community Economic Revitalization Board (CERB) Loan, which was issued in 2005 for the extension of Battelle Boulevard. In 2015, the Washington State Department of Transportation (WSDOT) provided the Street Fund with a rail loan. In 2020 the City utilized the State Treasurer’s Office Local Program to finance the construction of two new fire stations. Loans and notes are considered obligations of the general government and will be repaid with general governmental revenue sources.

Total OPEB Liability – As described in Note 9, the City administers a single-employer defined benefit post-employment healthcare plan, providing healthcare insurance for eligible retirees, their spouses, and their children. The City is also responsible for administering two OPEB Plans for Pre LEOFF police officers and

firefighters. The Total OPEB Liability (TOL) at year end for each plan is included in the long-term debt table presented later in this section. GASB Statement 75 was implemented in 2018. A large part of GASB 75 was improving the approach to measuring the liability and requiring governments to report the liability on their financial statements. The TOL for all fund types as of December 31, 2021, is \$17,656,764. The TOL as of December 31, 2021, related to governmental activities is \$15,759,914. The current portion of the TOL for governmental activities is \$1,147,983.

Net Pension Liability – GASB 68 became effective with the 2015 ACFR. As such the City is required to report a proportionate share of the State’s pension liability from the PERS 1, 2 and 3, LEOFF 1 and 2 State Pension Plans. LEOFF Plans and PERS Plans 2 and 3 have Net Pension Assets which are not reflected in this section, however PERS Plan 1 has Net Pension Liabilities (NPL) that are reflected in the table on the following page. The City’s share of the Net Pension Liability for PERS 1 is \$2,299,742 of which \$1,012,604 is related to governmental activities. This amount has been allocated to Governmental activities and Business type activities based on the contributions of each fund. Governmental Funds are only reported on the Statement of Net Position however, proprietary funds have recorded their share of the liability in the fund financial statements. In addition to the State pension plans, the City is responsible for administering two Pre LEOFF 1 Pension Plans for Pre LEOFF police and fire officers. The Total Pension Liability for each of those plans is included in the long-term debt table presented later in this section. These two plans are reported in accordance to GASB 73, which became effective for the City with the 2018 ACFR.

Refunded Bonds – In prior years the City defeased certain general obligation bonds by placing a portion of the proceeds from new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the City’s financial statements. At December 31, 2021, no bonds outstanding are considered defeased.

(Remainder of this page intentionally left blank)

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

The following table provides a complete and comprehensive record of all long-term governmental liabilities as of December 31, 2021:

SCHEDULE OF LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES								
UNLIMITED TAX GENERAL OBLIGATION BONDS-VOTED								
PURPOSE	INTEREST RATE	MATURITY DATE	ORIGINAL AMOUNT	BEGINNING BALANCE 1/1/2021	ADDITIONS	REDUCTIONS	ENDING BALANCE 12/31/21	DUE WITHIN ONE YEAR
2015 Refunding UTGO Police Station/Community Center/Library Remodel	2.00%-5.00%	12/1/2026	14,385,000	8,485,000		1,170,000	7,315,000	1,265,000
TOTAL UNLIMITED TAX GENERAL OBLIGATION BOND DEBT							7,315,000	1,265,000
LIMITED TAX GENERAL OBLIGATION BONDS-NONVOTED, COUNCILMANIC								
PURPOSE	INTEREST RATE	MATURITY DATE	ORIGINAL AMOUNT	BEGINNING BALANCE 1/1/2021	ADDITIONS	REDUCTIONS	ENDING BALANCE 12/31/21	DUE WITHIN ONE YEAR
2010 LTGO Refunding (1998 LTGO Refund, IT Facility)	2.00%- 4.30%	12/1/2039	3,170,000	1,220,000		65,000	1,155,000	65,000
2013A LTGO LRF to finance infrastructure in RAISE area	1.125%-4.00%	12/1/2037	10,050,000	8,355,000		365,000	7,990,000	380,000
2014 LTGO Fire Station #74 Construction	2.0%-4.0%	12/1/2034	3,355,000	2,580,000		145,000	2,435,000	150,000
2017 LTGO & Refunding & 2006 Refunding Bonds (City Hall Portion)	3.0%-5.0%	12/1/2045	13,255,000	12,960,000		305,000	12,655,000	310,000
2017 LTGO & Refunding & 2006 Refunding Bonds (2006 Refunding Portion)	2.0%-4.0%	12/1/2045	2,875,000	1,620,000		440,000	1,180,000	220,000
Local Fire Sations 73 & 75	2.21731%	6/1/2040	5,445,000	5,445,000		155,000	5,290,000	175,000
TOTAL LIMITED TAX GENERAL OBLIGATION BOND DEBT							30,705,000	1,300,000
Unamortized Premiums				4,428,583	-	324,816	4,103,767	
TOTAL GENERAL OBLIGATION BOND DEBT NET OF UNAMORTIZED PREMIUMS							42,123,767	2,565,000
OTHER GOVERNMENTAL LIABILITIES								
PURPOSE	INTEREST RATE	MATURITY DATE	ORIGINAL AMOUNT	BEGINNING BALANCE 1/1/2021	ADDITIONS	REDUCTIONS	ENDING BALANCE 12/31/21	DUE WITHIN ONE YEAR
C2003-148- Community Economic Revitaliz. Bd Loan Battelle Blvd. Ext.	1.00%	1/1/2026	780,000	326,033		52,996	273,037	53,526
WSDOT Rail Loan for Streets	0.00%	7/1/2025	399,982	199,991		39,998	159,993	39,998
Compensated Absences		N/A	-	3,984,093	3,279,631	3,645,646	3,618,077	1,626,031
Net Pension Liab-Pre LEOFF 1 Plan Fire		N/A	-	1,563,693		71,503	1,492,190	-
Net Pension Liab-Pre LEOFF 1 Plan Police		N/A	-	3,289,149		97,229	3,191,920	-
Total OPEB Liability - LEOFF 1 Plan Fire		N/A	-	4,039,296		118,591	3,920,705	256,911
Total OPEB Liability - LEOFF 1 Plan Police		N/A	-	4,850,841		123,799	4,727,042	291,392
Net Pension Liability- State PERS/LEOFF Plans		N/A	-	5,164,037		4,151,433	1,012,604	-
Total OPEB Liability - City Post Emp Healthcare		N/A	-	7,237,061		124,894	7,112,167	759,618
TOTAL OTHER GOVERNMENTAL LIABILITIES							25,507,735	3,210,484
TOTAL GOVERNMENTAL LIABILITIES							67,631,502	5,775,484

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

The annual debt service requirements to maturity as of the fiscal year ended December 31, 2021 for governmental debt is presented below. The schedule includes all debt issues but excludes all other liabilities.

SCHEDULE OF DEBT SERVICE FOR GOVERNMENTAL ACTIVITIES			
YEAR ENDING DECEMBER 31	PRINCIPAL	INTEREST	TOTAL
2022	\$ 2,658,524	\$ 1,609,512	\$ 4,268,036
2023	\$ 2,799,060	\$ 1,516,826	\$ 4,315,885
2024	\$ 2,944,600	\$ 1,419,236	\$ 4,363,836
2025	\$ 3,120,146	\$ 1,305,240	\$ 4,425,386
2026	\$ 3,270,700	\$ 1,168,651	\$ 4,439,351
2027-2031	\$ 7,155,000	\$ 4,557,011	\$ 11,712,011
2032-2036	\$ 7,955,000	\$ 3,037,903	\$ 10,992,903
2037-2041	\$ 5,375,000	\$ 1,469,600	\$ 6,844,600
2042-2046	\$ 3,175,000	\$ 406,750	\$ 3,581,750
TOTAL	\$ 38,453,030	\$ 16,490,729	\$ 54,943,759

Business-Type Activities

Long-term liabilities of the City’s business-type activities consist of 1) revenue and general obligation bonds, 2) compensated absences, 3) notes and loans payable to state and local government agencies, 4) closure and post-closure care liability for the City’s landfill, 5) capital Leases 6) total Other Post-Employment Benefits (OPEB) Liability, 7) Net Pension Liability (NPL) and 8) Local Improvement Districts (LID’s) with commitments. The following is a discussion of each type of liability (except compensated absences which is discussed in a separate section of this note). Following the discussion is a table of Long-Term Business Type Liabilities and Debt which includes changes to long-term liability activities for 2021.

Revenue Bonds and General Obligation Bonds – Revenue Bonds issued to finance the construction and acquisition of major capital facilities and infrastructure in the City’s utilities are backed by the revenues generated from the respective utility. Business-type activities also include certain Councilmanic general obligation bonds issued in 2010 and 2013. The general obligation bonds for business type funds are called out in a separate section of the table of business type liabilities in this section.

New debt Issued – As mentioned above, in 2020 the City utilized the State Treasurer’s Office Local Program to finance the construction of two new fire stations. Loans and notes are considered obligations of the general government and will be repaid with general governmental revenue sources. In 2021 the city issued a new Electric Revenue Improvement bond. The bond was issued to carry out plans for additions and betterments to and extensions of the Electric Utility. That includes Capital Improvement Plan projects related to infrastructure acquisition, system improvements, renewals and replacements, advanced Metering Infrastructure, line extensions, substation improvements and Gateway Substations.

Notes and Loans Payable to State Agencies – The Water Fund has financed several large capital replacement projects with Public Works Trust Fund and Drinking Water Revolving Loans. The Storm Water Fund utilized two Department of Ecology loans to 1) develop the Storm Water Comprehensive Plan and 2) retrofit and relocation of the decant facility. The Wastewater Fund completed the Aeration Basin Project utilizing a Department of Ecology Recovery Act Loan. The Broadband fund utilized a local governmental agency loan to finance a portion of the fiber network.

Landfill Closure and Post-Closure Care Liability - The City of Richland owns and operates the Horn Rapids Landfill, which includes the 46-acre existing landfill permitted for disposal of MSW, a support facility, a 9-acre composting facility, a customer service transfer station that includes a small household hazardous waste receiving area, and the 104-acre landfill Expansion, which began operation in the fall of 2020. State and Federal regulations require that the City place a final cover on its landfill once its capacity is depleted. The City is also required to perform maintenance and environmental monitoring at the site for thirty years following closure.

Although closure and post-closure care costs will be paid only near or after the date the landfill site is filled to capacity, the City must recognize the expense related to these activities as the related liability is incurred. The expense and concurrent liability is calculated based upon the landfill capacity used to date. At the end of each year of operation, it has been necessary to measure the capacity used at the landfill. By using the change in capacity during the current year, a percentage of total capacity used is known. This percentage is then applied to the estimated cost to close the landfill and provide post-closure care for thirty years. The estimate of these costs may differ from the actual costs due to inflation, changes in technology, or changes in regulations.

The City's closure/post-closure operations plan is to proceed in two phases. Closure of the first phase was completed in 2011. While monitoring and maintenance activities are taking place on the first phase area, true post closure care will not commence until both phases are closed. As of the end of 2021, the second phase landfill cell was completely full. A new cell has been opened and is currently in use. As of December 31, 2021, the City had sufficient funds set aside to fund the projected \$3,879,200 construction costs of the second phase closure and \$2,199,400 in new phase closure infrastructure and provide approximately 6% of the post-closure care. Cash and investments of \$6,389,989 or 56.26% of required reserves, have been accumulated. The post-closure care of the current landfill site is estimated to cost \$5,280,000 in current dollars. The additional \$4,968,611 in reserves necessary to complete the 30 years of post-closure care will be funded through operations.

The City's waste management software tracked 84,199 tons of waste accepted in 2021. The current year expense for the related use of available volume was \$408,752. Also during 2021, the estimate of closure cost was updated, which resulted in the recognition an additional expense of \$757,369.

Capital Leases – The City has four capital leases for a pumper truck, a dozer, a compactor and an articulated truck. For more information on capital leases, see Note 6 to the financial statements.

Total OPEB Liability – As noted in the governmental activities section, the City reported an overall TOL of \$17,656,764. The TOL related to business type activities is \$1,896,850. The current portion of the TOL for business type activities is \$159,938.

Net Pension Liability – As per GASB 68 the City is required to report a proportionate share of the State's pension liability from the PERS 1, 2 and 3, and from LEOFF 1 and 2 State Pension Plans. PERS plan 1 has Net Pension Liabilities (NPL) that are reflected in the table on the following page. The City's share of the Net Pension Liability for PERS 1 is \$2,299,742, of which \$1,287,139 is allocated to business-type activities based on contributions of each fund. Governmental Funds are only reported on the Statement of Net Position however proprietary funds have recorded their share of the liability in the fund financial statements.

Special Assessment Debt – The City has one LID with ongoing commitments. The City issued the LID titled 2017 ULID bonds in the Water and Sewer Funds to finance improvements related to Reata LID 197. The Water

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

and Sewer Funds are fully obligated to repay the bonds. Current and delinquent assessments receivable in the Water and Sewer Funds are disclosed in Note 1 under the heading "Assessments".

The following tables provide a comprehensive record of all long-term liabilities for business-type activities as of December 31, 2021:

SCHEDULE OF LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES								
REVENUE BONDS								
PURPOSE	INTEREST RATE	MATURITY DATE	ORIGINAL AMOUNT	BEGINNING BALANCE 1/1/2021	ADDITIONS	REDUCTIONS	ENDING BALANCE 12/31/21	DUE WITHIN ONE YEAR
2013 B Electric Revenue- Capital Improvement and Refunding	2.00%-5.00%	11/1/2042	19,455,000	15,465,000		635,000	14,830,000	665,000
2015 Electric Utility Revenue Bonds	2.00%-4.75%	11/1/2045	19,435,000	18,835,000		455,000	18,380,000	460,000
2018 Electric Revenue Improvement & Refunding	3.00%-5.00%	11/1/2047	19,800,000	17,095,000		1,775,000	15,320,000	1,865,000
2019A Electric Revenue Improvement & Refunding	4.00%-5.00%	11/1/2044	12,525,000	12,230,000		255,000	11,975,000	270,000
2019T (Taxable) Electric Revenue & Refunding	2.23%-3.21%	11/1/2033	3,145,000	3,145,000		-	3,145,000	-
2009-Water/Sewer Improvement & Refunding	2.50%-5.125%	12/1/2038	21,975,000	1,550,000		1,550,000	-	-
2012 Water Wastewater Improvement & Refunding	2.00%-4.00%	11/1/2034	7,540,000	5,500,000		330,000	5,170,000	345,000
2014 Waterworks Revenue & Refunding	2.00%-4.00%	11/1/2023	9,985,000	4,135,000		1,565,000	2,570,000	1,630,000
2017 Wasteworks Utility Revenue & Refunding Bonds	2.00%-5.00%	11/1/2042	12,455,000	12,215,000		105,000	12,110,000	265,000
2021 Electric Revenue Improvement Bond	3.00%-4.00%	11/1/2046	6,415,000	-	6,415,000	-	6,415,000	-
TOTAL REVENUE BONDED DEBT							89,915,000	5,500,000
GENERAL OBLIGATION DEBT ISSUED FOR BUSINESS-TYPE ACTIVITIES								
PURPOSE	INTEREST RATE	MATURITY DATE	ORIGINAL AMOUNT	BEGINNING BALANCE 1/1/2021	ADDITIONS	REDUCTIONS	ENDING BALANCE 12/31/21	DUE WITHIN ONE YEAR
2010 LTGO Refunding (1998 LTGO Refund, 1996 Golf Course Ref)	2.00%- 4.30%	12/1/2039	4,460,000	3,445,000		120,000	3,325,000	125,000
2013A LTGO - Broadband Portion to construct a fiber optic structure to support communications network	1.125%-4.00%	12/1/2037	1,200,000	1,200,000		-	1,200,000	-
2013B LTGO - Broadband Portion to construct a fiber optic structure to support communications network	0.38%-3.50%	12/1/2027	1,165,000	580,000		80,000	500,000	80,000
TOTAL GENERAL OBLIGATION BONDED DEBT FOR BUSINESS-TYPE ACTIVITIES							5,025,000	205,000

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

OTHER BUSINESS-TYPE LIABILITIES								
PURPOSE	INTEREST RATE	MATURITY DATE	ORIGINAL AMOUNT	BEGINNING BALANCE 1/1/2021	ADDITIONS	REDUCTIONS	ENDING BALANCE 12/31/21	DUE WITHIN ONE YEAR
PWTF #PW-03-691-020 Water Main Replacement	0.50%	7/1/2023	8,755,000	1,519,984		506,661	1,013,323	506,661
DWSRF Loan #02-65102-039 Rchld Wellfield Disinfection	1.00%	10/1/2023	1,984,802	348,391		116,130	232,261	116,130
DWSRF Loan #02-65102-040 Rchld Wellfield Capacity	1.00%	10/1/2023	978,117	172,609		57,536	115,073	57,536
DWSRF Loan #03-65103-045 Badger Mountain Pump Station	1.50%	10/1/2024	580,000	145,000		36,250	108,750	36,250
DWSRF Loan #DM09-952-029 Horn Rapids Water Reservoir	1.50%	10/1/2029	3,030,000	1,444,642		160,516	1,284,126	160,516
DWSR Loan #DWL23484	1.00%	10/1/2042	60,993	213,981	1,144,957	727,490	631,447	4,301
Dept of Ecology Loan #L97000040 for Development of Stormwater Comprehensive Plan	4.30%	3/1/2024	145,776	36,353		9,840	26,513	10,268
Dept. of Ecology Recovery Act Loan L1000013 Aeration Basin Project Wastewater	2.90%	5/27/2031	1,538,338	997,480		74,161	923,319	76,340
HAEIF Loan #58-01-01 - Broadband Fund -Fiber Network	3.00%	7/1/2021	200,000	11,640		11,640	0	-
Landfill Compactor Lease (Q000106371-7)	4.95%	5/17/2023	312,046	452,777	-	62,409	390,368	64,259
Landfill Dozer Lease	3.85%	4/20/2026	229,405	332,088	-	29,069	303,019	30,188
Landfill Articulated Truck Lease	3.85%	4/20/2025	137,038	330,912	-	20,539	310,373	21,330
PC20-96103-049 Solid Waste Public Works Loan	1.58%	6/1/2039	34,560	3,789,474		210,526	3,578,947	210,526
Liability for Landfill Closure			N/A	7,840,263	1,166,121	-	9,006,384	-
Compensated Absences			N/A	2,389,386	1,992,518	2,084,056	2,297,848	1,148,924
Net Pension Liability - State PERS/LEOFF Plans			N/A	5,024,498		3,737,359	1,287,139	-
Total OPEB Liability - City Post Emp Healthcare			N/A	2,080,624		183,774	1,896,850	159,938
Capital Lease #202415000 - 2017 Pierce Enforcer Pumper Truck			632,812	264,733		130,353	134,380	134,380
TOTAL OTHER BUSINESS-TYPE LIABILITIES							23,540,121	2,737,547
TOTAL BUSINESS-TYPE LIABILITIES							112,065,121	8,442,547

In the Statement of Net Position for Business-Type Activities - Enterprise Funds, the long-term portion of the bonds payable are reported net of unamortized discounts and premiums. Bond issuance costs are reported as expense in the year paid. For the year ended December 31, 2021, the amount reported in the Statement of Net Position as bonds payable is as follows:

BONDED DEBT	ELECTRIC	WATER	SEWER	STORM-WATER	*GOLF COURSE	*BROADBAND	TOTAL
Current Portion	\$ 3,260,000	\$ 1,987,100	\$ 1,537,900	\$ 30,000	\$ 125,000	\$ 80,000	\$ 7,020,000
Long-Term Portion	\$ 66,805,000	\$ 10,663,734	\$ 6,281,266	\$ 665,000	\$ 3,200,000	\$ 1,620,000	\$ 89,235,000
Net unamortized premiums and discounts	\$ 7,518,182	\$ 1,259,850	\$ 833,473	\$ 89,890	\$ 47,317	\$ (23,705)	\$ 9,725,005
Net Long-Term Portion	\$ 74,323,182	\$ 11,923,584	\$ 7,114,739	\$ 754,890	\$ 3,247,317	\$ 1,596,295	\$ 98,960,005
Total Reported Liability	\$ 77,583,182	\$ 13,910,684	\$ 8,652,639	\$ 784,890	\$ 3,372,317	\$ 1,676,295	\$ 105,980,005

*Councilmanic General Obligation Bonds were issued for the Golf Course and Broadband funds.

The annual debt service requirements to maturity as of the fiscal year ended December 31, 2021 for business-type debt is presented below. The schedule includes all debt issues but excludes all other liabilities.

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

SCHEDULE OF DEBT SERVICE FOR BUSINESS TYPE ACTIVITIES			
YEAR ENDING DECEMBER 31	PRINCIPAL	INTEREST	TOTAL
2022	\$ 7,163,201	\$ 4,216,188	\$ 11,379,389
2023	\$ 5,680,410	\$ 3,978,718	\$ 9,659,128
2024	\$ 4,058,226	\$ 3,794,406	\$ 7,852,632
2025	\$ 4,151,032	\$ 3,646,560	\$ 7,797,592
2026	\$ 4,295,964	\$ 3,484,936	\$ 7,780,899
2027-2031	\$ 23,447,318	\$ 14,707,110	\$ 38,154,428
2032-2036	\$ 25,715,493	\$ 9,734,667	\$ 35,450,160
2037-2041	\$ 18,274,441	\$ 4,744,979	\$ 23,019,420
2042-2046	\$ 10,691,572	\$ 1,212,994	\$ 11,904,566
2047	\$ 320,000	\$ 12,000	\$ 332,000
TOTAL	\$ 103,797,658	\$ 49,532,557	\$ 153,330,215

The following table presents debt coverage ratios for parity debt in the water, sewer, and stormwater funds. As of December 31, 2021, bonds on parity with 2017 Waterworks Utility and Revenue Bonds include 2012 Water Wastewater Improvement & Refunding Bonds and 2014 Waterworks Revenue & Refunding Bonds.

Table for Waterworks (Water, Sewer, Stormwater) Parity Debt										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Gross Revenue	30,565,077	30,744,572	30,133,044	29,452,312	28,016,663	27,676,910	26,871,768	26,116,348	25,341,395	24,420,238
Less Operating Expenses	16,276,780	14,297,040	13,442,659	13,746,283	13,344,677	15,268,317	13,517,407	13,224,346	13,159,683	12,545,694
Net Amount Available For Debt Service	14,288,297	16,447,532	16,690,385	15,706,029	14,671,986	12,408,593	13,354,361	12,892,002	12,181,712	11,874,544
Total Annual Debt Service	4,549,675	4,553,150	4,645,100	4,664,300	4,320,347	4,185,638	4,188,047	3,332,256	4,439,800	4,449,689
Water/Sewer Debt Coverage	3.14	3.61	3.59	3.37	3.40	2.96	3.19	3.87	2.74	2.67

Disclosures Applicable to Both Governmental-Type and Business-Type Activities

Arbitrage Compliance - The bonds are subject to the rebate requirement imposed by the Internal Revenue Code of 1986, Section 148(f), and therefore the City, in the manner and to the extent required by that Section, will calculate and rebate to the United States any investment earnings on gross proceeds of the bonds, which are in excess of the amounts that would have been earned if those gross proceeds had been invested at the yield on the bonds, plus any income attributable to such excess earnings. Investment earnings on amounts held in the principal and interest account will not be taken into account for this purpose at any time, even if the amount earned is \$100,000 or more in a bond year, because the bonds bear interest at fixed rates (i.e. rates that do not vary during the term of the bonds) and have an average maturity of at least 5 years. If the City for any reason fails to comply with the rebate requirement to the extent applicable to the bonds, the City, to the extent permitted and required by Section 148(f)(7) of the Internal Revenue Code, will pay any penalty that may be necessary to preserve the tax exemption for interest on the bonds.

Compensated Absences - City employees are credited on a bi-weekly basis with sick and vacation leave at rates established by City ordinance or union agreement. In compliance with Washington State Initiative 1433, as of January 1, 2018, the City provides paid sick leave to employees. This mandatory State requirement allows employees to request paid sick leave and seek medical diagnosis and treatment for a non-work related injury or illness.

Effective January 1, 2001, Paid Time-Off (PTO) was provided to unaffiliated City employees in lieu of vacation and short-term sick. All accumulated vacation leave balances were converted to PTO. In addition to PTO, an extended sick leave bank was created. Employees were given a one time, irrevocable opportunity to elect one of three conversion options for their accumulated sick leave. The first was to convert it to cash at twenty-five percent of its value, not to exceed \$5,000. The second was to convert all of their sick leave to PTO at twenty-five percent of its hourly value. The third option was to “grandfather” all accumulated sick leave and keep it in a separate leave account. Employees who retire or terminate their employment with the City that have a balance in their “grandfathered” sick leave account will be paid twenty-five percent of its value, not to exceed \$5,000 for retirees or \$2,000 for terminations. Because of the many variables governing the cash payment of grandfathered sick leave, the City accrues the benefit annually for scheduled retirees.

PTO is accrued when incurred in the government-wide and proprietary fund financial statements. PTO, which may be accumulated up to 500 hours for PERS 1 employees and 800 hours for PERS 2 and 3 employees, is payable upon resignation, retirement or death. On December 31, 2021, the City’s accrued vacation, PTO and sick leave amounted to \$5,915,925. This amount includes \$526,739 of internal services funds that are allocated within the business-type activities.

In governmental activities, Claims and Judgements are liquidated by the Workers Compensation, Healthcare/Benefits Plan, Unemployment and Post Employment Healthcare Plan Funds. Compensated absences, Pension and OPEB liabilities are liquidated by the General, Industrial Development, Public Safety Sales Tax, BCES Operations, HOME and City Streets funds. The Electric, Water, Sewer, Solid Waste, Storm-water, Medical Services, Equipment Maintenance and Public Works Administration and Engineering funds liquidate Compensated absences, Pension and OPEB liabilities for the business-type activities.

NOTE 5. FINANCIAL GUARANTEES AND PLEDGED REVENUES

In 2015 the City worked with the Richland Public Facility District (PFD) to complete a current refunding of \$5,280,000 of the PFD’s outstanding 2004 limited tax general obligation bonds. The City was involved in the refunding because debt service on the 2004 bonds was guaranteed by the City through a “Contingent Loan Agreement”, dated January 13, 2004, between the City and the PFD, whereby the City irrevocably pledged its full faith, credit and resources to make loans to the PFD in the event that the PFD could not meet the payments on the bonds. The City agreed to a new contingent loan agreement with the PFD to offer the same guarantee for the 2015 bond issue. The obligation of the City to make loans to the PFD for debt service shall terminate upon payment in full of the principal and interest on all outstanding bonds. The repayment terms of the loan agreement mandate repayment of interest and principal to the City from available pledged revenues of the PFD. To date all scheduled bond payments of principal and interest have been paid by the PFD and the City has not made loans to the PFD. Based on projections of the PFD’s pledged revenues, the City does not anticipate that it will be necessary to make loans to the district. As of December 31, 2021, the outstanding principal of the PFD’s 2015 General Obligation refunding bonds is \$3,310,000.

In addition to the Contingent Loan Agreement, the City pledged \$125,000 annually from its lodging tax revenues in support of debt service on the aforementioned PFD bonds. This amount is transferred annually until the bonds are retired in 2028. In 2021, the \$125,000 lodging tax pledged toward the bonds, as a percentage of total lodging tax revenues and as a percentage of the PFD’s annual debt service, was 10.4% and 25.3%, respectively.

NOTE 6. LEASE COMMITMENTS

Operating Leases - The City has utilized an operating lease as a competitive alternative for purchasing and maintaining certain equipment. Currently, the City has an operating lease for a Pitney Bowes Inserter/Postage machine. Total cost for this lease was \$18,516 for year ended December 31, 2021.

The future minimum lease payments for these leases are displayed in the following table:

OPERATING LEASE		
YEAR	Pitney Bowes Sorter/Inserter Postage	TOTAL LEASE PAYMENTS PER YEAR
2021	18,516	18,516
TOTAL	\$ 18,516	\$ 18,516

Capital Leases - The City utilized lease agreements to finance certain pieces of equipment. These leases qualify as capital leases for accounting purposes, therefore they have been recorded at the present value of their future minimum lease payments as of the inception date. There were four active capital leases as of December 31, 2021.

Assets acquired through capital leases are as follows:

LEASED ASSETS - BUSINESS-TYPE ACTIVITIES	
ENFORCER PUMPER TRUCK	632,479
CATAPILLER COMPACTOR	746,241
CATAPILLER D6R DOZER	354,601
CATAPILLER ARTICULATED TRUCK	359,210
LESS ACCUMULATED DEPRECIATION	(301,939)
TOTAL	\$ 1,790,593

The future minimum lease obligation and the net present value for these minimum lease payments as of December 31, 2021, were as follows:

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

CAPITAL LEASES - BUSINESS-TYPE ACTIVITIES					
YEAR	ENFORCER PUMPER TRUCK	CATAPILLER COMPACTOR	CATAPILLER D6R DOZER	ARTICULATED TRUCK	TOTAL LEASE PAYMENTS PER YEAR
2022	138,533	80,909	41,854	33,279	294,575
2023		340,909	41,854	33,279	416,042
2024			41,854	33,279	75,133
2025			41,854	33,279	75,133
2026			41,854		41,854
2027					-
TOTAL MINIMUM LEASE PAYMENTS	\$ 138,533	\$ 421,818	\$ 209,271	\$ 133,116	902,738
LESS: INTEREST	(4,152)	(31,450)	(46,253)	(42,743)	(124,598)
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	\$ 134,381	\$ 390,368	\$ 163,019	\$ 90,373	\$ 778,140

NOTE 7. INTERFUND TRANSFERS

The following table provides a summary of interfund transfers for the year ended December 31, 2021.

Transferred From...	Transferred To...							Total
	General Fund	Streets Construction Fund (301)	General Governmental Construction Fund (385)	Governmental Funds (101, 216, 217, 317, 318)	Major Enterprise Funds (403)	Other Enterprise Funds (407 & 408)	Internal Service Funds (503)	
General Fund		\$ 930,000	\$ 642,500	\$ 1,965,984		\$ 605,000	\$ 111,974	\$ 4,255,458
Other Governmental Funds	563,192	5,969,036		3,051,987	8,090	47,666	124,164	\$ 9,764,134
Major Enterprise Funds						55,000		\$ 55,000
Other Enterprise Funds				23,369			31,234	\$ 54,603
Internal Service Funds		20,477						\$ 20,477
Total	\$ 563,192	\$ 6,919,513	\$ 642,500	\$ 5,041,340	\$ 8,090	\$ 707,666	\$ 267,372	\$ 14,149,672

In 2021, the City’s enterprise operations paid a total of \$10,860,067.56 in Occupation Taxes to the City’s General and Streets Funds. In accordance with GASB Statement No. 34, the expense is reflected as an operating expense in the Fund financial statements, while payments of this nature are to be reported on the City’s Government-wide Statement of Activities as transfers. Therefore, the amount of transfers reported on the General and Street Fund’s Statement of Revenues, Expenditures, and Changes in Fund Balance are different by this amount.

The following tables provide additional information on transfers, by purpose, fund and activity type.

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

Purpose: Reimbursement of expenses accounted for in one fund with revenues accounted for in another fund and/or required contributions.					
Transferred From...		Transferred To...			
		General Fund	Other Governmental Funds	Other Enterprise Funds	Total
			Streets	Medical Services	
General Fund		\$ -	\$ 355,520	\$ 550,000	\$ 905,520
Other Governmental Funds		Transportation Benefit District			139,646
		Criminal Justice			69,871
Total		\$ 69,871	\$ 495,166	\$ 550,000	\$ 1,115,037

Purpose: Debt service and/or contributions toward capital and other improvements																
Transferred From...		Transferred To...													Total	
		Major Governmental Funds					Other Governmental Funds					Major Enterprise Funds	Other Enterprise Funds	Internal Service Funds		
		General Fund	Street Construction	General Govt Construction	Industrial Development	LTGO Bonds Debt Service	Fire Station 74 Debt Service	Park Project Construction	Library Debt Service	Fire Station 75 Construction	Fire Station 73 Construction	WasteWater	Broadband	Equipment Replacement		
General Fund		\$ -	\$ 930,000	\$ 642,500	\$ -	\$ 707,083	\$ 663,381	\$ -	\$ -	\$ 8,601	\$ 231,399	\$ -	\$ 55,000	\$ 111,974	\$ 3,349,938	
Other Governmental Funds		Streets	-	-	-	-	-	-	-	-	-	-	-	69,455	69,455	
		Transportation Benefit District	-	1,196,652	-	-	-	-	-	-	-	-	-	-	-	1,196,652
		Park Reserve	45,000	-	-	-	69,005	-	500,000	-	-	-	-	-	-	614,005
		Industrial Development	-	1,892,134	-	-	-	-	-	-	-	-	8,090	47,666	-	1,947,890
		Public Safety Sales Tax	-	-	-	-	-	-	10,000	-	-	-	-	-	54,708	64,708
		Hotel/Motel Tax	178,321	-	-	-	-	-	-	-	-	-	-	-	-	178,321
		CDBG	-	230,139	-	-	-	-	-	-	-	-	-	-	-	230,139
		Special Assessment Debt Service	-	-	-	-	-	-	64,915	-	-	-	-	-	-	64,915
		Capital Improvement	270,000	2,650,111	-	33,754	718,033	-	1,465,000	-	-	-	-	-	-	5,136,898
Electric Fund		-	-	-	-	-	-	-	-	51,634	-	-	-	-	51,634	
Water Fund		-	-	-	-	-	-	-	-	-	-	30,000	-	30,000		
Sewer Fund		-	-	-	-	-	-	-	-	-	-	20,000	-	20,000		
		-	-	-	-	-	-	-	-	-	-	5,000	-	5,000		
Other Enterprise Funds		Ambulance	-	-	-	-	-	-	-	-	-	-	-	31,234	31,234	
		Broadband	-	-	-	-	23,369	-	-	-	-	-	-	-	23,369	
Internal Service Funds		PW Admin Eng	-	20,477	-	-	-	-	-	-	-	-	-	-	20,477	
Total		\$ 493,321	\$ 6,919,513	\$ 642,500	\$ 33,754	\$ 1,517,490	\$ 663,381	\$ 1,975,000	\$ 64,915	\$ 8,601	\$ 283,033	\$ 8,090	\$ 157,666	\$ 267,372	\$ 13,034,636	

NOTE 8. RISK MANAGEMENT

The City is exposed to various types of risks (e.g. torts, thefts, damages, injuries to employees, natural disasters, risks related to providing employee and post-employment benefits, workers' compensation, unemployment on a self-insurance basis, etc.). Detailed information regarding those risks and how they are handled are disclosed below.

Washington Cities Insurance Authority (WCIA)

The City of Richland is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 166 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles [1]. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

The City of Richland paid \$1,827,724 in premiums for coverage in 2021.

Employee Benefits, Workers' Compensation, and Unemployment

Medical, Dental and Vision Insurance Benefits - The City offers comprehensive medical coverage on a self-insured basis. Reinsurance for medical benefits is provided by QBE Insurance Corporation. Dental benefits are entirely self-insured. Vision coverage is a fully funded program. Both the City and the employee share in the premium cost of medical and dental benefits. Medical and dental benefits are administered by Cigna Health and Life Insurance Company. Stop Loss coverage is provided by QBE Insurance Corporation. The Stop Loss premium was \$769,454 in 2021, of which \$56,913 was allocated to retiree coverage in the Post-employment Healthcare Plan. Vision coverage is provided by Vision Service Plan. The City accounts for all of these activities in an internal service fund, the Employee Benefits Fund. There has been no significant reduction in insurance coverage from the previous year, nor have there been any claims in excess of the insurance coverage purchased through the commercial carrier.

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

Medical, dental and vision coverage requires all claims to be submitted and paid within one year of the service date. Due to the short time frame, liabilities for outstanding payments have not been discounted. There have been no outstanding claims liabilities for which annuity contracts have been purchased in the claimant’s names and for which the related liabilities have been removed from the balance sheet. All City healthcare claims are processed through this fund and monthly journal entries are completed to move retiree claims to the Post Employment Healthcare Plan Fund. The City records estimates of incurred but not reported claims as an expense offset by liability for estimated claims payments. The basis for estimating liabilities for unpaid claims and administrative expense is based on an average of the prior 24 months of fund expense. The fund maintains a reserve for estimated claims outstanding at year end and the related administrative expense. The reserve was decreased by \$136,800 in 2021 and is based on an estimated sixteen weeks of fund expense.

As of December 31, 2021, the estimated claims reserve has \$2,474,400 set aside for estimated claims liabilities. Settlements have not exceeded available resources for these benefits in the previous three years.

The following is a reconciliation of changes in the aggregate liabilities for healthcare claims for the fiscal years 2019 through 2021:

EMPLOYEE HEALTHCARE BENEFITS					
Year	Claims Liability January 1	Annual Claims Incurred	Change in Estimate of Incurred But Not Reported Claims	Annual Claims Paid	Incurred But Not Reported Claims Estimate at Year End
2021	2,611,200	8,484,126	(136,800)	8,347,326	2,474,400
2020	2,240,000	8,858,502	371,200	9,229,702	2,611,200
2019	2,369,000	8,076,506	(129,000)	7,947,506	2,240,000

Beginning February 1, 2012, all City employees that are members of the International Association of Fire Fighters (IAFF) Rank & File and IAFF Battalion Chiefs and dependents participate in the LEOFF Trust for *Medical, Rx and Vision coverage*. The Trust is a self-funded high deductible plan. The LEOFF Trust plan has tiered rates depending upon the family dynamics. The City issues the premium payments directly to the Trust and contributes the equivalent of the budgeted premium for the self-insured plan and Fire employees make a contribution based on Employee, or Employee plus dependent, status. All IAFF Rank & File and IAFF Battalion Chiefs and dependents also participate in a Health Reimbursement Account (HRA) with A.W. Rehn & Associates. The City contributes \$187.50 monthly for employee only and \$375.00 monthly for employee and dependents (\$2,250 and \$4,500 annually). This account is for unreimbursed health expenses as needed by employees and whatever is left over at the end of the claim year is sent to an HRA/ VEBA account for that IAFF member.

Between the LEOFF Trust premium and the HRA plan, the City’s contribution does not exceed the amount that would be provided if the IAFF member was still covered under the City’s *Medical, Rx & Vision* benefits. The City maintains the self-insured *dental* coverage for all IAFF Rank & File and Battalion Chiefs, and they are included in the EAP program which provides up to three free counseling sessions annually for all employees.

Workers’ Compensation and Unemployment - The City is self-insured for worker injury claims. Claims exceeding the per-occurrence self-insured retention of \$400,000/\$500,000 are transferred to our reinsurer, Midwest Employers Casualty Company.

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

Unemployment claims are self-insured with the City retaining all risk for claims. Workers' Compensation and Unemployment activities are accounted for in the Workers' Compensation and Unemployment internal service funds, respectively. There has been no significant reduction in insurance coverage from the previous year, nor have there been any claims in excess of the insurance coverage purchased through the commercial carrier. The basis for estimating liabilities for unpaid claims is based on an analysis of the subsequent year's claims processed for activities incurred in the current year. There are no outstanding claims liabilities for which annuity contracts have been purchased in the claimant's names and for which the related liabilities have been removed from the balance sheet. The Workers' Compensation Fund and Unemployment Fund have \$133,056 and \$40,078, respectively set aside in reserves for potential incurred but not reported claims.

The following tables reflect a reconciliation of changes in the aggregate liabilities for claims for the fiscal years 2019 through 2021:

WORKERS COMPENSATION CLAIMS					
Year	Claims Liability January 1	Annual Claims Incurred	Change in Estimate of Incurred But Not Reported Claims	Annual Claims Paid	Incurred But Not Reported Claims Estimate at Year End
2021	52,100	670,247	80,956	670,247	133,056
2020	78,852	385,832	(26,752)	385,832	52,100
2019	119,687	430,557	(40,835)	430,557	78,852
UNEMPLOYMENT CLAIMS					
Year	Claims Liability January 1	Annual Claims Incurred	Change in Estimate of Incurred But Not Reported Claims	Annual Claims Paid	Incurred But Not Reported Claims Estimate at Year End
2021	12,969	55,474	27,109	55,474	40,078
2020	26,825	51,877	(13,856)	51,877	12,969
2019	24,418	73,909	2,408	73,909	26,825

NOTE 9. OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2021:

Aggregate OPEB Amounts - All Plans	
OPEB Liabilities	\$ (17,656,764)
Deferred Outflows of Resources	860,361
Deferred Inflows of Resources	(947,382)
OPEB Expenses/Expenditures	752,776

Post-Employment Healthcare Plan- Citywide

Plan Description

The City of Richland administers a single-employer defined benefit post-employment healthcare plan (“the Plan”). The plan provides healthcare insurance for eligible retirees, their spouses, and eligible children through the City’s health insurance plan, which covers retired members. The plan provides healthcare benefits and prescription coverage. The plan does not cover dental or vision benefits, although retirees may purchase these benefits through COBRA. The City implemented the plan on January 1, 2003 in accordance with recommendations from the Benefits and Services Focus Group appointed by the City. The City offered all bargaining units an irrevocable and one time opportunity to participate in the Post-Employment Health Insurance Program. In lieu of participation in this benefit program, the International Association of Fire Fighters (IAFF) Local 1052 and Southeast Washington Tele Communicators Guild (SEWTG) elected to take additional wages. All remaining bargaining units and unaffiliated employees opted to participate in the Plan. Effective December 31, 2012, the City closed the Plan to new participants. The Plan does not issue a stand-alone financial report, and the activity of the Plan is included in the City’s financial statements available on the City’s website at <https://www.ci.richland.wa.us/departments/finance/financial-reports>.

Benefits Provided

As a self-insurer, the City establishes a monthly premium rate for insurance benefits each budget year. Eligible retirees may continue to receive insurance benefits by contributing 50% of the cost of the premium. Through December 31, 2012, the program provided the same level of healthcare benefits to retirees as the active group plan, however effective January 1, 2013 new retirees are no longer eligible for the same PPO plan as current employees, but will be enrolled in a new Comprehensive Plan that offers a tiered rate and 80/20 coverage. Employees will continue to pay 50% of the applicable premium amount. Employees that retired on or before December 31, 2012 are grandfathered under the existing PPO plan but have the option to change to the new plan, which offers single or family coverage and subsequently, reduced premiums for single coverage. Employees who leave the City and do not elect to participate in the plan immediately following termination are not eligible for future benefits.

Employees Covered by Benefit Terms

At December 31, 2020 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	53
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	88
Total	141

Changes to the Plan

The OPEB plan was closed to new participants December 31, 2012. In an effort to reduce the size and scope of the plan, the City offered active participants an opportunity to opt out of the existing plan and receive a contribution to a Retiree Health Savings (RHS) account equal to 1% of annual salary for each year in the plan since 2003. The City will continue to fund the RHS accounts with a 1% salary contribution annually and the

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

employee is required to contribute ½% of annual salary to the plan. Effective January 1, 2013, all eligible new employees participate in the RHS plan, funded by a 1% of salary contribution from both the City and the employee. Employees that remain in the OPEB plan are required to contribute 1% of salary to a Retirement Health Savings plan. The efforts to reduce plan participants has been effective and the number of active participants since 2013 has been reduced by seventy four percent. The following table reflects the change in active plan participants, retirees and beneficiaries, and the amount of opt out payments made from reserves in the plan.

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Active Participants	293	219	146	131	123	114	105	88	77
Retirees & Beneficiaries	91	84	82	86	78	57	62	53	57
Opt out Payments	\$ 285,469	\$ 307,660	\$ 274,338	\$ 228,621	\$ -	\$ -	\$ -	\$ -	\$ -

In addition to the employee applicable (½% or 1%) contribution to the Retirement Health Savings plan, a portion of the employee’s PTO may be converted to cash and contributed to their Retirement Health Savings plan on an annual basis. The PTO buyout is mandatory if the employee has over 400 hours of PTO available. The Finance department processes the buyout in the second payroll in January. The following table details the contributions to the plan for the City and active employees, including the PTO buy out component.

Plan Participants	Employee Contribution (deposited to RHS plan)	City Contribution ¹⁻ Contributed to Fund 522 ²⁻ Contributed to employee RHS Plan	Second Payroll in January Mandatory PTO Buy Out to Transfer to RHS If PTO Balance 400-599 Hours	Second Payroll in January Mandatory PTO Buy Out to Transfer to RHS If PTO Balance 600-800 Hours
¹ Existing Emp - OPEB Plan	1% Salary	\$14,400 Annual	20 Hours	40 Hours
² New Employee in RHS	1% Salary	1% Salary	20 Hours	40 Hours
² Existing Employee Opted out of OPEB Plan to RHS	1/2% Salary	1% Salary	20 Hours	40 Hours

Contributions

The Post-Employment Health Insurance Program is funded on a pay-as-you-go basis. The City pays benefits as they come due. There are no assets accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits. Contributions for the reporting period were \$761,924 (including implicit subsidy credit).

Total OPEB Liability

The City's total OPEB liability was valued as of December 31, 2020, and was used to calculate the total OPEB liability measured as of December 31, 2021. The following is a summary of changes in the Total OPEB liability for fiscal year 2021:

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

Changes in the Total OPEB Liability	Total OPEB Liability Increases (Decreases)
Balance as of Report Date December 31, 2020	\$ 9,317,685
Changes for the year:	
Service Cost	322,534
Interest	185,186
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	(132,461)
Changes of Assumptions	77,997
Contributions	-
Net Investment Income	-
Benefit Payments	(318,227)
Implicit Rate Subsidy Fulfilled	(443,697)
Other Miscellaneous Income/(Expense)	-
Net Changes	<u>(308,668)</u>
Balance as of Report Date December 31, 2021	<u>\$ 9,009,017</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	<u>December 31, 2020</u>	<u>December 31, 2021</u>
Discount Rate	2.00%	1.84%
Inflation	2.75%	2.75%
Healthcare Cost Trend Rates		
Pre-Medicare	7.00%	6.50% *
Salary Increases	3.50%	3.50% **
Mortality Rates	Based on SOA tables	

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the State of Washington 2018 study.
- Inactive employees (retirees) pay 50% of the cost of benefits.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the net OPEB liability.

**Trending down to 4.04% over 53 years. Applies to calendar years.*

***Additional merit-based increases based on the State of Washington merit salary increase tables.*

Discount Rate

The discount rate used to measure the total OPEB liability is 1.84%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

Sensitivity of the total OPEB liability changes in the discount rate

The following table presents City's total OPEB liability calculated using the current discount rate (1.84%) as well as what the TOL would be if it were calculated using a discount rate that is one percentage point lower (0.84%) or one percentage point higher (2.84%) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>0.84%</u>	<u>1.84%</u>	<u>2.84%</u>
Total OPEB Liability (Asset)	\$ 9,502,307	\$ 9,009,017	\$ 8,526,897
Increase (Decrease)	493,290		(482,120)
% Change	5.5%		-5.4%

Sensitivity of the total OPEB liability changes in the healthcare cost trend rates

The healthcare cost trend for this valuation started at 6.50% and decreased to 4.04% over 53 years. The following table presents City's total OPEB liability calculated using the current healthcare cost trend rate (6.50%) as well as what the TOL would be if it were calculated using healthcare trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than current trend rate.

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Total OPEB Liability (Asset)	\$ 8,188,531	\$ 9,009,017	\$ 9,945,579
Increase (Decrease)	(820,486)		936,562
% Change	-9.1%		10.4%

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized an OPEB expense of \$540,630. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Actual and Expected Experience	\$ 102,544	\$ (622,764)
Changes of Assumptions	757,817	(324,618)
Total	\$ 860,361	\$ (947,382)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Report Year Ending December 31:</u>	<u>Amount</u>
2022	\$ 32,910
2023	32,910
2024	(11,828)
2025	(106,859)
2026	(31,560)
Remaining	(2,594)

Current Liability

	<u>Amount</u>
Current OPEB Liability	\$ 759,618
Non-Current OPEB Liability	<u>8,249,399</u>
Total OPEB Liability	\$ <u>9,009,017</u>

Expected Average Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period is 6.3 years.

Post-Employment Healthcare Plans – LEOFF 1 Fire and LEOFF 1 Police Plans

Plan Description

The City of Richland provides postemployment health care benefits via two single-employer defined benefit OPEB plans in accordance with State statute for retired police officers and firefighters who are eligible under the Law Enforcement Officers’ and Firefighters (LEOFF 1) plan retirement system. The LEOFF 1 OPEB plans for Police and Fire are administered by the Police and Fire Pension plans discussed in more detail in Note 10. The Plans do not issue stand-alone financial reports, and the activity of the Plans is included in the City’s financial statements available on the City’s website at <https://www.ci.richland.wa.us/departments/finance/financial-reports>.

Benefits Provided

As mandated by RCW 41.26, RCW 41.18 and RCW 41.20, the City reimburses 100% of allowable healthcare costs for LEOFF 1 retirees. All firefighters and law enforcement officers employed between 3/1/70 and 10/31/77 are members of a single employer defined benefit OPEB plan and are provided lifetime insurance coverage for medical, hospital and nursing home care costs. These benefits are accounted for in Police and Fire Pension and Relief Funds and are considered, in substance, a postemployment healthcare plan administered by, but not

part of, the Police and Fire Pension Plans. Extraordinary health and dental expenses, as determined by the Pension Board, require prior approval. Insurance policies for this benefit are underwritten as part of the City’s overall insurance program. The LEOFF 1 OPEB plans are closed to new entrants.

Pension Plan members who take service or disability retirements are eligible to have 100% of their medical expenses paid by the City. These expenses are reduced by amounts received or eligible to be received under worker’s compensation, Medicare or insurance provided by another employer, and are paid at the discretion of the Local Disability Board. The Disability Board has authority to designate the provider of the services.

The City pays a monthly insurance premium to the Employee Health Care Fund for each retiree. The premium is less for Medicare age retirees, and the City reimburses retirees for the Medicare premiums. Medicare is the primary payer for retirees age 65 and over, and Cigna Administrators pays claims for retirees under age 65. The members’ necessary hospital, medical, and nursing care expenses not payable by workers’ compensation, Medicare, or insurance provided by another employer, are covered.

Employees Covered by Benefit Terms

At December 31, 2020 (the census date), the benefit terms covered the following employees:

Category	Fire Fighters	Police Officers
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	23	28
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active Employees	-	-
Total	23	28

Contributions

The City contributes an amount to the fund equal to the benefits paid. Contributions for the reporting period were \$289,748 for LEOFF 1 Fire and \$164,788 for LEOFF 1 Police.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The OPEB plans are administered by the Fire and Police Pension Boards and, as with the pension plans, the Pension Boards have the authority for establishing and amending plan policies as set forth by State statutes. The boards are comprised as follows: Firefighters’ Pension Plan: Mayor or Mayor Pro Tem, City Clerk, Finance Director (the Treasurer) and two elected firefighters and one alternate; Police Relief and Pension Plan: Mayor, Mayor Pro Tem, City Clerk, Finance Director (the Treasurer) and three elected police officers. The elected board members can be active or retired and must be either participants in the plan or LEOFF II participants elected by participants in the plan.

Total OPEB Liability

The City’s total OPEB liability for LEOFF 1 Fire and LEOFF 1 Police was valued as of December 31, 2020, and was used to calculate the total OPEB liability measured as of December 31, 2021.

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	<u>December 31, 2020</u>	<u>December 31, 2021</u>
Discount Rate	2.00%	1.84%
Inflation	2.75%	2.75%
Healthcare Cost Trend Rates		
Pre-Medicare	7.00%	6.50% *
Medicare	5.40%	5.40% *
Salary Increases	n/a	n/a
Mortality Rates	Based on SOA tables	

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the State of Washington 2018 study.
- Inactive employees (retirees) pay 0% of the cost of benefits.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the net OPEB liability.

** Trending down to 4.04% over 53 years. Applies to calendar years.*

Discount Rate

The discount rate used to measure the total OPEB liability was 1.84%. The City’s OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

Basis of Accounting

The fund financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting. The City’s contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan and all plan investments are reported at fair market value as of December 31, 2021.

Funding Policy

The City does not require retiree contributions. All fire and police Pension funding is reported in the General Fund in the City’s financial statements. These funds provide for both OPEB and pension benefits to LEOFF 1 employees. Contributions for the fire plan are derived from an annual property tax levy of up to \$ 0.2250 per

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

\$1,000 of assessed property value. In addition, on an annual basis, the State contributes a fixed amount based on the number of active firefighters per RCW 41.16.050(2). Contributions for the police plan are derived from contributions by the City’s General Fund. The City contributes the cost of medical claims paid on behalf of members of both plans through the Employee Benefit Fund. Contributions are recognized when they are earned and become measurable.

Under current law, the LEOFF 1 OPEB plans need only receive enough revenue to fund the benefits on a “pay-as-you-go” basis. Employee contributions are not required. There is no legal level of reserves required and there are no long-term contracts for contributions to the plan.

The following tables show the changes in total OPEB liability during fiscal year 2021:

Changes in the Total OPEB Liability (LEOFF 1 Fire)	Total OPEB Liability Increases (Decreases)
Balance as of Report Date December 31, 2020	\$ 4,039,296
Changes for the year:	
Service Cost	-
Interest	77,889
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	31,452
Changes of Assumptions	61,816
Benefit Payments	(289,748)
Implicit Subsidy Credit	-
Other Changes	-
Net Changes	<u>(118,591)</u>
Balance as of Report Date December 31, 2021	<u>\$ 3,920,705</u>

Changes in the Total OPEB Liability (LEOFF 1 Police)	Total OPEB Liability Increases (Decreases)
Balance as of Report Date December 31, 2020	\$ 4,850,841
Changes for the year:	
Service Cost	-
Interest	95,369
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	(127,624)
Changes of Assumptions	73,244
Benefit Payments	(164,788)
Implicit Subsidy Credit	-
Other Changes	-
Net Changes	<u>(123,799)</u>
Balance as of Report Date December 31, 2021	<u>\$ 4,727,042</u>

Sensitivity of the total OPEB liability changes in the discount rate

The following table presents Total OPEB liability for LEOFF 1 Fire and LEOFF 1 Police calculated using the current discount rate (1.84%) as well as what the TOL would be if it were calculated using a discount rate that is one percentage point lower (0.84%) or one percentage point higher (2.84%) than the current rate.

LEOFF 1 Fire	1% Decrease	Discount Rate	1% Increase
	0.84%	1.84%	2.84%
Total OPEB Liability (Asset)	\$ 4,346,953	\$ 3,920,705	\$ 3,559,432
Increase (Decrease)	426,248		(361,273)
% Change	10.9%		-9.2%

LEOFF 1 Police	1% Decrease	Discount Rate	1% Increase
	0.84%	1.84%	2.84%
Total OPEB Liability (Asset)	\$ 5,229,830	\$ 4,727,042	\$ 4,297,780
Increase (Decrease)	502,788		(429,262)
% Change	10.6%		-9.1%

Sensitivity of the total OPEB liability changes in the healthcare cost trend rates

The healthcare cost trend for this valuation started at 6.50% and decreased to 4.04% over 53 years. The following table presents Total OPEB liability for LEOFF 1 Fire and LEOFF 1 Police calculated using the current healthcare cost trend rate (6.50%) as well as what the TOL would be if it were calculated using healthcare trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate.

LEOFF 1 Fire	1% Decrease	Trend Rate	1% Increase
	5.50%	6.50%	7.50%
Total OPEB Liability (Asset)	\$ 3,547,996	\$ 3,920,705	\$ 4,351,196
Increase (Decrease)	(372,709)		430,491
% Change	-9.5%		11.0%

LEOFF 1 Police	1% Decrease	Trend Rate	1% Increase
	5.50%	6.50%	7.50%
Total OPEB Liability (Asset)	\$ 4,283,612	\$ 4,727,042	\$ 5,235,751
Increase (Decrease)	(443,430)		508,709
% Change	-9.4%		10.8%

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB for LEOFF 1 Fire and Police:

For the report year ended December 31, 2021, the LEOFF 1 Fire and LEOFF 1 Police recognized OPEB expense of \$171,157 and \$40,989 respectively. On December 31, 2021, the LEOFF 1 Fire and LEOFF 1 Police reported \$0 deferred outflows of resources related to OPEB and \$0 deferred inflows of resources related to OPEB.

Current Liability

	<u>LEOFF 1 Fire</u>	<u>LEOFF 1 Police</u>
Current OPEB Liability	\$ 256,911	\$ 291,392
Non-Current OPEB Liability	3,663,794	4,435,650
Total OPEB Liability	\$ 3,920,705	\$ 4,727,042

Expected Average Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period is 0.0 years.

NOTE 10. PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68 - Accounting and Financial Reporting for Pensions and GASB Statement 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within The Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 for the year 2021:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ (6,983,853)
Pension assets	\$ 51,708,909
Deferred outflows of resources	\$ 5,080,785
Deferred inflows of resources	\$ (39,030,920)
Pension expense/expenditures	\$ (9,548,451)

State Sponsored Pension Plans

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 P.O. Box 48380
 Olympia, WA 98540-8380

DRS ACFR may also be downloaded from the DRS website at www.drs.wa.gov.

Public Employees’ Retirement System (PERS)

PERS members include elected officials; State employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS 1

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service. The AFC is the average of the member’s 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions – PERS 1 - The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the State Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee
January - June 2021:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.97%	6.00%
July - December 2021:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.25%	6.00%

PERS 2 and 3

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions – PERS 2/3 - The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the State Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer	Employee
January - June 2021:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	12.97%	7.90%
July - December 2021:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	10.25%	6.36%

The City’s actual PERS plan contributions were \$1,314,404 to PERS Plan 1 and \$2,184,355 to PERS Plan 2/3 for the year ended December 31, 2021.

Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF 1

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months’ salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions – LEOFF 1 - Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF 2

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and nonduty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions – LEOFF 2 - The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and State contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2021.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January - June 2021:		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%
July - December 2021:		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%

The City’s actual contributions to the plan were \$853,461 for the year ended December 31, 2021.

The Legislature, by means of a special funding arrangement, appropriates money from the State General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the State constitution and could be changed by statute. For the State fiscal year ending June 30, 2021, the State contributed \$78,170,320 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$550,576.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2019 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity
- **Investment rate of return:** 7.40%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were no changes in assumptions since the last valuation.

There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated

June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.40 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA’s assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40% on pension plans investments was applied to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.40% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA’s) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA’s and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2021, are summarized in the table below. The inflation component used to create the table is 2.20% and represents the WSIB’s most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	2.20%
Tangible Assets	7.00%	5.10%
Real Estate	18.00%	5.80%
Global Equity	32.00%	6.30%
Private Equity	23.00%	9.30%
	100.00%	

Sensitivity of the Net Pension Liability/(Asset)

The following table presents the City’s proportionate share of the net pension liability calculated using the current discount rate of (7.40%), as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate.

Plan	1% Decrease (6.40%)	Current Rate (7.40%)	1% Increase (8.40%)
PERS 1	\$ 3,917,741	\$ 2,299,742	\$ 888,681
PERS 2/3	(6,865,742)	(24,100,420)	(38,293,184)
LEOFF 1	(3,817,296)	(4,240,195)	(4,606,074)
LEOFF 2	(14,736,063)	(23,368,295)	(30,463,371)

Pension Plan Fiduciary Net Position

Detailed information about the State’s pension plans’ fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the City reported a total pension liability of \$2,299,742 and a total pension asset of (\$51,708,909) for its proportionate share of the net pension liabilities (assets) as follows:

Plan	Liability (Asset)
PERS 1	\$ 2,299,742
PERS 2/3	(24,100,420)
LEOFF 1	(4,240,195)
LEOFF 2	(23,368,295)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

Proportionate Share	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$ (4,240,195)	\$ (23,368,295)
State's proportionate share of the net pension asset associated with the employer	(28,680,573)	(15,075,101)
Total	(32,920,768)	(38,443,396)

At June 30, 2021, the City’s proportionate share of the collective net pension liabilities was as follows:

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	0.195936%	0.188313%	-0.007623%
PERS 2/3	0.255753%	0.241933%	-0.013820%
LEOFF 1	0.127127%	0.123781%	-0.003346%
LEOFF 2	0.410844%	0.402318%	-0.008526%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer’s proportionate share of the collective pension amounts reported by DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary. In fiscal year 2021, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the State of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

Pension Expense

For the year ended December 31, 2021, the City recognized pension expense as follows:

Plan	Pension Expense
PERS 1	\$ (701,595)
PERS 2/3	(5,610,893)
LEOFF 1	(568,862)
LEOFF 2	(2,808,127)
Total	(9,689,476)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2021

PERS PLAN 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(2,551,944)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contribution	-	-
Contributions subsequent to the measurement date	634,645	-
TOTAL	634,645	(2,551,944)

PERS PLAN 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,170,523	\$ (295,448)
Net difference between projected and actual investment earnings on pension plan investments	-	(20,142,298)
Changes of assumptions	35,218	(1,711,529)
Changes in proportion and differences between contributions and proportionate share of contribution	66,522	(641,461)
Contributions subsequent to the measurement date	1,078,875	-
TOTAL	2,351,138	(22,790,735)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(1,295,641)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contribution	-	-
Contributions subsequent to the measurement date	-	-
TOTAL	-	(1,295,641)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,059,897	\$ (123,500)
Net difference between projected and actual investment earnings on pension plan investments	-	(11,142,171)
Changes of assumptions	10,102	(1,111,397)
Changes in proportion and differences between contributions and proportionate share of contribution	598,403	(15,532)
Contributions subsequent to the measurement date	426,600	-
TOTAL	2,095,001	(12,392,600)

Total	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,230,419	\$ (418,948)
Net difference between projected and actual investment earnings on pension plan investments	-	(35,132,054)
Changes of assumptions	45,320	(2,822,926)
Changes in proportion and differences between contributions and proportionate share of contribution	664,925	(656,993)
Contributions subsequent to the measurement date	2,140,120	-
TOTAL	5,080,784	(39,030,920)

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3	LEOFF 1	LEOFF 2
2022	\$ (676,010)	\$ (5,653,903)	\$ (344,169)	\$ (2,906,426)
2023	(619,472)	(5,292,012)	(314,805)	(2,703,765)
2024	(585,735)	(5,013,701)	(297,048)	(2,550,644)
2025	(670,727)	(5,386,127)	(339,618)	(2,880,387)
2026		(148,070)		25,237
Thereafter		(24,658)		291,785
Total	(2,551,944)	(21,518,472)	(1,295,641)	(10,724,199)

Firefighter's Pension Plan

Plan Description

The City administers a single-employer defined-benefit post-employment pension plan for firefighters hired prior to 1970, the Firefighter's Pension Plan (FPP). Dependents are eligible to enroll, and benefits continue to surviving spouses. The FPP is not administered through a trust and for this reason was reclassified from a fiduciary fund to the General Fund in 2018 per GASB Statement 73, paragraph 115.

Benefits Provided

All benefit terms are in statutes RCW 41.16, 41.18, and 41.26. The FPP provides retirement, disability, and death benefits. Each firefighter in service on March 1, 1970 receives the greater of the benefit payable under the Washington Law Enforcement Officers' and Firefighters' Retirement System and the benefits available under the provisions of prior law. Where benefits under the old law exceed those under the new law for any firefighter, the excess benefits are paid from the FPP of the city employing the member on March 1, 1970.

All members are retired and drawing benefits. Benefit terms provide for cost-of-living adjustments to each member's retirement benefit. There are two types of increases: escalation by salary in proportion to the current salary of the rank from which the firefighter retired, or an increase proportionate to the increase in the Seattle-area CPI, with the change computed annually. Regardless of the increase (or decrease) in the CPI, the benefits are increased at least 2% each year. The former applies to firefighters who retired from service after 1969, their survivors, and to firefighters who retired for duty disability (but not their survivors) after 1969. The latter applies to all other types of monthly benefits.

Employees covered by benefit terms

At December 31, 2020 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments:	16
Inactive employees entitled to but not yet receiving benefit payments:	0
Active employees:	0
Total	16

Contributions

The City pays benefits as they come due (pay-as-you-go). Therefore there is no set contribution rate. The agency does not accumulate assets in a trust that meets the criteria of paragraph 4 of Statement No. 73 of the Governmental Accounting Standards Board. Contributions for the reporting period were \$115,093.

Financial Report

The City does not issue a stand-alone financial report for the Firefighter’s Pension Plan. The activity of the Plan is included in the City’s financial statements available on the City’s website at <https://www.ci.richland.wa.us/departments/finance/financial-reports>

Total Pension Liability

The City’s total pension liability was valued as of December 31, 2020, and was used to calculate the total pension liability measured as of December 31, 2021.

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	<u>December 31, 2020</u>	<u>December 31, 2021</u>
Discount Rate	2.00%	1.84%
Inflation	2.75%	2.75%
Salary Increases	3.50%	3.50% Used to project total benefit increases

Mortality Rates Mortality rates were based on SOA tables.

- Experience studies come from the State of Washington 2018 study.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the total pension liability.

Discount Rate

Fidelity municipal government-obligation AA-rated 20-year bond index rate was used for the discount rate. The selected rate was 1.84%.

Expected Average Remaining Service Lives (EARSL)

The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period is 0.0 years.

Changes in the Total Pension Liability (Firefighter’s Pension Plan)

The following table shows the changes in total pension liability for the Firefighter’s Pension Plan during fiscal year 2021:

Changes in the Total Pension Liability (Firefighter's Pension)	Total Pension Liability Increase (Decrease)
Balance as of Report Date December 31, 2020	\$ 1,563,693
Changes for the year:	
Service Cost	-
Interest	30,123
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	(4,119)
Changes of Assumptions	17,586
Benefit Payments	(115,093)
Other Miscellaneous Income/(Expense)	-
Net Changes	<u>(71,503)</u>
Balance as of Report Date December 31, 2021	<u>\$ 1,492,190</u>

Sensitivity of the Total Pension Liability to changes in the discount rate

The following table presents City’s total pension liability (TPL) for the Firefighter’s Pension Plan calculated using the current discount rate (1.84%) as well as what the TPL would be if it were calculated using a discount rate that is one percentage point lower (0.84%) or one percentage point higher (2.84%) than the current rate.

	1% Decrease	Current Rate	1% Increase
	<u>0.84%</u>	<u>1.84%</u>	<u>2.84%</u>
Total Pension Liability (Asset) \$	1,611,031	\$ 1,492,190	\$ 1,388,052
Increase (Decrease)	118,841		(104,138)
% Change	8.0%		-7.0%

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

For the year ended December 31, 2021, the City recognized a pension expense related to firefighter’s pension of \$43,590, deferred outflows of resources related to firefighter’s pension of \$0, and deferred inflows of resources related to firefighter’s pension of \$0.

Current Liability for Firefighter’s Pension Plan

	<u>Amount</u>
Current Pension Liability	\$ 117,855
Non-Current Pension Liability	<u>1,374,335</u>
Total Pension Liability	\$ <u>1,492,190</u>

Police Pension Plan

Plan Description

The City administers a single-employer defined-benefit post-employment pension plan for police officers hired prior to 1970, the Police Pension Plan (PPP). Dependents are eligible to enroll, and benefits continue to surviving spouses. The PPP is not administered through a trust and for this reason was reclassified from a fiduciary fund to the General Fund in 2018 per GASB Statement 73, paragraph 115.

Benefits Provided

All benefit terms are in statutes RCW 41.16, 41.18, and 41.26. The PPP provides retirement, disability, and death benefits. Each police officer in service on March 1, 1970 receives the greater of the benefit payable under the Washington Law Enforcement Officers' and police officers' Retirement System and the benefits available under the provisions of prior law. Where benefits under the old law exceed those under the new law for any police officer, the excess benefits are paid from the PPP of the city employing the member on March 1, 1970.

All members are retired and drawing benefits. Benefit terms provide for cost-of-living adjustments to each member's retirement benefit. There are two types of increases: escalation by salary in proportion to the current salary of the rank from which the police officer retired, or an increase proportionate to the increase in the Seattle-area CPI, with the change computed annually. Regardless of the increase (or decrease) in the CPI, the benefits are increased at least 2% each year. The former applies to police officers who retired from service after 1969, their survivors, and to police officers who retired for duty disability

(but not their survivors) after 1969. The latter applies to all other types of monthly benefits.

Employees covered by benefit terms

At December 31, 2020 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments:	15
Inactive employees entitled to but not yet receiving benefit payments:	0
Active employees:	0
Total	15

Contributions

The City pays benefits as they become due (pay-as-you-go). Therefore there is no set contribution rate. The agency does not accumulate assets in a trust that meets the criteria of paragraph 4 of Statement No. 73 of the Governmental Accounting Standards Board. Contributions for the reporting period were \$194,664.

Financial Report

The City does not issue a stand-alone financial report for the Police Pension Plan. The activity of the Plan is included in the City’s financial statements available on the City’s website at <https://www.ci.richland.wa.us/departments/finance/financial-reports>

Total Pension Liability

The City’s total pension liability was valued as of December 31, 2020, and was used to calculate the total pension liability measured as of December 31, 2021.

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	<u>December 31, 2020</u>	<u>December 31, 2021</u>
Discount Rate	2.00%	1.84%
Inflation	2.75%	2.75%
Salary Increases	3.50%	3.50% Used to project total benefit increases
Mortality Rates	Mortality rates were based on SOA tables.	

- Experience studies come from the State of Washington 2018 study.

- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the total pension liability.

Discount Rate

Fidelity municipal government-obligation AA-rated 20-year bond index rate was used for the discount rate. The selected rate was 1.84%.

Expected Average Remaining Service Lives (EARSL)

The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period is 0.0 years.

Changes in the Total Pension Liability (Police Pension Plan)

The following table shows the changes in total pension liability for the Police Pension Plan during fiscal year 2021:

Changes in the Total Pension Liability (Police Pension)	Total Pension Liability Increase (Decrease)
Balance as of Report Date December 31, 2020	\$ 3,289,149
Changes for the year:	
Service Cost	-
Interest	63,836
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	(11,589)
Changes of Assumptions	45,188
Benefit Payments	(194,664)
Other Miscellaneous Income/(Expense)	-
Net Changes	<u>(97,229)</u>
Balance as of Report Date December 31, 2021	<u>\$ 3,191,920</u>

Sensitivity of the Total Pension Liability to changes in the discount rate

The following table presents City’s total pension liability (TPL) for the Police Pension Plan calculated using the current discount rate (1.84%) as well as what the TPL would be if it were calculated using a discount rate that is one percentage point lower (0.84%) or one percentage point higher (2.84%) than the current rate.

	1% Decrease	Current Rate	1% Increase
	<u>0.84%</u>	<u>1.84%</u>	<u>2.84%</u>
Total Pension Liability (Asset) \$	3,500,564	\$ 3,191,920	\$ 2,926,244
Increase (Decrease)	308,644		(265,676)
% Change	9.7%		-8.3%

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

For the year ended December 31, 2021, the City recognized pension expense related to police pension of \$97,435, deferred outflows of resources related to police pension of \$0, and deferred inflows of resources related to police pension of \$0.

Current Liability for Police Pension Plan

	<u>Amount</u>
Current Pension Liability \$	202,907
Non-Current Pension Liability	<u>2,989,013</u>
Total Pension Liability \$	<u>3,191,920</u>

NOTE 11. WHOLESALE POWER SUPPLY CONTRACTS

Since 1958, the City has traditionally purchased its wholesale electric power (energy and capacity) requirements from the Bonneville Power Administration (BPA) for resale to its retail customers. BPA, one of four, Federal Power Marketing Administrations (PMA), sells power output from the Federal Columbia River Power System (FCRPS), principally consisting of hydroelectric generating facilities owned by the U.S. Corps of Engineers and the U.S. Bureau of Reclamation, and the output from Energy Northwest's Columbia Generating Station (CGS) nuclear plant. BPA supplements the generation resources with regional contractual and power exchange acquisitions. Regional consumer-owned wholesale utility customers, like the City of Richland, purchase Federal power under the preference clause of the Bonneville Project Act, allowing them priority firm access to FCRPS output. BPA also owns and maintains a regional high voltage transmission system, which delivers wholesale power to the City's nine points of delivery. The City has separate agreements with BPA for power and integrated network transmission services, expiring in 2028 and 2031 respectively.

Prior to October 2011, BPA met preference customers load growth automatically by acquiring necessary power resources. With cost and risk mitigation in mind, BPA engaged its customers and stakeholders in a regional dialogue process, which significantly shifted responsibility for securing power to meet post-FY2011 incremental loads. New long-term power supply agreements, for the FY2012-2028 period, provided preference customers with a historical load-based share of FCRPS output (tier 1) and related costs recovered via a new tiered rate methodology (TRM). Arranging power supply to serve load growth (tier 2) exceeding historical FY2010 levels became each utility's responsibility with the option to contract with BPA or non-Federal suppliers. Richland signed a 20-year BPA Regional Dialogue Contract as a load following customer in December 2008 for the FY2012-2028 period. This contract obligates BPA to meet the City's net wholesale requirements exceeding the utility's tier 2 resources delivered on a flat block basis. Since tier 2 resources reflect market-based pricing, the TRM has some potential market-based energy and capacity rate exposure.

Since 2002, the City has been a member of Northwest Requirements Utilities (NRU), which represents the power and transmission interests of 55 consumer-owned electric utilities. In anticipation of operating under BPA's new Regional Dialogue Contract for wholesale power and desiring more control over tier 2 power resource options, 22 NRU members established a new entity, NRU-Power Services (NRU-PS), to provide administrative and non-Federal power management services. NRU-PS members include municipalities, public utility districts, and rural cooperatives. In order to accommodate State and organizational legal mandates, the member utilities created two additional entities for the purpose of actual resource acquisition. Northwest Intergovernmental Energy Supply (NIES) represents municipal and public utility district members while Northwest Energy Supply Cooperative (NESC) represents cooperatives. Richland is a NIES member. Both NIES and NESC have agreements allowing NRU-PS to provide all of the necessary administrative functions required to procure non-Federal resources. Richland elected to meet all of its tier 2 requirements through BPA from 2015-2019 and began using a blend of non-federal market purchases supplied by NIES beginning in late 2019. NRU-PS members actively evaluate resource acquisition opportunities, particularly for the post-2019 era. This effort includes considering renewable resources necessary to meet State renewable portfolio standards as part of the Washington State's Energy Independence Act and the Clean Energy Transformation Act (CETA).

Richland is also a long-standing member of Energy Northwest (EN), a joint operating agency with 26 Washington consumer-owned electric utility members. Richland holds less than 2% interest in each of EN's nuclear generating projects 1, 2, and 3. Only Columbia Generating Station (CGS) Project 2 was completed while projects 1 and 3 were terminated. Richland's pro-rata share of EN costs are included in the BPA wholesale priority firm power billings. BPA acquires the output of CGS and reimburses EN for its operating and debt costs under a Direct Pay Agreement. Through a participant agreement, the City remains obligated to pay its share of the cost to retire the bonds for projects 1, 2 and 3 if the Direct Pay Agreement discontinues. Richland may also be obligated to pay, either as a participant or as a member of EN, the costs of project site restoration.

NOTE 12. CONTINGENCIES AND LITIGATIONS

The City has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but, where based on available information, management believes it is probable that the City will have to make payment. In the opinion of City management, the City's insurance policies are adequate to pay all known or pending claims.

Based upon current evaluation of the lawsuits, the City's legal counsel indicates that the City's exposure does not exceed the amount of reserves available for payment. The City is currently actively defending three lawsuits at the trial court level. Of the three lawsuits awaiting trial, one alleges trespass/inverse condemnation, the second alleges an unconstitutional taking and due process violation, and the third is a land use petition seeking reversal of a recent land use decision. The City believes it has defensible positions on these matters, and does not have an approximation of potential liability. Insurance coverage is available for damages awarded, with the exception of punitive damages, which are highly unlikely. In addition, two matters are currently on appeal, with a high likelihood of City's success on the merits.

The City participates in a number of federal and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

NOTE 13. COVID-19 PANDEMIC

In February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of a deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The City budgets conservatively and maintains appropriate reserves to help mitigate economic fluctuations and unforeseen events. At this time, there are no known material financial or operational impacts to the City as a result of the COVID-19 pandemic. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. To date, the City has remained economically stable and continues to adapt to the changing conditions.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the City is unknown at this time.

NOTE 14. SERVICE CONCESSION ARRANGEMENTS

The City has identified one agreement that meets the criteria in GASB Statement 60 for reporting as a Service Concession Arrangement (SCA); the Horn Rapids ORV Park. Per the requirements of GASB Statements 60 and 63, assets constructed or improvements made by the transferee in prior years that will not become property of the City until the termination of the agreement are included in capital asset balances at acquisition value and are offset by a deferred inflow of resources in the Government-Wide Statement of Net Position, when applicable.

Horn Rapids Off-Road Vehicle (ORV) Park

In 2007 the City entered into an agreement with HRMC, Inc. (HRMC), under which HRMC operates and collects user fees from the Horn Rapids ORV Park for a five-year term, renewable for three additional five-year terms. In 2010 the agreement was amended, extending the term of the agreement to 2022 and providing the option for HRMC to renew the agreement for three additional ten-year terms. In 2019, upon receiving a request from HRMC, the City authorized an extension of the agreement to 2032.

HRMC pays the City a percentage of gross receipts from the revenues generated by operation of the ORV Park as follows: 2% of the first \$300,000 in annual gross receipts, and 3% of annual gross receipts exceeding \$300,000. HRMC is required to operate and maintain the ORV Park in accordance with the agreement. At the end of the agreement term HRMC is required to “return the premises to the City in same or better condition, reasonable wear and tear accepted.” As a result, assets provided by the transferee are not currently depreciated. In addition, HRMC constructed and will construct certain improvements to the facilities which may be either permanent or removable in nature. Permanent structures constructed by HRMC on the premises become property of the City upon the expiration of the agreement’s final term. The City reports the ORV Park and related structures as a governmental capital asset with a carrying value of \$4,043,258 at year end, and reports a deferred inflow of resources in the amount of \$2,688,500 related to the structures that have been constructed by HRMC.

NOTE 15. FUND BALANCE CLASSIFICATION

As described Note 1, Summary of Significant Accounting Policies, fund balances in the Governmental Fund Balance Sheet are classified as non-spendable, restricted, committed, assigned, and unassigned based on the level of constraints on expenditure of resources. The Balance Sheet reports the classification of fund balance by function. Debt Service is considered a specific use, rather than a governmental function.

The following table describes in more detail the purpose of each fund balance classification, except for balances related to non-spendable, debt service, and unassigned fund balances:

(Remainder of this page intentionally left blank)

City of Richland, Washington
 Annual Comprehensive Financial Report
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

Purpose of Restricted, Committed and Assigned Fund Balance, as displayed on the Governmental Funds Balance sheet (Other than debt service)		
<u>Balance Sheet Description</u>	<u>Amount</u>	<u>Purpose</u>
Restricted For:		
Capital Improvements	4,483,725	Real Estate Excise Tax restricted for capital improvements
	744,298	Fire Station 75 Construction
	1,762,813	Acquisition and development of public open space (parks)
	76,275	Restricted by franchise agreement for cable broadcast equipment
	<u>7,067,111</u>	
Public Safety	1,771,050	Public Safety Sales/Criminal Justice Tax restricted to Criminal Justice purposes
	30,575	Police confiscations
	<u>1,801,625</u>	
Economic Environment	370,163	Contingency for performance of Hanford Reach Interpretive Center
	1,008,532	Lodging Tax proceeds restricted for tourism promotion
	881,432	HUD Program for owner occupies housing rehabilitation
	1,881,675	HUD Program for home down payment assistance
	1,683,928	Building Permit Proceeds - unspent
	3,641	Restricted for public art
	<u>5,829,371</u>	
Transportation	<u>22,138</u>	Transportation Improvement District tab fees for bridge & street improvements
	22,138	
Other Purposes	1,339,943	Fire/Police Pensions
	27,073	Police Operations
	<u>1,367,016</u>	
Committed For:		
Capital Improvements	452,951	Library capital improvements
	5,214,279	Park construction projects
	139,008	Streets construction projects
	416,310	Swift Blvd corridor/City Hall Improvements
	<u>6,222,549</u>	
Public Safety	14,278	Police Operations
	25,000	Police - Narcotics investigations
	60,539	Fire Equipment
	<u>99,817</u>	
Economic Environment	115,855	Commercial Improvement Program
	<u>3,995,201</u>	Industrial Development
	4,111,057	
Assigned To:		
Public Safety	51,630	Police operations and special projects
	6,235	Fire Department operations
	<u>57,865</u>	
Transportation	3,584,305	Construction of streets infrastructure
	451,796	Maintenance of streets and rail infrastructure
	<u>4,036,101</u>	



REQUIRED SUPPLEMENTARY INFORMATION

City of Richland, Washington
 Annual Comprehensive Financial Report
 Required Supplementary Information
 For the Year Ended December 31, 2021

OTHER POST EMPLOYMENT BENEFITS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS				
POST EMPLOYMENT HEALTHCARE PLAN				
FOR THE YEAR ENDED DECEMBER 31, 2021				
LAST 10 FISCAL YEARS*				
	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 9,317,685	\$ 10,047,417	\$ 10,859,388	\$ 10,218,385
Service Cost	322,534	357,678	327,477	317,939
Interest	185,186	274,039	394,657	412,174
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(132,461)	(324,882)	185,689	(718,605)
Changes of Assumptions	77,997	(156,493)	(394,411)	1,717,693
Benefit Payments	(318,227)	(606,428)	(1,030,936)	(811,722)
Implicit Rate Subsidy Fulfilled	(443,697)	(273,646)	(294,447)	(276,476)
Total OPEB Liability - Ending	\$ 9,009,017	\$ 9,317,685	\$ 10,047,417	\$ 10,859,388
Covered-employee Payroll**	\$ 8,357,859	\$ 8,075,226	\$ 10,111,177	\$ 9,816,677
City's Total OPEB Liability as a Percentage of Covered-employee Payroll	107.79%	115.39%	99.37%	110.62%
Notes to Schedule:				
* Until a full 10 year trend is compiled, only information for those years available is presented				
** Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB 75, par. 246)				
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75				

City of Richland, Washington
Annual Comprehensive Financial Report
Required Supplementary Information
For the Year Ended December 31, 2021

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS				
LEOFF 1 FIREFIGHTERS OPEB				
FOR THE YEAR ENDED DECEMBER 31, 2021				
LAST 10 FISCAL YEARS*				
	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 4,039,296	\$ 8,820,142	\$ 9,055,358	\$ 9,668,049
Service Cost	-	-	-	-
Interest	77,889	239,004	335,022	332,039
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	31,452	(4,458,187)	(251,890)	(354,610)
Changes of Assumptions	61,816	(303,484)	(75,491)	(328,013)
Benefit Payments	(289,748)	(258,179)	(242,857)	(262,107)
Implicit Rate Subsidy Fulfilled	-	-	-	-
Total OPEB Liability - Ending	\$ 3,920,705	\$ 4,039,296	\$ 8,820,142	\$ 9,055,358
Covered-employee Payroll**	\$ -	\$ -	\$ -	\$ -
City's Total OPEB Liability as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A

Notes to Schedule:
* Until a full 10 year trend is compiled, only information for those years available is presented
** Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB 75, par. 246)
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS				
LEOFF 1 POLICE OPEB				
FOR THE YEAR ENDED DECEMBER 31, 2021				
LAST 10 FISCAL YEARS*				
	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 4,850,841	\$ 14,696,661	\$ 15,533,433	\$ 13,720,278
Service Cost	-	-	-	-
Interest	95,369	400,745	577,975	565,609
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(127,624)	(9,522,508)	(455,025)	(997,276)
Changes of Assumptions	73,244	(475,804)	(718,232)	2,474,999
Benefit Payments	(164,788)	(248,253)	(241,490)	(230,177)
Implicit Rate Subsidy Fulfilled	-	-	-	-
Total OPEB Liability - Ending	\$ 4,727,042	\$ 4,850,841	\$ 14,696,661	\$ 15,533,433
Covered-employee Payroll**	\$ -	\$ -	\$ -	\$ -
City's Total OPEB Liability as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A

Notes to Schedule:
* Until a full 10 year trend is compiled, only information for those years available is presented
** Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB 75, par. 246)
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

City of Richland, Washington
Annual Comprehensive Financial Report
Required Supplementary Information
For the Year Ended December 31, 2021

PENSION PLANS

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS - FIRE PENSION								
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	30,123	45,033	59,872	63,404	87,993	92,704	98,363	103,590
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(4,119)	(288,009)	(13,348)	112,317	(208,186)	-	(4,485)	-
Changes of assumptions	17,586	228,116	121,000	173,506	(58,767)	-	-	-
Benefit payments, included refunds of employee contributions	(115,093)	(117,985)	(135,147)	(180,048)	(171,820)	(202,024)	(211,338)	(205,715)
Net change in total pension liability	(71,503)	(132,845)	32,377	169,179	(350,780)	(109,320)	(117,460)	(102,125)
Total pension liability - beginning	1,563,693	1,696,538	1,664,161	1,494,982	1,845,762	1,955,082	2,072,542	2,174,667
Total pension liability - ending	\$ 1,492,190	\$ 1,563,693	\$ 1,696,538	\$ 1,664,161	\$ 1,494,982	\$ 1,845,762	\$ 1,955,082	\$ 2,072,542
Covered-employee payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's total pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Notes to Schedule								
The City adopted GASB 73 for the fiscal year ending December 31, 2018, but adopted GASB 68 for the fiscal year ended December 31, 2014. Until a full 10 year trend is compiled, only information for those years available is presented.								
* Covered-employee payroll is the payroll of employees that are provided with pensions through the pension plan (GASB 73, par. 128)								

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS - POLICE PENSION								
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	63,836	96,207	112,867	116,570	133,349	136,198	139,988	143,633
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(11,589)	(532,265)	(41,736)	1,304,898	(658,565)	-	(21,223)	-
Changes of assumptions	45,188	328,481	639,350	(79,437)	(69,702)	-	-	-
Benefit payments, included refunds of employee contributions	(194,664)	(203,468)	(240,122)	(190,512)	(187,470)	(198,894)	(205,925)	(211,450)
Net change in total pension liability	(97,229)	(311,045)	470,359	1,151,519	(782,388)	(62,696)	(87,160)	(67,817)
Total pension liability - beginning	3,289,149	3,600,194	3,129,835	1,978,316	2,760,704	2,823,401	2,910,561	2,978,378
Total pension liability - ending	\$ 3,191,920	\$ 3,289,149	\$ 3,600,194	\$ 3,129,835	\$ 1,978,316	\$ 2,760,705	\$ 2,823,401	\$ 2,910,561
Covered-employee payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's total pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Notes to Schedule								
The City adopted GASB 73 for the fiscal year ending December 31, 2018, but adopted GASB 68 for the fiscal year ended December 31, 2014. Until a full 10 year trend is compiled, only information for those years available is presented.								
* Covered-employee payroll is the payroll of employees that are provided with pensions through the pension plan (GASB 73, par. 128)								

City of Richland, Washington
Annual Comprehensive Financial Report
Required Supplementary Information
For the Year Ended December 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY								
PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 1								
As of June 30, 2021								
Last 10 Fiscal Years*								
	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.188313%	0.195936%	0.207529%	0.208701%	0.209308%	0.222982%	0.221151%	0.229721%
Employer's proportionate share of the net pension liability (asset)	2,299,742	6,917,599	7,980,227	9,320,658	9,931,828	11,975,184	11,568,254	11,572,303
TOTAL	2,299,742	6,917,599	7,980,227	9,320,658	9,931,828	11,975,184	11,568,254	11,572,303
Covered payroll**	28,938,107	29,781,630	29,124,314	27,576,242	26,123,426	26,327,222	24,875,108	24,674,608
Employer's proportionate share of the net pension liability as a percentage of covered payroll	7.95%	23.23%	27.40%	33.80%	38.02%	45.49%	46.51%	46.90%
Plan fiduciary net position as a percentage of the total pension lia	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%

Notes to Schedule:
* Presenting information only for those years for which information is available up to 10 years
** Covered payroll is the payroll on which contributions to a pension plan are based

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY								
PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 2/3								
As of June 30, 2021								
Last 10 Fiscal Years*								
	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.241933%	0.255753%	0.267892%	0.265600%	0.264362%	0.277811%	0.275857%	0.282032%
Employer's proportionate share of the net pension liability (asset)	(24,100,420)	3,270,935	2,602,142	4,534,884	9,185,316	13,987,564	9,856,528	5,700,885
TOTAL	(24,100,420)	3,270,935	2,602,142	4,534,884	9,185,316	13,987,564	9,856,528	5,700,885
Covered payroll**	28,938,107	29,781,630	29,124,314	27,450,839	25,916,025	26,005,102	24,485,420	24,147,489
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-83.28%	10.98%	8.93%	16.52%	35.44%	53.79%	40.25%	23.61%
Plan fiduciary net position as a percentage of the total pension lia	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

Notes to Schedule:
* Presenting information only for those years for which information is available up to 10 years
** Covered payroll is the payroll on which contributions to a pension plan are based

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY								
LEOFF RETIREMENT SYSTEM PLAN 1								
As of June 30, 2021								
Last 10 Fiscal Years*								
	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.123781%	0.127127%	0.129806%	0.129145%	0.128052%	0.126016%	0.125802%	0.125288%
Employer's proportionate share of the net pension liability (asset)	(4,240,195)	(2,400,805)	(2,565,760)	(2,344,630)	(1,942,831)	(1,298,325)	(1,516,192)	(1,519,482)
State's proportionate share of net pension liability (asset) associated with employer	(28,680,573)	(16,238,984)	(17,354,735)	(15,859,019)	(13,141,258)	(8,781,839)	(1,516,192)	(1,519,482)
TOTAL	(32,920,768)	(18,639,789)	(19,920,495)	(18,203,649)	(15,084,089)	(10,080,164)	(3,032,384)	(3,038,964)
Covered payroll**	-	-	-	-	-	31,473	75,470	91,992
Employer's proportionate share of the net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	-4125.19%	-2008.99%	-1651.75%
Plan fiduciary net position as a percentage of the total pension lia	187.45%	146.88%	148.78%	144.42%	135.96%	123.74%	127.36%	126.91%

Notes to Schedule:
* Presenting information only for those years for which information is available up to 10 years
** Covered payroll is the payroll on which contributions to a pension plan are based

City of Richland, Washington
Annual Comprehensive Financial Report
Required Supplementary Information
For the Year Ended December 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY								
LEOFF RETIREMENT SYSTEM PLAN 2								
As of June 30, 2021								
Last 10 Fiscal Years*								
	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.402318%	0.410844%	0.432599%	0.442011%	0.439701%	0.450464%	0.411289%	0.417449%
Employer's proportionate share of the net pension liability (asset)	(23,368,295)	(8,380,618)	(10,021,991)	(8,973,787)	(6,101,625)	(2,620,034)	(4,227,228)	(5,539,728)
State's proportionate share of net pension liability (asset) associated with employer	(15,075,101)	(5,358,770)	(6,563,061)	(5,810,358)	(3,958,010)	(1,708,071)	(4,227,228)	(5,539,728)
TOTAL	(38,443,396)	(13,739,388)	(16,585,052)	(14,784,145)	(10,059,635)	(4,328,105)	(8,454,456)	(11,079,456)
Covered payroll**	16,219,097	15,580,281	14,984,568	14,593,802	13,754,625	13,646,421	11,937,074	11,617,276
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-144.08%	-53.79%	-66.88%	-61.49%	-44.36%	-19.20%	-35.41%	-47.69%
Plan fiduciary net position as a percentage of the total pension lia	142.00%	115.83%	119.43%	118.50%	113.36%	106.04%	111.67%	116.75%

Notes to Schedule:
* Presenting information only for those years for which information is available up to 10 years
** Covered payroll is the payroll on which contributions to a pension plan are based

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 1										
As of December 31, 2021										
Last 10 Fiscal Years										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily or contractually required contributions	\$ 1,314,404	\$ 1,437,901	\$ 1,464,462	\$ 1,431,430	\$ 35,334	\$ 48,941	\$ 67,823	\$ 78,321	\$ 96,187	\$ 91,766
Contributions in relation to the statutorily or contractually required contributions*	(1,314,404)	(1,437,901)	(1,464,462)	(1,431,430)	(27,661)	(25,145)	(38,503)	(44,388)	(46,395)	(60,891)
Contribution deficiency (excess)	-	-	-	-	7,673	23,796	29,320	33,933	49,792	30,875
Covered payroll**	\$ 30,401,692	\$ 29,999,312	\$ 29,570,482	\$ 28,284,425	\$ 26,948,293	\$ 25,347,210	\$ 25,380,922	\$ 25,441,133	\$ 24,851,454	\$ 24,625,683
Contributions as a percentage of covered payroll	4.32%	4.79%	4.95%	5.06%	0.13%	0.19%	0.27%	0.31%	0.39%	0.37%

Notes to Schedule
Excess contributions in PERS 1 are due to leave cashouts
* Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 contributions that fund PERS 1 UAAL
** Covered payroll is the payroll on which contributions to a pension plan are based

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 2 & 3										
As of December 31, 2021										
Last 10 Fiscal Years										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily or contractually required contributions	\$ 2,184,355	\$ 2,375,815	\$ 2,279,911	\$ 2,121,044	\$ 3,183,939	\$ 2,808,191	\$ 2,536,893	\$ 2,302,039	\$ 1,971,093	\$ 1,708,167
Contributions in relation to the statutorily or contractually required contributions	(2,184,355)	(2,375,815)	(2,279,911)	(2,121,044)	(3,183,939)	(2,808,191)	(2,536,893)	(2,302,039)	(1,971,093)	(1,708,167)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll*	\$ 30,401,692	\$ 29,999,312	\$ 29,570,482	\$ 28,284,425	\$ 26,717,377	\$ 25,122,302	\$ 24,998,494	\$ 24,961,610	\$ 24,272,814	\$ 23,771,033
Contributions as a percentage of covered payroll	7.18%	7.92%	7.71%	7.50%	11.92%	11.18%	10.15%	9.22%	8.12%	7.19%

Notes to Schedule
* Covered payroll is the payroll on which contributions to a pension plan are based

SCHEDULE OF EMPLOYER CONTRIBUTIONS - LEOFF RETIREMENT SYSTEM PLAN 1										
As of December 31, 2021										
Last 10 Fiscal Years										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily or contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 758	\$ -	\$ -	\$ -
Contributions in relation to the statutorily or contractually required contributions	-	-	-	-	-	-	(109)	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	649	-	-	-
Covered payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,906	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	1.34%	N/A	N/A	N/A

Notes to Schedule
Excess contribution in 2015 is due to corrections for 1980 for time that was not reported for employee
* Covered payroll is the payroll on which contributions to a pension plan are based

City of Richland, Washington
Annual Comprehensive Financial Report
Required Supplementary Information
For the Year Ended December 31, 2021

SCHEDULE OF EMPLOYER CONTRIBUTIONS - LEOFF RETIREMENT SYSTEM PLAN 2											
As of December 31, 2021											
Last 10 Fiscal Years											
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
Statutorily or contractually required contributions	\$ 853,461	\$ 817,869	\$ 794,365	\$ 774,994	\$ 735,325	\$ 677,438	\$ 642,151	\$ 614,451	\$ 604,541	\$ 570,531	
Contributions in relation to the statutorily or contractually required contributions	(853,461)	(817,869)	(794,365)	(774,994)	(735,325)	(677,438)	(642,151)	(614,451)	(603,710)	(570,531)	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	831	-	
Covered payroll*	\$ 16,601,956	\$ 15,857,451	\$ 15,151,138	\$ 14,648,249	\$ 14,266,819	\$ 13,414,604	\$ 12,715,703	\$ 12,167,241	\$ 11,539,641	\$ 11,231,020	
Contributions as a percentage of covered payroll	5.14%	5.16%	5.24%	5.29%	5.15%	5.05%	5.05%	5.05%	5.24%	5.08%	
Notes to Schedule											
Excess contributions in 2013 are due to leave cashouts											
* Covered payroll is the payroll on which contributions to a pension plan are based											



COMBINING AND INDIVIDUAL FUND STATEMENTS NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds – are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds – are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on governmental long-term debt.

Capital Projects Funds – are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by the enterprise funds.

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	<u>Special revenue funds</u>	<u>Debt service funds</u>	<u>Capital projects funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 7,266,330	\$ 1,539,428	\$ 9,189,485	\$ 17,995,242
Deposits with third parties	28,600	-	-	28,600
Investments	2,866,889	-	2,747,716	5,614,605
Taxes receivable	503,720	16,315	660,012	1,180,048
Customer accounts (net)	126,071	-	-	126,071
Due from other governments	388,121	-	-	388,121
Assessments	-	19,507	-	19,507
Notes and contracts	1,720,120	-	-	1,720,120
Prepaid items	18,263	-	-	18,263
Inventory	51,525	-	-	51,525
Total assets	<u>\$ 12,969,639</u>	<u>\$ 1,575,250</u>	<u>\$ 12,597,213</u>	<u>\$ 27,142,102</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 659,686	\$ -	\$ 1,159,606	\$ 1,819,292
Payable to other governments	11,944	-	241	12,184
Interfund loans payable	45,822	-	578,755	624,577
Deposits payable	9,000	-	-	9,000
Unearned revenue-other	26,600	-	-	26,600
Total liabilities	<u>753,052</u>	<u>-</u>	<u>1,738,602</u>	<u>2,491,653</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	\$ -	\$ 13,222	\$ -	\$ 13,222
Unavailable revenue-unbilled LID assessments	-	11,744	-	11,744
Total deferred inflows of resources	<u>-</u>	<u>24,966</u>	<u>-</u>	<u>24,966</u>
Total liabilities and deferred inflows of resources	<u>753,052</u>	<u>24,966</u>	<u>1,738,602</u>	<u>2,516,619</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Contractually maintained deposits	\$ 2,000	\$ -	\$ -	\$ 2,000
Inventory	51,525	-	-	51,525
Prepaid items	18,263	-	-	18,263
Restricted				
Capital improvements	\$ 1,762,813	\$ -	\$ 5,228,023	\$ 6,990,835
Debt service	-	1,193,142	-	1,193,142
Economic environment	4,141,802	-	-	4,141,802
Public safety	1,771,050	-	-	1,771,050
Transportation	22,138	-	-	22,138
Committed				
Capital improvements	\$ -	\$ -	\$ 5,630,589	\$ 5,630,589
Economic environment	3,995,201	-	-	3,995,201
Assigned				
Debt service	\$ -	\$ 357,142	\$ -	\$ 357,142
Transportation	451,796	-	-	451,796
Total fund balances (deficits)	<u>\$ 12,216,587</u>	<u>\$ 1,550,284</u>	<u>\$ 10,858,612</u>	<u>\$ 24,625,483</u>
Total liabilities and fund balances (deficits)	<u>\$ 12,969,639</u>	<u>\$ 1,575,250</u>	<u>\$ 12,597,213</u>	<u>\$ 27,142,102</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 6,063,527	\$ 2,167,551	\$ 5,070,824	\$ 13,301,903
Intergovernmental	2,372,749	-	249,164	2,621,913
Charges for goods and services	7,233,711	-	-	7,233,711
Investment earnings	24,634	18,865	(13,514)	29,984
Rents and leases	1,377,405	-	-	1,377,405
Miscellaneous revenue	234,861	9,996	32,500	277,356
Total revenues	<u>17,306,886</u>	<u>2,196,411</u>	<u>5,338,974</u>	<u>24,842,272</u>
EXPENDITURES				
Current:				
General government	-	-	6,582	6,582
Public safety	8,055,031	-	-	8,055,031
Transportation	3,486,963	27	-	3,486,990
Economic environment	4,847,003	-	-	4,847,003
Culture and recreation	18,149	-	77,077	95,226
Debt service:				
Interest	3,260	1,707,598	-	1,710,858
Principal retirement	92,994	2,645,000	-	2,737,994
Capital outlay:				
General government	-	-	267,662	267,662
Public safety	-	-	7,584,278	7,584,278
Transportation	9,480	-	-	9,480
Economic environment	37,677	-	-	37,677
Culture and recreation	-	-	513,118	513,118
Total expenditures	<u>16,550,559</u>	<u>4,352,625</u>	<u>8,448,716</u>	<u>29,351,900</u>
Excess (deficiency) of revenues over expenditures	<u>756,327</u>	<u>(2,156,214)</u>	<u>(3,109,741)</u>	<u>(4,509,628)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	528,920	2,245,786	2,909,134	5,683,840
Transfers out	(4,510,687)	(64,915)	(5,188,532)	(9,764,134)
Disposition of land held for sale	1,983,576	-	-	1,983,576
Total other financing sources (uses)	<u>(1,998,192)</u>	<u>2,180,871</u>	<u>(2,279,398)</u>	<u>(2,096,718)</u>
Net change in fund balances	(1,241,864)	24,657	(5,389,139)	(6,606,346)
Fund balances - beginning	13,458,451	1,525,627	16,247,751	31,231,829
Fund balances - ending	<u>\$ 12,216,587</u>	<u>\$ 1,550,284</u>	<u>\$ 10,858,612</u>	<u>\$ 24,625,483</u>





COMBINING AND INDIVIDUAL FUND STATEMENTS

NONMAJOR SPECIAL REVENUE FUNDS

Streets Fund – is used to account for revenues received for the purpose of constructing, improving, alteration or maintenance of any city street or bridge, or viaduct or underpass along, upon or across such streets.

Transportation Benefit District Fund – is used to account for all funds received from levying of taxes for the purpose of acquiring, constructing, improving, and funding transportation improvements within the City.

Park Reserve Fund – is used to account for all funds received from the sale of non-industrial land and any gifts and bequests directed to the City for acquisition and development of public open spaces.

Industrial Development Fund – is used to account for revenues generated by the sale of industrial property. The proceeds are expended for industrial development.

Criminal Justice Fund – is used to account for revenues distributed by Washington State for criminal justice purposes.

PFD Facility Contingency Fund – is used to account for and report annual deposits from the Richland Public Facility District to the City to fund a contingency reserve for the PFD facility, per contract.

Public Safety Sales Tax Fund – is used to account for a voter approved sales tax increase of three tenths of one percent. The taxes are dedicated to public safety and will be assessed for 10 years.

BCES Operations Fund – is used to account for the fees received from the BCES funds to compensate the City for staffing costs.

Hotel/Motel Tax Fund – is used to account for revenues derived from a 4% excise tax on lodging. State law requires that the funds be used for construction, operation and maintenance of tourism related activities.

Special Lodging Assessment Tax Fund – is used to account for revenues derived from an additional \$1.50 lodging fee that is remitted back to the Tourism Promotion Area participants to further tourism efforts.

CDBG Fund – is used to account for the Community Development Block Grant HUD program.

HOME Fund – is used to account for HOME Investment Partnership Grant HUD program.

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Balance Sheet
Nonmajor Special revenue funds
December 31, 2021

	Streets Fund	Transportation Benefit District Fund	Park Reserve Fund	Industrial Development Fund	Criminal Justice Fund
ASSETS					
Cash and cash equivalents	\$ 476,644	\$ 22,138	\$ 1,756,072	\$ 1,100,978	\$ 217,823
Deposits with third parties	2,000	-	-	26,600	-
Investments	-	-	-	2,866,889	-
Taxes receivable	-	-	-	-	-
Customer accounts (net)	31,708	-	12,008	82,356	-
Due from other governments	87,543	-	-	-	23,251
Notes and contracts	-	-	-	-	-
Prepaid items	-	-	-	-	-
Inventory	51,525	-	-	-	-
Total assets	<u>\$ 649,419</u>	<u>\$ 22,138</u>	<u>\$ 1,768,080</u>	<u>\$ 4,076,823</u>	<u>\$ 241,074</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 144,008	\$ -	\$ -	\$ 39,836	\$ -
Payable to other governments	90	-	2,267	9,185	-
Interfund loans payable	-	-	-	-	-
Deposits payable	-	-	3,000	6,000	-
Unearned revenue-other	-	-	-	26,600	-
Total liabilities	<u>144,098</u>	<u>-</u>	<u>5,267</u>	<u>81,621</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>144,098</u>	<u>-</u>	<u>5,267</u>	<u>81,621</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Contractually maintained deposits	\$ 2,000	\$ -	\$ -	\$ -	\$ -
Inventory	51,525	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted					
Capital improvements	\$ -	\$ -	\$ 1,762,813	\$ -	\$ -
Economic environment	-	-	-	-	-
Public safety	-	-	-	-	241,074
Transportation	-	22,138	-	-	-
Committed					
Economic environment	\$ -	\$ -	\$ -	\$ 3,995,201	\$ -
Assigned					
Transportation	\$ 451,796	\$ -	\$ -	\$ -	\$ -
Total fund balances (deficits)	<u>\$ 505,321</u>	<u>\$ 22,138</u>	<u>\$ 1,762,813</u>	<u>\$ 3,995,201</u>	<u>\$ 241,074</u>
Total liabilities and fund balances (deficits)	<u>\$ 649,419</u>	<u>\$ 22,138</u>	<u>\$ 1,768,080</u>	<u>\$ 4,076,823</u>	<u>\$ 241,074</u>

<u>PFD Facility Contingency Fund</u>	<u>Public Safety Sales Tax Fund</u>	<u>BCES Operations Fund</u>	<u>Hotel/Motel Fund</u>	<u>Special Lodging Assessment Fund</u>	<u>CDBG Fund</u>	<u>HOME Fund</u>	<u>Total Nonmajor Special revenue funds</u>
\$ 370,163	\$ 1,191,528	\$ 211,435	\$ 942,499	\$ 58,371	\$ -	\$ 918,679	\$ 7,266,330
-	-	-	-	-	-	-	28,600
-	-	-	-	-	-	-	2,866,889
-	417,309	-	86,412	-	-	-	503,720
-	-	-	-	-	-	-	126,071
-	-	-	-	52,279	194,227	30,821	388,121
-	-	-	-	-	769,262	950,858	1,720,120
-	18,263	-	-	-	-	-	18,263
-	-	-	-	-	-	-	51,525
<u>\$ 370,163</u>	<u>\$ 1,627,099</u>	<u>\$ 211,435</u>	<u>\$ 1,028,911</u>	<u>\$ 110,650</u>	<u>\$ 963,489</u>	<u>\$ 1,900,358</u>	<u>\$ 12,969,639</u>
\$ -	\$ 78,860	\$ 211,435	\$ 72,682	\$ 58,346	\$ 35,834	\$ 18,683	\$ 659,686
-	-	-	-	-	401	-	11,944
-	-	-	-	-	45,822	-	45,822
-	-	-	-	-	-	-	9,000
-	-	-	-	-	-	-	26,600
-	<u>78,860</u>	<u>211,435</u>	<u>72,682</u>	<u>58,346</u>	<u>82,058</u>	<u>18,683</u>	<u>753,052</u>
-	-	-	-	-	-	-	-
-	<u>78,860</u>	<u>211,435</u>	<u>72,682</u>	<u>58,346</u>	<u>82,058</u>	<u>18,683</u>	<u>753,052</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
-	-	-	-	-	-	-	51,525
-	18,263	-	-	-	-	-	18,263
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,762,813
370,163	-	-	956,228	52,304	881,432	1,881,675	4,141,802
-	1,529,976	-	-	-	-	-	1,771,050
-	-	-	-	-	-	-	22,138
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,995,201
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,796
<u>\$ 370,163</u>	<u>\$ 1,548,238</u>	<u>\$ -</u>	<u>\$ 956,228</u>	<u>\$ 52,304</u>	<u>\$ 881,432</u>	<u>\$ 1,881,675</u>	<u>\$ 12,216,587</u>
<u>\$ 370,163</u>	<u>\$ 1,627,099</u>	<u>\$ 211,435</u>	<u>\$ 1,028,911</u>	<u>\$ 110,650</u>	<u>\$ 963,489</u>	<u>\$ 1,900,358</u>	<u>\$ 12,969,639</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special revenue funds
For the Year Ended December 31, 2021

	Streets Fund	Transportation Benefit District Fund	Park Reserve Fund	Industrial Development Fund	Criminal Justice Fund
REVENUES					
Taxes	\$ 724,486	\$ 1,055,278	\$ -	\$ -	\$ -
Intergovernmental	1,236,123	-	-	-	90,324
Charges for goods and services	464,205	-	449,745	-	-
Investment earnings	5,173	3,956	11,722	(21,835)	-
Rents and leases	35,775	-	123,588	1,218,041	-
Miscellaneous revenue	10,785	-	-	224,076	-
Total revenues	<u>2,476,546</u>	<u>1,059,234</u>	<u>585,055</u>	<u>1,420,282</u>	<u>90,324</u>
EXPENDITURES					
Current:					
Public safety	-	-	-	-	-
Transportation	3,486,963	-	-	-	-
Economic environment	-	-	-	1,183,141	-
Culture and recreation	-	-	18,149	-	-
Debt service:					
Interest	-	-	-	3,260	-
Principal retirement	-	-	-	92,994	-
Capital outlay:					
Transportation	9,480	-	-	-	-
Economic environment	-	-	-	37,677	-
Total expenditures	<u>3,496,443</u>	<u>-</u>	<u>18,149</u>	<u>1,317,073</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,019,897)</u>	<u>1,059,234</u>	<u>566,906</u>	<u>103,209</u>	<u>90,324</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	495,166	-	-	33,754	-
Transfers out	(69,455)	(1,336,297)	(614,005)	(1,947,890)	(69,871)
Disposition of land held for sale	-	-	-	1,983,576	-
Total other financing sources (uses)	<u>425,710</u>	<u>(1,336,297)</u>	<u>(614,005)</u>	<u>69,440</u>	<u>(69,871)</u>
Net change in fund balances	(594,186)	(277,063)	(47,099)	172,648	20,453
Fund balances - beginning	1,099,507	299,201	1,809,911	3,822,553	220,621
Fund balances - ending	<u>\$ 505,321</u>	<u>\$ 22,138</u>	<u>\$ 1,762,813</u>	<u>\$ 3,995,201</u>	<u>\$ 241,074</u>

<u>PFD Facility Contingency Fund</u>	<u>Public Safety Sales Tax Fund</u>	<u>BCES Operations Fund</u>	<u>Hotel/Motel Fund</u>	<u>Special Lodging Assessment Fund</u>	<u>CDBG Fund</u>	<u>HOME Fund</u>	<u>Total Nonmajor Special revenue funds</u>
\$ -	\$ 2,373,106	\$ -	\$ 1,197,124	\$ 713,534	\$ -	\$ -	\$ 6,063,527
-	-	-	-	-	516,361	529,941	2,372,749
-	-	5,869,721	-	-	336	449,703	7,233,711
2,414	7,226	-	8,652	433	-	6,893	24,634
-	-	-	-	-	-	-	1,377,405
-	-	-	-	-	-	-	234,861
<u>2,414</u>	<u>2,380,332</u>	<u>5,869,721</u>	<u>1,205,775</u>	<u>713,967</u>	<u>516,697</u>	<u>986,538</u>	<u>17,306,886</u>
-	2,185,311	5,869,721	-	-	-	-	8,055,031
-	-	-	-	-	-	-	3,486,963
-	-	-	1,173,395	688,758	330,138	1,471,571	4,847,003
-	-	-	-	-	-	-	18,149
-	-	-	-	-	-	-	3,260
-	-	-	-	-	-	-	92,994
-	-	-	-	-	-	-	9,480
-	-	-	-	-	-	-	37,677
<u>-</u>	<u>2,185,311</u>	<u>5,869,721</u>	<u>1,173,395</u>	<u>688,758</u>	<u>330,138</u>	<u>1,471,571</u>	<u>16,550,559</u>
<u>2,414</u>	<u>195,022</u>	<u>-</u>	<u>32,380</u>	<u>25,209</u>	<u>186,558</u>	<u>(485,033)</u>	<u>756,327</u>
-	-	-	-	-	-	-	528,920
-	(64,708)	-	(178,321)	-	(230,139)	-	(4,510,687)
-	-	-	-	-	-	-	1,983,576
<u>-</u>	<u>(64,708)</u>	<u>-</u>	<u>(178,321)</u>	<u>-</u>	<u>(230,139)</u>	<u>-</u>	<u>(1,998,192)</u>
2,414	130,313	-	(145,941)	25,209	(43,581)	(485,033)	(1,241,864)
367,749	1,417,925	-	1,102,169	27,095	925,012	2,366,707	13,458,451
<u>\$ 370,163</u>	<u>\$ 1,548,238</u>	<u>\$ -</u>	<u>\$ 956,228</u>	<u>\$ 52,304</u>	<u>\$ 881,432</u>	<u>\$ 1,881,675</u>	<u>\$ 12,216,587</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Streets Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 720,647	\$ 720,647	\$ 724,486	\$ 3,839
Intergovernmental	1,322,060	1,322,060	1,236,123	(85,937)
Charges for goods and services	460,000	460,000	464,205	4,205
Investment earnings	3,000	3,000	5,173	2,173
Rents and leases	35,776	35,776	35,775	(1)
Miscellaneous revenue	13,000	13,000	10,785	(2,215)
Total revenues	<u>2,554,483</u>	<u>2,554,483</u>	<u>2,476,546</u>	<u>(77,937)</u>
EXPENDITURES				
Current:				
Transportation	3,543,501	3,531,497	3,486,963	44,534
Total current	<u>3,543,501</u>	<u>3,531,497</u>	<u>3,486,963</u>	<u>44,534</u>
Capital outlay:				
Transportation	-	96,500	9,480	87,020
Total capital outlay	<u>-</u>	<u>96,500</u>	<u>9,480</u>	<u>87,020</u>
Total expenditures	<u>3,543,501</u>	<u>3,627,997</u>	<u>3,496,443</u>	<u>131,554</u>
Excess (deficiency) of revenues over expenditures	<u>(989,018)</u>	<u>(1,073,514)</u>	<u>(1,019,897)</u>	<u>53,617</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	542,897	542,897	495,166	(47,731)
Transfers out	-	(84,999)	(69,455)	15,544
Total other financing sources (uses)	<u>542,897</u>	<u>457,898</u>	<u>425,710</u>	<u>(32,188)</u>
Net change in fund balances	(446,121)	(615,616)	(594,186)	21,430
Fund balances - beginning	1,099,507	1,099,507	1,099,507	-
Fund balances - ending	<u>\$ 653,386</u>	<u>\$ 483,891</u>	<u>\$ 505,321</u>	<u>\$ 21,430</u>

City of Richland, Washington
 Annual Comprehensive Financial Report
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Transportation Benefit District Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 950,000	\$ 950,000	\$ 1,055,278	\$ 105,278
Investment earnings	400	400	3,956	3,556
Total revenues	950,400	950,400	1,059,234	108,834
EXPENDITURES				
Current:				
Total current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	950,400	950,400	1,059,234	108,834
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,777,867)	(1,777,867)	(1,336,297)	441,570
Total other financing sources (uses)	(1,777,867)	(1,777,867)	(1,336,297)	441,570
Net change in fund balances	(827,467)	(827,467)	(277,063)	550,404
Fund balances - beginning	299,201	299,201	299,201	-
Fund balances - ending	\$ (528,266)	\$ (528,266)	\$ 22,138	\$ 550,404

City of Richland, Washington
 Annual Comprehensive Financial Report
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Park Reserve Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for goods and services	\$ 378,000	\$ 378,000	\$ 449,745	\$ 71,745
Investment earnings	24,000	24,000	11,722	(12,278)
Rents and leases	97,935	97,935	123,588	25,653
Total revenues	499,935	499,935	585,055	85,120
EXPENDITURES				
Current:				
Culture and recreation	20,000	20,000	18,149	1,851
Total current	20,000	20,000	18,149	1,851
Total expenditures	20,000	20,000	18,149	1,851
Excess (deficiency) of revenues over expenditures	479,935	479,935	566,906	86,971
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,289,005)	(1,289,005)	(614,005)	675,000
Total other financing sources (uses)	(1,289,005)	(1,289,005)	(614,005)	675,000
Net change in fund balances	(809,070)	(809,070)	(47,099)	761,971
Fund balances - beginning	1,809,911	1,809,911	1,809,911	-
Fund balances - ending	\$ 1,000,841	\$ 1,000,841	\$ 1,762,813	\$ 761,971

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Industrial Development Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 10,000	\$ 10,000	\$ (21,835)	\$ (31,835)
Rents and leases	1,160,908	1,160,908	1,218,041	57,133
Miscellaneous revenue	359,802	359,802	224,076	(135,726)
Total revenues	1,530,710	1,530,710	1,420,282	(110,428)
EXPENDITURES				
Current:				
Economic environment	1,088,236	1,391,429	1,183,141	208,288
Total current	1,088,236	1,391,429	1,183,141	208,288
Debt service:				
Interest	3,260	3,260	3,260	-
Principal retirement	92,994	92,994	92,994	-
Total debt service	96,254	96,254	96,255	(1)
Capital outlay:				
Economic environment	85,000	85,000	37,677	47,323
Total capital outlay	85,000	85,000	37,677	47,323
Total expenditures	1,269,490	1,572,683	1,317,073	255,610
Excess (deficiency) of revenues over expenditures	261,220	(41,973)	103,209	145,182
OTHER FINANCING SOURCES (USES)				
Transfers in	33,754	33,754	33,754	-
Transfers out	(5,300,000)	(7,016,419)	(1,947,890)	5,068,529
Disposition of land held for sale	3,238,216	3,238,216	1,983,576	(1,254,640)
Total other financing sources (uses)	(2,028,030)	(3,744,449)	69,440	3,813,889
Net change in fund balances	(1,766,810)	(3,786,422)	172,648	3,959,070
Fund balances - beginning	3,822,553	3,822,553	3,822,553	-
Fund balances - ending	\$ 2,055,743	\$ 36,131	\$ 3,995,201	\$ 3,959,070

City of Richland, Washington
 Annual Comprehensive Financial Report
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Criminal Justice Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 87,826	\$ 87,826	\$ 90,324	\$ 2,498
Total revenues	<u>87,826</u>	<u>87,826</u>	<u>90,324</u>	<u>2,498</u>
EXPENDITURES				
Current:				
Total current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>87,826</u>	<u>87,826</u>	<u>90,324</u>	<u>2,498</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(69,871)	(69,871)	(69,871)	-
Total other financing sources (uses)	<u>(69,871)</u>	<u>(69,871)</u>	<u>(69,871)</u>	<u>-</u>
Net change in fund balances	17,955	17,955	20,453	2,498
Fund balances - beginning	220,621	220,621	220,621	-
Fund balances - ending	<u>\$ 238,576</u>	<u>\$ 238,576</u>	<u>\$ 241,074</u>	<u>\$ 2,498</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
PFD Facility Contingency Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 2,414	\$ 2,414
Total revenues	-	-	2,414	2,414
EXPENDITURES				
Current:				
Total current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	2,414	2,414
Net change in fund balances	-	-	2,414	2,414
Fund balances - beginning	367,749	367,749	367,749	-
Fund balances - ending	\$ 367,749	\$ 367,749	\$ 370,163	\$ 2,414

City of Richland, Washington
 Annual Comprehensive Financial Report
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Public Safety Sales Tax Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,878,450	\$ 1,878,450	\$ 2,373,106	\$ 494,656
Intergovernmental	-	329,553	-	(329,553)
Investment earnings	24,000	24,000	7,226	(16,774)
Total revenues	<u>1,902,450</u>	<u>2,232,003</u>	<u>2,380,332</u>	<u>148,329</u>
EXPENDITURES				
Current:				
Public safety	2,423,360	2,695,567	2,185,311	510,256
Total current	<u>2,423,360</u>	<u>2,695,567</u>	<u>2,185,311</u>	<u>510,256</u>
Total expenditures	<u>2,423,360</u>	<u>2,695,567</u>	<u>2,185,311</u>	<u>510,256</u>
Excess (deficiency) of revenues over expenditures	<u>(520,910)</u>	<u>(463,564)</u>	<u>195,022</u>	<u>658,586</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(72,196)	(64,708)	7,488
Total other financing sources (uses)	<u>(10,000)</u>	<u>(72,196)</u>	<u>(64,708)</u>	<u>7,488</u>
Net change in fund balances	(530,910)	(535,760)	130,313	666,073
Fund balances - beginning	1,417,925	1,417,925	1,417,925	-
Fund balances - ending	<u>\$ 887,015</u>	<u>\$ 882,165</u>	<u>\$ 1,548,238</u>	<u>\$ 666,073</u>

City of Richland, Washington
 Annual Comprehensive Financial Report
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 BCES Operations Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for goods and services	\$ 6,452,862	\$ 6,452,862	\$ 5,869,721	\$ (583,141)
Total revenues	<u>6,452,862</u>	<u>6,452,862</u>	<u>5,869,721</u>	<u>(583,141)</u>
EXPENDITURES				
Current:				
Public safety	6,452,862	6,452,862	5,869,721	583,141
Total current	<u>6,452,862</u>	<u>6,452,862</u>	<u>5,869,721</u>	<u>583,141</u>
Total expenditures	<u>6,452,862</u>	<u>6,452,862</u>	<u>5,869,721</u>	<u>583,141</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Hotel/Motel Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 800,000	\$ 1,000,000	\$ 1,197,124	\$ 197,124
Investment earnings	6,700	6,700	8,652	1,952
Total revenues	806,700	1,006,700	1,205,775	199,075
EXPENDITURES				
Current:				
Economic environment	628,379	1,028,379	1,173,395	(145,016)
Total current	628,379	1,028,379	1,173,395	(145,016)
Total expenditures	628,379	1,028,379	1,173,395	(145,016)
Excess (deficiency) of revenues over expenditures	178,321	(21,679)	32,380	54,059
OTHER FINANCING SOURCES (USES)				
Transfers out	(303,321)	(483,590)	(178,321)	305,269
Total other financing sources (uses)	(303,321)	(483,590)	(178,321)	305,269
Net change in fund balances	(125,000)	(505,269)	(145,941)	359,328
Fund balances - beginning	1,102,169	1,102,169	1,102,169	-
Fund balances - ending	\$ 977,169	\$ 596,900	\$ 956,228	\$ 359,328

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Lodging Assessment Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 374,750	\$ 584,750	\$ 713,534	\$ 128,784
Investment earnings	250	250	433	183
Total revenues	<u>375,000</u>	<u>585,000</u>	<u>713,967</u>	<u>128,967</u>
EXPENDITURES				
Current:				
Economic environment	<u>375,000</u>	<u>585,000</u>	<u>688,758</u>	<u>(103,758)</u>
Total current	<u>375,000</u>	<u>585,000</u>	<u>688,758</u>	<u>(103,758)</u>
Total expenditures	<u>375,000</u>	<u>585,000</u>	<u>688,758</u>	<u>(103,758)</u>
Excess (deficiency) of revenues over expenditures	-	-	25,209	25,209
Net change in fund balances	-	-	25,209	25,209
Fund balances - beginning	<u>27,095</u>	<u>27,095</u>	<u>27,095</u>	-
Fund balances - ending	<u>\$ 27,095</u>	<u>\$ 27,095</u>	<u>\$ 52,304</u>	<u>\$ 25,209</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
CDBG Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 305,207	\$ 510,139	\$ 516,361	\$ 6,222
Charges for goods and services	100,000	100,000	336	(99,664)
Total revenues	405,207	610,139	516,697	(93,442)
EXPENDITURES				
Current:				
Economic environment	350,207	644,855	330,138	314,717
Total current	350,207	644,855	330,138	314,717
Total expenditures	350,207	644,855	330,138	314,717
Excess (deficiency) of revenues over expenditures	55,000	(34,716)	186,558	221,274
OTHER FINANCING SOURCES (USES)				
Transfers out	(120,000)	(319,902)	(230,139)	89,763
Total other financing sources (uses)	(120,000)	(319,902)	(230,139)	89,763
Net change in fund balances	(65,000)	(354,618)	(43,581)	311,037
Fund balances - beginning	925,012	925,012	925,012	-
Fund balances - ending	\$ 860,012	\$ 570,394	\$ 881,432	\$ 311,037

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
HOME Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 595,349	\$ 1,933,062	\$ 529,941	\$ (1,403,121)
Charges for goods and services	300,000	300,000	449,703	149,703
Investment earnings	-	-	6,893	6,893
Total revenues	<u>895,349</u>	<u>2,233,062</u>	<u>986,538</u>	<u>(1,246,524)</u>
EXPENDITURES				
Current:				
Economic environment	<u>895,349</u>	<u>3,437,397</u>	<u>1,471,571</u>	<u>1,965,826</u>
Total current	<u>895,349</u>	<u>3,437,397</u>	<u>1,471,571</u>	<u>1,965,826</u>
Total expenditures	<u>895,349</u>	<u>3,437,397</u>	<u>1,471,571</u>	<u>1,965,826</u>
Excess (deficiency) of revenues over expenditures	-	(1,204,335)	(485,033)	719,302
Net change in fund balances	-	(1,204,335)	(485,033)	719,302
Fund balances - beginning	<u>2,366,707</u>	<u>2,366,707</u>	<u>2,366,707</u>	-
Fund balances - ending	<u>\$ 2,366,707</u>	<u>\$ 1,162,372</u>	<u>\$ 1,881,675</u>	<u>\$ 719,302</u>





COMBINING AND INDIVIDUAL FUND STATEMENTS NONMAJOR DEBT SERVICE FUNDS

Limited Tax General Obligation Improvement/Refunding Bond Fund – is used to account for principal and interest payments on the Limited Tax General Obligation Improvement and Refunding bonds.

Fire Station #74 Bond Fund – is used to account for principal and interest payments on the 2014 Fire Station #74 Construction bond issue.

Police Station Bond Fund – is used to account for principal and interest payments on the 1999 Police Station Bond issue.

Richland Community Center Bond Fund – is used to account for principal and interest payments on the 2000 Richland Community Center Bond issue.

Library Bond Fund – is used to account for principal and interest payments on the 2007 Library Remodel Bond issue.

LRF Debt Service Fund – is used to account for principal and interest payments on the bonds issued for Local Revitalization Financing for the industrial and research areas in north Richland.

LID Guaranty Fund – is used to account for guaranteeing the payment of bonds and notes issued to pay for any local improvements ordered in local improvement districts in the City of Richland.

Special Assessment Debt Service Fund – is used to account for principal and interest payments on special assessment debt.

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Balance Sheet
Nonmajor Debt service funds
December 31, 2021

	<u>LTGO Bonds Fund</u>	<u>Fire Station 74 Bond Fund</u>	<u>Police Station Debt Service Fund</u>	<u>Richland Community Ctr Debt Fund</u>
ASSETS				
Cash and cash equivalents	\$ 236,892	\$ 120,250	\$ -	\$ -
Taxes receivable	-	-	-	-
Assessments	-	-	-	-
Total assets	<u>\$ 236,892</u>	<u>\$ 120,250</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	\$ -	\$ -	\$ -	\$ -
Unavailable revenue-unbilled LID assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted				
Debt service	\$ -	\$ -	\$ -	\$ -
Assigned				
Debt service	\$ 236,892	\$ 120,250	\$ -	\$ -
Total fund balances (deficits)	<u>\$ 236,892</u>	<u>\$ 120,250</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances (deficits)	<u>\$ 236,892</u>	<u>\$ 120,250</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Library Debt Service Fund</u>	<u>LRF Debt Service Fund</u>	<u>LID Guaranty- Debt Service Fund</u>	<u>Special Assessment Debt Service Fund</u>	<u>Total Nonmajor Debt service funds</u>
\$ 180,505	\$ 105,000	\$ 826,356	\$ 70,426	\$ 1,539,428
16,315	-	-	-	16,315
-	-	-	19,507	19,507
<u>\$ 196,820</u>	<u>\$ 105,000</u>	<u>\$ 826,356</u>	<u>\$ 89,933</u>	<u>\$ 1,575,250</u>
-	-	-	-	-
\$ 13,222	\$ -	\$ -	\$ -	\$ 13,222
-	-	-	11,744	11,744
<u>13,222</u>	<u>-</u>	<u>-</u>	<u>11,744</u>	<u>24,966</u>
13,222	-	-	11,744	24,966
\$ 183,598	\$ 105,000	\$ 826,356	\$ 78,189	\$ 1,193,142
\$ -	\$ -	\$ -	\$ -	\$ 357,142
<u>\$ 183,598</u>	<u>\$ 105,000</u>	<u>\$ 826,356</u>	<u>\$ 78,189</u>	<u>\$ 1,550,284</u>
<u>\$ 196,820</u>	<u>\$ 105,000</u>	<u>\$ 826,356</u>	<u>\$ 89,933</u>	<u>\$ 1,575,250</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt service funds
For the Year Ended December 31, 2021

	<u>LTGO Bonds Fund</u>	<u>Fire Station 74 Bond Fund</u>	<u>Police Station Debt Service Fund</u>	<u>Richland Community Ctr Debt Fund</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 597	\$ 760
Investment earnings	4,906	1,562	192	195
Miscellaneous revenue	-	-	-	-
Total revenues	<u>4,906</u>	<u>1,562</u>	<u>790</u>	<u>954</u>
EXPENDITURES				
Current:				
Transportation	-	-	-	-
Debt service:				
Interest	707,490	363,347	-	-
Principal retirement	810,000	300,000	-	-
Total expenditures	<u>1,517,490</u>	<u>663,347</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,512,584)</u>	<u>(661,786)</u>	<u>790</u>	<u>954</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,517,490	663,381	-	-
Transfers out	-	-	(32,198)	(32,717)
Total other financing sources (uses)	<u>1,517,490</u>	<u>663,381</u>	<u>(32,198)</u>	<u>(32,717)</u>
Net change in fund balances	4,906	1,595	(31,409)	(31,762)
Fund balances - beginning	231,985	118,655	31,409	31,762
Fund balances - ending	<u>\$ 236,892</u>	<u>\$ 120,250</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Library Debt Service Fund</u>	<u>LRF Debt Service Fund</u>	<u>LID Guaranty-Debt Service Fund</u>	<u>Special Assessment Debt Service Fund</u>	<u>Total Nonmajor Debt service funds</u>
\$ 1,514,159	\$ 652,035	\$ -	\$ -	\$ 2,167,551
4,776	1,844	5,390	-	18,865
-	-	-	9,996	9,996
<u>1,518,935</u>	<u>653,879</u>	<u>5,390</u>	<u>9,996</u>	<u>2,196,411</u>
-	-	27	-	27
345,700	290,935	-	126	1,707,598
1,170,000	365,000	-	-	2,645,000
<u>1,515,700</u>	<u>655,935</u>	<u>27</u>	<u>126</u>	<u>4,352,625</u>
<u>3,235</u>	<u>(2,056)</u>	<u>5,362</u>	<u>9,870</u>	<u>(2,156,214)</u>
64,915	-	-	-	2,245,786
-	-	-	-	(64,915)
<u>64,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,180,871</u>
68,150	(2,056)	5,362	9,870	24,657
115,448	107,055	820,993	68,319	1,525,627
<u>\$ 183,598</u>	<u>\$ 105,000</u>	<u>\$ 826,356</u>	<u>\$ 78,189</u>	<u>\$ 1,550,284</u>

City of Richland, Washington
 Annual Comprehensive Financial Report
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 LTGO Bonds Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Investment earnings	\$ 12,300	\$ 12,300	\$ 4,906	\$ (7,394)
Total revenues	12,300	12,300	4,906	(7,394)
EXPENDITURES				
Debt service:				
Administrative charges	382	382	-	382
Interest	707,490	707,490	707,490	-
Principal retirement	810,000	810,000	810,000	-
Total debt service	1,517,872	1,517,872	1,517,490	382
Total expenditures	1,517,872	1,517,872	1,517,490	382
Excess (deficiency) of revenues over expenditures	(1,505,572)	(1,505,572)	(1,512,584)	(7,012)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,517,490	1,517,490	1,517,490	-
Total other financing sources (uses)	1,517,490	1,517,490	1,517,490	-
Net change in fund balances	11,918	11,918	4,906	(7,012)
Fund balances - beginning	231,985	231,985	231,985	-
Fund balances - ending	\$ 243,903	\$ 243,903	\$ 236,892	\$ (7,012)

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Station 74 Bond Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 4,000	\$ 4,000	\$ 1,562	\$ (2,438)
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>1,562</u>	<u>(2,438)</u>
EXPENDITURES				
Current:				
UNDEFINED	3,700	3,700	-	3,700
Total current	<u>3,700</u>	<u>3,700</u>	<u>-</u>	<u>3,700</u>
Debt service:				
Administrative charges	300	300	-	300
Interest	363,381	363,381	363,347	34
Principal retirement	300,000	300,000	300,000	-
Total debt service	<u>663,681</u>	<u>663,681</u>	<u>663,347</u>	<u>334</u>
Total expenditures	<u>667,381</u>	<u>667,381</u>	<u>663,347</u>	<u>4,034</u>
Excess (deficiency) of revenues over expenditures	<u>(663,381)</u>	<u>(663,381)</u>	<u>(661,786)</u>	<u>1,595</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	663,381	663,381	663,381	-
Total other financing sources (uses)	<u>663,381</u>	<u>663,381</u>	<u>663,381</u>	<u>-</u>
Net change in fund balances	-	-	1,595	1,595
Fund balances - beginning	118,655	118,655	118,655	-
Fund balances - ending	<u>\$ 118,655</u>	<u>\$ 118,655</u>	<u>\$ 120,250</u>	<u>\$ 1,595</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Police Station Debt Service Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 597	\$ 597
Investment earnings	-	-	192	192
Total revenues	-	-	790	790
Excess (deficiency) of revenues over expenditures	-	-	790	790
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(34,000)	(32,198)	1,802
Total other financing sources (uses)	-	(34,000)	(32,198)	1,802
Net change in fund balances	-	(34,000)	(31,409)	2,591
Fund balances - beginning	31,409	31,409	31,409	-
Fund balances - ending	<u>\$ 31,409</u>	<u>\$ (2,591)</u>	<u>\$ -</u>	<u>\$ 2,591</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Richland Community Ctr Debt Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	\$ -	\$ 760	\$ 760
Investment earnings	-	-	195	195
Total revenues	-	-	954	954
Excess (deficiency) of revenues over expenditures	-	-	954	954
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(34,000)	(32,717)	1,283
Total other financing sources (uses)	-	(34,000)	(32,717)	1,283
Net change in fund balances	-	(34,000)	(31,762)	2,238
Fund balances - beginning	31,762	31,762	31,762	-
Fund balances - ending	<u>\$ 31,762</u>	<u>\$ (2,238)</u>	<u>\$ -</u>	<u>\$ 2,238</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Library Debt Service Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,505,075	\$ 1,505,075	\$ 1,514,159	\$ 9,084
Investment earnings	10,000	10,000	4,776	(5,224)
Total revenues	<u>1,515,075</u>	<u>1,515,075</u>	<u>1,518,935</u>	<u>3,860</u>
EXPENDITURES				
Current:				
UNDEFINED	-	68,000	-	68,000
Total current	-	<u>68,000</u>	-	<u>68,000</u>
Debt service:				
Administrative charges	275	275	-	275
Interest	345,700	345,700	345,700	-
Principal retirement	<u>1,170,000</u>	<u>1,170,000</u>	<u>1,170,000</u>	-
Total debt service	<u>1,515,975</u>	<u>1,515,975</u>	<u>1,515,700</u>	<u>275</u>
Total expenditures	<u>1,515,975</u>	<u>1,583,975</u>	<u>1,515,700</u>	<u>68,275</u>
Excess (deficiency) of revenues over expenditures	<u>(900)</u>	<u>(68,900)</u>	<u>3,235</u>	<u>72,135</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	68,000	64,915	(3,085)
Total other financing sources (uses)	-	<u>68,000</u>	<u>64,915</u>	<u>(3,085)</u>
Net change in fund balances	(900)	(900)	68,150	69,050
Fund balances - beginning	<u>115,448</u>	<u>115,448</u>	<u>115,448</u>	-
Fund balances - ending	<u>\$ 114,548</u>	<u>\$ 114,548</u>	<u>\$ 183,598</u>	<u>\$ 69,050</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
LRF Debt Service Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 652,035	\$ 652,035	\$ 652,035	\$ -
Investment earnings	4,200	4,200	1,844	(2,356)
Total revenues	<u>656,235</u>	<u>656,235</u>	<u>653,879</u>	<u>(2,356)</u>
EXPENDITURES				
Debt service:				
Administrative charges	300	300	-	300
Interest	290,935	290,935	290,935	-
Principal retirement	<u>365,000</u>	<u>365,000</u>	<u>365,000</u>	<u>-</u>
Total debt service	<u>656,235</u>	<u>656,235</u>	<u>655,935</u>	<u>300</u>
Total expenditures	<u>656,235</u>	<u>656,235</u>	<u>655,935</u>	<u>300</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,056)</u>	<u>(2,056)</u>
Net change in fund balances	-	-	(2,056)	(2,056)
Fund balances - beginning	107,055	107,055	107,055	-
Fund balances - ending	<u>\$ 107,055</u>	<u>\$ 107,055</u>	<u>\$ 105,000</u>	<u>\$ (2,056)</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
LID Guaranty-Debt Service Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 12,500	\$ 12,500	\$ 5,390	\$ (7,110)
Total revenues	<u>12,500</u>	<u>12,500</u>	<u>5,390</u>	<u>(7,110)</u>
EXPENDITURES				
Current:				
Transportation	20	20	27	(7)
Total current	<u>20</u>	<u>20</u>	<u>27</u>	<u>(7)</u>
Total expenditures	20	20	27	(7)
Excess (deficiency) of revenues over expenditures	<u>12,480</u>	<u>12,480</u>	<u>5,362</u>	<u>(7,118)</u>
Net change in fund balances	12,480	12,480	5,362	(7,118)
Fund balances - beginning	820,993	820,993	820,993	-
Fund balances - ending	<u>\$ 833,473</u>	<u>\$ 833,473</u>	<u>\$ 826,356</u>	<u>\$ (7,118)</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Assessment Debt Service Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous revenue	\$ 33,000	\$ 33,000	\$ 9,996	\$ (23,004)
Total revenues	<u>33,000</u>	<u>33,000</u>	<u>9,996</u>	<u>(23,004)</u>
EXPENDITURES				
Debt service:				
Interest	1,000	1,000	126	874
Total debt service	<u>1,000</u>	<u>1,000</u>	<u>126</u>	<u>874</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>126</u>	<u>874</u>
Excess (deficiency) of revenues over expenditures	<u>32,000</u>	<u>32,000</u>	<u>9,870</u>	<u>(22,130)</u>
Net change in fund balances	32,000	32,000	9,870	(22,130)
Fund balances - beginning	68,319	68,319	68,319	-
Fund balances - ending	<u>\$ 100,319</u>	<u>\$ 100,319</u>	<u>\$ 78,189</u>	<u>\$ (22,130)</u>





COMBINING AND INDIVIDUAL FUND STATEMENTS NONMAJOR CAPITAL PROJECTS FUNDS

Capital Improvements Fund – is used to account for revenues from the implementation of the first and second ¼ of 1% Real Estate Excise Tax.

Fire Station 75 Construction Fund - is used to account for a project to construct a fire station to serve the northern portion of the City.

Fire Station 73 Construction Fund - is used to account for a project to replace the fire station on McMurray Street with a new facility at the junction of Jadwin and State Route 240.

Parks Project Construction Fund – is used to account for various major park construction projects not accounted for in other funds.

General Government Construction Fund – is used to account for resources allocated to the purchase or construction of major City facilities or other capital projects that benefit the City as a whole.

City of Richland, Washington
 Annual Comprehensive Financial Report
 Combining Balance Sheet
 Nonmajor Capital projects funds
 December 31, 2021

	Capital Improvement Fund	Fire Station 75 Construction Fund	Fire Station 73 Construction	Park Project Construction Fund	General Govt Construction Fund	Total Nonmajor Capital projects funds
ASSETS						
Cash and cash equivalents	\$ 1,075,996	\$ 895,473	\$ 756,339	\$ 5,283,650	\$ 1,178,025	\$ 9,189,485
Investments	2,747,716	-	-	-	-	2,747,716
Taxes receivable	660,012	-	-	-	-	660,012
Total assets	<u>\$ 4,483,725</u>	<u>\$ 895,473</u>	<u>\$ 756,339</u>	<u>\$ 5,283,650</u>	<u>\$ 1,178,025</u>	<u>\$ 12,597,213</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ 151,176	\$ 177,584	\$ 69,371	\$ 761,475	\$ 1,159,606
Payable to other governments	-	-	-	-	241	241
Interfund loans payable	-	-	578,755	-	-	578,755
Total liabilities	<u>-</u>	<u>151,176</u>	<u>756,339</u>	<u>69,371</u>	<u>761,715</u>	<u>1,738,602</u>
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>151,176</u>	<u>756,339</u>	<u>69,371</u>	<u>761,715</u>	<u>1,738,602</u>
FUND BALANCES (DEFICITS)						
Restricted						
Capital improvements	\$ 4,483,725	\$ 744,298	\$ -	\$ -	\$ -	\$ 5,228,023
Committed						
Capital improvements	\$ -	\$ -	\$ -	\$ 5,214,279	\$ 416,310	\$ 5,630,589
Total fund balances (deficits)	<u>\$ 4,483,725</u>	<u>\$ 744,298</u>	<u>\$ -</u>	<u>\$ 5,214,279</u>	<u>\$ 416,310</u>	<u>\$ 10,858,612</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,483,725</u>	<u>\$ 895,473</u>	<u>\$ 756,339</u>	<u>\$ 5,283,650</u>	<u>\$ 1,178,025</u>	<u>\$ 12,597,213</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021

	Capital Improvement Fund	Fire Station 75 Construction Fund	Fire Station 73 Construction	Park Project Construction Fund	General Govt Construction Fund	Total Nonmajor Capital projects funds
REVENUES						
Taxes	\$ 5,070,824	\$ -	\$ -	\$ -	\$ -	\$ 5,070,824
Intergovernmental	-	-	-	249,164	-	249,164
Investment earnings	(29,596)	15,086	995	-	-	(13,514)
Miscellaneous revenue	-	-	-	32,500	-	32,500
Total revenues	<u>5,041,228</u>	<u>15,086</u>	<u>995</u>	<u>281,664</u>	<u>-</u>	<u>5,338,974</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	6,582	6,582
Culture and recreation	-	-	-	77,077	-	77,077
Capital outlay:						
General government	-	-	-	-	267,662	267,662
Public safety	-	3,337,145	4,247,132	-	-	7,584,278
Culture and recreation	-	-	-	513,118	-	513,118
Total expenditures	<u>-</u>	<u>3,337,145</u>	<u>4,247,132</u>	<u>590,195</u>	<u>274,243</u>	<u>8,448,716</u>
Excess (deficiency) of revenues over expenditures	<u>5,041,228</u>	<u>(3,322,059)</u>	<u>(4,246,137)</u>	<u>(308,530)</u>	<u>(274,243)</u>	<u>(3,109,741)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	8,601	283,033	1,975,000	642,500	2,909,134
Transfers out	(5,136,898)	(51,634)	-	-	-	(5,188,532)
Total other financing sources (uses)	<u>(5,136,898)</u>	<u>(43,033)</u>	<u>283,033</u>	<u>1,975,000</u>	<u>642,500</u>	<u>(2,279,398)</u>
Net change in fund balances	(95,670)	(3,365,092)	(3,963,104)	1,666,470	368,257	(5,389,139)
Fund balances - beginning	4,579,394	5,103,204	2,969,290	3,547,809	48,053	16,247,751
Fund balances - ending	<u>\$ 4,483,725</u>	<u>\$ 1,738,112</u>	<u>\$ (993,814)</u>	<u>\$ 5,214,279</u>	<u>\$ 416,310</u>	<u>\$ 10,858,612</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,800,000	\$ 1,800,000	\$ 5,070,824	\$ 3,270,824
Investment earnings	5,000	5,000	(29,596)	(34,596)
Total revenues	<u>1,805,000</u>	<u>1,805,000</u>	<u>5,041,228</u>	<u>3,236,228</u>
Excess (deficiency) of revenues over expenditures	<u>1,805,000</u>	<u>1,805,000</u>	<u>5,041,228</u>	<u>3,236,228</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(5,055,337)</u>	<u>(5,375,337)</u>	<u>(5,136,898)</u>	<u>238,439</u>
Total other financing sources (uses)	<u>(5,055,337)</u>	<u>(5,375,337)</u>	<u>(5,136,898)</u>	<u>238,439</u>
Net change in fund balances	(3,250,337)	(3,570,337)	(95,670)	3,474,667
Fund balances - beginning	4,579,394	4,579,394	4,579,394	-
Fund balances - ending	<u>\$ 1,329,057</u>	<u>\$ 1,009,057</u>	<u>\$ 4,483,725</u>	<u>\$ 3,474,667</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Station 75 Construction Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ -	\$ -	\$ 15,086	\$ 15,086
Total revenues	<u>-</u>	<u>-</u>	<u>15,086</u>	<u>15,086</u>
EXPENDITURES				
Capital outlay:				
Public safety	-	3,625,600	3,337,145	288,455
Total capital outlay	<u>-</u>	<u>3,625,600</u>	<u>3,337,145</u>	<u>288,455</u>
Total expenditures	<u>-</u>	<u>3,625,600</u>	<u>3,337,145</u>	<u>288,455</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(3,625,600)</u>	<u>(3,322,059)</u>	<u>303,541</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	8,601	8,601	-
Transfers out	<u>-</u>	<u>(51,634)</u>	<u>(51,634)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(43,033)</u>	<u>(43,033)</u>	<u>-</u>
Net change in fund balances	-	(3,668,633)	(3,365,092)	303,541
Fund balances - beginning	5,103,204	5,103,204	5,103,204	-
Fund balances - ending	<u>\$ 5,103,204</u>	<u>\$ 1,434,571</u>	<u>\$ 1,738,112</u>	<u>\$ 303,541</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Station 73 Construction Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ -	\$ -	\$ 995	\$ 995
Total revenues	<u>-</u>	<u>-</u>	<u>995</u>	<u>995</u>
EXPENDITURES				
Capital outlay:				
Public safety	-	4,249,311	4,247,132	2,179
Total capital outlay	<u>-</u>	<u>4,249,311</u>	<u>4,247,132</u>	<u>2,179</u>
Total expenditures	<u>-</u>	<u>4,249,311</u>	<u>4,247,132</u>	<u>2,179</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(4,249,311)</u>	<u>(4,246,137)</u>	<u>3,174</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	283,033	283,033	-
Total other financing sources (uses)	<u>-</u>	<u>283,033</u>	<u>283,033</u>	<u>-</u>
Net change in fund balances	-	(3,966,278)	(3,963,104)	3,174
Fund balances - beginning	2,969,290	2,969,290	2,969,290	-
Fund balances - ending	<u>\$ 2,969,290</u>	<u>\$ (996,988)</u>	<u>\$ (993,814)</u>	<u>\$ 3,174</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Park Project Construction Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 350,000	\$ 249,164	\$ (100,836)
Miscellaneous revenue	500,000	2,075,000	32,500	(2,042,500)
Total revenues	<u>500,000</u>	<u>2,425,000</u>	<u>281,664</u>	<u>(2,143,336)</u>
EXPENDITURES				
Current:				
Culture and recreation	30,000	131,239	77,077	54,162
Total current	<u>30,000</u>	<u>131,239</u>	<u>77,077</u>	<u>54,162</u>
Capital outlay:				
Culture and recreation	3,745,000	10,229,001	513,118	9,715,883
Total capital outlay	<u>3,745,000</u>	<u>10,229,001</u>	<u>513,118</u>	<u>9,715,883</u>
Total expenditures	<u>3,775,000</u>	<u>10,360,240</u>	<u>590,195</u>	<u>9,770,045</u>
Excess (deficiency) of revenues over expenditures	<u>(3,275,000)</u>	<u>(7,935,240)</u>	<u>(308,530)</u>	<u>7,626,710</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,275,000	3,455,269	1,975,000	(1,480,269)
Total other financing sources (uses)	<u>3,275,000</u>	<u>3,455,269</u>	<u>1,975,000</u>	<u>(1,480,269)</u>
Net change in fund balances	-	(4,479,971)	1,666,470	6,146,441
Fund balances - beginning	3,547,809	3,547,809	3,547,809	-
Fund balances - ending	<u>\$ 3,547,809</u>	<u>\$ (932,162)</u>	<u>\$ 5,214,279</u>	<u>\$ 6,146,441</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Govt Construction Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current:				
General government	225,000	225,000	6,582	218,418
Total current	225,000	225,000	6,582	218,418
Capital outlay:				
General government	417,500	642,149	267,662	374,487
Total capital outlay	417,500	642,149	267,662	374,487
Total expenditures	642,500	867,149	274,243	592,906
Excess (deficiency) of revenues over expenditures	642,500	867,149	274,243	592,906
OTHER FINANCING SOURCES (USES)				
Transfers in	642,500	642,500	642,500	-
Total other financing sources (uses)	642,500	642,500	642,500	-
Net change in fund balances	-	(224,649)	368,257	592,906
Fund balances - beginning	48,053	48,053	48,053	-
Fund balances - ending	\$ 48,053	\$ (176,596)	\$ 416,310	\$ 592,906





COMBINING FUND STATEMENTS NONMAJOR ENTERPRISE FUNDS

Stormwater Utility Fund – is used to account for the provision of stormwater service to the residents of the City. All activities necessary to provide such service are accounted for in this fund including administration, capital outlay and debt service.

Golf Course Fund – is used to account for the activities of the Columbia Point Golf Course. All activities necessary to provide such service are accounted for in this fund including administration, capital outlay and debt service.

Medical Services Fund – is used to account for the provision of medical services, including ambulance transports to the residents of the City. All activities necessary to provide such service are accounted for in this fund including administration, capital outlay and debt service.

Broadband Fund – is used to account for the provision of access to the City's fiber optic network. All activities necessary to provide such access are accounted for in this fund including capital outlay and debt service. Until the network is fully constructed, administration is minimal.

Utility Clearing Fund – is used to account for the receipt and disbursement of monies from utility service deposits.

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2021

	Stormwater Utility Fund	Golf Course Fund	Medical Services Fund	Broadband Fund	Utility Clearing Fund	Total Nonmajor Enterprise Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 618,017	\$ 33,445	\$ 1,429,603	\$ 158,803	\$ 776,151	\$ 3,016,020
Investments	1,210,855	-	4,434,555	-	-	5,645,410
Customer accounts (net)	383,130	475	1,784,607	11,472	-	2,179,684
Due from other governments	22,320	-	36,798	-	-	59,118
Notes and contracts	-	125,000	-	-	-	125,000
Prepaid items	-	-	3,844	-	-	3,844
Inventory	-	69,262	-	-	-	69,262
Total current assets	<u>2,234,323</u>	<u>228,182</u>	<u>7,689,407</u>	<u>170,275</u>	<u>776,151</u>	<u>11,098,338</u>
Noncurrent assets:						
Cash and cash equivalents	24,331	22,555	-	-	-	46,885
Net pension asset	95,549	-	4,996,287	-	-	5,091,836
Land	8,587	7,891,033	-	-	-	7,899,620
Depreciable assets (net)	13,878	997,345	283,703	259,921	-	1,554,847
Infrastructure	12,241,632	-	-	3,637,879	-	15,879,511
Construction in progress	285,529	-	-	-	-	285,529
Total noncurrent assets	<u>12,669,506</u>	<u>8,910,933</u>	<u>5,279,990</u>	<u>3,897,799</u>	<u>-</u>	<u>30,758,229</u>
Total assets	<u>14,903,829</u>	<u>9,139,116</u>	<u>12,969,397</u>	<u>4,068,075</u>	<u>776,151</u>	<u>41,856,567</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow on debt refunding	47,961	-	-	-	-	47,961
Pension deferred outflows	14,754	-	334,706	-	-	349,460
OPEB deferred outflows	6,093	-	2,972	-	-	9,065
Total deferred outflows of resources	<u>68,808</u>	<u>-</u>	<u>337,678</u>	<u>-</u>	<u>-</u>	<u>406,486</u>
Total assets and deferred outflows of resources	<u>\$ 14,972,637</u>	<u>\$ 9,139,116</u>	<u>\$ 13,307,075</u>	<u>\$ 4,068,075</u>	<u>\$ 776,151</u>	<u>\$ 42,263,053</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	88,521	142,685	246,109	6,930	-	484,245
Payable to other governments	1	9,253	2,046	25,099	-	36,400
Interfund loans payable	-	3,890	-	-	-	3,890
Deposits payable	-	-	-	-	776,151	776,151
Compensated absences-current	9,436	-	183,411	-	-	192,847
Total OPEB liability	5,380	-	2,624	-	-	8,004
General obligation bonds payable-current	-	125,000	-	80,000	-	205,000
Revenue bonds payable-current	30,000	-	-	-	-	30,000
Notes and contracts payable	10,268	-	-	-	-	10,268
Total current liabilities	<u>143,605</u>	<u>280,828</u>	<u>434,191</u>	<u>112,029</u>	<u>776,151</u>	<u>1,746,804</u>
Noncurrent liabilities:						
Interfund loans payable (noncurrent)	-	7,780	-	-	-	7,780
Compensated absences	9,436	-	183,411	-	-	192,847
Notes and contracts payable	16,245	-	-	-	-	16,245
General obligation bonds payable	-	3,247,317	-	1,596,295	-	4,843,611
Revenue bonds payable	754,890	-	-	-	-	754,890
Unearned revenue	-	148,133	-	-	-	148,133
Net pension liability	28,781	-	6,755	-	-	35,536
Total OPEB liability	58,423	-	28,499	-	-	86,921
Total noncurrent liabilities	<u>867,773</u>	<u>3,403,229</u>	<u>218,665</u>	<u>1,596,295</u>	<u>-</u>	<u>6,085,962</u>
Total liabilities	<u>1,011,379</u>	<u>3,684,058</u>	<u>652,856</u>	<u>1,708,323</u>	<u>776,151</u>	<u>7,832,767</u>
DEFERRED INFLOWS OF RESOURCES						
Pension deferred inflows	108,663	-	2,684,895	-	-	2,793,558
OPEB deferred inflows	6,709	-	3,273	-	-	9,982
Total deferred inflows of resources	<u>115,372</u>	<u>-</u>	<u>2,688,168</u>	<u>-</u>	<u>-</u>	<u>2,803,540</u>
Total liabilities and deferred inflows of resources	<u>1,126,751</u>	<u>3,684,058</u>	<u>3,341,023</u>	<u>1,708,323</u>	<u>776,151</u>	<u>10,636,307</u>
NET POSITION						
Net investment in capital assets	11,722,948	5,516,062	283,703	2,216,209	-	19,738,922
Restricted for:						
Debt service	85,203	-	-	-	-	85,203
Pensions	14,514	-	2,651,857	-	-	2,666,371
Unrestricted	2,023,221	(61,004)	7,030,492	143,542	-	9,136,251
Total net position	<u>\$ 13,845,886</u>	<u>\$ 5,455,058</u>	<u>\$ 9,966,051</u>	<u>\$ 2,359,751</u>	<u>\$ -</u>	<u>\$ 31,626,746</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Nonmajor Enterprise funds
For the Year Ended December 31, 2021

	Stormwater Utility Fund	Golf Course Fund	Medical Services Fund	Broadband Fund	Utility Clearing Fund	Total Enterprise Funds
OPERATING REVENUES						
Stormwater	\$ 1,980,786	\$ -	\$ -	\$ -	\$ -	\$ 1,980,786
Golf course	-	2,217,217	-	-	-	2,217,217
Medical services	-	-	7,328,684	-	-	7,328,684
Broadband	-	-	-	230,028	-	230,028
Total operating revenues	<u>1,980,786</u>	<u>2,217,217</u>	<u>7,328,684</u>	<u>230,028</u>	<u>-</u>	<u>11,756,716</u>
OPERATING EXPENSES						
Maintenance and operations	760,479	1,763,478	4,148,868	-	-	6,672,825
Administrative and general	524,404	3,769	976,762	37,356	-	1,542,292
Taxes exp	209,536	54,512	72,097	15,506	-	351,651
Depreciation	276,374	44,069	65,663	150,949	-	537,055
Total operating expenses	<u>1,770,793</u>	<u>1,865,829</u>	<u>5,263,390</u>	<u>203,811</u>	<u>-</u>	<u>9,103,823</u>
Operating income (loss)	<u>209,993</u>	<u>351,388</u>	<u>2,065,294</u>	<u>26,217</u>	<u>-</u>	<u>2,652,893</u>
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	(10,282)	1,422	(38,685)	1,853	-	(45,692)
Gain on disposition of capital assets	-	-	45,000	-	-	45,000
Miscellaneous nonoperating revenues/(expenses)	472,269	135,182	711,684	-	-	1,319,135
Interest expense	(31,652)	(148,664)	-	(61,634)	-	(241,950)
Total nonoperating revenues (expenses)	<u>430,336</u>	<u>(12,060)</u>	<u>717,998</u>	<u>(59,780)</u>	<u>-</u>	<u>1,076,493</u>
Income (loss) before contributions and transfers	640,329	339,328	2,783,293	(33,564)	-	3,729,386
Transfers in	\$ -	\$ -	\$ 550,000	\$ 157,666	\$ -	\$ 707,666
Transfers out	-	-	(31,234)	(23,369)	-	(54,603)
Capital contributions	313,865	-	-	-	-	313,865
Change in net position	954,194	339,328	3,302,058	100,733	-	4,696,314
Total net position - beginning	<u>\$ 12,891,691</u>	<u>\$ 5,115,730</u>	<u>\$ 6,663,993</u>	<u>\$ 2,259,018</u>	<u>\$ -</u>	<u>\$ 26,930,432</u>
Total net position - ending	<u>\$ 13,845,886</u>	<u>\$ 5,455,058</u>	<u>\$ 9,966,051</u>	<u>\$ 2,359,751</u>	<u>\$ -</u>	<u>\$ 31,626,746</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Cash Flows
Combining Nonmajor Enterprise funds
For the Year Ended December 31, 2021

	Stormwater Utility Fund	Columbia Point Golf Course Fund	Medical Services Fund	Broadband Fund	Utility Clearing Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	\$ 1,980,798	\$ 2,253,024	\$ 6,612,820	\$ 232,057	\$ 7,710,052	\$ 18,788,751
Payments to employees	(220,132)	-	(4,401,346)	-	-	(4,621,478)
Payments to suppliers	(233,544)	(1,719,740)	(568,418)	(33,669)	(7,822,924)	(10,378,296)
Taxes paid	(209,536)	(68,976)	(70,241)	(3,849)	-	(352,602)
Payments for interfund services used	(897,094)	-	(782,414)	-	-	(1,679,509)
Net cash provided (used) by operating activities	420,492	464,308	790,401	194,538	(112,872)	1,756,867
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	-	-	(31,234)	(23,369)	-	(54,603)
Grants and contributions	472,269	-	588,075	-	-	1,060,344
Reimbursements and recoveries	(250,000)	1,300	25,075	-	-	(223,625)
Transfers from other funds	-	-	550,000	47,666	-	597,666
Interfund loan principal payments paid	-	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	222,269	1,300	1,131,916	24,297	-	1,379,782
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on debt	(34,840)	(120,000)	-	(91,640)	-	(246,480)
Interest paid on debt	(32,909)	(151,755)	-	(60,152)	-	(244,815)
Transfers from other funds	-	-	-	110,000	-	110,000
Payments related to acquisition, construction or improvements of capital assets	(990,661)	-	(75,284)	(307,502)	-	(1,373,446)
Interfund loan principal paid	-	(203,890)	-	-	-	(203,890)
Proceeds from capital grants and contributions	(18,161)	-	-	-	-	(18,161)
Net cash provided (used) by capital and related financing activities	(1,076,571)	(475,645)	(75,284)	(349,293)	-	(1,976,793)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipt of interest	14,092	1,422	(38,685)	1,853	-	(21,318)
Investments sold	1,149,564	-	2,416,947	-	-	3,566,511
Investments purchased	(1,235,229)	-	(4,434,555)	-	-	(5,669,784)
Net cash provided (used) by investing activities	(71,573)	1,422	(2,056,293)	1,853	-	(2,124,592)
Net increase (decrease) in cash and cash equivalents	(505,383)	(8,615)	(209,261)	(128,605)	(112,872)	(964,736)
Balances - beginning of year	1,147,731	64,615	1,638,864	287,408	889,024	4,027,642
Balances - end of the year	\$ 642,348	\$ 56,000	\$ 1,429,603	\$ 158,803	\$ 776,152	\$ 3,062,906
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income	\$ 209,993	\$ 351,388	\$ 2,065,294	\$ 26,217	\$ -	\$ 2,652,892
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	276,374	44,069	65,663	150,949	-	537,055
Accrued pension and OPEB expense	(33,183)	-	(869,318)	-	-	(902,501)
Changes in assets and liabilities:						
Accounts Payable - Supplier	(34,044)	20,457	(22,174)	15,343	(112,872)	(133,290)
Customer Receivables	(2,198)	29,749	(603,358)	2,029	-	(573,779)
Inventory	-	6,308	-	-	-	6,308
Salaries & Benefits Payable	3,551	-	152,729	-	-	156,280
Unearned revenues	-	12,337	-	-	-	12,337
Prepaid items	-	-	1,564	-	-	1,564
Net cash provided (used) by operating activities	\$ 420,492	\$ 464,307	\$ 790,401	\$ 194,538	\$ (112,872)	\$ 1,756,866
Noncash investing, capital and financing activities						
Contribution of capital assets	\$ 313,865	\$ -	\$ -	\$ -	\$ -	\$ 313,865





INDIVIDUAL FUND STATEMENTS NONMAJOR INTERNAL SERVICE FUNDS

Central Stores Fund – is used to account for commonly used materials, supplies and inventory for resale to other departments.

Equipment Maintenance Fund – is used to account for the maintenance and repair of all City-owned vehicles to ensure that vehicles operate safely and efficiently.

Equipment Replacement Fund – is used to account for monies set aside for the future replacement of vehicles and related equipment when their useful life has expired.

Public Works Admin & Engineering Fund – is used to account for the cost of providing administrative and engineering services to City departments. All costs are included in rates charged to departments and funds.

Workers Compensation Fund – is used to account for amounts paid for uninsured losses resulting from claims against the City. It is primarily used for Worker’s Compensation on a “self-insured” basis.

Health Care/Benefits Plan Fund – is used to account for payments for health, dental and vision insurance claims, life and disability claims and related administrative costs.

Unemployment Fund – is used to account for payments of claims and related administrative costs of unemployment compensation on a reimbursable basis to the State of Washington.

Post Employment Healthcare Plan Fund – is used to account for payments of post-employment healthcare claims and related administrative costs.

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Net Position
Nonmajor Internal Service Funds
December 31, 2021

	Central Stores Fund	Equipment Maintenance Fund	Equipment Replacement Fund	Public Works Admin & Engineering Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 1,267,770	\$ 799,833
Deposits with third parties	-	200	-	-
Investments	-	-	4,301,659	-
Customer accounts (net)	-	-	-	6,990
Due from other funds	-	-	645,625	-
Prepaid items	-	-	-	-
Inventory	71,670	-	-	-
Total current assets	<u>71,670</u>	<u>200</u>	<u>6,215,054</u>	<u>806,823</u>
Noncurrent assets:				
Depreciable assets (net)	-	18,944	16,965,556	30,941
Net pension asset	-	590,600	-	1,619,820
Total noncurrent assets	<u>-</u>	<u>609,544</u>	<u>16,965,556</u>	<u>1,650,761</u>
Total assets	<u>71,670</u>	<u>609,744</u>	<u>23,180,610</u>	<u>2,457,584</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferred outflows	-	73,175	-	227,020
OPEB deferred outflows	-	5,944	-	5,944
Total deferred outflows of resources	<u>-</u>	<u>79,119</u>	<u>-</u>	<u>232,964</u>
Total assets and deferred outflows of resources	<u>\$ 71,670</u>	<u>\$ 688,863</u>	<u>\$ 23,180,610</u>	<u>\$ 2,690,548</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	741	63,896	60,712	127,411
Payable to other governments	-	(121)	273	9
Due to other funds	9,397	-	-	-
Interfund loans payable	-	11,651	-	-
Deposits payable	-	-	-	185,978
Leases payable-current	-	-	250,157	-
Compensated absences-current	-	81,664	-	181,706
Total OPEB liability	-	5,248	-	5,248
Claims and judgments-current	-	-	-	-
Total current liabilities	<u>10,138</u>	<u>162,338</u>	<u>311,143</u>	<u>500,351</u>
Noncurrent liabilities:				
Leases payable	-	-	527,984	-
Compensated absences	-	81,664	-	181,706
Net pension liability	-	49,155	-	305,385
Total OPEB liability	-	56,998	-	56,998
Total noncurrent liabilities	<u>-</u>	<u>187,816</u>	<u>527,984</u>	<u>544,088</u>
Total liabilities	<u>10,138</u>	<u>350,154</u>	<u>839,126</u>	<u>1,044,439</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferred inflows	-	613,298	-	1,721,514
OPEB deferred inflows	-	6,546	-	6,546
Total deferred inflows of resources	<u>-</u>	<u>619,844</u>	<u>-</u>	<u>1,728,060</u>
Total liabilities and deferred inflows of resources	<u>10,138</u>	<u>969,998</u>	<u>839,126</u>	<u>2,772,499</u>
NET POSITION				
Net investment in capital assets	-	18,944	16,187,415	30,941
Restricted for:				
Pensions	-	89,711	-	246,049
Unrestricted	61,532	(389,789)	6,154,069	(358,941)
Total net position	<u>\$ 61,532</u>	<u>\$ (281,135)</u>	<u>\$ 22,341,484</u>	<u>\$ (81,951)</u>

<u>Workers Compensation Fund</u>	<u>Health Care/Benefits Plan Fund</u>	<u>Unemployment Fund</u>	<u>Post Emp Healthcare Plan Fund</u>	<u>Total Nonmajor Internal service funds</u>
\$ 2,467,383	\$ 2,422,028	\$ 719,185	\$ 2,578,076	\$ 10,254,274
104,000	368,560	-	-	472,760
-	6,783,604	-	-	11,085,263
20,905	-	3,270	-	31,165
-	-	-	-	645,625
-	213,934	-	-	213,934
-	-	-	-	71,670
<u>2,592,288</u>	<u>9,788,127</u>	<u>722,455</u>	<u>2,578,076</u>	<u>22,774,692</u>
-	-	-	-	17,015,441
-	-	-	-	2,210,420
-	-	-	-	19,225,861
<u>2,592,288</u>	<u>9,788,127</u>	<u>722,455</u>	<u>2,578,076</u>	<u>42,000,553</u>
-	-	-	-	300,195
-	-	-	-	11,889
-	-	-	-	312,084
<u>\$ 2,592,288</u>	<u>\$ 9,788,127</u>	<u>\$ 722,455</u>	<u>\$ 2,578,076</u>	<u>\$ 42,312,637</u>
79,356	7,501	40,078	-	379,695
-	-	-	-	161
-	-	-	-	9,397
-	-	-	-	11,651
-	-	-	-	185,978
-	-	-	-	250,157
-	-	-	-	263,369
-	-	-	-	10,497
<u>133,056</u>	<u>2,474,400</u>	<u>40,078</u>	<u>337,286</u>	<u>2,984,819</u>
<u>212,412</u>	<u>2,481,901</u>	<u>80,156</u>	<u>337,286</u>	<u>4,095,724</u>
-	-	-	-	527,984
-	-	-	-	263,369
-	-	-	-	354,540
-	-	-	-	113,995
-	-	-	-	1,259,888
<u>212,412</u>	<u>2,481,901</u>	<u>80,156</u>	<u>337,286</u>	<u>5,355,612</u>
-	-	-	-	2,334,812
-	-	-	-	13,091
-	-	-	-	2,347,903
<u>212,412</u>	<u>2,481,901</u>	<u>80,156</u>	<u>337,286</u>	<u>7,703,515</u>
-	-	-	-	16,237,300
-	-	-	-	335,760
<u>2,379,876</u>	<u>7,306,225</u>	<u>642,299</u>	<u>2,240,790</u>	<u>18,036,061</u>
<u>\$ 2,379,876</u>	<u>\$ 7,306,225</u>	<u>\$ 642,299</u>	<u>\$ 2,240,790</u>	<u>\$ 34,609,122</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Internal service funds
For the Year Ended December 31, 2021

	Central Stores Fund	Equipment Maintenance Fund	Equipment Replacement Fund	Public Works Admin & Engineering Fund
OPERATING REVENUES				
Internal service funds	\$ -	\$ 4,341,516	\$ 3,880,341	\$ 4,195,828
Other operating revenues	-	19,229	-	115,515
Total operating revenues	<u>-</u>	<u>4,360,746</u>	<u>3,880,341</u>	<u>4,311,343</u>
OPERATING EXPENSES				
Maintenance and operations	-	3,402,833	-	2,112,190
Administrative and general	-	732,203	104,366	1,395,184
Depreciation	-	10,993	2,957,221	7,630
Total operating expenses	<u>-</u>	<u>4,146,029</u>	<u>3,061,587</u>	<u>3,515,005</u>
Operating income (loss)	<u>-</u>	<u>214,717</u>	<u>818,754</u>	<u>796,338</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	-	(40,422)	1,933
Loss on disposition of capital assets	-	-	(3,702)	-
Miscellaneous nonoperating revenues/(expenses)	-	3,287	106,356	(109,629)
Interest expense	-	-	(52,206)	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>3,287</u>	<u>10,027</u>	<u>(107,696)</u>
Income (loss) before contributions and transfers	<u>-</u>	<u>218,004</u>	<u>828,780</u>	<u>688,643</u>
Transfers in	\$ -	\$ -	\$ 267,372	\$ -
Transfers out	-	-	-	(20,477)
Insurance recoveries	-	-	19,030	-
Change in net position	<u>-</u>	<u>218,004</u>	<u>1,115,182</u>	<u>668,166</u>
Total net position - beginning	<u>\$ 61,532</u>	<u>\$ (499,138)</u>	<u>\$ 21,226,301</u>	<u>\$ (750,116)</u>
Total net position - ending	<u>\$ 61,532</u>	<u>\$ (281,135)</u>	<u>\$ 22,341,484</u>	<u>\$ (81,951)</u>

Workers Compensation Fund	Health Care/Benefits Plan Fund	Unemployment Fund	Post Emp Healthcare Plan Fund	Total Internal Service Funds
\$ 798,658	\$ 12,783,582	\$ 73,619	\$ 1,518,834	\$ 27,592,378
-	-	-	-	134,744
<u>798,658</u>	<u>12,783,582</u>	<u>73,619</u>	<u>1,518,834</u>	<u>27,727,122</u>
787,520	11,581,857	82,049	1,116,076	19,082,525
266,623	163,344	3,741	24,823	2,690,285
-	-	-	-	2,975,844
<u>1,054,143</u>	<u>11,745,202</u>	<u>85,790</u>	<u>1,140,899</u>	<u>24,748,654</u>
<u>(255,485)</u>	<u>1,038,380</u>	<u>(12,171)</u>	<u>377,935</u>	<u>2,978,468</u>
16,938	(63,520)	4,443	14,876	(65,751)
-	-	-	-	(3,702)
-	185,892	-	217,409	403,315
-	-	-	-	(52,206)
<u>16,938</u>	<u>122,372</u>	<u>4,443</u>	<u>232,285</u>	<u>281,656</u>
<u>(238,547)</u>	<u>1,160,752</u>	<u>(7,728)</u>	<u>610,220</u>	<u>3,260,124</u>
\$ -	\$ -	\$ -	\$ -	\$ 267,372
-	-	-	-	(20,477)
-	-	-	-	19,030
<u>(238,547)</u>	<u>1,160,752</u>	<u>(7,728)</u>	<u>610,220</u>	<u>3,526,049</u>
\$ 2,618,423	\$ 6,145,473	\$ 650,027	\$ 1,630,570	\$ 31,083,073
<u>\$ 2,379,876</u>	<u>\$ 7,306,225</u>	<u>\$ 642,299</u>	<u>\$ 2,240,790</u>	<u>\$ 34,609,122</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Cash Flows
Nonmajor Internal service funds
For the Year Ended December 31, 2021

	Central Stores Fund	Equipment Maintenance Fund	Equipment Replacement Fund	Public Works Admin & Engineering Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers and users	\$ -	\$ 19,229	\$ -	\$ 515,684
Receipts from interfund services provided	-	4,341,516	3,880,341	3,910,762
Payments to employees	-	(1,186,199)	-	(3,238,854)
Payments to suppliers	(1,295)	(2,784,303)	(28,626)	(516,546)
Taxes paid	(217)	-	-	(45)
Payments for interfund services used	-	(418,466)	(75,740)	(543,441)
Net cash provided (used) by operating activities	<u>(1,512)</u>	<u>(28,223)</u>	<u>3,775,975</u>	<u>127,561</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Reimbursements and recoveries	-	3,287	-	(109,629)
Proceeds from interfund loans	1,512	11,651	736,867	-
Interfund loan repayments made	-	-	(645,625)	-
Net cash provided (used) by noncapital financing activities	<u>1,512</u>	<u>14,937</u>	<u>91,242</u>	<u>(109,629)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on debt	-	-	(242,369)	-
Interest paid on debt	-	-	(52,206)	-
Transfers to other funds	-	-	-	(20,477)
Transfers from other funds	-	-	267,372	-
Payments related to acquisition, construction or improvements of capital as	-	-	(3,326,791)	-
Proceeds from sale of capital assets	-	-	160,087	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(3,193,907)</u>	<u>(20,477)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	-	-	(40,422)	1,933
Investments sold	-	-	3,041,495	-
Investments purchased	-	-	(4,301,659)	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>(1,300,586)</u>	<u>1,933</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>(13,286)</u>	<u>(627,277)</u>	<u>(612)</u>
Balances - beginning of year	-	13,286	1,895,047	800,445
Balances - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,267,770</u>	<u>\$ 799,833</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income	\$ -	\$ 214,717	\$ 818,754	\$ 796,338
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	10,993	2,957,221	7,630
Accrued pension and OPEB expense	-	(231,773)	-	(663,488)
Changes in assets and liabilities:				
Accounts Payable - Supplier	(2,279)	(38,901)	-	(86,053)
Customer Receivables	-	-	-	115,103
Inventory	768	2,636	-	-
Salaries & Benefits Payable	-	14,106	-	(41,970)
Prepaid items	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ (1,512)</u>	<u>\$ (28,223)</u>	<u>\$ 3,775,975</u>	<u>\$ 127,561</u>

Workers Compensation Fund	Health Care/Benefits Plan Fund	Unemployment Fund	Post Emp Healthcare Plan Fund	Total Internal service funds
\$ 798,658	\$ 12,814,590	73,619	\$ 1,518,834	\$ 15,740,614
-	-	-	-	12,132,619
-	-	-	-	(4,425,053)
(803,576)	(11,973,500)	(15,342)	(1,119,479)	(17,242,666)
-	-	-	-	(262)
(164,529)	(163,344)	(3,741)	(24,823)	(1,394,084)
(169,447)	677,746	54,536	374,532	4,811,168
-	65,174	-	217,409	176,241
-	-	-	-	750,030
-	-	-	-	(645,625)
-	65,174	-	217,409	280,645
-	-	-	-	(242,369)
-	-	-	-	(52,206)
-	-	-	-	(20,477)
-	-	-	-	267,372
-	-	-	-	(3,326,791)
-	-	-	-	160,087
-	-	-	-	(3,214,384)
16,938	57,198	4,443	14,876	54,967
-	5,033,406	-	-	8,074,901
-	(6,783,604)	-	-	(11,085,263)
16,938	(1,692,999)	4,443	14,876	(2,955,395)
(152,509)	(950,080)	58,979	606,818	(1,077,966)
2,619,892	3,372,108	660,205	1,971,258	11,332,240
\$ 2,467,383	\$ 2,422,028	\$ 719,185	\$ 2,578,076	\$ 10,254,274
\$ (255,485)	\$ 1,038,380	\$ (12,171)	\$ 377,935	\$ 2,978,468
-	-	-	-	2,975,844
-	-	-	-	(895,261)
89,038	(381,960)	67,186	(3,403)	(356,373)
(2,999)	31,009	(479)	-	142,633
-	-	-	-	3,403
-	-	-	-	(27,864)
-	(9,683)	-	-	(9,683)
(169,447)	677,746	54,536	374,532	4,811,168





COMBINING FUND STATEMENTS CUSTODIAL FUNDS

CUSTODIAL FUNDS

Columbia Point Master Association Fund – is used to account for assessments to property owners for expenses associated with Columbia Point Master Association activities.

Uptown Business Improvement District Fund – is used to account for assessments to property owners for expenses associated with the Uptown Shopping Center enhancement projects.

Downtown Business Improvement District Fund – is used to account for assessments to property owners for expenses associated with the Parkway Shopping Center enhancement projects.

Southeast Communications Center Fund – is used to account for activities of the emergency dispatch 911 agency operations.

800 MHZ Fund – is used to account for activities associated with enhancements to the 800 MHZ system and to allow public safety agencies to migrate from VHF.

Benton County Emergency Management Fund – is used to account for activities of emergency management operations.

Microwave Communication Fund – is used to account for activities of the Microwave system that carries radio transmissions.

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

	Columbia Point Master Association Fund	Uptown Business Improvement District Fund	Downtown Business Improvement District	Southeast Communication Center Fund
ASSETS				
Cash and Cash Equivalents	\$ 31,604	\$ 958	\$ 18,290	\$ 4,785,211
Receivables				
Accounts Receivable	1,402	5,168	4,447	160,916
Due from Gov'tl Units (Taxes)(Grants Rec'l)				172,348
Total Receivables	<u>33,006</u>	<u>6,126</u>	<u>22,737</u>	<u>5,118,475</u>
Noncurrent Assets:				
Land				
Building				454,137
Less Allowance for Depreciation				(225,000)
Equipment				2,237,974
Less Allowance for Depreciation				(1,081,129)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385,982</u>
Total Assets	<u>33,006</u>	<u>6,126</u>	<u>22,737</u>	<u>6,504,457</u>
DEFERRED OUTFLOWS of RESOURCES				
LIABILITIES				
Current Liabilities:				
Accounts Payable		6,126	22,737	368,911
Salaries Payable				152,612
Total Current Liabilities	<u>-</u>	<u>6,126</u>	<u>22,737</u>	<u>521,523</u>
Long-Term Liabilities				
Employee Leave Benefits				152,612
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,612</u>
DEFERRED INFLOWS OF RESOURCES				
NET POSITION				
Restricted for:				
Net Investment in Capital Assets				1,385,982
Unrestricted	33,006			4,444,340
Total net position	<u>\$ 33,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,830,322</u>

800 MHz Fund	Emergency Management Fund	Microwave Fund	Total Custodial Funds
\$ 567,495	\$ 35,490	\$ 142,608	\$ 5,581,656
614,809	-		786,742
	94,299		266,647
<u>1,182,304</u>	<u>129,789</u>	<u>142,608</u>	<u>6,635,045</u>
	14,593		14,593
	1,672,180		2,126,317
	(815,582)		(1,040,582)
13,433,999	451,892	520,779	16,644,644
(11,612,897)	(382,104)	(506,379)	(13,582,509)
<u>1,821,102</u>	<u>940,979</u>	<u>14,400</u>	<u>4,162,463</u>
<u>3,003,406</u>	<u>1,070,768</u>	<u>157,008</u>	<u>10,797,508</u>
37,900	11,743	77	447,494
	26,043		178,655
<u>37,900</u>	<u>37,787</u>	<u>77</u>	<u>626,149</u>
	26,043		178,655
	26,043	-	178,655
1,821,102	940,979	14,400	4,162,463
1,144,404	65,960	142,530	5,830,240
<u>\$ 2,965,506</u>	<u>\$ 1,006,939</u>	<u>\$ 156,930</u>	<u>\$ 9,992,703</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

	<u>Columbia Point Master Association Fund</u>	<u>Uptown Business Improvement District Fund</u>	<u>Downtown Business Improvement District Fund</u>	<u>Southeast Communication Center Fund</u>
ADDITIONS				
Contributions:				
Collections from Participants	\$ 11,151	\$ (13,397)	\$ 6,686	\$ 4,256,639
Grant Revenues	-	-	-	104,865
Tax Revenues	-	-	-	2,770,920
Site & Facilities Rent	-	-	-	-
Contribution for Capital Projects	-	-	-	-
Interest Earnings	222	-	-	30,728
Total Additions	<u>11,373</u>	<u>(13,397)</u>	<u>6,686</u>	<u>7,163,153</u>
DEDUCTIONS				
Supplies	-	-	-	-
Charges for goods and services	1,087	(13,397)	6,686	6,117,324
Repairs & Maintenance	10,958	-	-	2,626
Admin. Services - Richland	-	-	-	424,808
Gain on disposition of capital assets	-	-	-	208,585
Depreciation Expense	-	-	-	212,041
Total deductions	<u>12,045</u>	<u>(13,397)</u>	<u>6,686</u>	<u>6,965,385</u>
Net increase (decrease) in fiduciary net position	(672)	-	-	197,768
Net position - beginning	33,678	-	-	5,632,554
NET POSITION - ENDING	<u><u>\$ 33,006</u></u>	<u><u>(13,397)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,830,322</u></u>

800 Mhz Fund	Emergency Management Fund	Microwave Fund	Total Custodial Funds
\$ 899,827	\$ 105,690	\$ 99,211	\$ 5,365,808
-	674,856	-	779,721
-	-	-	2,770,920
25,912	1,800	-	27,712
387,695	-	-	387,695
3,474	61	855	35,340
<u>1,316,908</u>	<u>782,407</u>	<u>100,066</u>	<u>9,367,196</u>
-	-	-	-
946,482	670,125	74,116	7,802,423
347	646	291	14,868
11,382	44,449	5,208	485,848
			208,585
<u>878,281</u>	<u>55,642</u>	<u>3,884</u>	<u>1,149,848</u>
<u>1,836,492</u>	<u>770,862</u>	<u>83,499</u>	<u>9,661,572</u>
(519,584)	11,545	16,567	(294,376)
3,485,090	995,394	140,363	10,287,079
<u>\$ 2,965,506</u>	<u>\$ 1,006,939</u>	<u>\$ 156,930</u>	<u>\$ 9,992,703</u>



STATISTICAL SECTION

This section provides detailed information as a context for understanding the overall financial health of the City as it relates to other presentations made within the Annual Comprehensive Financial Report. Information is presented in the following five categories: 1) Financial Trends, 2) Revenue Capacity, 3) Debt Capacity, 4) Demographic and Economic Information and 5) Operating Information.

FINANCIAL TRENDS – Tables 1-4

These schedules contain trend information to assist the reader in understanding how the City's financial performance and well-being have changed over time:

1. Changes in Fund Balances – Governmental Funds, Last Ten Fiscal Years
2. Net Position, Last Ten Fiscal Years
3. Changes in Net Position, Last Ten Fiscal Years
4. Fund Balances – Governmental Funds, Last Ten Fiscal Years

REVENUE CAPACITY – Tables 5-10

These schedules contain information to assist the reader in assessing the City's most significant local revenue sources, property and sales taxes:

5. Tax Revenues by Source – Governmental Funds, Last Ten Fiscal Years
6. Property Tax Levies & Collections, Last Ten Fiscal Years
7. Assessed & Actual Value of Taxable Property, Last Ten Fiscal Years
8. Direct & Overlapping Property Tax Rates, Last Ten Fiscal Years
9. Sales Tax Received by Category, Last Ten Calendar Years
10. Principal Property Taxpayers for 2021 & 2012

DEBT CAPACITY – Tables 11-15

These schedules present information to assist the reader in assessing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

11. Pledged Revenue Coverage, Last Ten Fiscal Years
12. Ratios of Outstanding Debt by Type, Last Ten Fiscal Years
13. Ratio of Net General Bonded to Assessed Value and Net Bonded Debt Per Capita, Last Ten Fiscal Years
14. Direct & Overlapping Debt - Governmental Activities, as of December 31, 2021
15. Legal Debt Margin, Last Ten Fiscal Years

DEMOGRAPHIC & ECONOMIC INFORMATION – Tables 16-17

These schedules contain information to assist the reader in assessing the socio-economic environment within which the government operates and to provide information that facilitates comparisons of financial statement information over time and among governments:

16. Demographic & Economic Statistics, Last Ten Fiscal Years
17. Principal Employers for 2021 & 2012

OPERATING INFORMATION – Tables 18-21

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:

18. Operating Indicators by Function/Program, Last Ten Fiscal Years
19. Top Ten Customers for Selected Utilities
20. Full-Time Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years
21. Capital Asset Statistics by Function/Program, Last Ten Fiscal Years

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

City of Richland, Washington
Annual Comprehensive Financial Report
Statistical Section - Financial Trends Information
Table 1 - Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Taxes	\$ 63,917,276	\$ 55,656,410	\$ 59,102,905	\$ 53,819,838	\$ 50,437,949	\$ 48,562,310	\$ 45,726,501	\$ 41,977,970	\$ 38,180,039	\$ 36,626,363
Licenses & permits	2,857,982	2,904,936	3,072,778	2,436,923	2,557,508	2,840,787	2,677,317	2,599,993	2,318,857	2,205,971
Intergovernmental	10,477,293	14,610,087	18,350,424	15,061,570	5,518,666	6,440,906	5,948,208	8,144,118	8,039,627	6,106,051
Charges for services	16,726,400	15,716,070	15,545,520	14,047,140	13,083,228	12,137,127	8,128,419	7,704,122	7,809,058	7,732,806
Fines & forfeits	462,109	435,646	531,612	564,618	515,624	607,288	818,967	817,764	856,819	916,385
Investment earnings	(200,416)	1,010,093	1,395,211	839,390	417,954	262,805	288,682	306,015	69,257	290,597
Rents & leases	1,566,957	1,284,412	1,703,300	1,484,560	1,435,088	1,515,781	1,453,179	717,412	722,765	1,973,441
Miscellaneous revenues	540,317	586,646	4,532,259	893,940	1,156,305	876,706	572,642	854,155	548,334	1,101,510
Total revenues	96,347,918	92,204,300	104,234,009	89,147,979	75,122,322	73,243,710	65,613,915	63,121,549	58,544,756	56,953,124
EXPENDITURES										
<i>Current:</i>										
Judicial	661,551	675,038	599,116	787,356	612,709	736,826	752,070	685,091	618,486	712,698
General government	16,411,906	15,957,875	16,597,904	15,245,682	14,353,222	14,043,533	13,379,397	13,729,256	12,355,068	12,445,145
Public safety	33,158,191	32,567,083	30,819,018	29,815,564	26,627,012	24,484,789	20,044,753	18,986,726	18,944,406	18,574,463
Physical environment	-	-	-	-	-	246,912	243,518	239,111	232,690	223,263
Transportation	6,941,842	4,621,728	4,657,494	4,929,654	4,782,030	4,103,281	3,627,432	3,338,151	4,233,541	4,028,906
Health & human services	17,471	16,285	15,748	13,806	14,200	14,097	11,954	8,742	11,193	12,756
Economic environment	7,560,155	6,797,957	5,239,599	4,717,066	5,714,353	4,792,141	4,919,136	8,960,064	7,924,653	5,812,773
Culture & recreation	8,342,555	7,448,762	7,733,056	7,841,734	6,998,649	6,606,846	6,407,652	5,850,173	6,076,924	5,962,775
<i>Debt service:</i>										
Administrative Charges/Other	-	1,279	1,280	1,078	152,929	2,104	149,563	4,856	97,859	601
Interest	1,737,699	1,683,376	1,655,448	1,726,973	1,476,869	1,339,549	1,424,949	1,649,496	1,620,922	1,487,880
Principal	2,737,994	2,447,470	2,566,950	2,476,436	6,488,834	3,486,943	5,306,461	3,179,431	3,448,941	2,913,457
<i>Capital Outlay:</i>										
General government	524,404	598,646	5,137,201	13,423,709	3,089,439	683,833	147,702	542,084	718,240	546,014
Public safety	7,608,156	1,713,801	277,871	324,145	59,164	46,549	2,652,865	764,037	41,719	238,889
Physical environment	-	-	-	-	-	-	-	-	-	-
Transportation	7,983,652	12,314,550	18,441,032	14,774,742	6,615,162	4,703,783	3,642,872	4,851,676	1,897,292	4,196,697
Economic environment	82,132	153,957	111,118	262,400	887,594	443,802	962,546	651,117	100,674	482,941
Culture & recreation	513,118	1,271,619	915,445	1,636,199	1,160,433	824,702	2,007,747	1,673,709	4,223,887	1,512,683
Total expenditures	94,280,826	88,269,426	94,768,280	97,976,544	79,032,599	66,559,690	65,680,617	65,113,720	62,546,495	59,151,941
Excess (deficiency) of revenues over (under) expenditures	2,067,092	3,934,874	9,465,729	(8,828,565)	(3,910,277)	6,684,020	(66,702)	(1,992,171)	(4,001,739)	(2,198,817)
OTHER FINANCING SOURCES (USES)										
Transfers in	13,166,544	12,613,940	8,744,411	13,405,039	10,056,533	4,806,778	5,592,968	8,392,194	6,479,976	6,995,101
Transfers out	(13,788,193)	(14,246,028)	(9,790,069)	(14,975,184)	(11,399,276)	(5,584,031)	(9,007,349)	(9,254,722)	(8,687,825)	(8,351,837)
Debt issued	-	5,445,000	-	-	16,130,000	294,318	15,098,361	3,355,000	11,115,000	-
Premium on general obligation debt	-	1,585,468	-	-	2,129,817	-	1,565,869	123,353	91,249	-
Payment to ref. bond escrow agent	-	-	-	-	-	-	(13,794,724)	-	-	-
Disposition of land held for resale	1,983,576	1,320,538	4,313,670	1,290,592	1,617,234	502,203	248,812	3,500,027	172,117	229,790
Gain on disposition of capital assets	-	-	715,549	352,114	17,570	6,681	38,710	214,310	304,229	11,321
Insurance recoveries	-	-	-	-	-	10,000	-	-	-	-
Total other financing sources (uses)	1,361,927	6,718,918	3,983,561	72,561	18,551,878	35,949	(257,353)	6,330,162	9,474,746	(1,115,625)
Net change in fund balances	3,429,019	10,653,792	13,449,290	(8,756,004)	14,641,601	6,719,969	(324,055)	4,337,991	5,473,007	(3,314,442)
Prior period adjustments	-	-	-	(56,502)	-	(18,633)	-	(786,281)	(1,104,578)	-
Total net change in fund balances	\$ 3,429,019	\$ 10,653,792	\$ 13,449,290	\$ (8,812,506)	\$ 14,641,601	\$ 6,701,336	\$ (324,055)	\$ 3,551,710	\$ 4,368,429	\$ (3,314,442)
Debt service as a % of noncapital expenditures	5.77%	5.72%	6.04%	6.22%	12.08%	8.07%	12.23%	8.54%	9.30%	8.44%

City of Richland, Washington
Annual Comprehensive Financial Report
Statistical Section - Financial Trends Information
Table 2 - Net Position
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 166,048,664	\$ 152,919,749	\$ 137,734,724	\$ 115,682,836	\$ 98,465,338	\$ 92,515,556	\$ 77,921,984	\$ 77,393,420	\$ 86,339,502	\$ 86,531,857
Restricted	47,456,434	39,211,657	34,155,664	26,047,147	38,243,623	27,908,406	12,390,522	13,984,508	5,164,524	3,483,745
Unrestricted	41,544,977	34,034,006	17,847,924	3,913,192	(2,019,224)	2,628,947	4,241,680	11,434,107	18,833,768	25,648,175
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	255,050,075	226,165,412	189,738,312	145,643,175	134,689,737	123,052,909	94,554,186	102,812,035	110,337,794	115,663,777
BUSINESS-TYPE										
Net Investment in Capital Assets	\$209,892,995	203,775,917	193,750,024	178,824,569	167,556,016	158,307,907	150,079,976	146,876,162	145,327,567	131,225,438
Restricted	28,163,288	23,139,958	20,617,643	18,131,696	18,479,222	15,883,919	16,628,777	14,119,797	13,802,274	19,804,051
Unrestricted	48,407,488	35,772,255	28,242,454	23,231,265	18,508,853	16,376,163	14,315,523	19,969,244	14,909,806	12,750,453
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	286,463,771	262,688,130	242,610,121	220,187,530	204,544,091	190,567,989	181,024,276	180,965,203	174,039,647	163,779,942
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	375,941,659	356,695,666	331,484,748	294,507,405	266,021,354	250,823,463	228,001,960	224,269,582	231,667,069	217,757,295
Restricted	75,619,722	62,351,615	54,773,307	44,178,843	56,722,845	43,792,325	29,019,299	28,104,305	18,966,798	23,287,796
Unrestricted	89,952,465	69,806,261	46,090,378	27,144,457	16,489,629	19,005,110	18,557,203	31,403,351	33,743,574	38,398,628
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 541,513,846	\$ 488,853,542	\$ 432,348,433	\$ 365,830,705	\$ 339,233,828	\$ 313,620,898	\$ 275,578,462	\$ 283,777,238	\$ 284,377,441	\$ 279,443,719

In 2018 the City determined that neither fire nor police pension plans were administered through a trust. For this reason the City reclassified their net position from fiduciary funds to the General Fund for reporting purposes per GASB statement No. 73, paragraph 115.

City of Richland, Washington
Annual Comprehensive Financial Report
Table 3 - Changes in Net Position
Last Ten Years (accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
<i>Governmental Activities:</i>										
Judicial	\$ 661,551	\$ 675,038	\$ 599,116	\$ 787,356	\$ 612,709	\$ 736,826	\$ 752,070	\$ 685,091	\$ 618,486	\$ 712,698
General Government	13,652,099	16,312,009	15,831,173	14,126,892	14,468,015	15,442,282	14,260,390	14,389,809	12,622,646	12,799,300
Public Safety	29,806,690	16,625,311	29,194,924	31,185,534	27,228,765	26,983,227	21,032,731	24,966,795	19,744,479	20,091,515
Physical Environment	-	-	-	-	-	246,912	243,518	239,111	232,690	223,263
Transportation	10,403,708	7,313,605	7,135,385	7,516,617	7,531,674	6,534,382	11,977,801	11,719,930	12,449,384	12,261,359
Health & human services	17,471	16,285	15,748	13,806	14,200	14,097	11,954	8,742	11,193	12,756
Economic Environment	6,459,960	5,940,607	5,109,855	4,717,912	6,645,265	5,594,614	5,456,432	9,544,697	7,942,776	6,051,751
Culture & Recreation	7,238,877	8,305,056	8,613,042	8,332,412	8,002,424	8,005,109	7,821,561	11,051,111	7,291,514	7,205,154
Interest on Long-Term Debt	1,447,430	1,497,678	1,427,307	1,500,043	1,553,294	1,229,272	1,489,579	1,583,907	1,670,320	1,437,334
Total Governmental Activities	69,687,787	56,685,589	67,926,550	68,180,572	66,056,346	64,786,721	63,046,036	74,189,193	62,583,488	60,795,130
<i>Business-Type Activities:</i>										
Electric & Gas	68,841,236	70,718,531	72,855,019	65,108,241	62,473,834	59,375,689	54,615,686	54,489,969	53,419,986	48,046,928
Water	12,965,380	12,540,030	12,332,021	10,909,729	10,125,955	10,989,873	9,903,328	10,332,007	10,264,897	9,959,311
Sewer	9,357,585	8,826,423	8,596,204	7,541,067	7,806,872	8,265,826	6,880,869	7,493,696	7,501,259	7,611,549
Solid Waste	10,343,972	9,743,184	8,952,933	8,246,186	6,811,779	5,812,417	8,675,356	6,930,515	7,001,150	6,540,027
Stormwater	1,756,865	1,719,618	1,419,133	1,301,397	1,271,385	1,306,497	1,532,140	1,343,853	1,318,630	1,244,857
Golf Course	2,014,493	1,709,015	1,815,612	1,789,526	1,965,153	1,717,876	1,612,671	1,596,480	1,590,702	1,519,204
Medical Services	5,206,762	4,715,737	4,571,069	3,967,526	4,163,413	3,602,718	3,036,998	3,363,682	3,032,903	2,856,359
Broadband	265,445	251,078	270,228	231,724	237,998	174,712	180,575	175,358	76,966	-
Total Business-Type Activities	110,751,737	110,223,616	110,812,219	99,095,396	94,856,389	91,245,608	86,437,623	85,725,560	84,206,493	77,778,235
Total Primary Government Expenses	180,439,524	166,909,205	178,738,769	167,275,968	160,912,735	156,032,329	149,483,659	159,914,753	146,789,981	138,573,365
Program Revenues										
<i>Governmental Activities:</i>										
<i>Charges for Services</i>										
Judicial	452,849	420,992	497,053	519,437	472,196	559,077	768,944	769,654	773,448	860,813
General Government	9,075,843	9,306,763	8,544,831	8,334,328	8,623,083	7,444,746	7,343,592	6,761,340	7,042,606	6,821,453
Public Safety	6,709,971	5,864,076	5,859,765	5,219,306	4,100,340	3,989,347	273,209	259,832	371,450	231,460
Physical Environment	-	-	-	-	-	49,105	53,203	55,542	51,607	52,396
Transportation	1,055,422	967,665	1,278,042	1,036,609	962,535	782,394	1,020,948	831,610	772,067	861,952
Health & human services	8,658	17,112	25,512	30,474	26,229	41,360	111,038	68,991	72,420	524,181
Economic Environment	3,933,683	3,562,126	4,448,353	3,102,156	2,808,648	4,095,516	2,981,634	3,071,528	2,146,768	3,487,891
Culture & Recreation	908,681	771,865	1,290,908	1,154,397	1,121,617	1,401,316	986,815	895,685	953,049	910,772
Operating Grants and Contributions	2,543,280	4,478,358	1,604,826	1,728,186	1,814,309	1,826,779	2,184,976	1,440,860	1,867,067	2,148,431
Capital Grants and Contributions	7,394,837	8,762,071	18,633,098	11,936,936	2,300,608	3,343,624	2,544,143	5,296,154	4,809,008	2,761,967
Total Governmental Activities	\$ 32,083,223	\$ 34,151,028	\$ 42,182,388	\$ 33,061,829	\$ 22,229,565	\$ 23,533,264	\$ 18,268,502	\$ 19,451,196	\$ 18,859,490	\$ 18,661,316

City of Richland, Washington
 Comprehensive Annual Financial Report
 Table 3 - Changes in Net Position (continued)
 Last Ten Years (accrual basis of accounting)

	202									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<i>Business-Type Activities:</i>										
Charges for Services										
Electric	\$ 77,478,580	\$ 73,997,549	\$ 76,239,732	\$ 71,214,318	\$ 67,972,784	\$ 63,520,869	\$ 57,994,539	\$ 57,340,303	\$ 54,945,920	\$ 48,213,393
Water	16,906,486	16,166,066	15,652,694	15,600,674	14,600,499	14,691,287	14,407,590	13,902,732	13,254,942	12,502,676
Sewer	9,717,026	9,753,196	9,778,836	9,627,892	9,514,786	9,269,282	9,186,121	8,962,953	8,691,716	8,582,653
Solid Waste	11,488,700	10,598,356	12,044,824	9,706,336	9,537,730	8,628,477	8,346,077	7,712,288	8,237,305	4,982,677
Stormwater	1,980,786	1,947,580	2,037,682	1,955,661	1,870,758	2,448,339	2,103,726	2,303,127	2,280,477	2,830,931
Golf Course	2,218,517	1,689,295	1,836,209	1,910,150	1,707,171	1,743,990	1,605,653	1,555,413	1,628,586	1,477,589
Medical Services	7,330,019	5,759,418	4,878,409	4,527,284	3,723,437	3,857,186	3,401,521	3,282,576	2,868,451	2,333,394
Broadband	230,028	329,883	192,430	283,654	158,209	150,025	178,484	240,000	170,811	-
Operating Grants and Contributions	1,316,500	1,160,728	83,577	71,628	68,893	68,092	63,827	204,324	-	-
Capital Grants and Contributions	5,554,974	5,921,686	7,027,369	9,495,661	6,821,950	4,269,608	4,367,793	4,882,561	7,954,915	8,838,913
Total Business-Type Activities	134,221,616	127,323,757	129,771,762	124,393,258	115,976,217	108,647,155	101,655,331	100,386,277	100,033,123	89,762,226
Total Primary Government Revenues	166,015,965	161,474,785	171,954,150	157,455,087	138,205,782	132,180,419	119,923,833	119,837,473	118,892,613	108,423,542
Net (Expense)/Revenue										
Governmental Activities	(37,604,565)	(22,534,561)	(25,744,162)	(35,118,743)	(43,826,781)	(41,253,457)	(44,777,534)	(54,737,997)	(43,723,998)	(42,133,814)
Business-type Activities	23,469,879	17,100,141	18,959,543	25,297,862	21,119,828	17,401,547	15,217,708	14,660,717	15,826,630	11,983,991
Total Primary Government Net Expense	(14,134,685)	(5,434,420)	(6,784,619)	(9,820,881)	(22,706,953)	(23,851,910)	(29,559,826)	(40,077,280)	(27,897,368)	(30,149,823)
General Revenues										
<i>Governmental Activities:</i>										
Property Taxes	20,167,579	19,278,175	18,939,382	18,319,976	17,600,966	16,889,650	16,201,248	15,622,185	15,030,647	14,439,678
Sales Taxes	20,863,564	17,099,573	17,667,476	15,611,345	14,892,805	14,434,778	13,215,616	10,991,080	10,251,001	9,201,422
B&O Taxes	13,855,423	13,469,212	14,068,359	3,242,019	3,725,839	3,383,237	3,597,958	3,952,587	4,041,508	3,825,359
Other Taxes	10,992,708	7,628,392	10,247,071	8,574,620	6,564,709	6,611,152	6,281,555	4,847,975	3,998,315	4,661,573
Investment Earnings	(227,679)	1,215,863	1,727,561	1,032,320	519,872	331,460	404,278	564,215	190,182	388,599
Gain on disposition of Capital	-	-	715,549	352,114	17,569	6,681	-	-	-	-
Disposition of Land Held for Resale	1,690,686	1,186,418	3,377,600	1,056,736	1,557,892	441,158	287,522	3,714,337	476,346	121,733
Insurance Recoveries	-	-	-	-	-	10,000	-	-	-	-
Miscellaneous	-	1,300,428	3,832,977	4,977,922	2,474,746	5,517,170	650,375	1,232,707	1,157,306	-
Transfers	(853,048)	(1,632,088)	(1,129,657)	8,317,012	8,109,211	8,196,381	4,581,273	7,073,433	4,528,264	5,118,713
Total Governmental Activities	66,489,232	59,545,973	69,446,318	61,484,064	55,463,609	55,821,667	45,219,825	47,998,519	39,673,569	37,757,077
<i>Business-Type Activities:</i>										
Investment Earnings	(522,903)	984,136	2,079,732	1,230,805	677,884	342,502	427,386	414,790	(309,414)	935,302
Gain on disposition of Capital	(3,702)	331,594	125,000	-	-	-	-	-	-	-
Insurance Recoveries	38,720	30,048	-	-	28,204	-	-	-	-	-
Transfers	853,048	1,632,088	1,129,657	(8,317,012)	(8,109,211)	(8,196,381)	(4,581,273)	(7,073,433)	(4,528,264)	(5,118,713)
Total Business-Type Activities	365,163	2,977,866	3,334,389	(7,086,207)	(7,403,123)	(7,853,879)	(4,153,887)	(6,658,643)	(4,837,678)	(4,183,411)
Total Primary Government	\$ 66,854,394	\$ 62,523,839	\$ 72,780,707	\$ 54,397,857	\$ 48,060,486	\$ 47,967,788	\$ 41,065,938	\$ 41,339,876	\$ 34,835,891	\$ 33,573,666

City of Richland, Washington
 Comprehensive Annual Financial Report
 Table 3 - Changes in Net Position (concluded)
 Last Ten Years (accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Change in Net Position - Current Year										
Governmental Activities	\$ 28,884,667	\$ 37,011,412	\$ 43,702,156	\$ 26,365,321	\$ 11,636,828	\$ 14,568,210	\$ 442,291	\$ (6,739,478)	\$ (4,050,429)	\$ (4,376,737)
Business-type Activities	23,835,042	20,078,007	22,293,932	18,211,655	13,716,705	9,547,668	11,063,821	8,002,074	10,988,952	7,800,580
Total Change - Current Year	52,719,709	57,089,419	65,996,088	44,576,976	25,353,533	24,115,878	11,506,112	1,262,596	6,938,523	3,423,843
Change in Net Position - Changes in Accounting Principles										
Governmental Activities	-	-	-	(17,592,563)	-	-	(8,700,140)	-	-	(170,976)
Business-type Activities	-	-	-	(2,568,216)	-	-	(10,978,522)	-	-	(1,277,474)
Total Change - Accounting Principles	-	-	-	(20,160,779)	-	-	(19,678,662)	-	-	(1,448,450)
Change in Net Position - Prior Period Adjustments										
Governmental Activities	-	(584,308)	392,979	2,180,680	-	13,930,513	-	(786,281)	(1,104,578)	-
Business-type Activities	(59,401)	-	128,659	-	259,397	(3,955)	(26,226)	(1,076,518)	548,227	(41,206)
Total Change - Prior Period Adjustments	(59,401)	(584,308)	521,638	2,180,680	259,397	13,926,558	(26,226)	(1,862,799)	(556,351)	(41,206)
Total Change in Net Position	\$ 52,660,309	\$ 56,505,111	\$ 66,517,726	\$ 26,596,877	\$ 25,612,930	\$ 38,042,436	\$ (8,198,776)	\$ (600,203)	\$ 6,382,172	\$ 1,934,187

In 2012, the beginning balance of Net Position was restated by \$1,448,450 to reflect the effects of implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities* and correct the Broadband Fund classification from a governmental fund to an enterprise fund.

In 2015, the beginning balance of Net Position was restated by \$19,678,662 to reflect the effects of implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27*.

In 2016, the City recognized the value of \$8,934,884 land held for resale by governmental activities on the Statement of Net Position for the first time. Also, a depreciation error was corrected, restoring \$9,479,815 in carrying value to transportation infrastructure in governmental activities.

In 2017, the City recognized insurance recoveries of \$28,204.

In 2018, the beginning balance of Net Position was restated by (\$20,160,779) to reflect the effects of implementation of (i) GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets, That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB 67 and 68* and (ii) GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

In 2018 the inventory of Land Held for Resale was reviewed by Community Development staff. During this review, several parcels of land were found to have been omitted and have now been added

In 2019 the City started reporting utility taxes from City Utilities as tax revenue in the Statement of Activities instead of reporting in the transfers between governmental and business-type activities:

City of Richland, Washington
Annual Comprehensive Financial Report
Statistical Section - Financial Trends Information
Table 4 - Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 65,454	\$ 25,361	\$ 13,708	\$ 67,994	\$ -	\$ 26,818	\$ 19,425	\$ 2,379,932	\$ 2,294,528	\$ 2,294,515
Restricted (1)	3,161,436	2,811,138	1,103,590	151,394	288,901	472,947	431,324	275,916	221,077	198,913
Committed	668,624	662,129	593,739	707,423	756,161	750,998	958,643	1,102,645	1,196,905	1,371,122
Assigned (2)	57,865	57,865	75,865	109,561	103,961	107,808	104,662	236,704	316,066	389,161
Unassigned (3)	40,812,719	32,682,828	28,512,010	24,634,653	22,581,155	17,805,052	11,012,089	6,991,885	5,064,256	6,276,627
Total General Fund	44,766,097	36,239,321	30,298,912	25,671,025	23,730,178	19,163,623	12,526,143	10,987,082	9,092,832	10,530,338
All Other Governmental Funds										
Nonspendable	71,787	62,001	55,446	79,661	61,344	120,042	73,290	69,239	70,566	72,730
Restricted (1)	14,118,967	21,534,462	18,482,651	12,742,395	10,956,870	13,912,020	11,959,198	14,063,433	4,969,548	3,776,661
Committed	9,764,799	9,059,291	8,640,710	5,384,413	18,975,989	4,603,581	4,536,674	4,624,882	2,187,418	2,683,255
Assigned (2)	4,393,243	2,790,800	1,573,373	1,724,178	426,890	1,187,186	2,851,066	2,338,337	12,231,248	4,495,098
Unassigned (3)	-	-	(124)	-	(1,109,274)	(586,056)	(247,311)	(59,858)	(80,207)	(624,707)
Total All Other Governmental Funds	\$ 28,348,796	\$ 33,446,554	\$ 28,752,056	\$ 19,930,647	\$ 29,311,819	\$ 19,236,773	\$ 19,172,917	\$ 21,036,033	\$ 19,378,573	\$ 10,403,037

Governmental Funds include General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds

In 2018 the City determined that neither fire nor police pension plans were administered through a trust. For this reason the City reclassified their fund balances from fiduciary funds to the General Fund per GASB statement 73, paragraph 115.

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section - Financial Trends Information
 Table 5 - Tax Revenues by Source - Governmental Funds
 Last Ten Fiscal Years

	PROPERTY TAX	PROPERTY TAX FOR DEBT SERVICE	RETAIL SALES AND USE TAX	RETAIL SALES CRIMINAL JUSTICE TAX	UTILITY TAX	OTHER TAXES	REAL ESTATE EXCISE TAX	HOTEL/ MOTEL TAX	SPECIAL LODGING ASSESSMENT	TOTAL TAXES
2021	\$ 18,348,113	\$ 1,837,551	\$ 18,152,643	\$ 3,960,915	\$ 13,855,423	\$ 2,031,225	\$ 5,070,824	\$ 1,197,124	\$ 713,534	\$ 65,167,350
2020	17,488,108	1,777,993	13,892,505	3,207,068	13,469,212	1,490,564	3,260,038	715,356	355,566	55,656,410
2019	16,718,098	2,297,846	14,653,106	3,014,370	14,068,359	1,960,200	4,523,038	1,289,940	577,948	59,102,905
2018	16,072,438	2,258,873	12,630,602	2,980,743	13,129,176	1,869,946	3,122,214	1,197,994	557,852	53,819,838
2017	15,364,256	2,223,821	12,108,165	2,784,640	13,177,794	869,242	2,287,720	1,078,039	544,272	50,437,949
2016	14,722,114	2,158,587	11,674,335	2,760,442	12,356,871	851,112	2,604,109	951,284	483,456	48,562,310
2015	13,980,379	2,214,160	10,650,322	2,565,294	11,593,613	556,328	2,723,306	958,100	484,999	45,726,501
2014	13,596,507	2,060,964	10,065,562	925,518	11,888,548	515,103	1,687,157	824,271	414,340	41,977,970
2013	13,092,855	1,908,799	9,361,199	889,801	10,097,332	477,250	1,265,067	780,495	307,241	38,180,039
2012	12,615,011	1,793,364	8,375,646	825,776	10,239,354	401,116	1,382,607	710,818	282,671	36,626,363
CHANGE 2012-2021	45.45%	2.46%	116.73%	379.66%	35.32%	406.39%	266.76%	68.42%	152.43%	77.92%

The 2018 increase in Other Taxes reflects the first full year of collections related to the Transportation Benefit District car tab fee.

The 2017 Utility Tax increase was the result of rate increase to several of the utilities.

The increase in 2016 for property taxes reflects the completion of several large commercial construction projects which significantly increased Richland's assessed valuation.

Retail sales tax also saw robust growth during 2016, from both new construction and an influx of retail activity. Other taxes' increase includes amusement tax from a new theater.

The significant increase in 2015 for Criminal Justice Retail Sales Tax is the result of a voted .3% increase which went into effect 1/1/15. This is a 10 year commitment.

In late 2015, a commercial sale transaction of \$150M occurred, resulting in a sizeable, one time increase in Real Estate Excise Tax.

The 2014 Utility Tax increase was the result of a modification in the calculation process for consistency and compliance with the Richland Municipal Code throughout all City utilities.

Retail sales tax in 2013 includes the first six months' distribution of Local Revitalization Financing state contribution totaling \$268,724.

The Other Tax category includes Admission, Leasehold, gambling and TBD fees.

City of Richland, Washington
Comprehensive Annual Financial Report
Statistical Section - Revenue Capacity Information
Table 6 - Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Original Tax		Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Levy	Adjustments		Amount Collected	Percentage of Original Levy		Amount Collected	Percentage of Adjusted Levy
2021	\$ 20,096,569	\$ (51,547)	\$ 20,045,022	\$ 19,892,966	98.99%	\$ -	\$ 19,892,966	99.24%
2020	19,201,466	(1,052)	19,200,414	19,022,719	99.07%	139,146	19,161,865	99.80%
2019	18,921,267	(67,642)	18,853,625	18,684,797	98.75%	152,623	18,837,420	99.91%
2018	18,379,482	(44,023)	18,335,459	18,095,807	98.46%	237,554	18,333,360	99.99%
2017	17,695,447	(49,884)	17,645,563	17,398,103	98.32%	247,457	17,645,560	100.00%
2016	17,119,203	(91,801)	17,027,402	16,733,833	97.75%	293,569	17,027,402	100.00%
2015	16,522,897	(63,606)	16,459,291	16,261,792	98.42%	197,499	16,459,291	100.00%
2014	16,023,806	(94,916)	15,928,890	15,726,405	98.14%	202,485	15,928,890	100.00%
2013	15,285,836	(47,704)	15,238,132	14,999,602	98.13%	238,530	15,238,132	100.00%
2012	14,802,077	(88,585)	14,713,492	14,544,623	98.26%	168,869	14,713,492	100.00%

SOURCE:
 Benton County Treasurer

City of Richland, Washington
Comprehensive Annual Financial Report
Statistical Section - Revenue Capacity Information
Table 7 - Assessed and Actual Value of Taxable Property
Last Ten Fiscal Years

YEAR	REAL	PERSONAL	FARM	TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE
2021	\$ 7,987,112	\$ 226,052	\$ 33,146	8,246,310	\$ 2.4377
2020	7,470,633	198,464	43,241	7,712,338	2.4905
2019	6,760,794	164,211	31,200	6,956,205	2.7211
2018	5,970,818	161,340	30,565	6,162,723	2.9837
2017	5,602,545	297,056	31,080	5,930,681	2.9849
2016	5,467,952	307,889	34,746	5,810,587	2.9470
2015	5,173,975	325,312	35,077	5,534,364	2.9771
2014	5,023,330	312,302	33,576	5,369,208	2.9840
2013	4,822,508	293,204	31,893	5,147,605	2.9697
2012	4,656,375	301,558	34,339	4,992,272	2.9654

SOURCE:
 Benton County Assessor's Office
 (Property Values in \$1,000)

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section - Revenue Capacity Information
 Table 8 - Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

FISCAL YEAR	CITY GENERAL AND SPECIAL LEVY	DEBT SERVICE FUND	FIRE PENSION FUND	TOTAL CITY DIRECT	BENTON COUNTY	RICHLAND SCHOOL DISTRICT	PORT OF BENTON	WASHINGTON STATE	TOTAL DIRECT AND OVERLAPPING TAX RATES
2021	\$ 2.0282	\$ 0.1845	\$ 0.2250	\$ 2.4377	\$ 1.0228	\$ 4.8680	\$ 0.3518	\$ 2.6783	\$ 11.3586
2020	2.0763	0.1893	0.2250	2.4905	1.0830	5.0616	0.3622	3.0680	12.0653
2019	2.2110	0.2851	0.2250	2.7212	1.1708	4.1840	0.3736	2.7391	11.1887
2018	2.4408	0.3179	0.2250	2.9837	1.2788	5.5538	0.4008	2.0403	12.2574
2017	2.4391	0.3208	0.2250	2.9849	1.2753	4.9925	0.4001	2.1453	11.7981
2016	2.4014	0.3205	0.2250	2.9470	1.2694	4.8731	0.3984	2.1378	11.6256
2015	2.3904	0.3616	0.2250	2.9771	1.2799	4.8919	0.4012	2.3044	11.8544
2014	2.4021	0.3569	0.2250	2.9840	1.2831	4.8247	0.3989	2.3194	11.8101
2013	2.3865	0.3582	0.2250	2.9697	1.2796	4.3825	0.4055	2.3914	11.4287
2012	2.3860	0.3544	0.2250	2.9654	1.2771	4.2985	0.4196	2.3154	11.2760

SOURCE:
 Benton County Assessor's Office

City of Richland, Washington
Comprehensive Annual Financial Report
Statistical Section - Revenue Capacity Information
Table 9 - General Sales Tax Received by Category*
Last Ten Calendar Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Retail Trade	\$ 8,462,853	\$ 6,998,229	\$ 6,601,244	\$ 6,298,292	\$ 5,780,658	\$ 5,529,111	\$ 5,234,632	\$ 4,815,193	\$ 4,489,485	\$ 4,320,712	\$ 4,210,717
Services	2,687,848	2,354,144	2,575,281	2,429,440	2,040,466	1,931,452	1,667,874	1,520,341	1,491,479	1,432,053	1,792,031
Contracting	2,781,924	2,714,281	2,230,989	1,828,625	1,894,414	2,012,688	1,789,601	1,600,446	1,464,016	1,258,138	1,579,938
Manufacturing	347,336	296,711	278,710	242,702	195,029	185,430	202,883	191,190	217,383	155,423	181,066
Trans/Com/Utilities	420,366	345,560	388,065	401,462	445,177	460,129	386,733	369,025	369,083	385,068	417,728
Government	1,295	(892)	920	57,038	225,400	196,829	197,601	169,197	156,272	193,403	160,740
Wholesaling	1,015,190	862,581	837,322	823,995	827,466	691,015	703,143	725,796	726,688	630,853	747,511
Financial/Ins/Real Estate	104,329	89,004	104,310	93,177	71,821	85,092	65,712	62,040	56,777	57,773	27,698
Other Business	397,861	312,149	274,375	205,679	16,037	67,218	26,874	51,083	21,422	16,265	150,595
Total	\$ 16,219,002	\$ 13,971,767	\$ 13,291,216	\$ 12,380,410	\$ 11,496,468	\$ 11,158,964	\$ 10,275,053	\$ 9,504,311	\$ 8,992,605	\$ 8,449,688	\$ 9,268,024

Source: Tax Tools

*This revenue is reported on a cash basis.

City of Richland, Washington
Comprehensive Annual Financial Report
Statistical Section - Revenue Capacity Information
Table 10 - Principal Property Taxpayers for 2021
and Nine Years Ago

PRINCIPAL TAXPAYERS 2021	NATURE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL (+)
Conagra Foods	Packaged Food Company	\$ 185,317,310	2.26%
Lineage PFS LLC	Cold Warehouse Distribution Facilities	177,178,790	2.16%
Siemens Nuclear Power Corp.	Nuclear Fuels Production	128,726,420	1.57%
Extended Legacy, LLC	Real Estate Development	74,614,990	0.91%
Notus Holding, LLC	Property Management	57,906,130	0.70%
First Richland L.P.	Property Management	44,517,270	0.54%
Cowperwood BSF/CSF, LLC	Property Management	49,875,800	0.61%
Townfair Investors LLC	Property Management	39,221,060	0.48%
Packaging Corporation of America	Manufacturing	34,126,410	0.42%
PC Meadow Springs LLC	Property Management	39,054,140	0.48%

*Total Assessed Valuation for the City of Richland in 2021 = \$8,215,601,523

PRINCIPAL TAXPAYERS 2012	NATURE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL (+)
Siemens Nuclear Power Corp	Nuclear Fuels Production	\$ 95,370,230	1.91%
Battelle Pacific NW National Laboratories	Research & Development	71,641,680	1.44%
Extended Legacy, LLC	Real Estate Development	60,800,400	1.22%
Centurion Properties III LLC	Property Management	54,348,270	1.09%
Lamb Weston, Inc	Food Processing	38,561,750	0.77%
Cowperwood BSF/CSF, LLC	Research & Development	37,161,540	0.74%
Ferguson Enterprises, Inc	Wholesale Distributor	35,659,579	0.71%
The Villas at Meadow Springs LLC	Research & Development	33,395,054	0.67%
Oregon Metalurgical Corp	Manufacturing	27,532,360	0.55%
Kadlec Medical Center	Health Services	26,479,970	0.53%

*Total Assessed Valuation for the City of Richland in 2012 = \$4,992,272,077

SOURCE: Benton County Assessor's Office

City of Richland, Washington
Annual Comprehensive Financial Report
Statistical Section - Debt Capacity Information
Table 11 - Pledged Revenue Coverage
Last Ten Fiscal Years

ELECTRIC	2021	2020	2019	2018	*2017	2016	2015	2014	2013	2012
Gross Revenue	\$ 70,049,307	\$ 68,449,634	\$ 70,132,499	\$ 65,798,666	\$ 62,575,971	\$ 58,025,789	\$ 53,729,135	\$ 54,896,193	\$ 56,098,396	\$ 48,413,848
Less Operating Expenses	51,497,668	54,656,828	56,472,042	54,605,107	52,628,638	49,877,764	46,562,053	46,623,381	45,652,010	40,718,952
Net Amount Available For Debt Service	18,551,639	13,792,806	13,660,457	11,193,559	9,947,333	8,148,025	7,167,082	8,272,812	10,446,386	7,694,896
Principal	3,120,000	3,045,000	2,915,000	2,985,000	2,855,000	2,765,000	2,665,000	2,560,000	2,055,000	1,890,000
Interest	2,936,269	2,960,313	2,851,790	3,108,870	3,171,211	3,248,810	2,490,374	2,590,658	2,666,577	2,374,403
Total Annual Debt Service	\$ 6,056,269	\$ 6,005,313	\$ 5,766,790	\$ 6,093,870	\$ 6,026,211	\$ 6,013,810	\$ 5,155,374	\$ 5,150,658	\$ 4,721,577	\$ 4,264,403
Electric Debt Coverage	3.06	2.30	2.37	1.84	1.65	1.35	1.39	1.61	2.21	1.80
Revenue derived from Residential/Commercial Electric Sales										
WATER/SEWER **										
Gross Revenue	\$ 27,173,242	\$ 27,284,985	\$ 26,302,940	\$ 25,671,435	\$ 24,268,385	\$ 24,050,544	\$ 23,758,423	\$ 23,072,818	\$ 22,013,016	\$ 21,385,013
Less Operating Expenses	13,946,450	12,970,693	12,547,331	12,703,718	12,358,394	14,118,828	12,257,270	12,094,951	12,142,075	11,485,912
Net Amount Available For Debt Service	13,226,792	14,314,292	13,755,609	12,967,717	11,909,991	9,931,716	11,501,153	10,977,867	9,870,941	9,899,101
Principal	4,031,661	4,671,978	4,523,535	4,411,479	4,244,480	4,152,539	4,005,653	4,053,821	3,972,041	3,974,307
Interest	774,148	939,996	1,081,869	1,085,971	1,301,814	1,217,410	1,360,957	1,568,069	1,739,106	1,756,490
Total Annual Debt Service	\$ 4,805,809	\$ 5,611,974	\$ 5,605,404	\$ 5,497,450	\$ 5,546,294	\$ 5,369,949	\$ 5,366,610	\$ 5,621,890	\$ 5,711,147	\$ 5,730,797
Water/Sewer Debt Coverage	2.75	2.55	2.45	2.36	2.15	1.85	2.14	1.95	1.73	1.73
Revenue derived from Residential/Commercial Water and Sewer charges										
SOLID WASTE										
Gross Revenue	\$ 10,244,765	\$ 9,667,336	\$ 12,002,576	\$ 9,365,877	\$ 9,203,182	\$ 9,454,184	\$ 8,357,968	\$ 7,706,624	\$ 7,617,929	\$ 7,583,025
Less Operating Expenses	7,659,823	7,499,575	7,171,113	7,487,615	6,307,015	6,834,452	7,188,986	6,771,135	6,564,223	6,275,497
Net Amount Available For Debt Service	2,584,942	2,167,761	4,831,463	1,878,262	2,896,167	2,619,732	1,168,982	935,489	1,053,706	1,307,528
Principal	-	-	135,000	125,000	125,000	120,000	115,000	115,000	110,000	110,000
Interest	-	-	3,445	6,367	10,039	13,651	17,114	20,037	22,629	25,012
Total Annual Debt Service	\$ -	\$ -	\$ 138,445	\$ 131,367	\$ 135,039	\$ 133,651	\$ 132,114	\$ 135,037	\$ 132,629	\$ 135,012
Solid Waste Debt Coverage	N/A	N/A	34.90	14.30	21.45	19.60	8.85	6.93	7.94	9.68
Revenue derived from Residential/Commercial Garbage Collection and Landfill Charges										

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section - Debt Capacity Information
 Table 11 - Pledged Revenue Coverage (continued)
 Last Ten Fiscal Years

STORMWATER **	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Gross Revenue	\$ 2,442,774	\$ 2,108,312	\$ 2,110,258	\$ 1,994,701	\$ 1,891,335	\$ 1,915,962	\$ 1,893,741	\$ 1,769,387	\$ 1,747,598	\$ 1,828,527
Less Operating Expenses	1,324,912	1,326,346	984,932	1,042,566	986,284	1,149,489	1,260,137	1,129,395	1,103,933	1,059,781
Net Amount Available For Debt Service	1,117,862	781,966	1,125,326	952,135	905,051	766,473	633,604	639,992	643,665	768,746
Principal	34,840	80,048	214,524	213,158	206,819	199,092	107,623	102,306	102,001	101,710
Interest	31,652	33,229	38,869	44,916	53,420	66,450	67,634	69,466	71,434	74,464
Total Annual Debt Service	\$ 66,492	\$ 113,277	\$ 253,393	\$ 258,074	\$ 260,239	\$ 265,542	\$ 175,257	\$ 171,772	\$ 173,435	\$ 176,174
Stormwater Debt Coverage	16.81	6.90	4.44	3.69	3.48	2.89	3.62	3.73	3.71	4.36

Revenue derived from Residential/Commercial Stormwater charge

COLUMBIA POINT GOLF COURSE	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Gross Revenue	\$ 2,353,821	\$ 1,687,764	\$ 1,836,586	\$ 1,911,848	\$ 1,735,452	\$ 1,744,975	\$ 1,606,953	\$ 1,557,942	\$ 1,632,229	\$ 1,482,508
Less Operating Expenses	1,821,760	1,504,188	1,634,896	1,569,401	1,732,150	1,473,926	1,369,361	1,350,128	1,331,674	1,271,852
Net Amount Available For Debt Service	532,061	183,576	201,690	342,447	3,302	271,049	237,592	207,814	300,555	210,656
Principal	120,000	115,000	110,000	105,000	100,000	100,000	95,000	95,000	90,000	90,000
Interest	148,664	153,726	157,767	161,386	165,512	169,475	173,488	178,085	194,496	181,543
Total Annual Debt Service	\$ 268,664	\$ 268,726	\$ 267,767	\$ 266,386	\$ 265,512	\$ 269,475	\$ 268,488	\$ 273,085	\$ 284,496	\$ 271,543
Columbia Point Golf Course Coverage	1.98	0.68	0.75	1.29	0.01	1.01	0.88	0.76	1.06	0.78

Revenue derived from Public Golf Course Fees/Charges including retail sales

BROADBAND	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Gross Revenue	\$ 231,881	\$ 333,368	\$ 204,372	\$ 295,290	\$ 165,626	\$ 155,506	\$ 187,463	\$ 452,209	\$ 43,671	\$ -
Less Operating Expenses	52,862	40,098	71,621	38,456	60,278	18,927	26,150	59,723	-	-
Net Amount Available For Debt Service	179,019	293,270	132,751	256,834	105,348	136,579	161,313	392,486	43,671	-
Principal	91,640	110,787	109,908	104,143	117,011	102,312	104,166	75,000	50,000	-
Interest	61,634	64,206	66,558	68,560	73,447	72,132	70,772	68,439	48,298	-
Total Annual Debt Service	\$ 153,274	\$ 174,993	\$ 176,466	\$ 172,703	\$ 190,458	\$ 174,444	\$ 174,938	\$ 143,439	\$ 98,298	\$ -
Broadband Coverage	1.17	1.68	0.75	1.49	0.55	0.78	0.92	2.74	0.44	-

Revenue derived from Fiber Optic Leases/Charges including retail sales

* 2017 presentation of CAFR revised to appropriately match bond ordinance calculation for Electric
 ** Calculations for Water/Sewer and Stormwater include non parity debt. For a calculation of parity debt refer to "Table for Waterworks (Water, Sewer, Stormwater) Parity Debt" in note 4.
 Gross Revenue (from CAFR Statements) does not include Grants, Capital Contributions and Transfers in, also doesn't include LID for water and sewer
 Operating Expense (from CAFR Statements) does not include Transfers out, utility occupation taxes, depreciation or other non operating expenses.

Annual Comprehensive Financial Report
 Statistical Section - Debt Capacity Information
 Table 12 - Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES							TOTAL DEBT	% OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	LOCAL PROGRAM FIRE STATIONS 73 & 75	CERB LOAN, WSDOT LOAN, ULID BAN	GOLF COURSE GENERAL OBLIGATION/REVENUE BONDS	ELECTRIC REVENUE BONDS	WATER SEWER REVENUE BONDS	SOLID WASTE/BROADBAND GENERAL OBLIGATION BONDS	STORMWATER AND SOLID WASTE REVENUE BONDS	PUBLIC WORKS TRUST FUND, ECOLOGY, AND BENTON PUD LOANS, CAPITAL LEASES				
2021	\$ 27,440,000	5,290,000	\$ 433,030	\$ 3,325,000	\$ 63,650,000	\$ 15,125,860	\$ 1,700,000	\$ 695,000	\$ 7,758,769	\$ 125,417,659	5.52%	2,045	
2020	35,220,000	5,445,000	526,024	3,445,000	66,770,000	22,680,000	1,780,000	720,000	9,416,156	146,002,180	6.22%	2,494	
2019	37,575,000	-	618,494	3,560,000	69,815,000	26,060,000	1,860,000	745,000	6,714,873	146,948,367	6.45%	2,585	
2018	40,050,000	-	710,444	3,670,000	65,725,000	29,295,000	2,075,000	860,000	7,992,709	150,378,153	7.49%	2,718	
2017	42,435,000	-	801,880	3,775,000	63,955,000	32,420,000	2,275,000	975,000	9,580,505	156,217,385	7.95%	2,885	
2016	32,265,000	-	1,328,964	3,875,000	66,810,000	25,330,000	2,475,000	1,125,000	10,434,188	143,643,152	7.41%	2,689	
2015	35,490,000	-	1,296,607	3,975,000	69,575,000	28,200,000	2,670,000	1,230,000	11,930,977	154,367,584	8.28%	2,908	
2014	38,985,000	-	671,467	4,070,000	52,805,000	30,925,000	2,860,000	1,330,000	12,542,130	144,188,597	7.88%	2,768	
2013	38,710,000	-	770,898	4,165,000	55,365,000	35,015,000	3,050,000	1,425,000	13,640,768	152,141,666	8.04%	2,974	
2012	30,695,000	-	1,369,839	4,255,000	48,120,000	37,710,000	845,000	1,520,000	14,924,810	139,439,649	8.26%	2,795	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements and the Schedule of Long Term Liabilities

City of Richland, Washington
 Annual Comprehensive Financial Report
 Statistical Section - Debt Capacity Information

Table 13 - Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
 Last Ten Fiscal Years

TAX YEAR	POPULATION (1)	*ASSESSED VALUE (2)	GENERAL OBLIGATION BONDS	MONIES AVAILABLE FOR DEBT SERVICE	NET GO BOND DEBT	RATIO NET BONDED GO DEBT TO ASSESSED VALUE	NET BONDED GO DEBT PER CAPITA
2021	61,320	\$ 8,246,310,077	\$ 37,755,000	\$ 1,539,428	\$ 36,215,572	0.44%	590.60
2020	58,550	\$ 7,712,338,099	\$ 40,445,000	\$ 1,514,441	\$ 38,930,559	0.50%	\$ 664.91
2019	56,850	6,956,204,813	42,995,000	1,470,761	41,524,239	0.60%	730.42
2018	55,320	6,162,723,033	45,795,000	1,378,580	44,416,420	0.72%	802.90
2017	54,150	5,930,681,465	48,485,000	1,303,261	47,181,739	0.80%	871.32
2016	53,410	5,810,586,971	38,615,000	1,663,620	36,951,380	0.64%	691.84
2015	53,080	5,534,363,683	42,135,000	2,137,687	39,997,313	0.72%	753.53
2014	52,090	5,369,208,018	45,915,000	2,672,115	43,242,885	0.81%	830.16
2013	51,150	5,147,604,881	45,925,000	2,666,367	43,258,633	0.84%	845.72
2012	49,890	4,992,272,077	35,795,000	3,274,796	32,520,204	0.65%	651.84

SOURCES:

(1) State <https://ofm.wa.gov/washington-data-research/population-demographics/population-estimates/april-1-official-population-estimates>

(2) Benton County Assessor's Office (Assessed Valuation)-<https://www.co.benton.wa.us/files/documents/2021TaxBooklet211015652021121PM.pdf>

*The assessed valuation is completed in November of the previous tax year.

City of Richland, Washington
Annual Comprehensive Financial Report
Statistical Section - Debt Capacity Information
Table 14 - Direct and Overlapping Debt- Governmental Activities
As of December 31, 2021

<u>DIRECT DEBT</u>			<u>AMOUNT</u>
Voted General Obligation Debt			\$ 7,315,000
Councilmanic General Obligation Debt			30,705,000
Councilmanic Loans			433,030
TOTAL DIRECT DEBT			\$ 38,453,030
<u>OVERLAPPING DEBT</u>			
(For debt paid with property taxes)	(1)	(2)	
	OUTSTANDING	PERCENT	AMOUNT
<u>Jurisdiction</u>	<u>DEBT</u>	<u>APPLICABLE</u>	<u>OVERLAPPING</u>
Benton County	\$ 4,002,777	37.64%	\$ 1,506,645
Richland School District #400	177,220,000	83.59%	148,138,198
Kennewick School District #17	194,970,000	5.75%	11,210,775
Kiona Benton School District #52	2,057,334	0.01%	206
Port of Benton	9,115,000	65.59%	5,978,529
Port of Kennewick	4,303,399	24.79%	1,066,813
Fire District No. 1	655,000	1.41%	9,236
		TOTAL OVERLAPPING DEBT	\$ 167,910,402
<u>GOVERNMENTAL ACTIVITIES DEBT RATIOS</u>			
Assessed Valuation - 2021 (Established in November 2020 for the 2021 tax year)			\$ 8,246,310,077
Population			61,320
Net Direct Debt to Assessed Valuation			0.47%
Net Direct Debt and Overlapping Debt to Assessed Valuation			2.50%
Per Capita Assessed Value			\$ 134,480
Per Capita Net Direct Debt			\$ 627
Per Capita Total Direct Debt and Overlapping Debt			\$ 3,365
Councilmanic Debt and Other Obligations consists of:			
	2010 LTGO - IT Facility/1998 Refunding		\$ 1,155,000
	2013 LTGO A- LRF		7,990,000
	2014 LTGO -Fire Station Construction		2,435,000
	2017 LTGO - City Hall		12,655,000
	2017 LTGO - 2006 Refunding		1,180,000
	2020 Local Program Fire Stations 73 & 75		5,290,000
			\$ 30,705,000
Voted GO Debt:	2015 UTGO - Refunding Bonds/2005/2007		\$ 7,315,000
			\$ 7,315,000

(1) Outstanding Debt Represents Total General Obligation Debt related to governmental activities.
(2) Applicable Percentage is Determined by Ratio of Assessed Valuation of Property Subject to Taxation in the Overlapping Unit to Valuation of Property Subject to Taxation in the Reporting Unit.

City of Richland, Washington
 Annual Comprehensive Financial Report
 Statistical Section - Debt Capacity Information
 Table 15 - Legal Debt Margin
 Last Ten Fiscal Years

FOR FISCAL YEAR ENDING DECEMBER 31										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 618,473,256	\$ 578,425,357	\$ 521,715,361	\$ 462,204,227	\$ 444,801,110	\$ 435,794,023	\$ 415,077,276	\$ 402,690,601	\$ 386,070,366	\$ 374,420,406
Total net debt applicable to debt limit	38,453,030	41,191,024	38,193,494	40,760,444	43,236,880	31,930,344	41,293,920	43,914,352	43,714,096	39,967,230
Legal Debt Margin	\$ 580,020,226	\$ 537,234,333	\$ 483,521,867	\$ 421,443,783	\$ 401,564,230	\$ 403,863,679	\$ 373,783,356	\$ 358,776,249	\$ 342,356,270	\$ 334,453,176
Total net debt applicable to the limit as a percentage of debt limit	6.22%	7.12%	7.32%	8.82%	9.72%	7.33%	9.95%	10.91%	11.32%	10.67%

The City's legal debt limit as mandated by RCW 39.36.020 is 7.5% of the value of taxable property in the city limits. The following limits and exceptions apply to the legal debt limit:
 2.5% for general purposes - Up to 1.5% can be without a vote of the people
 2.5% for utility purposes with a 3/5 vote of the people
 2.5% for open space, park facilities and capital facilities associated with economic development with a 3/5 vote of the people.

This table is completed using guidance from BARS, for completing the Schedule of Indebtedness. The assets that offset the debt are comprised of cash and cash equivalents of the debt service funds.

* Beginning in 2016 we have removed GO debt related to business type activities per GASB 44

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section
 Table 16 - Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	Richland Population (1)	*Per Capita Income (2)	Total Personal Income	**Median Age (3)	School Enrollment (4)	Annual Unemployment Rate (5)
2021	61,320	\$ 51,757	\$ 3,173,739,240	37.8	13,292	4.2%
2020	58,550	49,354	2,889,676,700	38.1	13,900	6.5%
2019	56,850	47,465	2,698,385,250	38.6	14,190	4.9%
2018	55,320	45,587	2,521,872,840	37.7	13,905	4.1%
2017	54,150	43,200	2,339,280,000	36.4	13,600	5.7%
2016	53,410	41,752	2,229,974,320	37.4	13,400	6.9%
2015	53,080	40,956	2,173,944,480	37.5	12,690	6.1%
2014	52,090	38,926	2,027,655,340	37.5	12,300	6.7%
2013	51,150	38,163	1,952,037,450	37.5	11,930	8.0%
2012	49,890	38,059	1,898,763,510	39.0	11,700	8.6%

SOURCES:

- (1) State of WA, Office of Financial Management, www.ofm.wa.gov
- (2) Bureau of Economic Analysis, US Dept of Commerce, Metropolitan Statistical Area Kennewick-Richland, www.bea.gov (County - Benton)
- (3) US Census, American Community Survey, www.census.gov/acs
- (4) Richland School District, www.rsd.edu
- (5) Washington State Employment Security Department - Bureau of Labor Statistics, www.fortress.wa.gov/esd/employmentdata

*2014-2018 Per Capita Income is estimated

**2015-2018 Median Age are estimated

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section
 Table 17 - Principal Employers for 2021
 and Nine Years Ago

PRINCIPAL EMPLOYERS 2021	RANK	NATURE OF BUSINESS	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYEES
Battelle/Pacific Northwest National Laboratory	1	Research & Development	5,300	17.8%
Kadlec Regional Medical Center	2	Health Services	3,800	12.8%
Washington River Protection Solutions	4	Environmental Remediation Services	2,800	9.4%
CH2M Hill Plateau Remediation Company	6	Environmental Remediation Services	2,100	7.1%
Bechtel National	3	Engineering & Construction	2,000	6.7%
Mission Support Alliance, LLC	5	Support Services, Hanford/DOE Site	1,884	6.3%
Richland School District	7	K-12 Education	1,700	5.7%
Energy Northwest	8	Power Generation Facility	1,000	3.4%
Lamb Weston	9	Food Processing	1,000	3.4%
Framatome/Areva	10	Fuel Production Facility	700	2.4%

PRINCIPAL EMPLOYERS 2012	RANK	NATURE OF BUSINESS	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYEES
Battelle Pacific NW National Laboratories	1	Radioactive Waste Management	4,429	*
Bechtel National	2	Research & Development	3,850	*
Kadlec Medical Center	3	Engineering and Consultation	2,277	*
CH2M Hill	4	Engineering and Consultation	1,554	*
Mission Support Alliance	5	Power Generation Facility	1,406	*
Washington River Protection Solutions	6	Education	1,100	*
Richland School District	7	Medical Services	1,047	*
Energy Northwest	8	Radioactive Waste Management	792	*
Washington Closure Hanford	9	Nuclear Fuels Production	747	*
Framatome ANP - AREVA	10	Research & Development	624	*

SOURCE: City of Richland Business License Database, RSD website, City of Richland Payroll

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section - Operating Information
 Table 18 - Operating Indicators by Function/Program
 Last Ten Fiscal Years

FUNCTION/PROGRAM:	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PUBLIC SAFETY										
<i>POLICE</i>										
Number of Employees	84.65	82.00	81.80	81.20	79.20	79.20	77.20	71.90	71.90	71.90
Ratio of Employees to Population	1/724	1/714	1/695	1/681	1/684	1/674	1/688	1/724	1/711	1/689
Criminal Filings - Non Traffic ¹⁰	857	1,017	1,784	1,747	1,564	1,490	1,413	1,295	1,246	1,395
Criminal Filings - Traffic	481	555	962	860	937	-	-	-	-	-
Infraction Filings	1,171	1,424	2,892	2,467	2,735	-	-	-	-	-
Calls for Service	34,912	30,728	33,178	31,979	31,286	29,411	28,066	27,526	26,327	25,964
Traffic Accidents	875	694	1,057	967	936	931	811	667	712	642
<i>FIRE:</i>										
Number of Employees	79.55	77.70	65.40	64.70	63.00	63.00	62.70	57.75	57.75	57.75
Ratio of Employees to Population	1/771	1/754	1/869	1/855	1/860	1/848	1/847	1/902	1/886	1/858
Fire Calls	2,758	2,076	2,014	1,792	1,822	1,683	1,587	1,383	1,490	1,454
Ambulance Calls	5,920	5,299	5,200	4,972	4,820	4,814	4,715	4,408	3,939	4,008
CULTURE & RECREATION										
<i>LIBRARY:</i>										
Number of Patron Visits ⁹	90,934	59,243	250,384	260,941	213,770	587,135	547,885	567,645	532,195	617,041
Website Visits (pageviews)	415,617	210,332	331,794	321,883	330,233					
Annual Circulation	530,742	382,256	642,371	644,727	666,560	798,336	807,639	726,629	706,527	755,324
Reference Requests ¹¹	9,650	5,045	17,145	31,204	29,902	24,700	30,266	31,507	33,089	33,580
<i>PARKS & RECREATION:</i>										
Number of Parks	58	58	58	58	58	58	58	58	58	58
Park Acreage-Undeveloped	1,700	1,700	1,695	1,695	1,695	1,695	1,695	1,695	1,695	1,770
Park Acreage-Developed	650	650	650	650	650	650	650	650	650	500
ECONOMIC DEVELOPMENT										
Building Permits Issued	2,241	2,275	2,362	2,186	2,331	2,125	2,017	1,979	2,144	2,065
Value of Permits in Millions	246.94	269.21	319.06	175.32	212.62	279.27	237.56	256.39	163.29	151.15
Business Licenses Issued	5,992	5,390	5,563	5,558	5,183	4,949	4,940	4,879	4,730	4,493
TRANSPORTATION										
Street Resurfacing (lane miles) Asphalt Overlays	10.23	4.66	15.23	1.9	8.5	17.1	18.5	7.4	6.0	6.2
Slurry Seal/Micro Surfacing (Types I & II)	9.57	0.72	8.39	29.9	-	-	-	-	-	-
City Streets cleaned (X per year)	5	5	5	5	4	4	5	5	5	4

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section - Operating Information
 Table 18 - Operating Indicators by Function/Program
 Last Ten Fiscal Years (Continued)

FUNCTION/PROGRAM:	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
BUSINESS-TYPE ACTIVITIES										
<i>ELECTRIC</i>										
New Connections	925	386	384	463	336	323	289	294	350	494
Total Consumption (kilowatt hr)millions	950	906	911	932	959	880	880	896	852	835
No. of Customers ⁷	26,658	25,613	24,966	24,526	24,095	23,867	23,628	23,197	22,618	22,152
<i>WATER</i>										
New Connections	427	572	367	354	313	303	269	262	277	272
Daily Ave Consumption(millions/gal)	18.1	16.9	16.8	16.8	15.4	16.4	16.8	16.4	15.3	13.9
Max Daily Plant Capacity(millions/gal)	30	30	30	30	30	30	30	30	30	30
No. of Customers ⁶	20,811	20,739	20,127	19,766	18,383	18,052	18,652	17,655	17,393	17,138
<i>SEWER</i>										
Daily Average Treatment (millions/gal)	6.162	6.061	6.558	6.1	6.4	5.8	5.6	5.6	5.5	5.6
Max Daily Plant Capacity(millions/gal)	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4
No. of Customers ⁵	21,227	21,861	21,436	20,987	20,589	20,284	19,972	18,077	17,752	17,469
<i>GARBAGE & SOLID WASTE</i>										
Residential Landfill Visitors	34,594	36,032	31,668	29,435	24,306	29,269	29,263	27,679	29,627	28,678
Commercial Landfill Visitors	14,071	11,668	11,145	5,598	5,874	9,338	11,322	11,612	7,945	7,751
Household Hazardous Waste Visitors	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	655	814 ³
No. of Customers ⁵ - Refuse	22,837	20,732	20,373	17,430	17,315	17,747	18,099	17,632	17,403	17,096
No. of Customers ⁵ - Recycle	7,303	7,169	6,243	5,889	5,523	5,324	5,004	4,570	4,054	3,713
<i>STORM WATER</i>										
Catch Basins Cleaned	1,382	1,750	1,286	688	232	869	443	539	506	536
Storm Pipes Jetted (ft) ⁸	14,834	13,326	12,794	13,677	26,206	20,287	7,140	23,210	36,653	54,115
Storm Drains Televised (ft)	9,955	7,738	7,924	3,592	33,258	20,788	16,925	21,547	23,116	25,923
No. of Customers ⁵	21,439	21,767	20,899	20,504	19,947	19,613	19,529	18,707	18,207	17,936

⁵Customer counts are a snap-shot in time (12/31/21) and taken from the Utility Billing System. (UBT-CUST-001)

⁶Starting in 2012, customer counts are defined as unique accounts, not the number of meters as previously reported.

⁷Electric counts refined to reflect number of customers, not the number of meters as previously reported. Change made back thru 2010

⁸Corrected terminology in 2017, was previously reported as Storm Drains Jet Cleaned

⁹Reflects in-person visits to the library building only, decrease is consistent with national decline. Does not include increased patron use of the library's online resources.

¹⁰Corrected to reflect new reporting standards.

¹¹Reflects the reference assistance moving to tech support, (which is not currently tracked) as patrons move to computers and mobile devices for research and references.

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section

Table 19 - Top Ten Customers by Utility Sales for 2021 (Selected Utilities Only)

<u>ELECTRIC</u>	<u>TOP TEN CUSTOMERS</u>	<u>NATURE OF BUSINESS</u>	<u>CONSUMPTION</u> <u>(mWh)</u>	<u>UTILITY SALES</u>	<u>% OF TOTAL UTILITY SALES</u>
1	Lamb Weston	Value Added Agriculture Products	90,799	\$ 5,313,133	17.88%
2	Battelle Pacific NW National Laboratories	Research & Development	60,640	3,616,998	12.17%
3	Areva NP Richland	Nuclear Fuels Production	35,030	2,037,494	6.86%
4	Preferred Freezer	Storage and Distribution Facilities	23,073	1,368,300	4.61%
5	ATI Richland Operations	Manufacturing	19,170	1,266,311	4.26%
6	Battelle - PNNL	Business Offices	18,822	1,134,666	3.82%
7	City of Richland	Municipality	17,553	1,159,713	3.90%
8	Richland School District	K-12 Education	16,809	1,160,655	3.91%
9	Kadlec Hospital	Health Facility	16,701	993,765	3.34%
10	Badger Mountain Irrigation	Irrigation District	12,898	906,068	3.05%
WATER			(Cubic Feet)		
1	Conagra Foods/Lamb Weston (Fisher Cnstr)	Value Added Agriculture Products	996,923	\$ 938,689	12.14%
2	City of West Richland Intertie	Municipality	760,466	449,313	5.81%
3	City of Richland	Municipality	326,601	304,701	3.94%
4	Richland School District	K-12 Education	147,974	236,240	3.06%
5	Battelle Pacific NW National Laboratories	Research & Development	94,844	202,222	2.62%
6	Penford Food Ingredients	Food Processing	88,383	70,962	0.92%
7	Kadlec Hospital/Regional Medical Center	Health Services	83,743	57,306	0.74%
8	Badger Mountain Irrigation	Irrigation District	80,658	41,346	0.53%
9	Preferred Freezer	Value Added Agriculture Products	63,040	54,115	0.70%
10	Alyson/Richland MHC, LLC	Property Management	57,685	56,730	0.73%
SEWER					
1	BATTELLE	Research & Development	N/A	\$ 317,108	11.08%
2	PENFORD FOOD INGREDIENTS	Food Processing	N/A	302,670	10.57%
3	KADLEC REGIONAL MEDICAL CENTER	Health Services	N/A	95,216	3.33%
4	THE VILLAS AT MEADOW SPRINGS	Property Management	N/A	72,481	2.53%
5	RICHLAND SCHOOL DISTRICT	K-12 Education	N/A	71,028	2.48%
6	BELLA VISTA APARTMENTS	Property Management	N/A	69,528	2.43%
7	TIMBERS APARTMENTS	Property Management	N/A	61,374	2.14%
8	KADLEC HOSPITAL	Health Services	N/A	59,312	2.07%
9	YUKSEL INC/SHORELINE	Property Management	N/A	52,918	1.85%
10	LA VERDE APTS	Property Management	N/A	52,510	1.83%
STORMWATER					
1	Richland School District	K-12 Education	N/A	\$ 61,607	7.21%
2	City of Richland	Municipality	N/A	49,177	5.76%
3	Battelle Pacific NW National Laboratories	Research & Development	N/A	47,812	5.60%
4	Port of Benton	Special Purpose District	N/A	29,384	3.44%
5	Ferguson Enterprises Inc.	Distribution Facility	N/A	21,123	2.47%
6	Areva NP Richland	Nuclear Fuels Production	N/A	18,342	2.15%
7	Wal-Mart Store	Retail	N/A	15,839	1.85%
8	Preferred Freezer Services Of Richland, LLC	Refrigerated Warehousing	N/A	14,674	1.72%
9	WSU Tri-Cities	Education	N/A	12,721	1.49%
10	Extended Legacy	Property Management	N/A	11,090	1.30%

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section - Operating Information
 Table 20 - Full Time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Full-Time Equivalent Employees as of December 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FUNCTION/PROGRAM										
Judicial	5.00	5.00	3.00	3.00	3.00	2.00	2.00	3.00	3.00	3.00
General Government	62.10	62.10	64.10	65.80	64.80	65.30	65.05	64.60	64.60	64.60
Public Safety*	164.20	159.70	147.20	145.90	142.20	142.20	139.90	128.65	129.65	129.45
Physical Environment	47.30	47.30	47.60	47.60	47.60	45.60	46.00	46.00	45.50	46.50
Transportation	20.30	20.30	20.00	19.00	18.00	17.00	18.00	19.00	19.00	19.00
Economic Environment	20.00	20.00	18.00	17.55	19.05	19.05	19.05	21.05	21.00	22.05
Culture & Recreation	33.50	32.50	34.00	34.50	34.00	34.00	34.50	34.10	34.10	34.10
Electric & Gas	59.75	60.75	60.75	60.75	59.50	58.50	56.50	56.50	57.50	57.50
Water	22.70	22.70	23.00	23.00	23.00	23.00	23.00	23.25	23.25	23.25
Sewer	22.70	22.70	22.95	22.95	22.95	22.95	22.95	22.95	22.95	22.95
Garbage & Solid Waste	28.10	28.10	28.10	28.10	28.10	28.10	28.70	28.50	28.50	28.50
Stormwater	2.30	2.30	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05
TOTAL	487.95	483.45	470.75	470.20	464.25	459.75	457.70	449.65	451.10	452.95
TOTAL POPULATION	61,320	58,550	56,850	55,320	54,211	53,410	53,080	52,090	51,150	49,890
PER CAPITA FTE	125.67	121.11	120.76	117.65	116.77	116.17	115.97	115.85	113.39	110.14

SOURCE: City Budget

*Does not include Richland employees assigned to Benton County Emergency Services as this service supports multiple agencies as part of a regional joint effort.

City of Richland, Washington
 Comprehensive Annual Financial Report
 Statistical Section - Operating Information
 Table 21 - Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FUNCTION/PROGRAM										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	46	35	27	27	27	26	26	23	23	23
Fire										
Stations	4	4	4	4	4	4	4	3	3	3
Emergency Response Vehicles	17	17	14	14	14	13	13	13	12	12
Equipment Maintenance										
City Fleet	548	516	507	493	493	477	470	441	459	439
Electric										
Substations	9	9	9	9	8	8	8	8	8	8
Water										
Treatment Plants	3	3	3	3	2	2	2	2	1	1
Water Mains (Miles)	414	399	399	391	347	337	289	332	321	321
Reservoirs	18	18	18	18	18	18	18	18	16	16
Pump Stations	12	12	12	12	12	12	11	11	11	11 ³
Wastewater										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Lift Stations	15	15	15	15	14	14	14	14	14	14
Sanitary Sewers (Miles)	316	301.5	305	283	286	277	279	278	276	266
Solid Waste										
Collection Vehicles	22	20	20	20	20	20	20	20	20	20
Transportation										
Area of City (Square Miles)	42.9	42.7	42.7	42.7	42.6	42.6	42.6	42.5	42.5	42.3
Miles of Streets-By Jurisdiction										
City	299.3	292.3	288.1	277.8	272.7	269.4	267.2	263.6	259.2	259.2
State	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	32.6	32.6
Private	43	43	43	44.5	44.1	41.7	41.5	41.5	57.4	57.4
Traffic Signals	54	54	54	54	54	54	53	53	53	53
Parks and Recreation²										
Community Center	1	1	1	1	1	1	1	1	1	1
Regional Parks - Developed	2	2	2	2	2	2	2	2	2	2
Community Parks- Developed	4	4	4	4	4	4	4	4	4	4
Neighborhood Parks - Developed	25	25	25	25	25	25	25	25	25	25
Special Use Parks - Developed	11	11	11	11	11	11	11	11	11	11
Mini Parks - Developed	-	-	-	-	-	-	-	-	-	-
Lineal Parks - Developed	9	9	9	9	9	9	9	9	9	9
Natural Open Spaces	7	7	7	7	7	7	7	7	7	7

(previously categorized as undeveloped and preserves - restated)

*Table developed to meet GASB 34 Statistical requirements. Prior years data not available.

¹ Pump stations only. Previously counted irrigation systems.

² Parks redefined and calculated more accurately in 2012

³ Beginning in 2012, Stormwater pump stations are included in this statistic.

ACKNOWLEDGEMENT

The following employees played important roles in producing the 2021 Annual Comprehensive Financial Report for the City of Richland, Washington. Their significant commitment to this project has been greatly appreciated.

Brandon Allen, Finance Director

Brandon Suchy, Finance Manager

Evgeniya Petyuk, Accountant

Jeanne Portch, Accountant

Jeff Kison, Accountant

Shiela Navarro, Accountant

Nicole Peters, Accountant

