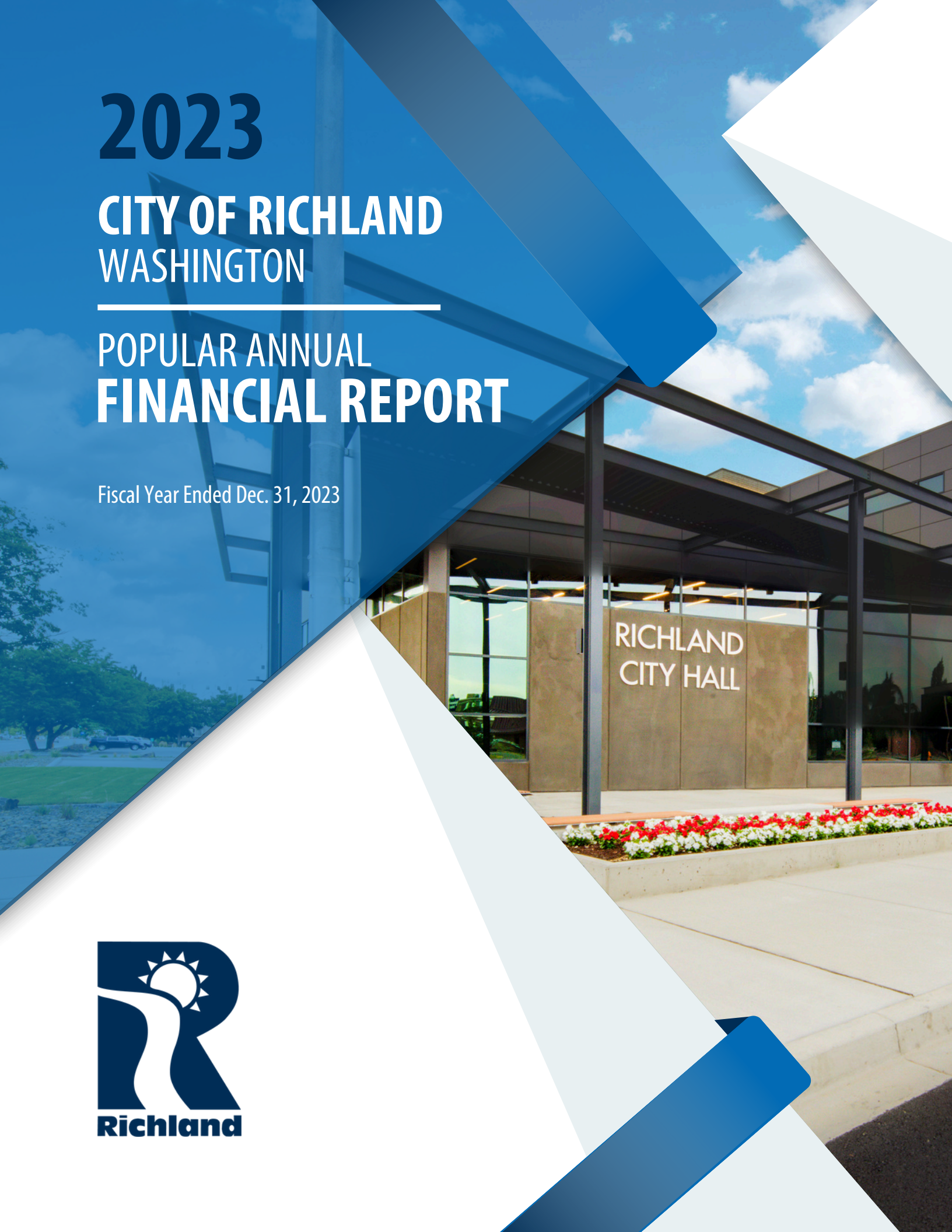


2023

CITY OF RICHLAND WASHINGTON

POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ended Dec. 31, 2023



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MESSAGE FROM THE FINANCE DIRECTOR

Dear Residents of Richland,

We are excited to present the City of Richland’s Popular Annual Financial Report (PAFR) for the year ended December 31, 2023. The PAFR is designed to provide you with a clear and accessible summary of Richland’s financial status, performance, and major initiatives. This report is intended to be both informative and reader-friendly, offering valuable insights without overwhelming detail. The PAFR is an unaudited, easy-to-read version of Richland’s Annual Comprehensive Financial Report (ACFR). The ACFR provides a comprehensive reporting of the City’s financial statements, notes, schedules, and statistical information prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is audited by the Washington State Auditor’s Office. A copy of the ACFR is available on the City’s website at www.ci.richland.wa.us.

Richland continues to experience steady growth, and Richland City Council and Staff are committed to managing that growth in a fiscally responsible way while providing the essential services you expect. Several projects were completed or in progress in 2023 that demonstrate this commitment; such as, construction was completed on the Center Parkway North Extension from Tapteal to Gage, completed construction of the landfill cap and gas extraction system for phase 2 of the Horn Rapids Landfill, substantial progress on construction of the Fire Station 76 located in Badger Mountain South (completion in mid-2024), completed renovations to the lobby of the Richland Community Center, and continued engineering and design for the Downtown Connectivity Improvements project to support the development and redevelopment of the central Richland and waterfront areas (construction to begin in 2025).

Richland has a proud tradition of fiscal responsibility, transparency, and innovation. Our city continues to grow and evolve, and this report serves as an invitation for you to engage with us in a conversation about our financial priorities and goals. We encourage you to explore this PAFR, ask questions, and provide feedback. Your input is invaluable as we strive to meet the needs and expectations of our residents and ensure fiscal sustainability for generations to come.

We would like to express our gratitude to our dedicated city staff, elected officials, and our engaged community members for their contributions to the fiscal success of Richland. Together, we have achieved remarkable results, and together, we will continue to shape the future of our city.

2022 AWARD RECIPIENTS

Outstanding Achievement in Popular Annual Financial Reporting



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**City of Richland
Washington**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrell
Executive Director/CEO

BRANDON ALLEN
FINANCE DIRECTOR

CITY OF RICHLAND



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. It is located at the confluence of the Columbia and Yakima rivers in the south-central part of the state. Richland is within Benton County and is one of the Tri-Cities, which also include Kennewick and Pasco.

The region has an average 300 days of sunshine per year. 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 2,350 acres of parkland, 58 parks, one 5-acre dog park, and 11 trails covering 26 miles, consisting of biking, running, walking, horse-back riding and dog walking paths.



SQUARE MILES
42.62



POPULATION
63,320



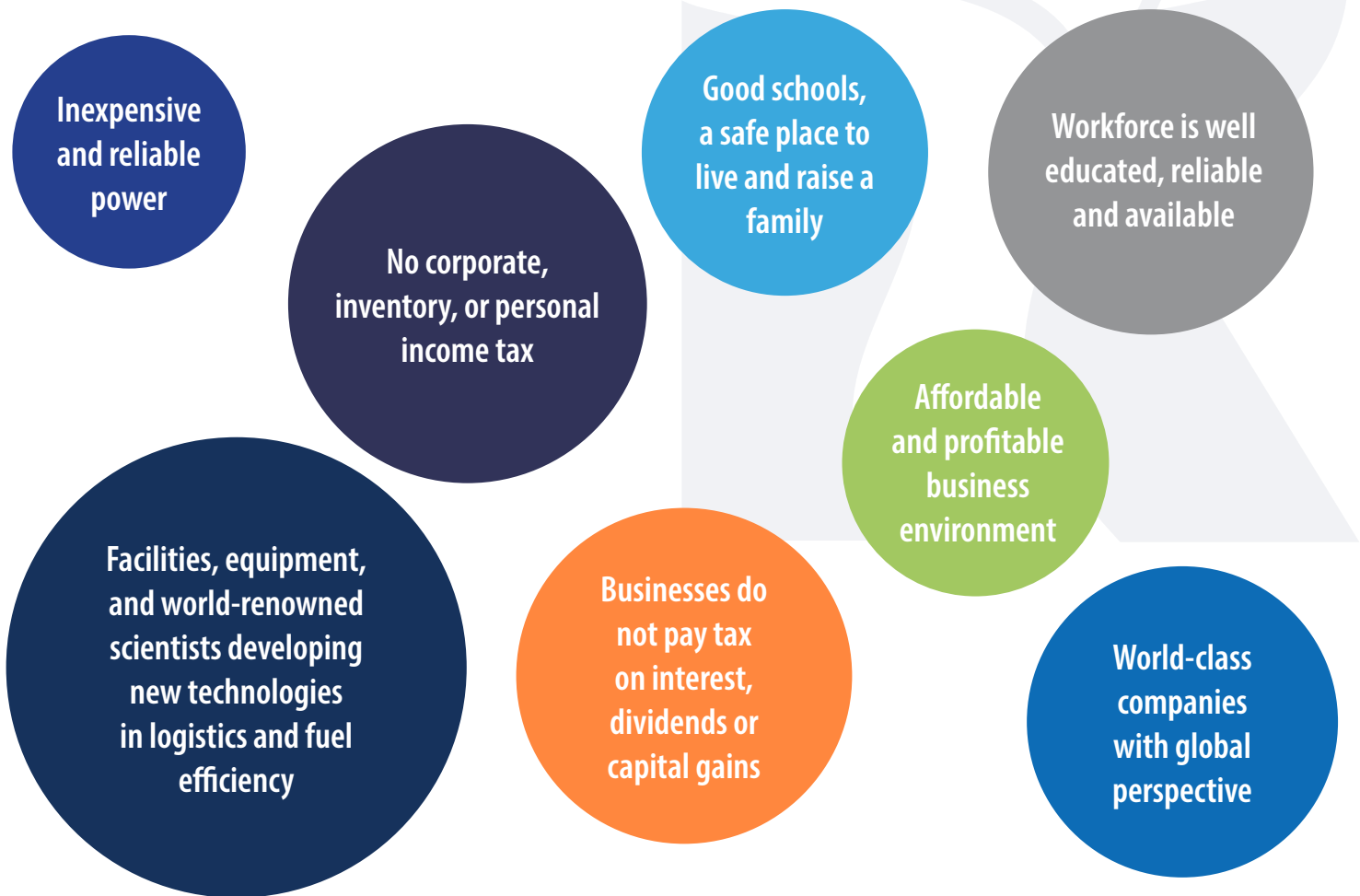
MEDIAN HOUSEHOLD INCOME
\$97,090

LAST 10 YEARS IN NUMBERS

	Richland Population	Per Capita Income	Median Age	School Enrollment
2014	52,090	\$38,926	37.5	12,000
2023	63,3220	\$54,454	36.3	14,351
Change Over 10 years	+22%	+40%	1.2 Years Younger	+17%

CITY OF RICHLAND

UNIQUE COMMUNITY ASSETS AND BUSINESS CONDITIONS



PRINCIPAL EMPLOYERS 2023

	Nature of Business	Number of Employees:	% of Total Employees:
1. Battelle/Pacific Northwest National Laboratory	Research & Development	5,300	16.9%
2. Kadlec Regional Medical Center	Health Services	3,800	12.1%
3. Washington River Protection Solutions	Environmental Remediation Services	2,336	7.5%
4. Richland School District	K-12 Education	2,200	7.0%
5. Central Plateau Cleanup Company (CPCCo)	Environmental Remediation Services	2,100	6.7%
6. Bechtel National	Engineering & Construction	2,000	6.4%
7. Hanford Mission Integration Solutions (HMIS)	Support Services, Hanford/DOE Site	1,884	6.0%
8. Energy Northwest	Power Generation Facility	1,000	3.2%
9. Lamb Weston	Food Processing	1,000	3.2%
10. Framatome/Areva	Fuel Production Facility	700	2.2%

CITY OF RICHLAND



**RICHLAND CITY
COUNCIL**

Richland uses a council-manager form of local government which combines the political leadership of elected officials with the professional experience of an appointed city manager. 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.

VISION STATEMENT

Richland is a progressive, safe and family-friendly community that welcomes diversity. It is noted for excellence in technology, medicine, education, recreation, tourism, and citizen participation. This dynamic city, situated on two rivers, actively supports opportunities for economic development that are in harmony with the area's unique natural resources.

MISSION STATEMENT

The City of Richland is responsible for furnishing cost-effective services and well-maintained facilities, safeguarding the public and property, enhancing the community's favorable quality of life, protecting Richland's natural environment, and sustaining a healthy, growing economy.

VALUES

TEAMWORK

We will work together, demonstrating collaboration through mutual reliability, openness and flexibility to accomplish our goals.

INTEGRITY

We will demonstrate an uncompromising allegiance to the core values of honesty, respect for others, loyalty, consistency, accountability and sincerity.

EXCELLENCE

We will deliver a superior level of commitment, responsiveness, performance and provision of services to all, with the attitude that everything is worth our best effort.

FINANCIAL HIGHLIGHTS

GOVERNMENT-WIDE

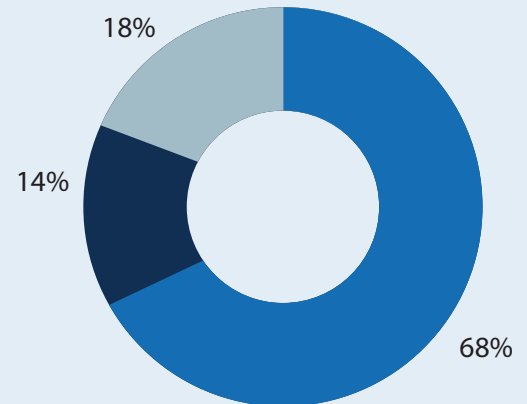
STATEMENT OF NET POSITION AS OF DECEMBER 31, 2023

	2023	2022	2021
Current & other assets	\$249,923,011	\$224,026,683	\$229,353,344
Restricted cash and investments	25,530,961	34,659,805	49,371,123
Capital assets, net	571,409,836	543,400,756	519,468,725
Total assets	844,863,808	802,087,244	798,193,192
Deferred outflows of resources	17,577,468	17,591,884	6,782,288
Current liabilities	34,871,377	31,495,230	34,726,055
Long-term liabilities outstanding	168,936,877	175,186,973	186,347,122
Total liabilities	203,808,254	206,682,203	221,073,177
Deferred inflows of resources	25,094,967	33,570,961	42,677,332
Net Position:			
Net investment in capital assets	428,610,178	395,044,184	375,941,659
Restricted	89,696,179	90,177,419	75,619,722
Unrestricted	115,231,698	94,204,363	89,952,464
Total net position	\$633,538,055	\$579,425,966	\$541,513,845

STATEMENT OF ACTIVITIES

	2023	2022	2021
REVENUES:			
Program Revenues			
Charges for services	\$156,291,682	\$152,729,953	\$149,495,249
Operating grants & contributions	\$7,323,362	3,659,981	3,859,780
Capital grants & contribution	\$9,947,255	10,706,880	12,949,810
General Revenues:			
Property taxes	\$21,638,312	20,870,527	20,167,579
Other taxes	\$46,229,554	46,675,796	45,711,694
Investment income and other	\$11,418,392	(5,871,874)	975,122
Total revenues	252,848,577	228,771,263	233,159,234
EXPENSES:			
Governmental	\$88,157,781	\$77,111,645	\$69,687,787
Business-type	111,827,013	113,917,734	110,751,737
Total expenses	199,984,794	191,029,379	180,439,524
Excess/(deficiency) before transfers	52,863,763	37,741,884	52,719,710
Change in net position	\$52,863,763	\$37,741,884	\$52,719,710
Net position, January 1	579,425,967	541,513,846	488,853,537
Prior period adjustments	1,248,328	170,237	(59,401)
Net position, December 31	633,538,057	579,425,967	541,513,846

Amounts may not foot exactly due to rounding.
Component units are not included in this document.



- Net investment in capital assets
- Restricted
- Unrestricted

NET INVESTMENT IN CAPITAL ASSETS

The largest portion of Richland's net position is invested in capital assets, net of related debt financing.

Capital assets include buildings, such as City Hall and the Library, parks, utility infrastructure and equipment that are all used to provide a variety of public services.

RESTRICTED NET POSITION

This portion of net position represents funds that are restricted for specific uses, typically for capital projects, debt service, or are restricted by law.

UNRESTRICTED NET POSITION

The remaining portion of net position is unrestricted, representing resources that are spendable, and available for providing services to the public.

Overall, the City's 2023 activities resulted in a \$52.9 million increase in net position across all funds.

FINANCIAL HIGHLIGHTS

GENERAL FUND FINANCIAL SUMMARY

REVENUES

Tax revenues are the primary revenue source for the General Fund. In 2023, Property taxes increased by \$1.2 million mainly due to new residential and commercial construction in Richland. Sales taxes were strong and increased by \$612,350, reaching a new record high, and utility taxes increased by \$242,779.

EXPENDITURES

2023 General Fund operations:

- ▶ **\$73.21 Million Budgeted**
- ▶ **\$65.06 Million Actual**

\$7.3 MILLION IN TRANSFERS

to other funds help support:

\$4,658,546 Capital Construction & Equipment
 942,763 Debt Service
 550,000 Medical Services operations
 1,143,657 Transportation operations
\$7,294,966

REVENUES	2023	2022	2021
Taxes	54,933,220	52,647,594	50,615,374
Licenses and permits	2,724,436	2,698,804	2,857,982
Intergovernmental	5,893,645	2,232,336	2,385,871
Charges for goods and services	9,428,456	8,250,769	8,940,713
Fines and forfeits	561,423	343,953	462,109
Interest and investment earnings	2,201,330	(1,571,512)	(253,855)
Rents and leases	277,802	321,877	189,552
Miscellaneous	1,095,822	373,557	262,960
Transfers in from other funds	1,072,835	2,492,312	563,192
Leases and SBITAs	234,278	—	—
Insurance recoveries	111	31,523	—
	78,423,357	67,821,213	66,023,898

EXPENDITURES	2023	2022	2021
Judicial	775,285	556,123	661,551
General government	19,102,996	17,125,094	16,405,324
Public safety	29,578,920	25,937,125	24,871,760
Physical environment	1,233,360	101,323	-
Health and human services	27,310	9,053	17,471
Economic environment	2,949,677	2,526,898	2,713,152
Culture and recreation	9,347,861	9,179,548	8,247,329
Debt service	25,886	9,664	-
Capital outlay	2,020,950	2,623,254	325,076
Transfers out to other funds	7,294,966	21,544,954	4,497,458
	72,357,209	79,613,036	57,497,121

GENERAL FUND BUDGET VS ACTUAL 2023 ▶▶

	Original Budget	Revised Budget	Actual
Expenditures	65,997,077	73,214,098	65,062,244
Transfers out	5,762,510	7,319,234	7,294,966
Total	71,759,587	80,533,332	72,357,210

FINANCIAL HIGHLIGHTS

ENTERPRISE FUNDS

STATEMENT OF NET POSITION AS OF DECEMBER 31, 2023

	2023	2022	2021
Current & other assets	\$91,201,182	\$71,078,859	\$74,279,311
Restricted cash and investments	23,530,961	34,659,805	49,371,123
Capital assets, net	358,146,512	337,162,510	316,489,530
Total assets	472,878,655	442,901,174	440,139,964
Deferred outflows of resources	6,090,553	6,488,144	2,576,164
Current liabilities	17,662,519	17,655,424	20,598,924
Long-term liabilities outstanding	116,288,273	114,752,360	120,761,627
Total liabilities	133,950,792	132,407,784	141,360,551
Deferred inflows of resources	4,871,175	7,662,972	14,891,806
Net Position:			
Net investment in capital assets	256,105,422	231,842,676	209,892,995
Restricted	31,369,028	32,637,350	28,163,288
Unrestricted	52,672,792	44,838,536	48,407,488
Total net position	\$340,147,242	\$309,318,562	\$286,463,771

STATEMENT OF ACTIVITIES

	2023	2022	2021
REVENUES:			
Program Revenues			
Charges for services	\$130,529,743	\$130,057,443	\$127,350,143
Operating grants & contributions	843,515	1,183,261	1,316,500
Capital grants & contribution	4,835,632	6,106,815	5,554,974
Investment income and other	4,978,305	(2,777,462)	(487,885)
Total revenues	141,178,195	134,570,057	133,733,731
EXPENSES:			
Operating expenses	\$111,827,013	\$113,917,734	\$110,751,737
Total expenses	111,827,013	113,917,734	110,751,737
Excess/(deficiency) before transfers	29,351,182	20,652,323	22,981,994
Transfers	1,227,498	2,173,755	853,048
Change in net position	\$30,578,680	\$22,826,078	\$23,835,042
Net position, January 1	309,318,563	286,463,771	262,688,130
Prior period adjustments	250,000	28,714	(59,401)
Net position, December 31	340,147,243	309,318,563	286,463,771



Enterprise funds are used to account for Richland's ongoing programs and activities which are operated similar to those often found in the private sector. The City uses enterprise funds to account for electric, water, wastewater, refuse disposal/landfill, Columbia Point golf course, medical transport services and broadband operations, as well as a utility deposits clearing fund.

The Electric, Water and Wastewater funds are designated as major funds for financial reporting, and represent 78% of the total net position of Richland's Enterprise funds.

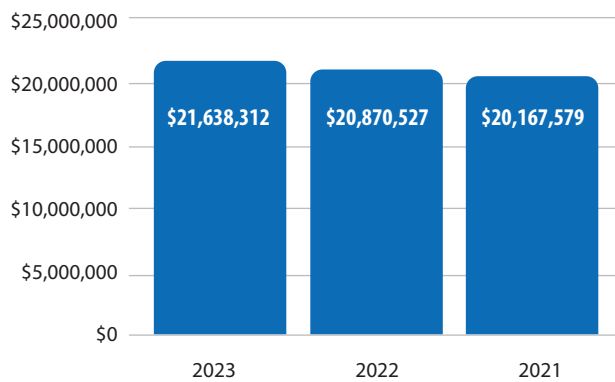
The Net position of the Enterprise funds increased by nearly \$31 million in 2023. The increase was primarily in net investment in capital assets. Investments in capital assets ensure that City utility infrastructure is well-maintained and can continue to provide reliable services to citizens.

FINANCIAL HIGHLIGHTS

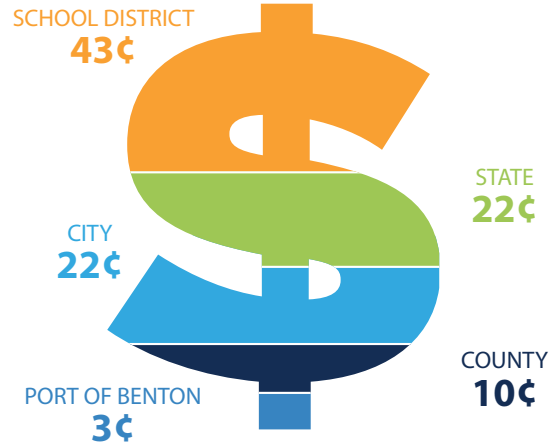
PROPERTY TAX

Property tax levied by all taxing districts was an average of \$9.86 per \$1,000 of assessed value in Benton County. Richland's assessed valuation for property of \$9.95 billion in 2023 is an increase of 11.8% from the prior year. New construction remained steady, resulting in an increased tax base and a \$767,785 increase in property tax revenues.

PROPERTY TAX REVENUE



HOW YOUR PROPERTY TAX DOLLAR IS SPENT



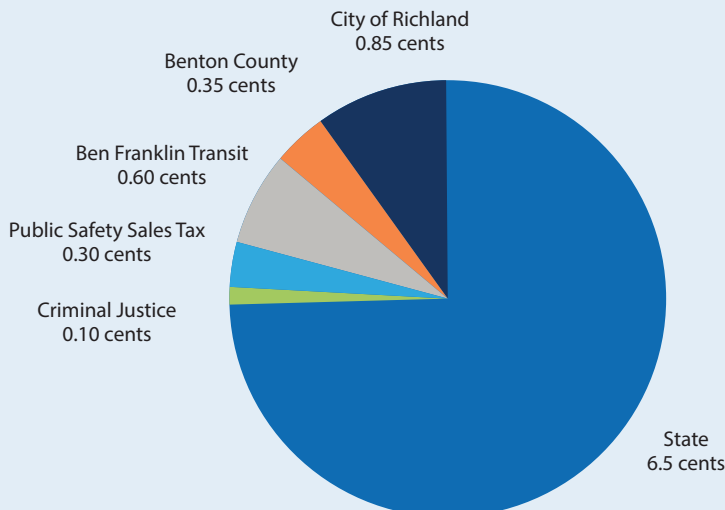
2023 DIRECT & OVERLAPPING PROPERTY TAX RATES

City General & Special Levy	\$1.793
Debt Service Fund	\$0.155
Fire Pension Fund	\$0.225
Total City Direct	\$2.173
Benton County	\$0.937
Richland School District	\$4.242
Port of Benton	\$0.332
Washington State	\$2.174
Total Direct & Overlapping Tax Rate	\$9.859

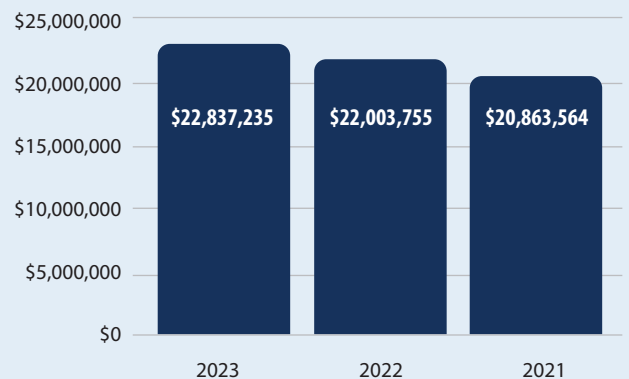
SALES TAX

Sales tax revenue continued its upward trend, posting a \$833,480 increase due to increases in sales activity.

HOW YOUR 8.7% SALES TAX IS DISTRIBUTED



SALES TAX REVENUE



DEVELOPMENT SERVICES

Richland is one of the fastest and smartest growing cities in the region, and with our investment in infrastructure, shovel-ready land, and telecommunications we think you'll find it easy to want to Choose Richland!



CONSTRUCTION ACTIVITY

Single Family Dwellings

Building Permits Issued

Building Permits (Valuation)

Inspections

Plan Reviews

	2023	2022	2021
Single Family Dwellings	218	266	407
Building Permits Issued	1,965	1,967	2,241
Building Permits (Valuation)	\$273.34MM	\$229.23MM	\$246.94MM
Inspections	8,800	12,904	15,084
Plan Reviews	1,117	1,584	1,803

NOTABLE DOWNTOWN DEVELOPMENT

- Demolition of former Red Robin for Panda Express
- Opening of the new Starbucks with drive through on North George Washington Way
- Several new businesses throughout The Parkway and downtown.

PLANNING • PLAT ACTIVITY

- 1 New Preliminary Plats (226 SF Lots, 8 Commercial Lots)
- 2 Final Plats (228 SF Lots)
- 0 Planned Unit Development (108 SF Lots)
- 11 Short Plats/Binding Site Plans
- 17 Boundary Line Adjustments

PLANNING • ZONE ACTIVITY

- 0 Annexations
- 9 Rezones
- 3 Variances



CAPITAL IMPROVEMENT PROJECTS



STREET LIGHT RETROFIT TO LED

Retrofit the entire City street light system with Light Emitting Diode (LED) replacement fixtures.

STATUS (DECEMBER 31, 2023): COMPLETE



CENTER PARKWAY NORTH EXTENSION

Connecting Tapteal Drive to Gage Boulevard.

STATUS (DECEMBER 31, 2023): COMPLETE



LANDFILL RENEWABLE NATURAL GAS PROJECT

Construction of the landfill gas extraction system to convert the City's landfill gas into a renewable fuel.

STATUS (DECEMBER 31, 2023): COMPLETE



BADGER MOUNTAIN SOUTH FIRE STATION 76

Construction of a new Fire Station located along Trowbridge Blvd.

STATUS (DECEMBER 31, 2023): UNDER CONSTRUCTION, ON SCHEDULE TO BE COMPLETED IN 2024



VANTAGE HIGHWAY PATHWAY - PHASE II

Construction of a 12' asphalt multi-use pathway on the north side of SR 240 from Hagen Road to Stevens Drive.

STATUS (DECEMBER 31, 2023): UNDER CONSTRUCTION, ON SCHEDULE TO BE COMPLETED IN 2024



ADVANCED METERING INFRASTRUCTURE-AMI

Implementation of Advanced Metering Infrastructure (AMI) solution for our electric and water utilities customers.

STATUS (DECEMBER 31, 2023): INSTALLATION IN PROGRESS, ON SCHEDULE TO BE COMPLETED IN 2024



FITNESS COURT - HOWARD AMON PARK

Partnership with the National Fitness Campaign to purchase and install an innovative fitness court studio.

STATUS (DECEMBER 31, 2023): INSTALLATION IN PROGRESS, ON SCHEDULE TO BE COMPLETED IN 2024



DOWNTOWN CONNECTIVITY IMPROVEMENTS

Create a one-way street system for north-south travel through central Richland and the addition of pedestrian, bicycle, on-street parking, and landscaping improvements.

STATUS (DECEMBER 31, 2023): ENGINEERING DESIGN IN PROGRESS



SOUTH GEORGE WASHINGTON WAY INTERSECTION IMPROVEMENT AND PEDESTRIAN OVERPASS

Add one new southbound left-turn lane, add westbound left-turn lane, grade-separated pedestrian crossing across George Washington Way

STATUS (DECEMBER 31, 2023): ENGINEERING DESIGN IN PROGRESS



TAPTEAL PUMP STATION UPGRADE

Replace pump station equipment to provide increased capacity and efficiency to meet the water supply needs of growth in South and West Richland.

STATUS (DECEMBER 31, 2023): DESIGN PHASE COMPLETE, CONSTRUCTION TO BEGIN IN 2024

RICHLAND WASHINGTON

BY THE NUMBERS

POPULATION

63,320

6.21% GROWTH RATE (2023)

7/15/1958 INCORPORATED AS A FIRST CLASS CITY OF RICHLAND

21st LARGEST CITY RANKED BY POPULATION

MEDIAN INCOME

\$89,283

13.2% HAVE INCOME > \$200K

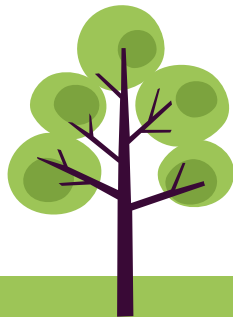


ALONG WITH LOS ALAMOS, NM & OAK RIDGE, TN

PARKS & PUBLIC FACILITIES

58 PARKS

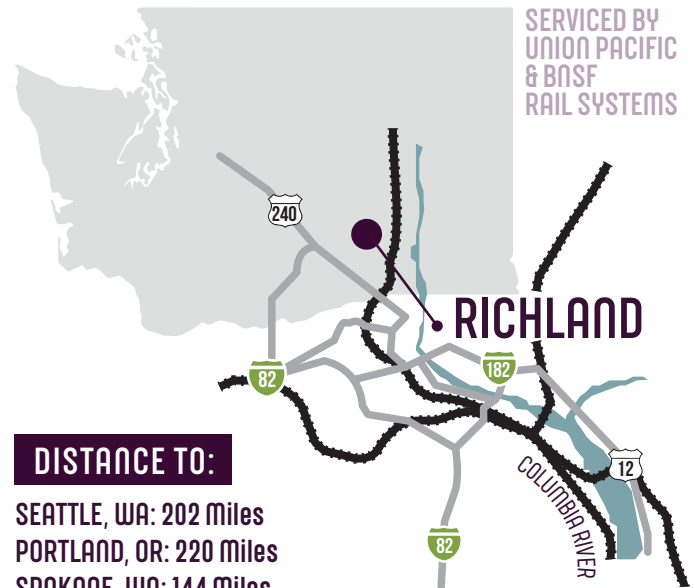
TOTALING 2334.27 ACRES



RIVERFRONTS

10.5 MILES OF YAKIMA RIVER RIVERFRONT

8.5 MILES OF COLUMBIA RIVER RIVERFRONT



SERVED BY UNION PACIFIC & BNSF RAIL SYSTEMS

DISTANCE TO:

SEATTLE, WA: 202 Miles
 PORTLAND, OR: 220 Miles
 SPOKANE, WA: 144 Miles
 BOISE, ID: 300 Miles

PRINCIPAL EMPLOYERS



BATTELLE/PNNL



KADLEC REGIONAL MEDICAL CENTER



LAMB WESTON



WASHINGTON RIVER PROTECTION SOLUTIONS



RICHLAND SCHOOL DISTRICT



BECHTEL NATIONAL INC.

ENERGY SERVICES

28,830 METERS

CUSTOMER ENERGY USE (2022)

978.5 MWH

90%

WHOLESALE POWER GENERATED FROM EMISSION-FREE RESOURCES

TOP 5 INDUSTRIES

- 5 • FOOD PROCESSING
- R&D LAB
- MEDICAL
- ENERGY
- MANUFACTURING

LOCAL AIRPORTS

TRI-CITIES AIRPORT (PSC)
 4TH LARGEST COMMERCIAL IN WA

RICHLAND AIRPORT
 REGIONAL BUSINESS AVIATION



REV 4/2024



CONTACT US

We hope you find this report informative, and we welcome your comments and questions. The City of Richland maintains a comprehensive communications program that includes an interactive website, social media platforms, programming on CityView TV and information kiosks at the Richland Public Library and City Hall.

WWW.CI.RICHLAND.WA.US

 on Instagram @cityofrichland

 on X (Twitter) @RichlandWA

 on YouTube @RichlandCityViewTV

 on Facebook @RichlandWA



CITY OF RICHLAND

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