



CITY OF RICHLAND, WASHINGTON

Public Works Utilities Financial Statements

**For the Quarter Ended
December 31, 2022**

(Unaudited)

Prepared by:

Finance Department

Issued on:

July 31, 2023

CITY OF RICHLAND, WASHINGTON
PUBLIC WORKS UTILITIES FINANCIAL STATEMENTS
December 31, 2022

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City of Richland~WATER FUND~ For Year Ended December 31, 2022 and December 31, 2021

STATEMENT OF NET POSITION

				2022			2021			Incr(Decr)		
				2022	2021	Incr(Decr)						
ASSETS				DEFERRED OUTFLOW OF RESOURCES								
<i>Current:</i>				<i>Current:</i>								
Cash & equivalents				157,819	166,265	(8,446)						
Unrestricted	1,362,554	-	1,362,554	543,746	210,243	333,503						
Investments	6,632,567	-	6,632,567	701,565	376,508	325,057						
Deposit with Third Party	5,775	5,775	-									
<i>Receivables:</i>				<i>LIABILITIES</i>								
Customer accounts (net)	764,014	869,361	(105,347)	<i>Current:</i>								
Due from other funds	-	-	-	Accounts payable & accrued expenses	1,313,983	690,228	623,755					
Due from other governments	-	110,971	(110,971)	Interest on outstanding debt	-	-	-					
Special Assessments	12,120	19,587	(7,467)	Payable to other governments	28,115	28,746	(631)					
Interfund loans	3,890	3,890	-	Notes payable-current portion	913,950	908,666	5,284					
Unspent Bond Proceeds	-	-	-	Deposits payable	17,043	32,109	(15,067)					
Prepaid items	-	-	-	Compensated absences-current portion	141,477	141,019	458					
Inventory	163,285	92,207	71,078	Total OPEB liability - current	29,360	26,812	2,548					
Total current assets	8,944,206	1,101,792	7,842,415	Revenue bonds payable-current portion	829,578	1,206,203	(376,625)					
<i>Noncurrent:</i>				<i>Noncurrent:</i>								
Cash & equivalents	-	5,459,298	(5,459,298)	Unearned Revenue	70,851	78,723	(7,872)					
Unspent bond proceeds	-	-	-	Compensated absences	141,477	141,019	458					
Bond Reserve	-	-	-	Net pension and OPEB liability	610,380	517,029	93,351					
Scheduled debt repayments	-	-	-	Notes & loans payable	1,699,622	2,507,885	(808,263)					
Facilities fees	-	-	-	Revenue bonds payable	10,951,091	11,923,584	(972,493)					
Net pension asset	520,105	1,353,150	(833,045)	Total noncurrent liabilities	13,473,420	15,168,240	(1,694,820)					
Restricted Investments	10,026,770	18,400,770	(8,374,000)	Total liabilities	16,746,926	18,202,023	(1,455,097)					
Receivables								DEFERRED INFLOW OF RESOURCES				
Special Assessments - LT	70,851	78,723	(7,872)					Deferred amount on pension and OPEB				
Interfund Loans	3,890	7,780	(3,890)					Total deferred inflow of resources				
Capital assets:								NET POSITION				
Land	5,604	5,604	-					Net investment in capital assets				
Depreciable assets (net)	4,943,223	4,989,176	(45,953)					Restricted for:				
Infrastructure (net)	81,510,279	79,414,599	2,095,680					Pension assets				
Construction in progress	7,205,328	829,160	6,376,168					Debt service				
Total capital assets	93,664,434	85,238,539	8,425,895					Capital improvements				
Total noncurrent assets	104,286,050	110,538,260	(6,252,210)					Unrestricted				
Total assets	113,230,256	111,640,052	1,590,204					Total net position				
								96,419,305				
								92,366,630				
								4,052,675				

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

				2022			2021			Incr(Decr)		
				2022	2021	Incr(Decr)						
OPERATING REVENUES				NONOPERATING REVENUES (EXPENSES)								
Charges for services:				Interest earnings								
Rate revenues	15,406,541	16,847,260	(1,440,719)	(797,418)	(139,589)	(657,829)						
All others	-	-	-	Insurance Recoveries	-	13,720	(13,720)					
Other operating revenues	-	-	-	Interest expense	(399,084)	(476,501)	77,417					
Total operating revenues	15,406,541	16,847,260	(1,440,719)	Debt costs	-	-	-					
				All other nonoperating revenues (expenses)								
				Total nonoperating revenues (expenses)								
				(1,169,895)								
				(575,621)								
				(594,274)								
				Income before capital contributions and transfers								
				1,956,092								
				3,689,180								
				(1,733,088)								
OPERATING EXPENSES				Capital contributions								
Maintenance & Operations	5,258,140	5,603,265	(345,125)	2,116,583	2,479,672	(363,088)						
Administration & general	1,530,679	1,394,105	136,574	Transfers in	-	-						
Taxes	2,573,336	2,802,671	(229,335)	Transfers out	(20,000)	(20,000)						
Depreciation	2,918,400	2,782,418	135,982	Change in net position	4,052,675	6,148,852	(2,096,176)					
Total operating expenses	12,280,554	12,582,459	(301,905)	Net position-beginning	92,366,630	86,277,180	6,089,450					
Operating income (loss)	3,125,987	4,264,801	(1,138,814)	Prior period adjustment	-	(59,401)	59,401					
				Net position-ending								
				96,419,305								
				92,366,630								
				4,052,675								

City of Richland~WASTEWATER FUND~ For Year Ended December 31, 2022 and December 31, 2021

STATEMENT OF NET POSITION

	2022	2021	Incr(Decr)		2022	2021	Incr(Decr)
ASSETS				DEFERRED OUTFLOW OF RESOURCES			
<i>Current:</i>				Deferred amount on refunding debt	205,778	223,901	(18,123)
Cash & equivalents				Deferred amount pension and OPEB	512,039	211,179	300,859
Unrestricted	843,608	-	843,608	Total deferred outflow of resources	717,816	435,080	282,736
Investments	3,247,589	9,101,242	(5,853,653)				
Deposit with Third Party	2,650	2,650	-	LIABILITIES			
				<i>Current:</i>			
Receivables:				Accounts payable & accrued expenses	1,039,976	1,535,142	(495,166)
Customer accounts (net)	839,519	844,900	(5,381)	Interest on outstanding debt	-	-	-
Due from other funds	-	-	-	Payable to other governments	(289)	(323)	34
Due from other governments	-	-	-	Notes payable-current portion	80,893	78,584	2,309
Special Assessments	11,282	18,233	(6,951)	Deposits payable	6,202	6,202	-
Interfund loans	-	-	-	Compensated absences-current portion	76,281	57,163	19,118
Prepaid items	-	-	-	Total OPEB liability - current	11,824	18,931	(7,107)
Inventory	1,040	1,040	-	Revenue bonds payable-current portion	720,423	1,003,798	(283,375)
Total current assets	4,945,688	9,968,065	(5,022,377)	Total current liabilities	1,935,310	2,699,496	(764,186)
				<i>Noncurrent:</i>			
Noncurrent:				Unearned Revenue	221,953	229,281	(7,328)
Cash & equivalents	156,000	3,196,665	(3,040,665)	Compensated absences	76,281	57,163	19,118
Unspent bond proceeds	-	-	-	Net pension and OPEB liability	418,454	381,586	36,868
Bond Reserve	-	-	-	Notes & loans payable	687,502	768,396	(80,893)
Scheduled debt repayments	-	-	-	Revenue bonds payable	6,290,845	7,114,739	(823,894)
Facilities fees	-	-	-	Total noncurrent liabilities	7,695,035	8,551,165	(856,130)
Net pension asset	508,865	1,194,067	(685,202)				
Restricted Investments	7,953,052	587,392	7,365,660	Total liabilities	9,630,345	11,250,661	(1,620,316)
Receivables				DEFERRED INFLOW OF RESOURCES			
Special Assessments - LT	65,953	73,281	(7,328)	Deferred amount on pension and OPEB	629,364	1,329,727	(700,363)
Interfund Loans	-	-	-	Total deferred inflow of resources	629,364	1,329,727	(700,363)
Capital assets:				NET POSITION			
Land	-	-	-	Net investment in capital assets	54,591,747	51,539,256	3,052,491
Depreciable assets (net)	10,366,849	10,222,191	144,658	Restricted for:			
Infrastructure (net)	49,253,418	49,304,805	(51,387)	Pension assets	477,883	181,377	296,506
Construction in progress	3,355,638	2,060,560	1,295,078	Debt service	837,367	840,991	(3,624)
Total capital assets	62,975,905	61,587,556	1,388,349	Capital improvements	7,126,968	6,101,360	1,025,607
Total noncurrent assets	71,659,775	66,638,961	5,020,814	Unrestricted	4,029,606	5,772,455	(1,742,849)
Total assets	76,605,464	76,607,027	(1,563)	Total net position	67,063,571	64,435,439	2,628,132

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

	2022	2021	Incr(Decr)		2022	2021	Incr(Decr)
OPERATING REVENUES				NONOPERATING REVENUES (EXPENSES)			
Charges for services:				Interest earnings	(586,439)	(87,161)	(499,278)
Rate revenues	10,364,476	9,697,791	666,685	Adjustment for Fair Market Value	-	-	-
All others	-	-	-	Interest expense	(239,637)	(297,647)	58,010
Other operating revenues	-	-	-	Debt costs	-	-	-
Total operating revenues	10,364,476	9,697,791	666,685	All other nonoperating revenues (expenses)	13,853	14,693	(840)
				Total nonoperating revenues (expenses)	(812,223)	(370,115)	(442,108)
OPERATING EXPENSES				Income before capital contributions and transfers	439,833	181,799	258,034
Maintenance & Operations	4,673,155	5,279,406	(606,251)	Capital contributions	2,197,243	1,599,887	597,356
Administration & general	1,035,567	585,483	450,084	Transfers in	(3,945)	8,090	(12,035)
Taxes	1,367,913	1,287,536	80,377	Transfers out	(5,000)	(5,000)	-
Depreciation	2,035,784	1,993,452	42,332	Change in net position	2,628,131	1,784,776	843,355
Total operating expenses	9,112,419	9,145,877	(33,458)	Net position-beginning	64,435,440	62,650,663	1,784,777
Operating income (loss)	1,252,057	551,914	700,143	Prior period adjustment	-	-	-
				Net position-ending	67,063,571	64,435,440	2,628,131

City of Richland~SOLID WASTE FUND~ For Year Ended December 31, 2022 and December 31, 2021

STATEMENT OF NET POSITION

	2022	2021	Incr(Decr)		2022	2021	Incr(Decr)
ASSETS				DEFERRED OUTFLOW OF RESOURCES			
<i>Current:</i>				Deferred amount on refunding debt	-	-	-
Cash & equivalents				Deferred amount pension and OPEB	616,900	203,349	413,551
Unrestricted	1,869,285	2,530,971	(661,686)	Total deferred outflow of resources	616,900	203,349	413,551
Investments	4,398,118	4,329,979	68,139				
Deposit with Third Party	1,050	1,050	-	LIABILITIES			
				<i>Current:</i>			
Receivables:				Accounts payable & accrued expenses	224,301	225,448	(1,147)
Customer accounts (net)	998,071	943,475	54,596	Interest on outstanding debt	-	-	-
Due from other funds	-	-	-	Payable to other governments	346	836	(490)
Due from other governments	-	-	-	Notes payable-current portion	233,074	234,400	(1,326)
Special Assessments	-	-	-	Deposits payable	-	-	-
Interfund loans	-	-	-	Compensated absences-current portion	166,046	135,370	30,676
Prepaid items	-	-	-	Total OPEB liability - current	3,563	14,023	(10,460)
Inventory	-	-	-	Revenue bonds payable-current portion	-	-	-
Total current assets	7,266,524	7,805,475	(538,951)	Total current liabilities	627,330	610,077	17,253
<i>Noncurrent:</i>				<i>Noncurrent:</i>			
Restricted Cash & equivalents				Unearned Revenue	-	-	-
Restricted investments	5,219,799	4,036,293	1,183,506	Compensated absences	166,046	135,370	30,676
Bond Reserve	-	-	-	Net pension and OPEB liability	398,601	303,427	95,174
Cash - debt repayments	145,354	2,206,691	(2,061,337)	Notes & loans payable	3,368,421	3,578,947	(210,526)
Cash - Landfill closure	2,060,011	-	2,060,011	Landfill Closure liability	8,281,687	9,006,385	(724,698)
Net pension asset	625,968	1,552,371	(926,403)	Total noncurrent liabilities	12,214,755	13,024,130	(809,374)
Receivables	-	-	-				
Special Assessments - LT	-	-	-	Total liabilities	12,842,085	13,634,207	(1,649,424)
Interfund Loans	-	-	-				
Capital assets:				DEFERRED INFLOW OF RESOURCES			
Land	80,500	80,500	-	Deferred amount on pension and OPEB	696,425	1,643,712	(947,287)
Depreciable assets (net)	7,846,400	7,969,096	(122,696)	Total deferred inflow of resources	696,425	1,643,712	(947,287)
Infrastructure (net)	-	284,294	(284,294)				
Construction in progress	173,352	53,538	119,814	NET POSITION			
Total capital assets	8,100,252	8,387,428	(287,176)	Net investment in capital assets	4,508,615	4,589,381	(80,766)
Total noncurrent assets	16,151,383	16,182,783	(31,399)	Restricted for:	-	-	-
Total assets	23,417,908	23,988,258	(570,350)	Pension assets	587,856	235,803	352,053
				Debt service	145,354	146,681	(1,327)
				Capital improvements	-	-	-
				Unrestricted	5,254,473	3,941,824	1,312,649
				Total net position	10,496,298	8,913,689	1,582,609

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

	2022	2021	Incr(Decr)		2022	2021	Incr(Decr)
OPERATING REVENUES				NONOPERATING REVENUES (EXPENSES)			
Charges for services:				Interest earnings	(452,550)	(77,814)	(374,736)
Rate revenues	11,939,902	11,446,247	493,655	Adjustment for Fair Market Value	-	-	-
All others	-	-	-	Interest expense	(39,600)	(58,358)	18,758
Other operating revenues	76,769	8,600	68,169	Debt costs	-	-	-
Total operating revenues	12,016,672	11,454,847	561,825	All other nonoperating revenues (expenses)	832,727	(1,132,268)	1,964,994
				Total nonoperating revenues (expenses)	340,577	(1,268,440)	1,609,016
OPERATING EXPENSES				Income before capital contributions and transf	1,877,609	912,895	964,714
Maintenance & Operations	7,650,354	6,860,420	789,934	Capital contributions	-	-	-
Administration & general	886,862	548,850	338,012	Transfers in	-	-	-
Taxes	1,489,361	1,405,149	84,212	Transfers out	(295,000)	-	(295,000)
Depreciation	453,062	459,094	(6,032)	Change in net position	1,582,609	912,895	669,714
Total operating expenses	10,479,639	9,273,513	1,206,126	Net position-beginning	8,913,689	8,000,794	912,895
Operating income (loss)	1,537,032	2,181,334	(644,302)	Prior period adjustment	-	-	-
				Net position-ending	10,496,298	8,913,689	1,582,609

City of Richland~STORMWATER FUND~ For Year Ended December 31, 2022 and December 31, 2021

STATEMENT OF NET POSITION

	2022	2021	Incr(Decr)		2022	2021	Incr(Decr)
ASSETS				DEFERRED OUTFLOW OF RESOURCES			
<i>Current:</i>				Deferred amount on refunding debt	45,111	47,961	(2,849)
Cash & equivalents				Deferred amount pension and OPEB	49,195	20,847	28,348
Unrestricted	556,894	618,017	(61,123)	Total deferred outflow of resources	94,307	68,808	25,499
Investments	1,533,801	1,210,855	322,946				
Deposit with Third Party	-	-	-	LIABILITIES			
Receivables:				<i>Current:</i>			
Customer accounts (net)	139,610	133,130	6,480	Accounts payable & accrued expenses	53,379	79,367	(25,988)
Due from other funds	-	-	-	Interest on outstanding debt	-	9,154	(9,154)
Due from other governments	363,150	22,320	340,830	Payable to other governments	-	1	(1)
Special Assessments	-	-	-	Notes payable-current portion	10,714	10,268	446
Interfund loans	-	-	-	Deposits payable	-	-	-
Prepaid items	-	-	-	Compensated absences-current portion	3,189	9,436	(6,247)
Inventory	-	-	-	Total OPEB liability - current	3,563	5,380	(1,817)
Total current assets	2,593,456	1,984,323	609,133	Revenue bonds payable-current portion	30,000	30,000	-
				Total current liabilities	100,844	143,605	(42,761)
				<i>Noncurrent:</i>			
Noncurrent:				Unearned Revenue	-	-	-
Restricted Cash & equivalents	13,775	-	13,775	Compensated absences	3,189	9,436	(6,247)
Unspent bond proceeds	-	-	-	Net pension and OPEB liability	64,175	87,204	(23,028)
Bond Reserve	-	12,919	(12,919)	Notes & loans payable	5,530	16,245	(10,714)
Scheduled debt repayments	-	11,411	(11,411)	Revenue bonds payable	719,550	754,890	(35,340)
Net pension asset	45,963.00	95,549.00	(49,586)	Total noncurrent liabilities	792,444	867,773	(75,329)
Restricted Investments	60,106.25	-	60,106	Total liabilities	893,289	1,011,379	(118,090)
Unspent bond proceeds	-	-	-				
Receivables				DEFERRED INFLOW OF RESOURCES			
Special Assessments - LT	-	-	-	Deferred amount on pension and OPEB	74,511	115,372	(40,861)
Interfund Loans	-	-	-	Total deferred inflow of resources	74,511	115,372	(40,861)
Capital assets:				NET POSITION			
Land	8,587	8,587	-	Net investment in capital assets	13,050,398	11,722,948	1,327,450
Depreciable assets (net)	12,144	13,878	(1,734)	Restricted for:			
Infrastructure (net)	12,792,665	12,241,632	551,032	Pension assets	43,164	14,514	28,650
Construction in progress	988,289	285,529	702,760	Debt service	73,881	85,203	(11,322)
Total capital assets	13,801,684	12,549,627	1,252,058	Capital improvements	-	-	-
Total noncurrent assets	13,921,528	12,669,506	1,252,022	Unrestricted	2,474,047	2,023,221	450,826
Total assets	16,514,984	14,653,829	1,861,155	Total net position	15,641,490	13,845,886	1,795,605

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

	2022	2021	Incr(Decr)		2022	2021	Incr(Decr)
OPERATING REVENUES				NONOPERATING REVENUES (EXPENSES)			
Charges for services:				Interest earnings	(81,803)	(10,282)	(71,521)
Rate revenues	2,031,701	1,980,786	50,915	Insurance Recoveries	7,340	-	7,340
All others	-	-	-	Interest expense	(29,193)	31,652	(60,845)
Other operating revenues	-	-	-	Debt costs	-	-	-
Total operating revenues	2,031,701	1,980,786	50,915	All other nonoperating revenues (expenses)	790,173	472,269	317,904
				Total nonoperating revenues (expenses)	686,517	493,639	192,878
OPERATING EXPENSES				Income before capital contributions and transfers	1,002,372	848,027	154,345
Maintenance & Operations	768,368	751,575	16,793	Capital contributions	789,617	313,865	475,752
Administration & general	407,663	171,633	236,030	Transfers in	-	-	-
Taxes	216,544	209,536	7,008	Transfers out	-	-	-
Depreciation	323,271	493,655	(170,385)	Change in net position	1,791,989	1,161,892	630,097
Total operating expenses	1,715,846	1,626,399	89,447	Net position-beginning	13,845,886	12,683,994	1,161,892
Operating income (loss)	315,855	354,388	(38,532)	Prior period adjustment	(3,616)	-	3,616
				Net position-ending	15,641,490	13,845,886	1,795,605

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Cash Flows
Enterprise funds
December 31, 2022

	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Stormwater Utility Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 15,440,768	\$ 10,331,669	\$ 11,905,019	\$ 2,019,165	\$ 39,696,620
Payments to employees	(2,657,247)	(2,518,161)	(3,085,192)	(236,071)	(8,496,670.87)
Payments to suppliers	(1,537,852)	(2,289,545)	(1,400,520)	(249,543)	(5,477,460.96)
Taxes paid	(2,573,372)	(1,367,879)	(1,489,851)	(216,545)	(5,647,646.51)
Payments for interfund services used	(2,085,814)	(1,588,324)	(4,282,410)	(794,199)	(8,750,747.06)
Net cash provided (used) by operating activities	6,586,483	2,567,759	1,647,047	522,806	11,324,095
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(20,000)	(5,000)	-	-	(25,000)
Grants and contributions	-	-	-	790,173	790,173
Reimbursements and recoveries	16,868	14,488	106,476	257,340	395,171
Transfers from other funds	-	-	-	-	-
Interfund loan principal payments received	3,890	-	-	-	3,890
Net cash provided (used) by noncapital financing activities	758	9,488	106,476	1,047,513	1,164,234
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on debt	(2,120,153)	(1,082,381)	(210,526)	(40,268)	(3,453,328)
Interest paid on debt	(542,170)	(332,470)	(40,926)	(31,981)	(947,547)
Transfers to other funds	-	-	(295,000)	-	(295,000)
Transfers from other funds	-	(3,945)	-	-	(3,945)
Payments related to acquisition, construction or improvements of capital assets	(9,967,487)	(2,288,986)	(165,887)	(764,064)	(13,186,424)
Proceeds from sale of capital assets	17,206	6,316	-	-	23,522
Proceeds from capital grants and contributions	873,633	1,025,608	-	-	1,899,241
Proceeds from debt	110,971	-	-	(340,830)	(229,859)
Net cash provided (used) by capital and related financing activities	(11,628,000)	(2,675,858)	(712,339)	(1,177,143)	(16,193,340)
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipt of interest	248,772	142,328	172,796	23,492	587,389
Investments sold	18,400,770	9,688,634	8,366,272	1,210,855	37,666,531
Investments purchased	(17,705,527)	(11,929,408)	(10,243,263)	(1,699,203)	(41,577,401)
Net cash provided (used) by investing activities	944,015	(2,098,446)	(1,704,195)	(464,855)	(3,323,482)
Net increase (decrease) in cash and cash equivalents	(4,096,744)	(2,197,057)	(663,012)	(71,679)	(7,028,493)
Balances - beginning of year	5,459,298	3,196,665	4,737,663	642,348	14,035,974
Balances - end of the year	\$ 1,362,554	\$ 999,608	\$ 4,074,650	\$ 570,668	\$ 7,007,481
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income	\$ 3,125,987	\$ 1,252,057	\$ 1,537,032	\$ 315,855	\$ 6,230,931
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	2,918,400	2,035,784	453,062	323,271	5,730,516.83
Accrued pension and OPEB expense	(86,875)	(312,540)	(349,720)	(44,468)	(793,603.96)
Changes in assets and liabilities:					
Accounts Payable - Supplier	612,146	(457,996)	(9,193)	(53,512)	91,445.68
Customer Receivables	90,280	5,381	(53,043)	(6,480)	36,138.25
Inventory	(71,078)	-	-	-	(71,078.07)
Salaries & Benefits Payable	(2,377)	45,074	68,908	(11,860)	99,744.76
Unearned revenues	-	-	-	-	-
Prepaid items	-	-	-	-	-
Net cash provided (used) by operating activities	\$ 6,586,483	\$ 2,567,759	\$ 1,647,047	\$ 522,806	\$ 11,324,095
Noncash investing, capital and financing activities					
Total noncash investing, capital and financing activities	1,353,921	1,171,636	-	789,617	3,315,174

City of Richland, Washington
Water Utility
Notes to the Financial Statements
December 31, 2022

1. The water fund activities increased net position in 2022 by \$4,052,675. Operating income was \$3.1 million which was a 26.7% decrease compared to 2021. Operating revenues were \$15,406,541, a decrease of \$1.4 million over 2021 due to a 10% rate reduction. The operating expenses were \$12.28 million, a 2.4% decrease compared to last year. Maintenance and operations expenses decreased by \$345,125, administration expenses increased by \$136,574, taxes decreased by \$229,335, and depreciation increased by \$135,982. The difference in the administration expenses is mostly due to adjustments to the annual pension expense accruals for the state PERS plans.

Nonoperating revenue decreased by \$594,274, most of it due to an investment earnings decrease of \$657,829 due to year-end fair market value adjustments. The utility recognized capital contributions of \$2.1 million in 2022. Sixty-four percent of these contributions were received from private sources, valued at \$1,353,92. 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 2022 decreased by \$237,373 from 2021, a decrease of 21%. 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.
2. On the balance sheet total assets were \$113,230,256, an increase of \$1.6 million over 2021. Total current assets were \$8,944,206, an increase of \$7,842,415. This was due to an increase of \$6,632,567 in current investments and \$1,362,554 in unrestricted cash over last year.

Noncurrent assets decreased by \$6.25 million with an \$8.4 million increase of capital assets. Most of this increase was in infrastructure of \$2.1 million and \$6.4 million in construction in progress. The other non-capital decreases included \$8,374,000 in restricted investments and \$833,045 in net pension assets. There was also a \$5.5 million decrease in restricted cash over last year.
3. Current liabilities increased by \$239,723, with most of that amount due to a \$623,755 increase in accounts payable and accrued expenses. There was also a decrease of \$376,625 for the current portion of revenue bonds payable. The noncurrent liabilities decreased by \$1.7 million. The decrease was due to a reduction owed in long term debt service. There was a \$972,493 decrease in long term revenue bonds payable and a \$808,263 decrease in notes & loan payable.
4. The Water Utility recognized \$124,891 in facility development fee revenue (capital contributions) in the fourth quarter of 2022. According to Governmental Accounting Standard Board (GASB) Statement No. 33, capital contributions from external sources are to be recognized as revenue in the current year rather than as a direct increase to contributed capital. Year-to-date facility development fee revenue is \$876,838.42.

City of Richland, Washington
Wastewater Utility
Notes to the Financial Statements
December 31, 2022

1. The wastewater fund activities increased net position in 2022 by \$2,628,131. Operating income was \$1.25 million, a difference of \$700,143 or 126.9% increase compared to 2021. This difference was the result of growth in operating revenues of \$666,685 coupled with a decrease in operating expenses of \$33,458. The operating expenses were \$9.1 million, a 0.37% decrease over last year. Maintenance and operations expenses decreased by \$606,251, administration expenses increased by \$450,084, depreciation increased by \$42,332, and taxes increased by \$80,377. The operations expense was mostly due to the reduction of the revenue bond principal. The administrative and general expense increases consisted mostly of adjustments to the annual pension expense.

Nonoperating revenue decreased by \$442,108, due to a decrease in investment earnings of \$499,278 due to year-end fair market valuations. There was also a decrease of \$58,010 in interest expense. Additionally, the utility recognized capital contributions of \$2.2 million in 2022. Of this amount, \$1,171,636 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 of \$1,025,608, is tied to new utility service requests that result in facilities fees charged to the owner. The utility transferred out \$5,000 like last year 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.

On the balance sheet total assets were \$76,605,464 and decreased by \$1,563 over 2021. Total current assets were \$4,945,668, a decrease of \$5.0 million. Most of this amount was due to a decrease of \$5.8 million in investments and an increase of \$843,608 in unrestricted cash.

Noncurrent assets increased by \$5.0 million with an increase of \$1.39 million in capital assets. This was made up of increases in construction in progress of \$1.29 million and in depreciable assets of \$144,658. The other non-capital decreases included 3.0 million in restricted cash and \$685,202 in net pension assets.

2. Current liabilities decreased by \$764,186, with most of that amount coming from accounts payable and accrued expenses and revenue bonds payable. The noncurrent liabilities decreased by \$856,130 with decreases of \$823,894 in long term revenue bonds payable and \$80,893 in notes & loan payable.
3. The Wastewater Utility recognized \$180,341 in facility development fee revenue (capital contributions) in this quarter of 2022. According to Governmental Accounting Standard Board (GASB) Statement No. 33, capital contributions from external sources are to be recognized as revenue in the current year rather than as a direct increase to contributed capital. Year-to-date facility development fee revenue is \$1,025,608.

City of Richland, Washington
Solid Waste Utility
Notes to the Financial Statements
December 31, 2022

1. The solid waste fund activities increased net position in 2022 by \$1,582,609. Operating income was \$1.5 million, a 29.5% decrease compared to last year. This \$644,302 decrease in income was mainly due to an increase in operating expenses of \$1,206,126 with only a \$561,825 increase in revenues over that same time period. Residential and commercial collection revenue increased by \$282,827, or 3.6%, landfill disposal revenue decreased slightly by \$2,844, and drop box revenues increased by \$129,051, or 7.3%. The operating expenses were \$10.5 million, a 13.0% increase over 2021.

Most of the operating expense increase of \$1.2 million was made up of a \$338,012 increase in administration and general expenses, \$789,934 increase in maintenance and operations, and a \$84,212 increase in taxes. The balance in administration and general expenses consisted mostly of \$725,586 in annual pension and annual OPEB expense and \$170,198 in insurance expense. The maintenance and operational expenses decrease came mostly from debt service principal, bond interest, and fleet expense.

Nonoperating revenue increased in 2022 by \$1.6 million, mostly due to the reduction of the landfill closure expense in 2022. The second phase closure bid was lower than the projected estimates for the closure/post closure care costs and for changes in engineering calculations of the remaining volume in the current landfill cell.

2. On the balance sheet total assets in 2022 were \$23,417,908 and decreased by \$570,350 over last year. Total current assets in 2022 were \$7,266,524, a decrease of \$538,951 over 2021. Most of this was due to a decrease of \$661,686 in unrestricted cash and increases of \$68,139 in investments and \$54,596 in customer receivables.

Noncurrent assets decreased in 2022 by \$31,399. Capital assets decreased by \$287,176, made up of decreases in depreciable assets of \$122,696 and in infrastructure of \$284,294. This amount was a reclassification from infrastructure to machinery and equipment. In addition, there was an increase in construction in progress of \$119,814.

3. Current liabilities increased in 2022 by \$17,253, due to decreases of \$1,147 in accounts payable and accrued expenses and \$1,326 in notes payable. This was offset by an increase of \$30,676 in total OPEB liability. The noncurrent liabilities decreased by \$809,374, with a \$724,698 decrease in landfill closure liability and a decrease of \$210,526 in notes & loans payable. There were also increases in net pension assets of \$95,174 and compensated absences of \$30,676.

City of Richland, Washington
Stormwater Utility
Notes to the Financial Statements
December 31, 2022

1. The stormwater fund activities increased net position in 2022 by \$1,791,989. Operating income in 2022 was \$315,855, a 10.9% decrease compared to last year. Revenue increased by \$50,915, or 2.5%. The operating expenses were \$1,715,846, a 5.5% increase over 2021. There was an increase in administration and general expenses of \$236,030 and a decrease of \$170,385 in depreciation. Most of the increase in administration and general expenses was due to an insurance adjustment of \$267,262 in 2022.

Nonoperating revenue increased in 2022 by \$192,878, mostly due to grant proceeds from the Department of Ecology in 2022 for the Hains, Columbia Park Trail, Leslie, and Upbasin stormwater projects.

2. On the balance sheet total assets in 2022 were \$16,514,984 and increased by \$1,861,155 from this last year. Total current assets in 2022 were \$2,593,456, an increase of \$609,133. This amount consisted of a \$322,946 increase in investments and an increase in due from other governments of \$340,830 for a grant from the Department of Ecology. There was also a decrease in unrestricted cash of \$61,123.

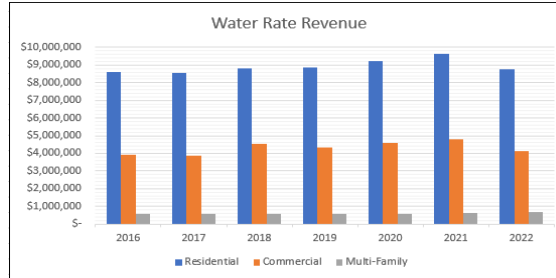
Noncurrent assets increased in 2022 by \$1,252,022 with almost all of the increase coming from capital assets. Capital assets increased by \$1,252,058, with increases in infrastructure of \$551,032 and in construction in progress of \$702,760. The Leslie stormwater project accounted for \$473,056 of this total.

3. Current liabilities decreased in 2022 by \$42,761, with decreases of \$25,988 in accounts payable, \$9,154 in interest on outstanding debt, \$6,247 compensated absences and \$1,817 in total OPEB liability. The noncurrent liabilities decreased by \$75,329 due to decreases of \$35,340 in revenue bonds payable, \$23,028 in net pension and OPEB liability, \$10,714 in notes & loan payable, and \$6,247 in compensated absences.

**CITY OF RICHLAND, WASHINGTON
WATER UTILITY
COMPARATIVE MONTHLY WATER ACTIVITY
FOR THE PERIOD ENDED
DECEMBER 2022**

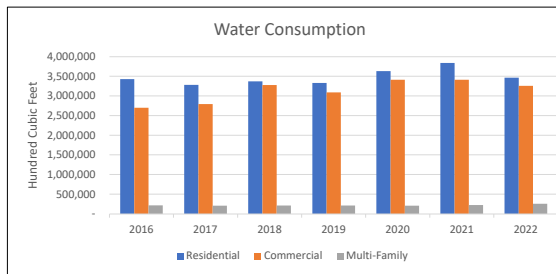
BILLED REVENUES by class type:

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Residential	614,179	591,190	588,555	656,204	696,420	821,725	856,255	930,974	955,286	836,953	656,025	565,790	8,769,558
Commercial	198,945	235,612	222,178	242,615	401,863	416,697	471,991	478,237	506,853	428,957	321,521	215,627	4,141,095
Multi-family	57,562	54,859	56,488	56,137	53,997	55,935	55,054	52,077	54,929	51,450	50,454	53,695	652,637



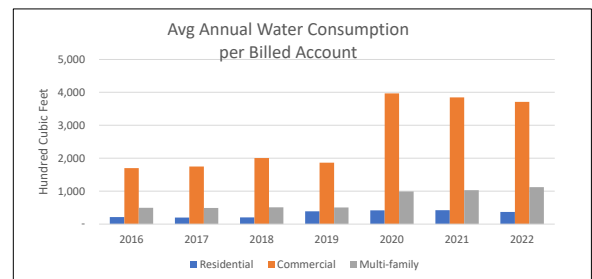
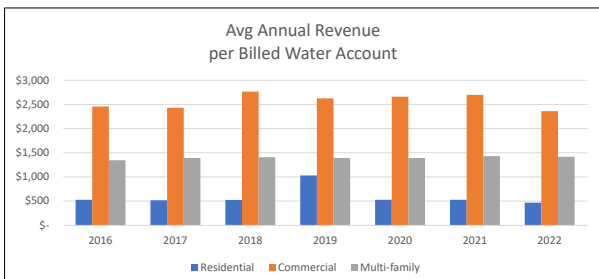
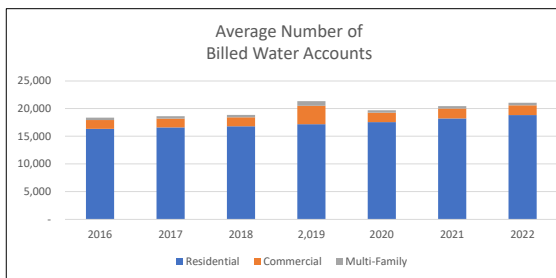
CONSUMPTION by class type:

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Residential	117,471	98,193	92,230	149,833	199,702	388,533	492,151	555,081	579,852	445,825	223,577	119,635	3,462,083
Commercial	116,725	139,631	114,254	149,833	273,943	332,862	436,603	443,213	481,564	379,532	247,236	139,216	3,254,611
Multi-family	26,351	22,714	24,012	16,226	14,529	20,967	24,426	18,737	19,868	17,621	24,549	28,412	258,412



BILLED ACCOUNTS by class type:

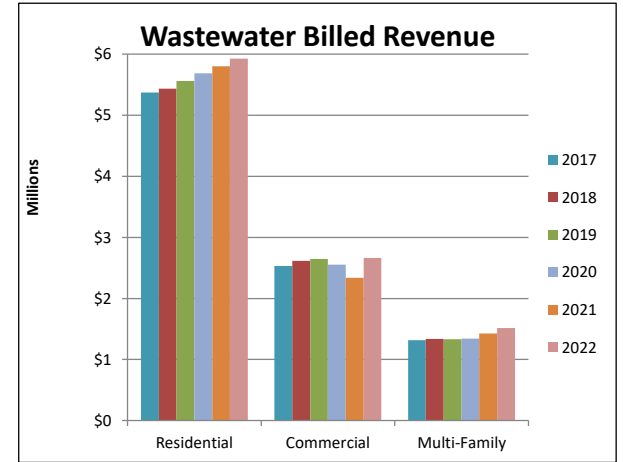
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Residential	18,413	18,400	18,125	18,643	18,645	18,565	18,550	18,506	18,851	21,356	19,030	18,885	18,831
Commercial	1,432	1,369	1,465	1,788	1,974	1,946	1,968	1,982	1,977	1,976	1,768	1,402	1,754
Multi-family	451	458	464	459	457	458	464	466	466	462	463	465	461



**CITY OF RICHLAND, WASHINGTON
WASTEWATER AND SOLID WASTE UTILITIES
COMPARATIVE MONTHLY ACTIVITY
FOR THE PERIOD ENDED
DECEMBER 2022**

WASTEWATER BILLED REVENUE - Comparative Years

	2017	2018	2019	2020	2021	2022
Residential	5,371,182	5,435,762	5,562,755	5,683,546	5,801,507	5,928,188
Commercial	2,531,116	2,616,798	2,648,605	2,553,234	2,336,039	2,662,151
Multi-Family	1,315,582	1,335,744	1,333,765	1,344,751	1,428,983	1,516,659
Total	9,217,880	9,388,304	9,545,125	9,581,531	9,566,529	10,106,998



SOLID WASTE BILLED REVENUE - Comparative Years

	2017	2018	2019	2020	2021	2022
Residential	4,158,575	4,234,838	4,375,791	4,484,889	4,728,292	4,947,884
Commercial	2,722,557	2,865,657	2,935,228	2,954,970	3,125,953	3,189,187
Total	6,881,132	7,100,495	7,311,019	7,439,859	7,854,245	8,137,072

