



CITY OF RICHLAND, WASHINGTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

CITY OF RICHLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2023

Prepared by:
Finance Department



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2023

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INTRODUCTORY SECTION



CITY OF RICHLAND

625 Swift Boulevard
Richland, WA 99352
(509) 942-7390



August 30, 2024

To Her Honor, the Mayor, 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, 2023. 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 ensure a 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 in this report based on a comprehensive internal control framework 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 in southeastern Washington at the confluence of the Yakima and Columbia Rivers. It is a full-service city that provides police and fire protection, water, wastewater, solid waste, and electric utilities, parks and recreation activities, maintenance of public streets and facilities, and library services.



Richland has 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 City Manager proposes the operating budget to the City Council in early fall. After this, public hearings are conducted, allowing the public to comment. 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 the final passage occurs upon the second reading, which traditionally happens at the second meeting in November annually. The budget takes effect on 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. Unspent appropriations that support capital projects, grants, or endowments are specifically reviewed at year-end and can be carried over to the subsequent year by Council action, per 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 Tri-Cities region's economy is rooted in innovation, contributing to some of the greatest scientific breakthroughs in the last century. 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, Framatome, 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

- Good schools, a safe place to live and raise a family
- World-class companies with a global perspective
- Affordable and profitable business environment
- The 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

Richland’s population of approximately 63,320 is highly educated and enjoys a per capita income that is on par with the state and higher than the nation as a whole. The median household income was \$97,090 in 2023 with median household expenditures of \$86,332. The median sales price of a home in the area in June 2023 was \$430,000. There were 1,939 building permits issued in 2023, with a total value of more than \$234.40 million. 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. Retail sales during 2023 increased, resulting in sales tax revenues of \$18.4 million, a 5.2% increase from 2022.

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 are 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, horseback riding, and dog walking paths. The greater Tri-Cities area has over 335 restaurants, 200 wineries, 14 breweries, three distilleries, and numerous food trucks. The region hosts 24 museums & art galleries, six community & performing arts theaters, ten golf courses, five-disc golf courses, and two Pro sports teams.

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 Strategic Priorities and desired outcomes from the City’s 2024-2026 Strategic Leadership Plan relate to financial practices and infrastructure.

Strategic Priority: High-Performance Government

- Enhanced Community Engagement
- Improved Operational Performance
- Strengthened Partnerships

Strategic Priority: Financial Stability

- Ability to finance infrastructure and capital needs
- A diverse revenue base
- Well-managed resources

2023 MAJOR ACHIEVEMENTS

- A new power transformer and switchgear were installed at the City View Bank 2 Substation, which will serve new and existing customers in the Queensgate area.
- Replacement of underground electrical distribution circuits in the Richland airport area.
- The Advanced Metering Infrastructure (AMI) project for electrical and water meters is substantially complete, with the last meters being installed by the beginning of 2025.
- The 2023 pavement preservation program was focused in south Richland, with a micro-surfacing treatment on north Stevens Drive.
- Construction was completed on the Center Parkway North Extension from Tapteal to Gage.
- Engineering design for the Downtown Connectivity Improvements to support the development and redevelopment of the central Richland and waterfront areas began in the second half of 2022 and is expected to be complete in 2024. Construction is scheduled for 2024 and 2025.
- Renovated the lobby of the Richland Community Center.
- Completed the construction of Henderson Loop Phase I. The adjacent property will be subdivided into one-acre lots and will be part of the Horn Rapids Business Center.
- Completed construction of the landfill cap and gas extraction system for phase 2 of the Horn Rapids Landfill. The natural gas conditioning plant went live in the first half of 2024.

2024 MAJOR INITIATIVES

- Implementation of a robust state and federal lobbying effort.
- Additional Richland Police Department vehicles to expand the successful 2023 reintroduction of the Traffic Unit.
- Implement Phase I of West Village Park, which will include grading, grass, and a parking lot in anticipation of a new playground in 2025.
- Secure financing for the extension of sewer infrastructure to a portion of the Northwest Advanced Clean Energy Park.
- Extend Battelle Boulevard to create new lots for economic development and job creation.
- Fully fund and perform the Pavement Preservation Program to be deployed in the Central Richland area.
- Make improvements to the Stevens Substation by replacing banks 1 & 2.
- Complete construction and open the outdoor fitness court in Howard Amon Park.
- Replace the Howard Amon Park playground. This is the premier playground in Richland and is heavily utilized.

For the 10th consecutive year, the Government Finance Officers Association awarded the City of Richland the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report, fiscal year ending December 31, 2022. 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 our thanks to the entire Finance division staff, City leadership, and other City departments that 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 managing the City of Richland's finances.

Respectfully Submitted,



Jon Amundson, ICMA-CM, PMP
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

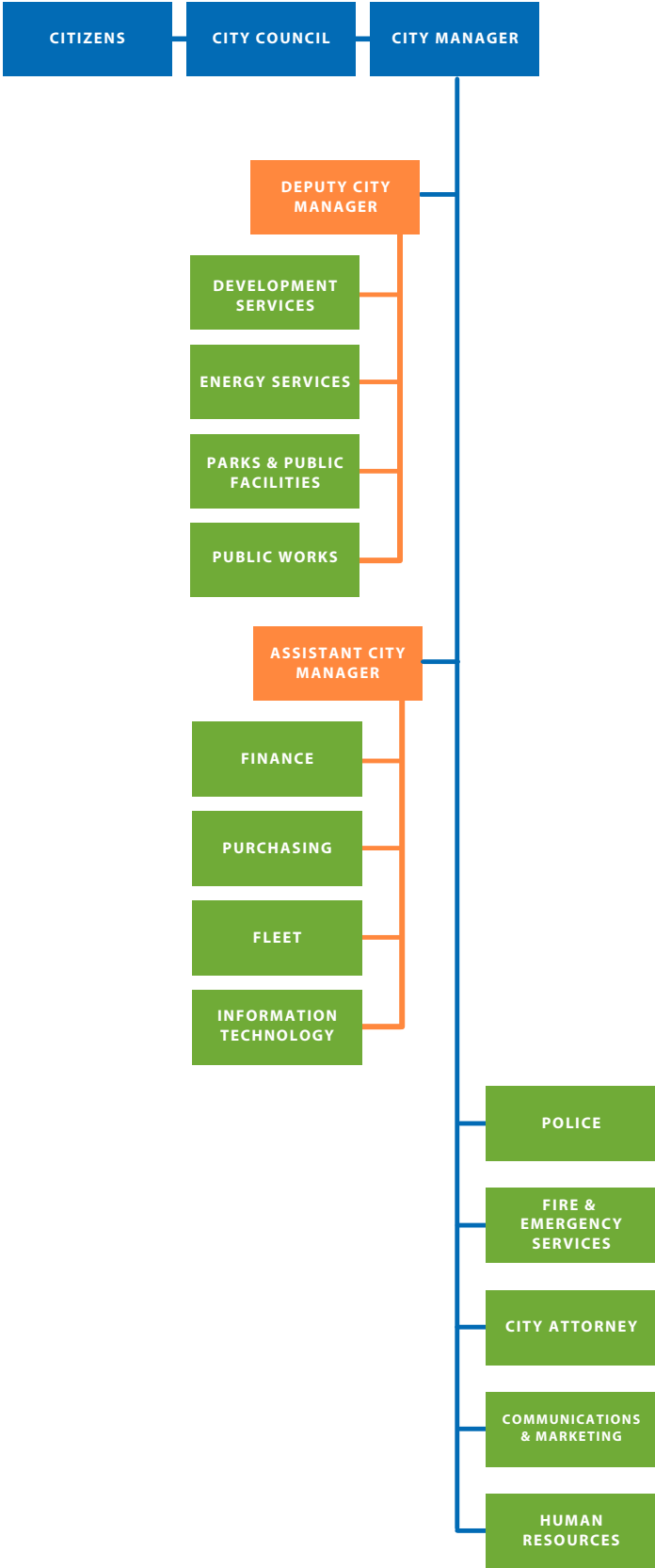
December 31, 2022

Christopher P. Morill

Executive Director/CEO



CITY OF RICHLAND ORGANIZATIONAL CHART





CITY OF RICHLAND CITY LEADERSHIP TEAM



Terry Christensen
Mayor



Theresa Richardson
Mayor Pro Tem



Jhoanna Jones
Councilmember



Sandra Kent
Councilmember



Ryan Lukson
Councilmember



Shayne VanDyke
Councilmember



Ryan Whitten
Councilmember



Jon Amundson
City Manager



CITY OF RICHLAND
DIRECTORY OF CITY OFFICIALS
(as of December 31, 2023)

<u>ELECTED OFFICIALS</u>	<u>TERM EXPIRES</u>
Mayor <i>Terry Christensen</i>	12/31/2023
Mayor Pro Tem <i>Theresa Richardson</i>	12/31/2023
Councilmember <i>Jhoanna Jones</i>	12/31/2023
Councilmember <i>Sandra Kent</i>	12/31/2025
Councilmember <i>Ryan Lukson</i>	12/31/2025
Councilmember <i>Shayne VanDyke</i>	12/31/2023
Councilmember <i>Ryan Whitten</i>	12/31/2025

ADMINISTRATIVE OFFICIALS

City Manager <i>Jon Amundson</i>
Deputy City Manager <i>Joe Schiessl</i>
Assistant City Manager <i>Drew Florence</i>
City Attorney <i>Heather Kintzley</i>
Development Services Director <i>Kerwin Jensen</i>
Energy Services Director <i>Clint Whitney</i>
Fire & Emergency Services <i>Tom Huntington</i>
Parks & Public Facilities Director <i>Vacant</i>
Police Services Director <i>Brigit Clary</i>
Public Works Director <i>Pete Rogalsky</i>

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Richland, as of December 31, 2023, 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 1 to the financial statements, in 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-based information technology arrangements (SBITAs)*. Our opinion is not modified with respect to this matter.

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 as 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 purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements 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 basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated August 30, 2024, 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,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized initial "P".

Pat McCarthy, State Auditor

Olympia, WA

August 30, 2024





MANAGEMENT'S DISCUSSION AND ANALYSIS



INTRODUCTION

The management of the City of Richland is pleased to present this discussion and analysis of the 2023 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, wastewater 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 and Wastewater Funds are the three major business-type funds.

Other activities include custodial funds, which are fiduciary in nature. The custodial funds account for activities where the City acts in a custodial manner on behalf of other external agencies or organizations. Resources in the custodial 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, 2023, 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 general fund and special revenue 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 2023.

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

Condensed Statement of Net Position

	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	2023	2022	2023	2022	2023	2022
Current & other assets	\$ 158,721,829	\$ 152,947,824	\$ 91,201,182	\$ 71,078,859	\$ 249,923,011	\$ 224,026,683
Restricted cash and investments			23,530,961	34,659,805	23,530,961	34,659,805
Capital assets, net	213,263,324	206,238,246	358,146,512	337,162,510	571,409,836	543,400,756
Total assets	371,985,153	359,186,070	472,878,655	442,901,174	844,863,808	802,087,244
Deferred outflows of resources	11,486,915	11,103,740	6,090,553	6,488,144	17,577,468	17,591,884
Current liabilities	17,208,858	13,839,805	17,662,519	17,655,424	34,871,377	31,495,230
Long-term liabilities outstanding	52,648,604	60,434,613	116,288,273	114,752,360	168,936,877	175,186,973
Total liabilities	69,857,462	74,274,418	133,950,792	132,407,784	203,808,254	206,682,203
Deferred inflows of resources	20,223,792	25,907,989	4,871,175	7,662,972	25,094,967	33,570,961
Net Position:						
Net investment in capital assets	172,504,756	163,201,508	256,105,422	231,842,676	428,610,178	395,044,184
Restricted	58,327,151	57,540,069	31,369,028	32,637,350	89,696,179	90,177,419
Unrestricted	62,558,906	49,365,827	52,672,792	44,838,536	115,231,698	94,204,363
Total net position	\$ 293,390,813	\$ 270,107,404	\$ 340,147,242	\$ 309,318,562	\$ 633,538,055	\$ 579,425,966

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, 2023

Condensed Statement of Activities

	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program Revenues:						
Charges for services	\$ 25,761,939	\$ 22,672,510	\$ 130,529,743	\$ 130,057,443	\$ 156,291,682	\$ 152,729,953
Operating grants & contributions	6,488,847	2,476,719	834,515	1,183,261	7,323,362	3,659,981
Capital grants & contributions	5,111,623	4,600,065	4,835,632	6,106,815	9,947,255	10,706,880
General Revenues:						
Property taxes	21,638,312	20,870,527			21,638,312	20,870,527
Other taxes	46,229,554	46,675,796			46,229,554	46,675,796
Other	6,440,087	(3,094,411)	4,978,305	(2,777,462)	11,418,392	(5,871,873)
Total revenues	111,670,362	94,201,206	141,178,195	134,570,057	252,848,557	228,771,263
EXPENSES:						
Judicial	775,285	556,123			775,285	556,123
General government	19,297,418	17,905,125			19,297,418	17,905,125
Public safety	36,626,905	29,068,229			36,626,905	29,068,229
Transportation	12,561,427	11,824,546			12,561,427	11,824,546
Health & human services	27,310	9,053			27,310	9,053
Economic environment	5,960,588	6,103,614			5,960,588	6,103,614
Culture & recreation	10,446,145	10,221,142			10,446,145	10,221,142
Physical Environment	1,233,360	101,323				
Interest on long-term debt	1,229,343	1,322,491			1,229,343	1,322,491
Electric			68,670,617	72,351,881	68,670,617	72,351,881
Water			13,044,728	12,511,940	13,044,728	12,511,940
Wastewater			9,285,780	9,170,006	9,285,780	9,170,006
Solid waste			9,628,268	9,246,074	9,628,268	9,246,074
Stormwater			1,701,907	1,638,167	1,701,907	1,638,167
Golf course			2,171,620	2,097,267	2,171,620	2,097,267
Medical services			7,019,981	6,608,159	7,019,981	6,608,159
Broadband			304,112	294,241	304,112	294,241
Total expenses	88,157,781	77,111,645	111,827,013	113,917,734	199,984,794	191,029,379
Excess/(deficiency) before transfers	23,512,581	17,089,561	29,351,182	20,652,323	52,863,763	37,741,884
Transfers	(1,227,498)	(2,173,755)	1,227,498	2,173,755		
Change in net position	22,285,083	14,915,806	30,578,680	22,826,079	52,863,763	37,741,885
Net position, January 1	270,107,404	255,050,075	309,318,563	286,463,771	579,425,967	541,513,846
Prior period adjustments	998,328	141,523	250,000	28,714	1,248,328	170,237
Net position, December 31	\$ 293,390,815	\$ 270,107,404	\$ 340,147,242	\$ 309,318,563	\$ 633,538,057	\$ 579,425,967

Amounts may not foot exactly due to rounding

FINANCIAL RESULTS

Government-Wide Activities

Overall, the City’s 2023 activities resulted in a \$52.9 million increase in net position before applying prior period adjustments. Adjustments to beginning net position reflecting prior period activity resulted in an increase of \$1,248,328 and did not have a significant effect on the 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 \$37.7 million in 2022 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, 2023, \$115.2 million is unrestricted and available to finance future activities. Looking deeper into the Government-Wide Statements, governmental activities’ total net position increased \$23.3 million, while net position increased \$30.8 million as a result of business-type activities.

Total revenues on the Government-Wide Statement of Activities were \$24.1 million higher than the prior year. Governmental revenues were \$17.5 million higher than the prior year, while business-type activity revenues were \$6.6 million higher. In the Business-type activities the largest variances were: a \$7.9 million increase in recognized investment income as a result of required year-end fair value adjustments; and a nearly \$1.3 million decrease in capital grants & contributions, mainly in the Water and Wastewater Utility Funds. A more in-depth discussion of major business-type funds occurs later in this discussion and analysis.



Governmental activities' charges for services increased about \$3.1 million over the previous year. This was largely due to increases in the General Government function for charges allocated to other departments and a class-action settlement received for PCB pollution; increases in Public Safety for personnel fees charged to BCES; and in the Transportation function for traffic impact fees and for incentive funding for an LED lighting retrofit.

...the City's 2023 activities resulted in a \$52.9 million increase in net position ...

Governmental activities' operating grants and contributions increased \$4.0 million over the prior year. This was mainly due to the recognition in revenues of nearly \$4.3 million in COVID ARPA revenue replacement funding that was spent in 2023 to support construction of a new fire station in the Badger Mountain South area.

Governmental activities' capital grants and contributions increased \$511,558 from the prior year, almost entirely due to Transportation projects that are grant-funded. Capital grants typically fluctuate depending upon the projects that are being pursued.



In the general revenues section of the Statement of Activities, total tax revenues increased by \$321,543 over the prior year. New construction remained steady, resulting in an increased tax base and a \$767,785 increase in property tax revenues. Sales tax revenue continued to grow, posting a \$833,480 increase due to increases in sales activity. It should be noted, however that such growth was not as high as prior years. Utility taxes collected increased \$256,461 over the prior year, which was a smaller increase than the change from 2021-2022. Real Estate Excise Tax (REET) decreased \$1.7 million from the year before, putting this revenue stream closer to 2020 levels. REET revenue is highly dependent on the real estate market, and can fluctuate widely if large property transactions take place. Minor increases and decreases in other taxes occurred, rounding out the rest of the change in tax revenues.

Other general revenues in governmental activities include investment earnings and gains on disposition of assets. Investment earnings increased by over \$8.7 million, mainly as a result of gains recognized on investments when they were adjusted to fair market values (fair values) as of the end of the year. This reversed a \$3.5 million decrease reported the prior year. Market conditions can vary widely over the course of a year. In 2022, interest rates on short-term investments increased dramatically in response to the Federal Reserve's monetary policy, resulting in a decrease in the value of existing investments in municipal

bonds and federal debt. In 2023 interest rates held steadier, and the value of the City's investments grew as the financial markets corrected. Because the City holds its investments until maturity, these gains and losses will reverse in subsequent periods.

Gain on sale of land held for resale in 2023 was \$773,795 higher than the prior year. This revenue is highly variable depending on the interest of potential buyers in acquiring land located primarily in the City's industrial area.

Salaries and benefits are the most significant expense of the City, aside from wholesale power purchases. On the City-wide Statement of Activities, Governmental-type activity expenses were higher than the prior year, showing an \$11 million increase, while business-type activity expenses decreased by \$2.1 million. Looking at the changes in Governmental activities' expenses by functional category, we noted the following variances in comparison with the prior year: General government expenses increased by nearly \$1.4 million, Public safety expenses increased nearly \$7.6 million, and Physical environment expenses increased by \$1.1 million. The largest part of these changes in expenses was due to the change in the amount of expense reductions generated by incorporating Fire and Police OPEB actuarial valuations into the government-wide statements, versus the prior year. The 2022 adjustment reduced public safety expenditures by \$3.8 million, while the 2023 adjustment only decreased expenditures by \$237,738. Most of the rest of the year over year increase can be found in salaries and benefits expenditures.

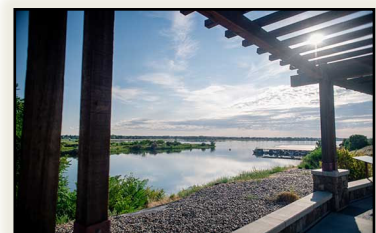
In business-type activities, electric utility expenses decreased \$3.7 million; while water utility expenses increased \$532,788; sewer utility expenses increased \$115,774; solid waste utility expenses increased \$382,194; stormwater expenses increased \$63,740; golf course expenses increased \$74,353; medical services utility expenses increased \$411,822 million; and broadband expenses increased \$9,871. 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 \$293.4 million in total net position at year end, a \$23.3 million increase over the prior year. The unrestricted portion of ending net position was \$62.5 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 \$9.3 million in 2023. 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 \$203.8 million in total city liabilities, \$31.5 million or 15.6% is governmental activities' general obligation debt (i.e. payable on the full faith and credit of the City) related to capital activities. \$5.1 million in general obligation debt is voter approved and supported by a special property tax levy, while the remaining \$26.7 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 parks, public safety and transportation infrastructure remain a high 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. Following are some of the major governmental capital outlays for fiscal year 2023. For more information on capital assets see Note 3 in the Notes to the Financial Statements.

- The City began construction on Fire Station #76, located in the Badger Mountain South community and spent \$3.4 million on the project in 2023. This public safety facility will provide initial emergency medical, law enforcement and fire response capability to the citizens of Southwest Richland in the Badger South Development as well as the Dallas Rd, I-82 and Reata corridors.
- The City spent \$967,764 in 2023 on construction of a new parking lot at Badger Mountain community park, completed with storm drainage, landscaping and lighting. Badger Mountain Park is a regional park and includes several popular tourist amenities, such as a lighted multipurpose field, a dog park, a water splash pad, and three well maintained little league fields centrally located on the Keene Road corridor. Existing north gravel parking lot generated dust and was uneven in places creating access issues. New paved parking lot better meets the community's expectation for the facility and enhances tourism opportunities in the area.
- The City completed demolition and abatement work on the former Economy Inn location at 515 George Washington Way. The land was acquired in 2022 to accommodate the anticipated need for additional public safety response facilities to meet current and future demands. The City spent \$450,602 on the project in 2023.
- The City owns and operates a number of parks and facilities and strives to continuously renew and improve them. Some of the major improvement projects in 2023 included \$335,986 spent on Richland Community Center lobby remodeling, \$272,176 spent on Badger Mountain trail improvements and \$231,336 spent on Richland Public Library STEAM space improvements.
- The City collaborated with the National Fitness Campaign to purchase and install an innovative fitness court studio that will provide free outdoor fitness equipment and self-serve fitness coaching and education. The new fitness facility will be located in Howard Amon Park near Richland Community Center. 2023 project work included installation of a painted concrete pad and purchasing equipment from National Fitness Campaign, totaling \$233,915. The project is scheduled to be completed in 2024.
- The City spent \$3.7 million on the ongoing Pavement Preservation program. This program preserves a vital element of the City's infrastructure. Additionally, the City implements its Complete Streets Policy (RMC 12.06) by restriping streets to include bike lanes and on-street parking delineation as part of this program.
- Some of the major infrastructure construction projects included \$2.1 million on Center Parkway North extension, \$1.1 million on Henderson Loop extension, \$1.0 million on the completion of LED streetlight retrofit program, and \$0.6 million on Vantage Highway Pathway construction. Additional details on these projects can be found below in the Streets Capital Construction Fund section of this discussion.

Major Governmental Funds

General Fund activity resulted in a fund balance increase of \$6.1 million in 2023. In comparison, 2022 General Fund activities resulted in an \$11.8 million decrease. Total revenues increased by \$11.8 million or 18%, while expenditures increased by \$7.0 million or 12%. 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 decreased by \$1.4 million in 2023 versus the prior year, while transfers out from the General fund to other City funds decreased by \$14.2 million. Prior year transfers out were higher than usual, so the 2023 activity is more in line with historical levels.

Tax revenues are the primary revenue source for the General Fund. Property taxes increased by \$1.2 million, mainly due to new residential and commercial construction in Richland. Sales taxes, while not growing as quickly as in the prior year, still posted a \$612,350 increase, reaching a new record high, and utility taxes increased by \$242,779. Charges for services increased by \$1.2 million, mainly related to cost allocation charges to City departments outside the General Fund offset by various other smaller increases and decreases. Interest and investment earnings increased by \$3.8 million, primarily due to fair value adjustments.

General Fund operating expenditures on the 2023 Statement of Revenues, Expenditures and Changes in Net Position were \$7 million higher than the prior year. The increases mainly occurred in public safety, general government and physical environment 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 116.9% and 88.9% of their respective adjusted budgets. The largest budget-actual dollar variance in revenues was in taxes, at \$4.2 million more than the adjusted budget, an 8.3% variance. The next largest budget-actual dollar variance in revenues was intergovernmental, at \$3.9 million more than the adjusted budget, a 191.3% variance, mostly due to delayed recognition of federal COVID-19 (ARPA) funds as revenue as the City expends proceeds from a prior year on a current capital project. Another significant budget-actual dollar variance in revenues was in investment earnings, at \$1.9 million more than the adjusted budget.

The largest budget-actual dollar variance in expenditures, by function, was in general government operating expenditures, which came in \$5 million below the adjusted budget. This was primarily due to budgeted expenditures for the ERP project in the Information Technology department (\$2.7 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.

Following are the significant adjustments made to the General fund original budget in 2023:

- The construction of Fire Station #76 began in earnest in 2023. During construction, certain cost increases were discussed with the City Council. It was determined that an additional \$742,000 in appropriations was needed to complete the project.
- \$382,246 was appropriated to authorize spending the proceeds of various grants supporting Police, Fire and Library programs.
- The 2023 budget was developed assuming that an LED streetlight retrofit program would be completed, and costs to operate the street lighting system would be lower due to the newer, energy efficient lights. As a result of supply delays, the retrofit program was not complete until later in the year. A budget amendment was needed to transfer funds from the General Fund to the Streets Fund to cover the increased costs.
- A facility used by the City for vehicle and equipment storage became available for purchase. City Council approved an increase of \$339,900 to effect the purchase.
- Unanticipated repairs were necessary to correct a roof leak on Fire Station #74. \$200,000 was appropriated by City Council to make these repairs.
- Budget carryovers for prior year uncompleted projects and encumbrances totaled \$6,326,999.



Streets Capital Construction Fund activities resulted in a fund balance increase of \$0.8 million in 2023. By comparison, 2022 activities resulted in an \$2.8 million increase in fund balance. Revenues increased by \$2.4 million or 72%, while expenditures increased by \$1.4 million or 16%. Other financing sources decreased \$3.0 million or 35%.

Intergovernmental revenues, generally grants, are the primary revenue source for the Streets Capital Construction Fund, as most projects in this fund are grant-reimbursable. Grants represent nearly \$1.3 million of the increase in revenues over the prior year.

The following were some of the major projects accounted for in the Streets Capital Construction Fund in 2023:

- The largest project was the ongoing Pavement Preservation program with expenditures totaling \$3.7 million or 35% of all expenditures in the fund. The program invests in preserving city's paved streets and completes street resurfacing using techniques selected to achieve the lowest life-cycle costs while maintaining street conditions at the selected standard. The program completes drainage improvements where they are needed to preserve pavement condition and also completes pedestrian access facilities required by federal regulations.
- Next largest project expenditures were for Center Parkway North Extension. Capital expenditures on the project were \$2.1 million or 20% of all 2023 expenses in the fund. The project constructed a new 3 lane roadway with bike lanes, curb, gutter and sidewalks on both sides of the street from Tapteal Drive to Gage Blvd. The project is on track to be completed in the beginning of 2024.

- \$1.1 million or 11% of all 2023 expenditures in Streets Construction fund were spent on phase II of Henderson Loop Extension west of Logston Blvd. The project is a part of the road and infrastructure development plan for Horn Rapids Triangle area that is aimed to generate new businesses and create additional jobs. The project is funded by City's Industrial Development fund.
- \$1.0 million or 10% of all 2023 expenditures in the fund were spent on completion of Street Light Retrofit to LED Technology project. Conversion from high pressure sodium lighting technology to LED street lighting can provide a number of benefits to the community, including energy savings, improved reliability, maintenance savings, and improved safety. The project is estimated to reduce the Streets Division's costs for street light operation and maintenance by more than \$300,000 per year, resulting in a conservative payback estimate for the project at less than eight years.
- \$0.6 million or 6% of all 2023 expenditures in the fund were spent on phase II of Vantage Highway Pathway construction. This project is aimed to improve non-motorized travel connectivity in the north Richland area. The project constructed a 12-foot asphalt multi-use pathway on the north side of SR-240 from Hagen Road to Stevens Drive. Phase II of the project also includes a crossing of the Port of Benton railroad track and is scheduled to be completed in 2024.

Business-Type Activities

Business-type activities resulted in an ending net position of \$340.1 million, for an increase of \$30.8 million. Unrestricted net position increased by \$7.8 million to provide a total of \$52.7 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 three major business-type funds: The Electric, Water, and Wastewater funds, which comprise 78% of the total business-type net position.

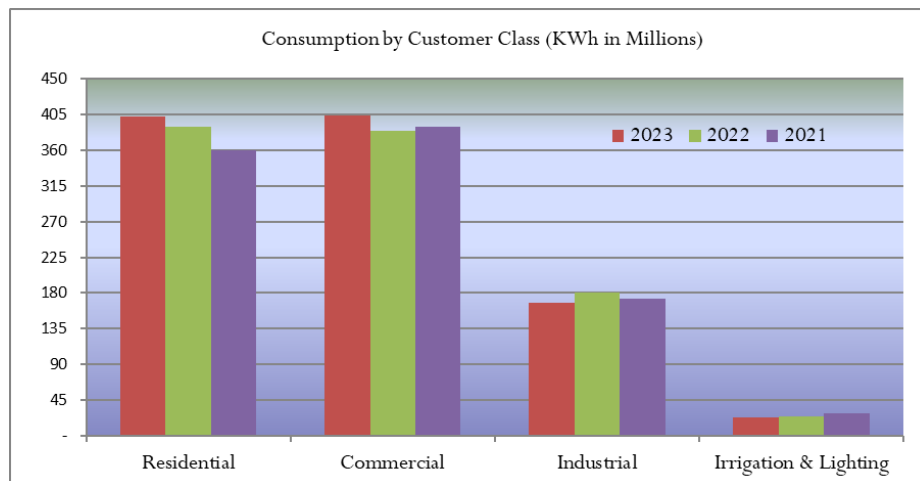
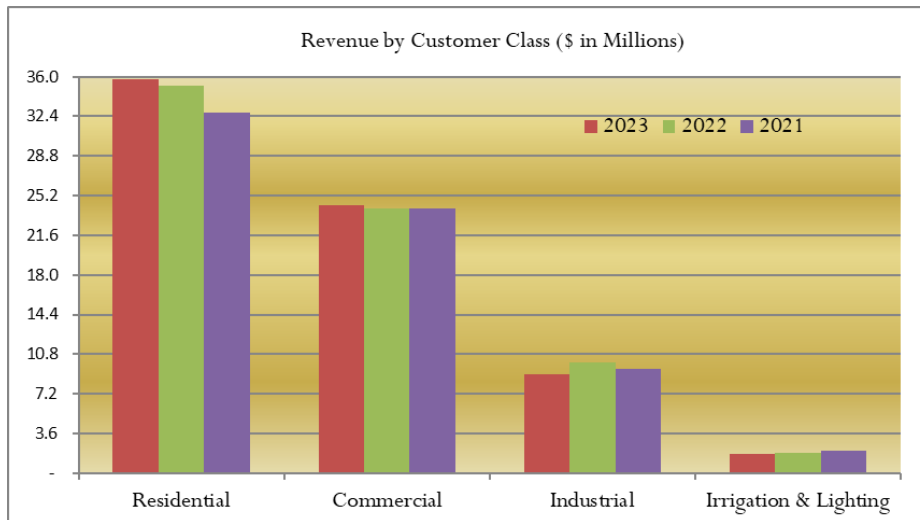
Electric Fund activities increased ending net position by \$15.2 million or 18.9% above the previous year-end balance. Annual debt repayment of \$2.3 million and depreciation of \$7.0 million were offset by the utility's \$12.3 million investment in capital. In response to forecasted growth in customer and consumption base, \$10.3 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 \$2.0 million.

Operating revenue increased \$0.5 million or 0.1% 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 and a \$6.7 million billing credit related to a reserve distribution clause in the BPA contract, there is no additional utility rate action planned until 2025.

System-wide energy consumption increased 2.0% and total customer accounts increased 1.9% in 2023. When looking at energy consumption changes by customer class, residential consumption increased by 3.5%, commercial consumption decreased by 5.0% and industrial consumption decreased 7.2%. The irrigation and lighting class decreased by 2.5%.

Energy consumption is largely dependent on weather conditions, particularly for residential and commercial customers. The 2023 weather was typical for the area with extended summer periods with highs over 100 and winter low temperatures getting into single digits. January’s weather spiked with a cold spell and a coincidental peak system demand set at 209.6 MW. Trends of increasing commercial loads from economic development activity and decreasing residential energy consumption because of the City’s energy conservation program investment are expected.

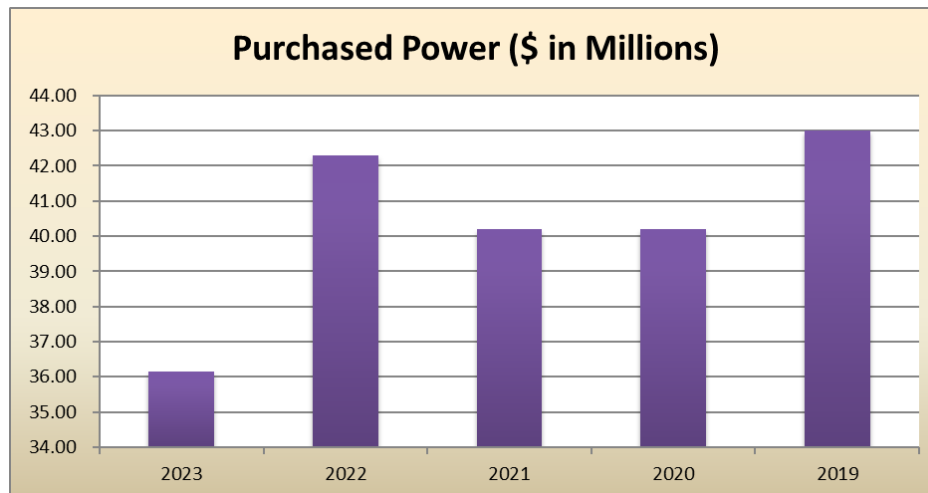
The following graphs summarize energy revenue and consumption by customer class:



Operating expenses decreased \$3.9 million or 5.7% compared to the prior year. While weather factors impacted customer loads in 2023, wholesale power cost decreased by \$6.1 million. The reported wholesale power decrease was the result of a \$300,000 increase in billed power offset by a \$6.4 million credit, from BPA, paid as part of a contract clause related to reserves generated by selling unused power on the open market. Additionally, the pension cost credit was slightly higher at \$970,000 compared to the 2022 credit of \$600,000. The pension cost credit is the result of State retirement plan investment earnings creating a pension asset at the system level. In previous years, the State plans would typically carry plan

liabilities. 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:

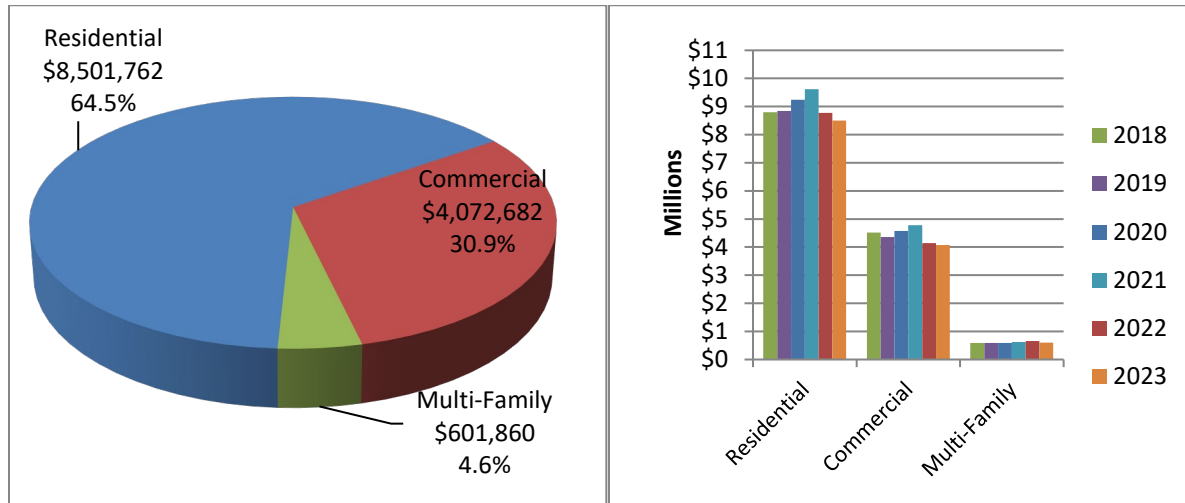


Standard & Poor’s (S&P) changed the Electric Utility’s credit rating on outstanding bonded debt from A+ to A with a Stable Outlook in 2019. The A rating was reaffirmed on the utility’s \$19.4 million 2023 capital improvement and refunding bond issue. The slight downgrade in 2019 reflects S&P’s updated “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 summer of 2025.

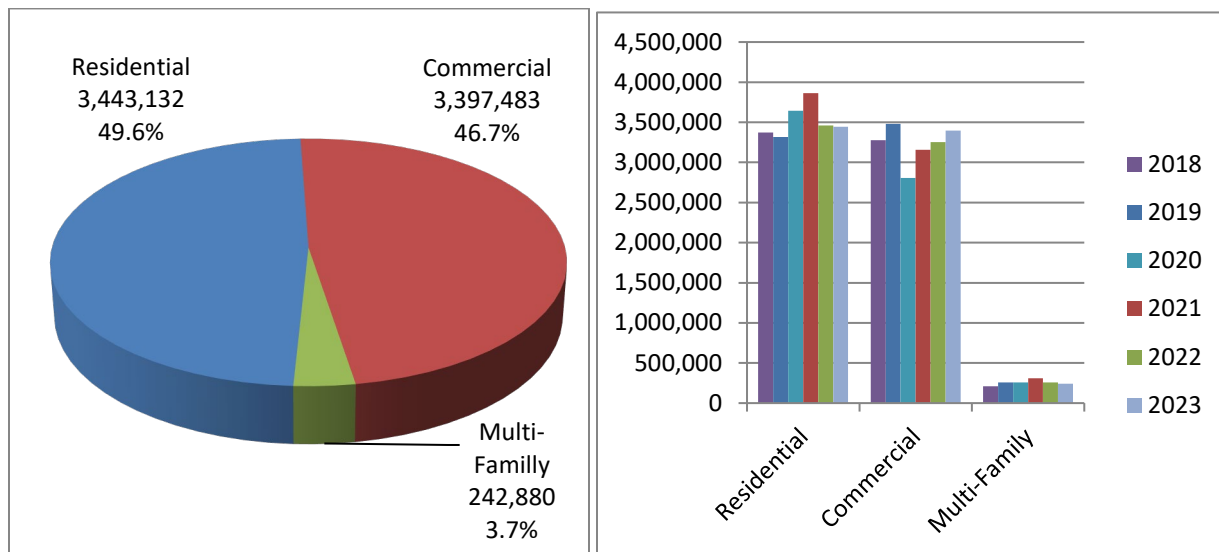
Water Fund activities generated a net position increase of \$3.8 million in 2023. Operating income was \$1.9 million in 2023; a \$1.3 million decrease over the prior year. Operating revenues decreased \$499,547 due in part to a decrease in residential water sales of \$267,796, when compared to 2022. Investment earnings increased by \$1.8 million because of year-end fair value adjustments, insurance recoveries from the steam boiler increased by \$114,273, and interest expense increased \$56,417. The utility recognized capital contributions of \$1.2 million in 2023. Thirty-eight percent of these contributions were received from private sources, valued at \$453,685. This addition reflects the fair 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, to capital grants from the State, and payments received from the City of West Richland for work being done on the Tapteal Booster Pump Station. The facilities fee revenue for 2023 decreased by

\$178,381 from 2022 or 20%. 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. In addition, the utility transferred out another \$43,000 in support of a transportation road extension project at Comstock Street.

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 2023, Water fund operating expenses increased by \$761,390 when compared to 2022. Supplies costs increased by \$238,075 from 2022 to 2023. A major portion consisting of over half of this increase was the purchase of new software for the automated meters. 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 \$59,323 when compared to 2022, mostly due to expert services and rising insurance premium costs. The water utility uses a significant amount of electrical power at the treatment plant and pumping stations throughout the City. For 2023, utilities expense for water operations decreased \$31,648 over 2022.

Tax expense in 2023 decreased by \$48,931 and there was an increase of \$23,004 in the recognition of bad debt expense. This increase reflected the City's determination at the end of 2021 that a less drastic allowance for uncollectable accounts was appropriate due to the lessening effects of COVID-19 on customer billing collections. Finally, depreciation expense increased in 2023 by \$316,032 over the previous year.

In 2023, the utility made the following significant investments in its capital infrastructure:

- Continued installation of automated meter reading infrastructure. The utility spent \$ 773,887 in 2023 on this project.
- Continued water distribution system improvements to make timely repairs and maintain system reliability and efficiency. One of those projects was the water reservoirs improvement project with 2023 costs of \$240,483.
- The Water Treatment Plant Renewal and Replacement Program made upgrades to the ultraviolet facility. The Capital spending on this specific project was \$406,675 in 2023.

The capital related debt of the water and wastewater utilities comprise a large portion, \$17.0 million, or 10.7% of all revenue debt and 10.7% of all City long-term borrowing. The water utility debt equals \$12.5 million, or 8.0% of all City long-term borrowing. The debt of the water utility is comprised of bonded debt and State Safe Drinking Water Revolving Fund loans. The 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 \$922,049 in cash and investments on the utility's balance sheet. The financial strength of the combined water and wastewater utility was assessed by Standard & Poor's and rated AA in May 2017.

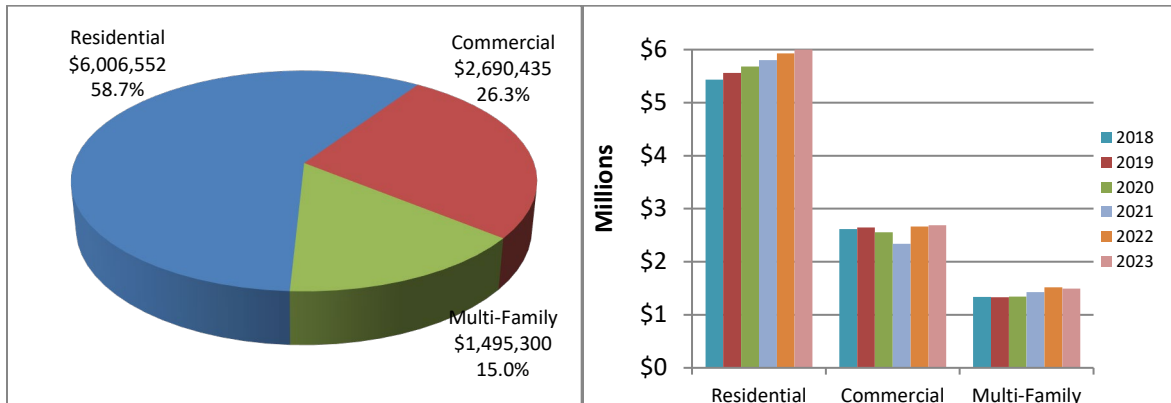
Wastewater Fund activities generated a net position increase of \$2.7 million in 2023. Total operating income was \$976,673 in 2023, a decrease of \$275,994 compared to 2022. This difference was the result of a slight reduction in operating revenues of \$38,477 coupled with an increase in operating expenses of \$237,517. Investment earnings were almost \$1.5 million more in 2023 as compared to 2022, due to year-end fair value adjustments. Interest expense decreased by \$29,685 in 2023.

Additionally, the utility recognized capital contributions of \$1.2 million in 2023. Of this addition, \$268,505 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 \$ 882,746, 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. An additional transfer out of \$117,263 was for the replacement of a high-pressure sewer cleaner. The utility also received a transfer of \$3,945 for work to be done on the Horn Rapids sewer extension.

The utility's most recent rate change went into effect during 2010. Therefore, any increase in residential revenue is directly tied to customer growth. Residential revenue increased \$78,363 in 2023, or 1.3% above 2022 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 decreased \$21,359 over 2022, a 1.4% decrease, and the commercial class experienced growth of \$28,283, or a 1.1% increase.

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



The operating expenses of the City’s wastewater utility increased \$237,517 when compared to 2022. Total salaries and benefits increased 14.1% or \$317,871. This was primarily due to adjustments to annual pension expense accruals for the state PERS plans.

Other service expenditures are driven by events that require outside input for the utility. This includes hiring outside consultants, making repairs to equipment, or payments for a license or permit. These types of events, like the failure of a piece of equipment, cannot be predicted but necessitate such expenditures. Total costs in this category decreased by \$21,502 over the prior year. The wastewater utility also saw a decrease of insurance premiums of \$46,946 and utility expenses decreased \$38,197 when compared to 2022.

In 2023, the Wastewater utility made several investments in its capital infrastructure:

- The utility remains focused on improving its Wastewater Treatment Plant. The utility has planned annual improvements to eliminate downtime and ensure effective wastewater treatment. During 2023, the total spending on these capital improvements was over \$7.2 million. Over \$7.0 million was spent to restore the biological treatment capacity by doing a retrofit of the Aeration Basin #2 to provide the necessary organic material biodegradation.

The wastewater utility capital debt equals \$6.9 million, or 4.4% of all City long-term debt. The debt of the utility is comprised of bonded debt and two loans from the Department of Ecology. The wastewater utility has complied with bond covenant requirements and restricted \$497,713 in a bond reserve account. The financial strength of the combined water and wastewater utility was assessed by Standard & Poor’s and rated AA in May 2017.

ECONOMIC OUTLOOK

Richland is located in Benton County, Washington, and is part of the Tri-Cities metropolitan area, which also includes the cities of Kennewick and Pasco. The local economy of Richland is influenced by several key sectors:

1. **Energy and Nuclear Industry:** Richland is home to the Pacific Northwest National Laboratory (PNNL), which conducts research in various fields, including energy, environment, and national security. The nearby Hanford Nuclear Reservation, although primarily a decommissioned site, still contributes to the local economy through ongoing cleanup efforts.
2. **Agriculture:** Agriculture plays a significant role in the economy of the Tri-Cities region. The fertile soil and favorable climate support the growth of crops such as grapes, apples, cherries, and other fruits, as well as vegetables. The agricultural sector provides employment opportunities and contributes to the local economy through production, processing, and distribution.
3. **Manufacturing and Technology:** Richland has a diverse manufacturing sector, including industries such as aerospace, defense, food processing, and machinery manufacturing. The region also has a growing technology sector, with companies involved in software development, data analysis, and other high-tech fields.
4. **Healthcare and Education:** Richland is home to Kadlec Regional Medical Center, which is one of the largest employers in the region. The healthcare sector, including medical services and research, provides stable employment opportunities. Additionally, education is an important sector, with Washington State University Tri-Cities, Columbia Basin College and other educational institutions contributing to the local economy.
5. **Tourism and Recreation:** Richland and the surrounding area attract visitors due to its natural beauty, outdoor recreational opportunities, and cultural events. The Columbia River, nearby wineries, and the Hanford Reach National Monument offer attractions for tourists and contribute to the local economy through hospitality, leisure, and tourism-related businesses.

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.

The Hanford Nuclear Reservation clean-up continues and is not expected to be complete for several decades. Federal funding for these efforts is a significant driver of the Tri-Cities’ economy, particularly in Richland. While this funding has the risk of being volatile due to changes in political priorities and available federal spending, historically, the clean-up project has enjoyed strong federal support.



Richland continues to enjoy steady 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, and significant infrastructure improvements are planned for 2024. 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 2024, the City will complete construction a new fire station in this area, and begin the first phase of a 30-acre park.

While the housing market in the region has experienced a slow-down over the last year, due to rising interest rates and building costs, it appears to be recovering in the first half of 2024. 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. In addition, the Horn Rapids Advanced Clean Energy Park will have some additional infrastructure added in 2024 and is beginning to attract interest from large manufacturers.

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BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements



City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Net Position
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Richland Public Facilities District
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 38,192,426	\$ 32,634,304	\$ 70,826,729	\$ 1,220,695
Deposits with third parties	517,139	11,575	528,714	-
Investments	59,134,103	37,566,238	96,700,341	-
Taxes receivable	5,653,589	-	5,653,589	127,963
Customer accounts, net	1,231,417	11,038,218	12,269,635	25,872
Due from other governments	3,088,264	368,610	3,456,874	-
Notes and contracts	1,395,514	150,000	1,545,514	-
Internal balances	7,330,137	(7,330,137)	-	-
Prepaid items	178,151	143,248	321,399	5,916
Inventory	135,042	8,308,537	8,443,579	26,908
Special assessments	1,582	26,424	28,006	-
Total current assets	116,857,364	82,917,016	199,774,380	1,407,354
Noncurrent assets:				
Restricted cash and cash equivalents	\$ -	\$ 5,671,318	\$ 5,671,318	\$ 426,026
Restricted investments	-	17,859,643	17,859,643	-
Investment in joint ventures	2,476,512	-	2,476,512	-
Land held for resale	14,520,113	-	14,520,113	-
Special assessments	1,426	121,604	123,029	-
Leases receivable	8,670,813	815,273	9,486,085	-
Net pension asset	16,195,602	7,347,290	23,542,892	-
Land	10,768,914	8,899,440	19,668,354	-
Depreciable assets (net)	62,103,282	54,582,108	116,685,390	4,647,559
Infrastructure (net)	129,043,459	271,020,012	400,063,471	1,541,196
Construction in progress	11,347,669	23,644,952	34,992,621	-
Total noncurrent assets	255,127,789	389,961,639	645,089,428	-
Total assets	371,985,153	472,878,655	844,863,808	8,022,135
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - amount on debt refunding	\$ 133,347	\$ 457,476	\$ 590,823	\$ 23,138
Deferred outflow - pension	11,036,133	5,542,106	16,578,239	-
Deferred outflow - OPEB	317,435	90,972	408,407	-
Total deferred outflows of resources	11,486,915	6,090,553	17,577,468	-
Total assets and deferred outflows of resources	383,472,068	478,969,209	862,441,277	8,045,273

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Net Position
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Richland Public Facilities District
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 7,150,892	\$ 10,647,193	\$ 17,798,085	\$ 37,261
Payable to other governments	175,067	616,194	791,261	-
Deposits payable	24,011	771,610	795,620	9,730
Claims and judgments	3,114,241	-	3,114,241	-
Leases payable	-	315,561	315,561	-
Compensated absences	2,748,871	1,148,159	3,897,030	19,183
Notes and contracts payable	94,060	532,950	627,011	-
General obligation bonds payable	2,850,000	220,000	3,070,000	440,000
Revenue bonds payable	-	3,310,000	3,310,000	-
Total pension liability	294,873	-	294,873	-
Total OPEB liability	756,844	100,851	857,695	-
Total current liabilities	<u>17,208,858</u>	<u>17,662,519</u>	<u>34,871,377</u>	<u>506,174</u>
Noncurrent liabilities:				
Leases payable	\$ 220,623	\$ 92,812	\$ 313,435	\$ -
Compensated absences	2,382,854	1,148,159	3,531,013	-
Notes and contracts payable	151,386	5,228,126	5,379,512	-
General obligation bonds payable	33,355,164	4,406,293	37,761,457	2,228,591
Revenue bonds payable	-	93,430,549	93,430,549	-
Unearned revenue	2,937,731	1,024,594	3,962,326	14,445
Net pension liability	2,266,098	1,929,561	4,195,659	-
Total pension liability	2,669,044	-	2,669,044	-
Total OPEB liability	8,665,704	1,121,651	9,787,355	-
Landfill closure liability	-	7,906,529	7,906,529	-
Total noncurrent liabilities	<u>52,648,604</u>	<u>116,288,273</u>	<u>168,936,878</u>	<u>2,243,036</u>
Total liabilities	<u>69,857,463</u>	<u>133,950,792</u>	<u>203,808,255</u>	<u>2,749,210</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - leases	\$ 8,670,813	\$ 815,273	\$ 9,486,085	\$ -
Deferred inflow - transfer of service concession arrangement capital assets	3,090,600	-	3,090,600	-
Deferred inflow - pension	6,447,015	3,474,733	9,921,748	-
Deferred inflow - OPEB	2,012,179	576,657	2,588,836	-
Deferred inflow - amount on debt refunding	3,185	4,513	7,698	-
Total deferred inflows of resources	<u>20,223,792</u>	<u>4,871,175</u>	<u>25,094,967</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>90,081,255</u>	<u>138,821,967</u>	<u>228,903,221</u>	<u>2,749,210</u>
NET POSITION				
Net investment in capital assets	\$ 172,504,756	\$ 256,105,422	\$ 428,610,178	\$ 3,543,302
Restricted for:				
Capital improvements	9,267,302	13,822,098	23,089,400	-
Debt service	1,826,691	8,152,845	9,979,536	762,450
Economic environment	22,432,203	-	22,432,203	-
Other purposes	1,422,565	-	1,422,565	-
Pensions	20,760,552	9,394,084	30,154,636	-
Public safety	2,617,838	-	2,617,838	-
Unrestricted	62,558,906	52,672,792	115,231,699	990,311
Total net position	<u>\$ 293,390,813</u>	<u>\$ 340,147,242</u>	<u>\$ 633,538,055</u>	<u>\$ 5,296,063</u>

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, 2023

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		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
Judicial	\$ 775,285	\$ 554,264	\$ -	\$ -	\$ (221,021)	\$ -	\$ (221,021)	\$ -
General government	19,297,418	9,958,215	-	-	(9,339,203)	-	(9,339,203)	-
Public safety	36,626,905	7,383,702	5,100,689	-	(24,142,513)	-	(24,142,513)	-
Transportation	12,561,427	1,373,561	-	5,111,623	(6,076,243)	-	(6,076,243)	-
Health and human services	27,310	3,824	591,408	-	567,922	-	567,922	-
Economic environment	5,960,588	5,227,314	782,115	-	48,842	-	48,842	-
Culture and recreation	10,446,145	1,261,058	14,635	-	(9,170,452)	-	(9,170,452)	-
Physical environment	1,233,360	-	-	-	(1,233,360)	-	(1,233,360)	-
Interest on long-term debt	1,229,343	-	-	-	(1,229,343)	-	(1,229,343)	-
Total governmental activities	88,157,781	25,761,939	6,488,847	5,111,623	(50,795,371)	-	(50,795,371)	-
Business-type activities:								
Electric Utility Fund	68,670,617	80,954,339	-	2,207,346	-	14,491,068	14,491,068	-
Water Utility Fund	13,044,728	14,918,644	-	1,203,042	-	3,076,958	3,076,958	-
Wastewater Utility Fund	9,285,780	10,340,698	-	1,151,251	-	2,206,169	2,206,169	-
Solid Waste Utility Fund	9,628,268	12,189,629	-	-	-	2,561,361	2,561,361	-
Stormwater Utility Fund	1,701,907	2,025,207	707,667	273,993	-	1,304,960	1,304,960	-
Golf Course Fund	2,171,620	2,529,847	-	-	-	358,228	358,228	-
Medical Services Fund	7,019,981	7,249,730	126,848	-	-	356,597	356,597	-
Broadband Fund	304,112	321,649	-	-	-	17,538	17,538	-
Total business-type activities	111,827,013	130,529,743	834,515	4,835,632	-	24,372,877	24,372,877	-
Total primary government	\$ 199,984,793	\$ 156,291,682	\$ 7,323,363	\$ 9,947,255	\$ (50,795,371)	\$ 24,372,877	\$ (26,422,494)	\$ -
Component units:								
Richland Public Facilities District	\$ 1,468,195	\$ 496,139	\$ 126,830	\$ -	\$ -	\$ -	\$ -	\$ (845,225)
Total component units	\$ 1,468,195	\$ 496,139	\$ 126,830	\$ -	\$ -	\$ -	\$ -	\$ (845,225)
General revenues:								
Property taxes					21,638,312	-	21,638,312	-
Sales taxes					22,837,235	-	22,837,235	-
Utility occupation taxes					14,595,817	-	14,595,817	-
Real estate excise tax					3,001,060	-	3,001,060	-
Motor fuel & multimodal transportation tax					1,231,146	-	1,231,146	-
Hotel/motel lodging tax					1,621,262	-	1,621,262	-
Other taxes					2,943,034	-	2,943,034	846,335
Investment earnings					5,066,645	4,764,032	9,830,677	35,812
Gain on disposition of capital assets					32,427	100,000	132,427	-
Gain on disposition of land held for sale					1,340,904	-	1,340,904	-
Insurance recoveries					111	114,273	114,384	-
Transfers					(1,227,498)	1,227,498	-	-
Total general revenues and transfers					73,080,454	6,205,803	79,286,256	882,147
Change in net position					22,285,082	30,578,680	52,863,762	36,922
Net position - beginning					270,107,404	309,318,562	579,425,966	5,259,141
Prior period adjustments					998,328	250,000	1,248,328	-
Net position - ending					\$ 293,390,814	\$ 340,147,242	\$ 633,538,056	\$ 5,296,063

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



BASIC FINANCIAL STATEMENTS

Fund Financial Statements

City of Richland, Washington
Annual Comprehensive Financial Report
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Streets Capital Construction Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 11,086,704	\$ 2,156,095	\$ 18,835,998	\$ 32,078,797
Deposits with third parties	19,425	-	28,600	48,025
Investments	29,017,064	3,954,772	17,013,098	49,984,934
Taxes receivable	4,709,810	-	943,779	5,653,589
Customer accounts (net)	355,011	-	876,406	1,231,417
Due from other governments	238,628	2,560,224	289,412	3,088,264
Notes and contracts	-	-	1,395,514	1,395,514
Prepaid items	40,408	-	-	40,408
Inventory	-	-	36,578	36,578
Leases receivable	260,131	-	8,410,682	8,670,813
Special assessments	-	-	3,008	3,008
Total assets	<u>\$ 45,727,181</u>	<u>\$ 8,671,091</u>	<u>\$ 47,833,074</u>	<u>\$ 102,231,345</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 3,459,367	\$ 1,009,856	\$ 2,219,105	\$ 6,688,328
Payable to other governments	148,566	-	26,296	174,862
Due to other funds	-	-	12,828	12,828
Deposits payable	1,011	-	23,000	24,011
Unearned revenue-other	2,567,070	344,062	26,600	2,937,732
Total liabilities	<u>6,176,014</u>	<u>1,353,918</u>	<u>2,307,828</u>	<u>9,837,760</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - leases	\$ 260,131	\$ -	\$ 8,410,682	\$ 8,670,813
Unavailable revenue-property taxes	250,612	-	19,033	269,645
Unavailable revenue-unbilled LID assessments	-	-	1,426	1,426
Total deferred inflows of resources	<u>510,743</u>	<u>-</u>	<u>8,431,140</u>	<u>8,941,883</u>
Total liabilities and deferred inflows of resources	<u>6,686,756</u>	<u>1,353,918</u>	<u>10,738,969</u>	<u>18,779,643</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Contractually maintained deposits	\$ -	\$ -	\$ 2,000	\$ 2,000
Inventory	-	-	36,578	36,578
Prepaid items	40,408	-	-	40,408
Restricted				
Capital improvements	126,967	561,616	8,578,719	9,267,302
Debt service	-	-	1,826,691	1,826,691
Economic environment	2,270,995	-	5,641,096	7,912,090
Other purposes	1,422,565	-	-	1,422,565
Public safety	171,926	-	2,445,911	2,617,838
Committed				
Capital improvements	452,951	-	11,505,451	11,958,403
Economic environment	214,016	-	6,023,462	6,237,478
Public safety	108,794	-	-	108,794
Assigned				
Debt service	-	-	261,479	261,479
Public safety	74,718	-	-	74,718
Transportation	-	6,755,557	785,546	7,541,103
Unassigned	34,157,083	-	(12,828)	34,144,256
Total fund balances (deficits)	<u>\$ 39,040,425</u>	<u>\$ 7,317,173</u>	<u>\$ 37,094,105</u>	<u>\$ 83,451,702</u>
Total liabilities and fund balances (deficits)	<u>\$ 45,727,181</u>	<u>\$ 8,671,091</u>	<u>\$ 47,833,074</u>	<u>\$ 102,231,345</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
For the Year Ended December 31, 2023

Fund balances of governmental funds		83,451,702
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:	213,263,324	213,263,324
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	2,476,512	
Land held for sale	14,520,113	
Net pension asset	16,195,602	
Notes, contracts and taxes receivable, offset by deferred inflows of resources	271,071	
	<u>33,463,298</u>	33,463,298
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	12,477,884	
Internal payable representing charges in excess of cost to business-type activities: prior years	5,958,712	
Internal payable representing charges in excess of cost to business-type activities: current year	1,417,522	
	<u>19,854,118</u>	19,854,118
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	11,036,133	
Deferred outflow of resources related to OPEB	317,435	
Deferred outflow of resources related to debt refunding	133,347	
Deferred inflow of resources related to service concession arrangement (ORV Park assets)	(3,090,600)	
Deferred inflow of resources related to pensions	(6,447,015)	
Deferred inflow of resources related to OPEB	(2,012,179)	
Deferred inflow of resources related to debt refunding	(3,185)	
	<u>(66,064)</u>	(66,064)
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	(32,750,000)	
Net premium/discount	(3,455,164)	
Other general government debt	(245,446)	
Net pension liability	(2,266,098)	
Total pension liability	(2,963,917)	
Total OPEB liability	(9,422,548)	
Compensated absences	(5,131,725)	
Accrued interest payable	(120,044)	
Leases Payable	(220,623)	
	<u>(56,575,565)</u>	(56,575,565)
Net position of governmental activities		<u><u>293,390,813</u></u>

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
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Streets Capital Construction Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 54,933,220	\$ -	\$ 11,218,231	\$ 66,151,451
Licenses and permits	2,724,436	-	-	2,724,436
Intergovernmental	5,893,645	4,642,047	2,014,642	12,550,333
Charges for goods and services	9,428,456	618,419	8,246,532	18,293,408
Fines and forfeits	561,423	-	-	561,423
Investment earnings	2,201,330	504,304	1,361,085	4,066,719
Rents and leases	277,802	-	2,694,124	2,971,926
Miscellaneous revenue	1,095,822	-	498,518	1,594,339
Disposition of land held for sale	-	-	1,494,088	1,494,088
Total revenues	<u>77,116,133</u>	<u>5,764,770</u>	<u>27,527,220</u>	<u>110,408,123</u>
EXPENDITURES				
Current:				
Judicial	775,285	-	-	775,285
General government	19,102,996	-	-	19,102,996
Public safety	29,578,920	-	8,668,205	38,247,125
Physical environment	1,233,360	-	-	1,233,360
Transportation	-	4,196,447	3,972,835	8,169,281
Health and human services	27,310	-	-	27,310
Economic environment	2,949,677	-	3,294,559	6,244,236
Culture and recreation	9,347,861	-	112,495	9,460,355
Debt service:				
Administrative charges	-	-	1,493	1,493
Interest	883	-	1,516,826	1,517,709
Principal retirement	25,003	-	2,799,060	2,824,063
Capital outlay:				
General government	1,401,343	-	93,048	1,494,391
Public safety	29,768	-	3,434,206	3,463,973
Transportation	-	6,359,984	32,443	6,392,427
Economic environment	-	-	273,439	273,439
Culture and recreation	589,840	-	1,947,068	2,536,908
Total expenditures	<u>65,062,244</u>	<u>10,556,431</u>	<u>26,145,675</u>	<u>101,764,350</u>
Excess (deficiency) of revenues over expenditures	<u>12,053,890</u>	<u>(4,791,660)</u>	<u>1,381,544</u>	<u>8,643,774</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,072,835	6,322,402	9,207,387	16,602,624
Transfers out	(7,294,966)	(745,525)	(9,789,632)	(17,830,123)
Leases and SBITAs	234,278	-	-	234,278
Disposition of capital assets	-	-	32,427	32,427
Insurance recoveries	111	-	-	111
Total other financing sources (uses)	<u>(5,987,742)</u>	<u>5,576,877</u>	<u>(549,819)</u>	<u>(960,683)</u>
Net change in fund balances	6,066,148	785,217	831,726	7,683,091
Fund balances - beginning	32,974,277	6,531,956	36,262,379	75,768,612
Fund balances - ending	<u>\$ 39,040,425</u>	<u>\$ 7,317,173</u>	<u>\$ 37,094,105</u>	<u>\$ 83,451,702</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, 2023

Net change in fund balances - total government funds 7,683,091

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	2,824,063	
Amortization of premiums, discounts and deferred amounts on refunding	280,414	
Lease and SBITA debt issued	(234,278)	
		2,870,199

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	(189,095)	
Change in the City's investment in joint ventures	255,437	
Change in the City's investment in land held for sale	(153,184)	
Change in the City's net pension liability and related deferred inflows/outflows	4,440,571	
Change in accrued interest payable	8,562	
Change in net OPEB obligation	535,681	
Change in compensated absences	(1,027,819)	
		3,870,153

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	440,639	
Internal payable representing charges in excess of cost to governmental activities-current year	1,417,522	
		1,858,161

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	14,161,138	
Depreciation	(8,627,235)	
Donated capital assets received	469,576	
		6,003,479
Change in net position of governmental activities		22,285,082

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 50,706,599	\$ 50,706,599	\$ 54,933,220	\$ 4,226,621
Licenses and permits	2,778,500	2,778,500	2,724,436	(54,064)
Intergovernmental	1,381,708	2,023,204	5,893,645	3,870,441
Charges for goods and services	9,167,823	9,167,823	9,428,456	260,633
Fines and forfeits	425,400	425,400	561,423	136,023
Investment earnings	332,000	332,000	2,201,330	1,869,330
Rents and leases	250,481	250,481	277,802	27,321
Miscellaneous revenue	270,450	286,450	1,095,822	809,372
Total revenues	65,312,961	65,970,457	77,116,133	11,145,677
EXPENDITURES				
Current:				
Judicial	682,500	682,500	775,285	(92,785)
General government	20,592,556	24,080,379	19,102,996	4,977,383
Public safety	30,633,741	31,569,063	29,578,920	1,990,143
Health and human services	15,965	15,965	27,310	(11,345)
Economic environment	3,251,385	3,288,035	2,949,677	338,358
Culture and recreation	10,040,930	10,122,855	9,347,861	774,994
Physical environment	-	1,898,677	1,233,360	665,317
Total current	65,217,077	71,657,474	63,015,408	8,642,066
Debt service:				
Interest	-	-	883	(883)
Principal retirement	-	-	25,003	(25,003)
Total debt service	-	-	25,886	(25,886)
Capital outlay:				
General government	750,000	1,089,100	1,401,343	(312,243)
Public safety	-	-	29,768	(29,768)
Culture and recreation	30,000	467,524	589,840	(122,316)
Total capital outlay	780,000	1,556,624	2,020,950	(464,326)
Total expenditures	65,997,077	73,214,098	65,062,244	8,151,854
Excess (deficiency) of revenues over expenditures	(684,116)	(7,243,641)	12,053,890	19,297,531
OTHER FINANCING SOURCES (USES)				
Transfers in	1,003,675	1,063,675	1,072,835	9,160
Transfers out	(5,762,510)	(7,319,234)	(7,294,966)	24,268
Leases and SBITAs	-	-	234,278	234,278
Insurance recoveries	-	-	111	111
Total other financing sources (uses)	(4,758,835)	(6,255,559)	(5,987,742)	267,817
Net change in fund balances	(5,442,951)	(13,499,200)	6,066,148	19,565,348
Fund balances - beginning	32,974,277	32,974,277	32,974,277	-
Fund balances - ending	\$ 27,531,326	\$ 19,475,077	\$ 39,040,425	\$ 19,565,348

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, 2023

	Business-type Activities					
	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 13,812,967	\$ 4,691,887	\$ 2,030,017	\$ 8,863,258	\$ 29,398,129	\$ 9,349,804
Deposits with third parties	1,900	5,775	2,650	1,050	11,375	469,314
Investments	8,451,694	11,968,646	4,227,018	7,653,403	32,300,761	14,414,646
Customer accounts (net)	7,001,047	660,936	696,065	2,666,649	11,024,697	13,521
Due from other governments	-	-	-	368,610	368,610	-
Interfund loans	-	3,890	-	-	3,890	-
Special assessments (current)	-	13,685	12,739	-	26,424	-
Due from other funds	-	-	-	-	-	46,097
Notes and contracts	-	-	-	150,000	150,000	-
Prepaid items	72,135	-	-	5,822	77,957	203,034
Inventory	7,719,495	513,454	1,040	74,548	8,308,537	98,464
Total current assets	37,059,239	17,858,273	6,969,528	19,783,339	81,670,379	24,594,880
Noncurrent assets:						
Restricted cash and cash equivalents	2,695,464	368,389	367,419	2,240,045	5,671,318	-
Restricted investments	11,689,575	922,049	497,713	4,750,306	17,859,643	-
Leases receivable	388,133	-	-	427,140	815,273	-
Net pension asset	1,854,814	510,555	503,786	3,586,387	6,455,542	891,748
Special assessments (noncurrent)	-	62,978	58,625	-	121,604	-
Land	837,428	5,604	-	8,056,407	8,899,440	-
Depreciable assets (net)	5,764,571	5,726,725	12,300,948	9,068,762	32,861,007	21,721,102
Infrastructure	122,247,615	81,198,469	49,170,854	18,403,074	271,020,012	-
Construction in progress	2,293,993	7,722,272	8,951,385	2,772,085	21,739,736	1,905,216
Total noncurrent assets	147,771,593	96,517,042	71,850,731	49,304,208	365,443,574	24,518,065
Total assets	184,830,832	114,375,315	78,820,259	69,087,547	447,113,953	49,112,945
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow - amount on debt refunding	75,310	150,569	189,334	42,262	457,476	-
Deferred outflow - pension	1,585,624	436,456	430,673	2,327,024	4,779,777	762,329
Deferred outflow - OPEB	50,750	19,226	12,638	7,715	90,329	643
Total deferred outflows of resources	1,711,685	606,250	632,645	2,377,001	5,327,581	762,972
Total assets and deferred outflows of resources	\$ 186,542,517	\$ 114,981,565	\$ 79,452,904	\$ 71,464,548	\$ 452,441,535	\$ 49,875,917
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	6,951,247	856,455	1,663,288	668,831	10,139,820	826,922
Payable to other governments	253,662	47,405	25,249	41,139	367,455	3,920
Due to other funds	-	-	-	-	-	33,269
Interfund loans payable	-	-	-	3,890	3,890	-
Deposits payable	-	56,339	13,868	923,625	993,832	45,773
Leases payable-current	-	-	-	-	-	315,561
Compensated absences-current	397,592	165,500	83,642	251,549	898,284	249,875
Claims and judgments-current	-	-	-	-	-	3,114,241
General obligation bonds payable-current	-	-	-	220,000	220,000	-
Revenue bonds payable-current	2,435,000	524,888	320,113	30,000	3,310,000	-
Notes and contracts payable	-	233,622	83,271	216,057	532,950	-
Total OPEB liability	56,262	21,314	14,010	8,553	100,139	713
Total current liabilities	10,093,763	1,905,523	2,203,440	2,363,644	16,566,370	4,590,272
Noncurrent liabilities:						
Leases payable	-	-	-	-	-	92,813
Compensated absences	397,592	165,500	83,642	251,549	898,284	249,875
Notes and contracts payable	-	1,465,999	604,232	3,157,895	5,228,126	-
General obligation bonds payable	-	-	-	4,406,293	4,406,293	-
Revenue bonds payable	76,564,059	10,303,305	5,878,975	684,210	93,430,549	-
Unearned revenue	569,163	62,978	214,625	177,827	1,024,594	-
Net pension liability	801,160	220,526	217,604	305,094	1,544,384	385,177
Total OPEB liability	625,735	237,045	155,818	95,125	1,113,723	7,927
Landfill closure liability	-	-	-	7,906,529	7,906,529	-
Total noncurrent liabilities	78,957,709	12,455,354	7,154,896	16,984,522	115,552,481	735,792
Total liabilities	89,051,472	14,360,877	9,358,336	19,348,166	132,118,851	5,326,064
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - leases	388,133	-	-	427,140	815,273	-
Deferred inflow - pension	1,068,775	294,190	290,291	1,307,637	2,960,893	513,840
Deferred inflow - OPEB	321,699	121,868	80,108	48,905	572,581	4,075
Deferred inflow - amount on debt refunding	4,513	-	-	-	4,513	-
Total deferred inflows of resources	1,783,120	416,058	370,399	1,783,682	4,353,259	517,915
Total liabilities and deferred inflows of resources	90,834,592	14,776,935	9,728,735	21,131,848	136,472,110	5,843,979
NET POSITION						
Net investment in capital assets	59,310,340	81,790,566	62,275,671	29,510,902	232,887,478	23,217,944
Restricted for:						
Capital improvements	1,380,117	6,273,430	6,168,551	-	13,822,098	-
Debt service	5,909,929	1,304,123	721,871	216,922	8,152,845	-
Pensions	2,363,118	650,470	641,847	4,602,523	8,257,958	1,136,126
Unrestricted	26,744,421	10,186,041	(83,771)	16,002,354	52,849,045	19,677,867
Total net position	\$ 95,707,925	\$ 100,204,630	\$ 69,724,169	\$ 50,332,701	315,969,425	\$ 44,031,938
Net position of internal service funds predominantly serving business-type activities					31,554,053	
Internal payable representing charges in excess of cost to governmental activities-prior years					(5,958,712)	
Internal payable representing charges in excess of cost to governmental activities-current year					(1,417,522)	
Net position of business-type activities					\$ 340,147,244	

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, 2023

	Business-type Activities					Internal Service Funds
	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total Nonmajor Funds	Total Enterprise Funds	
OPERATING REVENUES						
Electric	\$ 77,441,488	\$ -	\$ -	\$ -	\$ 77,441,488	\$ -
Water	-	14,909,843	-	-	14,909,843	-
Sewer	-	-	10,326,000	-	10,326,000	-
Solid waste	-	-	-	12,170,797	12,170,797	-
Stormwater	-	-	-	2,023,723	2,023,723	-
Golf course	-	-	-	2,529,747	2,529,747	-
Medical services	-	-	-	7,249,151	7,249,151	-
Broadband	-	-	-	331,988	331,988	-
Internal service funds	-	-	-	-	-	30,556,289
Other operating revenues	2,700,889	(2,849)	-	30	2,698,069	51,391
Total operating revenues	<u>80,142,376</u>	<u>14,906,994</u>	<u>10,326,000</u>	<u>24,305,435</u>	<u>129,680,805</u>	<u>30,607,680</u>
OPERATING EXPENSES						
Maintenance and operations	43,064,998	5,876,033	4,604,279	16,320,183	69,865,493	22,559,340
Administrative and general	5,334,253	1,543,055	1,250,957	3,138,705	11,266,969	1,906,632
Taxes	9,350,442	2,524,406	1,384,251	1,921,299	15,180,397	-
Depreciation	7,015,016	3,098,450	2,109,841	1,075,948	13,299,256	2,998,726
Total operating expenses	<u>64,764,709</u>	<u>13,041,944</u>	<u>9,349,327</u>	<u>22,456,135</u>	<u>109,612,115</u>	<u>27,464,698</u>
Operating income (loss)	<u>15,377,667</u>	<u>1,865,050</u>	<u>976,673</u>	<u>1,849,301</u>	<u>20,068,690</u>	<u>3,142,982</u>
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	1,233,767	1,000,740	849,974	1,260,645	4,345,126	1,034,938
Disposition of capital assets	-	-	-	-	-	100,000
Miscellaneous nonoperating revenues/(expenses)	(99,147)	7,872	10,971	1,231,321	1,151,017	722,226
Insurance recoveries	-	114,273	-	-	114,273	-
Interest expense	(2,975,533)	(342,653)	(209,952)	(260,122)	(3,788,259)	(36,432)
Debt costs	(480,847)	-	-	-	(480,847)	-
Total nonoperating revenues (expenses)	<u>(2,321,761)</u>	<u>780,233</u>	<u>650,993</u>	<u>2,231,844</u>	<u>1,341,309</u>	<u>1,820,732</u>
Income (loss) before contributions and transfers	<u>13,055,907</u>	<u>2,645,283</u>	<u>1,627,665</u>	<u>4,081,145</u>	<u>21,409,999</u>	<u>4,963,713</u>
Transfers in	-	-	3,945	663,399	667,344	840,035
Transfers out	(30,000)	(63,000)	(122,263)	(17,117)	(232,380)	(47,500)
Capital contributions	2,207,346	1,203,042	1,151,251	273,993	4,835,632	-
Change in net position	<u>15,233,253</u>	<u>3,785,325</u>	<u>2,660,598</u>	<u>5,001,419</u>	<u>26,680,595</u>	<u>5,756,248</u>
Total net position - beginning	80,474,672	96,419,305	67,063,571	45,081,281	289,038,830	38,275,690
Prior period adjustment	-	-	-	250,000	250,000	-
Total net position - ending	<u>\$ 95,707,925</u>	<u>\$ 100,204,630</u>	<u>\$ 69,724,169</u>	<u>\$ 50,332,701</u>	<u>\$ 315,969,425</u>	<u>\$ 44,031,938</u>
					Net change in enterprise funds net position	26,680,595
					Change in net position of internal service funds predominantly serving business -type activities	5,315,608
					Internal payable representing charges in excess of cost to governmental activities -current year	(1,417,522)
					Changes in net position of business-type activities	<u>\$ 30,578,681</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, 2023

	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	\$ 82,909,001	\$ 15,046,106	\$ 10,469,674	\$ 24,209,915	\$ 132,634,696	\$ 14,945,195
Receipts from interfund services provided	-	-	-	-	-	15,684,930
Payments to employees	(895,833)	(2,814,282)	(2,773,678)	(9,410,107)	(15,893,900)	(4,675,057)
Payments to suppliers	(50,863,395)	(3,187,006)	(756,270)	(4,024,937)	(58,831,608)	(18,305,658)
Taxes paid	(6,582,526)	(2,482,502)	(1,360,384)	(1,863,874)	(12,289,287)	(75,663)
Payments for interfund services used	(3,282,215)	(2,583,787)	(1,828,840)	(6,862,995)	(14,557,837)	(1,394,878)
Net cash provided (used) by operating activities	21,285,032	3,978,529	3,750,502	2,048,002	31,062,065	6,178,869
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(30,000)	(63,000)	(122,263)	(12,301)	(227,564)	(47,500)
Grants and contributions	-	-	-	712,022	712,022	-
Reimbursements and recoveries	-	120,580	10,124	21,066	151,771	343,295
Transfers from other funds	-	-	3,945	658,583	662,528	844,564
Interfund loan principal payments received	-	3,890	-	-	3,890	(17,358)
Net cash provided (used) by noncapital financing activities	(30,000)	61,470	(108,194)	1,379,370	1,302,646	1,123,002
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Lease interest payments received	-	-	-	683	683	-
Principal paid on debt	(2,295,000)	(1,743,528)	(801,316)	(466,240)	(5,306,084)	(119,610)
Interest paid on debt	(3,747,152)	(486,444)	(292,229)	(265,682)	(4,791,508)	(36,432)
Payments related to acquisition, construction or improvements of capital assets	(12,260,951)	(3,631,044)	(9,359,564)	(3,867,403)	(29,118,963)	(6,949,008)
Bond issuance costs	(117,873)	-	-	(257)	(118,130)	-
Interfund loan principal paid	-	-	-	(3,890)	(3,890)	-
Proceeds from sale of capital assets	-	-	-	-	-	481,542
Proceeds from capital grants and contributions	2,106,115	749,357	882,746	(5,460)	3,732,758	-
Proceeds from debt	8,124,910	-	-	-	8,124,910	-
Net cash provided (used) by capital and related financing activities	(8,189,951)	(5,111,659)	(9,570,363)	(4,608,250)	(27,480,224)	(6,623,509)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipt of interest	1,235,423	474,522	283,935	879,774	2,873,655	599,748
Investments sold	15,864,834	-	-	-	15,864,834	-
Investments purchased	(21,225,675)	4,294,860	7,041,948	4,562,302	(5,326,565)	2,557,296
Net cash provided (used) by investing activities	(4,125,418)	4,769,382	7,325,883	5,442,076	13,411,924	3,157,044
Net increase (decrease) in cash and cash equivalents	8,939,663	3,697,722	1,397,828	4,261,198	18,296,411	3,835,406
Balances - beginning of year	7,568,768	1,362,554	999,608	6,842,106	16,773,036	5,514,398
Balances - end of the year	\$ 16,508,431	\$ 5,060,276	\$ 2,397,436	\$ 11,103,303	\$ 35,069,447	\$ 9,349,804
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income	\$ 15,377,667	\$ 1,865,050	\$ 976,673	\$ 1,849,301	\$ 20,068,690	\$ 3,142,982
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	7,015,016	3,098,450	2,109,841	1,075,948	13,299,256	2,998,726
Accrued pension and OPEB expense	(1,228,349)	(412,772)	(228,004)	(653,349)	(2,522,474)	(559,463)
Changes in assets and liabilities:						
Accounts Payable - Supplier	625,182	(430,780)	725,647	138,084	1,058,133	457,320
Customer Receivables	941,237	142,374	143,454	(90,863)	1,136,202	22,445
Inventory	(2,152,723)	(350,168)	-	2,215	(2,500,676)	(8,358)
Salaries & Benefits Payable	(19,967)	66,375	22,891	(283,960)	(214,660)	74,324
Unearned revenues	256,020	-	-	16,448	272,468	-
Prepaid items	452,507	-	-	(5,822)	446,685	43,928
Other income and adjustments	18,439	-	-	-	18,439	-
Deposits with third party	-	-	-	-	-	6,964
Net cash provided (used) by operating activities	\$ 21,285,030	\$ 3,978,529	\$ 3,750,502	\$ 2,048,002	\$ 31,062,063	\$ 6,178,869
Noncash investing, capital and financing activities						
Contribution of capital assets	\$ 117,588	\$ 453,685	\$ 268,505	\$ 273,993	\$ 1,113,771	\$ -

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, 2023

	<u>Custodial Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,085,621
Other current assets	6,558
Receivables:	
Accounts receivable	432,729
Due from other governments	516,087
Leases receivable	96,909
Total receivables	<u>1,045,726</u>
Total current assets	<u>7,137,906</u>
Noncurrent assets:	
Land	14,593
Depreciable assets (net)	4,401,864
Total noncurrent assets	<u>4,416,457</u>
Total assets	<u>11,554,363</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow - leases	<u>407,125</u>
Total deferred outflows of resources	<u>407,125</u>
Total assets and deferred outflows of resources	<u>11,961,488</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 256,756
Salaries payable	197,182
Total current liabilities	<u>453,938</u>
Noncurrent liabilities:	
Employee leave benefits	197,182
Leases payable	456,231
Total noncurrent liabilities	<u>653,414</u>
Total liabilities	<u>1,107,351</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow - leases	<u>\$ 96,909</u>
Total deferred inflows of resources	<u>96,909</u>
Total liabilities and deferred inflows of resources	<u>1,204,261</u>
NET POSITION	
Net investment in capital assets	\$ 4,274,590
Restricted for organizations and other governments	6,482,638
Total net position	<u>\$ 10,757,227</u>

The notes to 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, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Collections from participants	\$ 6,642,476
Grant revenues	1,019,613
Tax revenues	2,924,446
Site and facilities rent	34,453
Contribution for capital projects	1,250,000
Interest earnings	144,960
Total additions	<u>12,015,947</u>
DEDUCTIONS	
Supplies	\$ 29,256
Charges for goods and services	7,624,461
Repairs and maintenance	1,675,292
Admin services - Richland	564,900
Disposition of capital assets	2,819
Depreciation expense	806,049
Total deductions	<u>\$ 10,702,777</u>
Net increase (decrease) in fiduciary net position	1,313,171
Net Position -- beginning	9,569,245
Prior period adjustment	(125,188)
Net Position -- ending	<u>\$ 10,757,227</u>

The notes to 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 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, reported in separate columns: the General Fund and the Streets Capital 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 three major enterprise funds; the Electric, Water, and Wastewater funds, which account for all activities necessary to provide electric, water, and sewer 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 7) Emergency Management Fund and 8) VHF 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 leases and SBITAs 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 the 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 the 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.

The City uses encumbrance accounting. Purchase orders, contracts and other commitments are recorded as encumbrances. Encumbrances at year-end are included in the restricted, committed, or assigned fund balance as defined by GASB Statement No. 54.

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 October 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 city funds, and all appropriations lapse at year-end. When necessary, a carryover ordinance is adopted in the following year to carry forward capital projects and items outstanding at year-end in accordance with RCW 35.33.151. 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 Finance 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.

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 basic financial statements includes the original adopted budget and a comparison of final amended budget to expenditures for the General Fund and major Special Revenue Funds. Budgetary information for all other nonmajor governmental funds is reported in the combining and individual fund statements section following the notes.

Budgets established for 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, 2023

PURPOSE	ELECTRIC	WATER	SEWER	SOLID WASTE	STORM WATER	COLUMBIA PT GOLF COURSE	TOTAL
Capital Improvements	\$ 1,380,117		\$ 156,000				\$ 1,536,117
Landfill Closure/Post Closure				2,060,011			2,060,011
Debt Service	1,315,347	368,389	211,419	144,028	13,575	22,432	2,075,190
Total Restricted	\$ 2,695,464	\$ 368,389	\$ 367,419	\$ 2,204,039	\$ 13,575	\$ 22,432	\$ 5,671,318

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, 2023, are as follows:

Treasurer's Cash, Net	\$ 5,101,512
Held by Component Unit	\$ 63,173
Deposits In Transit	\$ 1,744,919
Petty Cash/Change Funds	\$ 6,050
Deposits with Fiscal Agent	\$ 1,193
Outstanding Checks	\$ (2,362,602)
Retainage Held by 3rd Party	\$ -
Unreconciled Items	\$ (5,174)
Total Deposits	\$ 4,549,070

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

Taxes - These consist of accrued State shared revenue matched with the period the revenue became measurable and unpaid property taxes as of December 31. The property tax 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 2023, the City’s regular tax levy was \$2.0181 per \$1,000 on an assessed valuation of \$9,959,759,806 for a total regular levy of \$20,099,838 (after the appeals process). In addition, there were special levies for debt service on general obligation debt issued for capital acquisitions or construction at \$0.1552 per \$1,000 of assessed valuation of \$9,917,634,950 totaling \$1,539,642 (after the appeals process). The composite City of Richland levy was \$2.1733 per \$1,000 of assessed valuation for a total levy of \$21,639,481.

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

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 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	\$250,612
Other Governmental Funds	
Library Remodel Bond Fund	<u>19,033</u>
TOTAL	\$269,645

Leases Receivable - The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, in fiscal year 2022. The Statement establishes a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the statement parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible right-to-use lease asset (a capital asset hereinafter referred to as the lease asset), and a lease receivable and deferred inflow of resources, respectively. The new leases standard also requires enhanced disclosure which include a general description of the leasing arrangement, the aggregated amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable, and the disclosure of the long-term effect of lease arrangements on a government’s resources (See Note 6 - Leases).

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.

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2023

Due from Other Governments – In the City’s governmental activities, these consist primarily of outstanding requests for grant reimbursement and fees received through State shared revenue distributions. Amounts due from other governments to the City’s business-type activities are for outstanding requests 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, 2023, the City had the following assessment balances:

	Current Assessments	Delinquent Assessments	Long Term Assessments	Deferred Inflows	Fund Total
Debt Service Fund Assessments Receivable (LIDs)	\$ 1,582	\$ -	\$ 1,426	\$ (1,426)	\$ 1,582
Water Fund Assessments Receivable	(0)	13,685	62,978	-	76,663
Sewer Fund Assessments Receivable	0	12,739	58,625	-	71,364
Total	\$ 1,582	\$ 26,424	\$ 123,029	\$ (1,426)	\$ 149,610

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	\$ 692,190
Home fund	703,324
Total	<u>\$ 1,395,514</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.”

City of Richland, Washington
Annual Comprehensive Financial Report
Notes to the Financial Statements
For the Year Ended December 31, 2023

The following table shows a summary of the interfund balances for the year ended December 31, 2023:

OWED TO...	OWED BY...			
	Other Governmental	Other Enterprise	Internal Service	TOTAL
Water Fund	\$ -	\$ 3,890	\$ -	\$ 3,890
Internal Service	12,828	-	33,269	46,097
Total	\$ 12,828	\$ 3,890	\$ 33,269	\$ 49,987

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 ...		
		Internal Service	Other Governmental	TOTAL
Reported In	Fund	Central Stores	TBD	
Internal Service	Equipment Replacement	\$ 33,269	\$ 12,828	\$ 46,097
Total		\$ 33,269	\$ 12,828	\$ 46,097

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 membership, subscription, and service agreement 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 2023 for these services was \$564,900. No distributions of income to the City are expected since charges are assessed only to recover anticipated expenses.

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

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, 2023 was \$1,202,241 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, 2023 was \$836,615 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, 2023 was \$56,087 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, 2023 was \$31,436 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.

VHF - The VHF assets and 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. This is a new fund and participants will be the various fire agencies. The City of Richland's equity interest in VHF as of December 31, 2023 was \$0. 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, and risk management and information systems. The total amount paid by BI-PIN in 2023 for these transactions was \$53,706.

BI-PIN is currently in the process of implementing a new RMS/JMS system as well as upgrading all supporting infrastructure. The City of Richland's equity interest in BI-PIN was \$282,967 on December 31, 2023, 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 \$67,166 on June 30, 2023, 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 BI-PIN may be obtained at the City of Kennewick, 210 W. 6th Ave., Kennewick, Washington, 99336.

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 construction work in progress until the projects are completed and the assets are ready to be placed in service. Upon completion, construction in progress assets are reclassified to their appropriate asset category. 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.), leasehold, sales and other taxes payable. In business-type activities, these consist primarily of taxes due to Washington State, 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.

Leases payable – Reports the net present value of future payments on leased assets. (See Note 6 – Leases).

Subscription Based Information Technology Agreements (SBITAs) – GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) was implemented as of December 31, 2023. A SBITA is defined as a contract that conveys control of the right to use another party's IT software, alone, or in combination with tangible underlying IT assets, in an exchange or exchange-like transaction for a period exceeding 12 months. The government is required to recognize a subscription liability and an intangible right-to-use subscription asset. Cash outlays necessary to place the subscription asset in service can be capitalized during the initial project implementation stage. (See Note 16 – SBITAs)

Unearned Revenue – These include amounts recorded as receivables or other assets for which the revenue recognition criteria has not yet been met. They consist primarily of Federal and Washington State grant funds received by the City for which recognition of revenues requires meeting certain grant provisions, unredeemed gift certificates at Columbia Point Golf Course and facility fees in Richland Energy Services, Water and Sewer.

Net and Total Pension Liability and/or Asset - 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 uses Washington State Auditor's preferred method, which 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 the state sponsored pension plans LEOFF 1 and 2, PERS 1, 2 and 3. 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.

The City's financial statements also include two local government pre-LEOFF pension plans that are reported pursuant to GASB Statement No. 73 requirements. The plans are not administered through a trust and for this reason were reclassified from fiduciary funds to the general fund in 2018. Total Pension Liability (TPL) for pre-LEOFF plans is reported on the Government Wide Statement of Net Position.

Pension plans are 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, 2022, and was used to calculate the total OPEB liability measured as of December 31, 2023. The City implemented GASB Statement No. 75 in 2018. OPEB is discussed in detail in Note 9.

Other Long-term Liabilities - Revenue bonds and other long-term liabilities directly related to and financed from proprietary funds are accounted for in the respective proprietary funds. All other City of Richland long-term debt is reported in the governmental column of the government-wide statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line interest method since it is not materially different from the effective interest method. Bonds payable are reported net of the premium or discount. Bond issuance costs are reported as costs of the current period. In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt is reported as other financing sources when received. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance cost is reported as debt service expenditures. Long term encompasses bonds, notes, contracts payables, leases and SBITAs. Note 4 elaborates the full extent of the City's long-term liabilities.

Deferred Charges and Outflows/Inflows of Resources

In addition to assets, the Statements of Financial Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement component represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources until those periods occur.

In addition to liabilities, the Statements of Financial Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement component represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources until such 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 and 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 on 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 2023 annual budget document, state that minimum reserves should be maintained in the General Fund at no less than 16.7% , or two months, of projected annual operating expenditures. Any proposed reduction of this reserve level requires approval by a majority of the City Council.

Deficit Fund Equity – The City’s Transportation Benefit District fund reported a deficit fund balance at December 31, 2023, in the amount of \$12,828. Interfund transfers out to finance capital and operating expenditures in the Streets Fund and Streets Capital Construction funds were made according to budget, but revenues came in slightly below budget.

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. 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.

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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 2023, along with the purposes for the adjustments:

	Purpose for Adjustment	Increase / (Decrease) due to adjustment		
		Assets	Liabilities	Net Position
Enterprise Funds:				
Stormwater	1	250,000	0	250,000
Total Enterprise Funds		250,000	-	250,000
Custodial Funds:				
Southeast Communications Center	2		118,931	(118,931)
Benton County Emergency Management	3		6,258	(6,258)
Total Custodial Funds		-	125,189	(125,189)
Total prior period adjustments - all funds		\$ 250,000	\$ 125,189	\$ 124,811
Government-wide Financial Statements				
Governmental Activities:				
Adjustment to value of Infrastructure	4	450,000	0	450,000
Adjustment to value of Infrastructure	5	550,000	0	550,000
Adjustment to lease liability	6		1,672	(1,672)
Total Governmental Activities		1,000,000	1,672	998,328
Total prior period adjustments - all funds and govt activities		\$ 1,250,000	\$ 126,861	\$ 1,123,139

Purpose for adjustments:

1. Expenditures on the Columbia Park Trail Improvements - East project were understated by \$250,000 in 2021. Reimbursement amount from the Port of Kennewick was recorded as a reduction of the project cost instead of revenue. The total amount reported as noncurrent assets in the category of infrastructure (net) was understated as a result.
2. Prior period capitalization error identified in the fixed asset module.
3. Prior period capitalization error identified in the fixed asset module.
4. Expenditures on the Center Parkway North project were understated by \$250,000 in 2021, and \$200,000 in 2022. Reimbursement amounts from the Port of Benton, and Port of Kennewick were recorded as a reduction of the project cost instead of revenue. The total amount reported as noncurrent assets in the category of infrastructure (net) was understated as a result.
5. Expenditures on the Columbia Park Trail Improvements - East project were understated by \$150,000 in 2021, and \$400,000 in 2022. Reimbursement amount from the Port of Kennewick was recorded as a reduction of the project cost instead of revenue. The total amount reported as noncurrent assets in the category of infrastructure (net) was understated as a result.
6. In 2022, the calculation for principal payments related to leases was overstated by \$1,672.

NOTE 2. INVESTMENTS

Investments Measured at Amortized Cost

As of December 31, 2023, the City held the following investments at amortized cost:

<u>Type of Investment</u>	Maturities	
State Investment Pool (LGIP)	Average 17 days	79,681,321
Total		79,681,321

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, or 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 daily. 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 documentation with the State Treasurer 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. The City’s investments are all insured, registered and held by its agents in the City’s name. The City has no formal policy for custodial credit risk.

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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.

Concentration of Credit Risk: The City does not have a formal policy addressing concentration of credit risk. The following represents the allocation and credit rating of City investments by type of security as of December 31, 2023:

Federal Home Loan Mortgage Corporation	AAA	2.9%
Federal National Mortgage Association	AAA	3.4%
Federal Home Loan Bank	AAA	25.2%
U. S. Treasury Securities	AAA	9.3%
Municipal Bonds	A- to AAA	17.8%
Local Governmental Investment Pool	Unrated	41.0%
Pension Mutual Funds	Unrated	0.3%

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, 2023, 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	\$ 9,283,773	\$ 9,283,773	\$ -	0.28
U.S. Government Securities	31,462,999	-	31,462,999	1.59
Municipal Bonds	17,758,337	-	17,758,337	0.66
Bond Mutual Funds	628,994	628,994	-	N/A
Subtotal Governmental Activities	59,134,103	9,912,767	49,221,336	
<u>BUSINESS TYPE ACTIVITIES</u>				
U. S. Treasury Securities	8,795,152	8,795,152	-	0.28
U.S. Government Securities	29,807,045	-	29,807,045	1.59
Municipal Bonds	16,823,684	-	16,823,684	0.66
Subtotal Business Type Activities	55,425,881	8,795,152	46,630,729	
Total Investments by Fair Value Level	\$ 114,559,984	\$ 18,707,919	\$ 95,852,065	

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NOTE 3. CAPITAL ASSETS

Governmental Activities - A summary of governmental capital assets for the year ended December 31, 2023 is presented in the following table:

Governmental activities	Balance January 1, 2023	Increases	Decreases	Transfers /Reclassifications	Balance December 31, 2023
<u>Capital Assets, not being depreciated:</u>					
Land	\$10,318,311	\$450,603	-	-	\$10,768,914
Construction in progress	9,770,358	10,649,400	(9,072,090)	-	11,347,669
Total capital assets, not being depreciated	20,088,669	11,100,003	(9,072,090)	-	22,116,582
<u>Capital Assets, being depreciated:</u>					
Buildings and improvements	101,872,336	2,803,511	-	-	104,675,847
Machinery and equipment	9,973,890	559,901	-	-	10,533,790
Infrastructure	296,353,337	9,828,567	-	-	306,181,904
Intangibles	3,618,733	432,421	-	-	4,051,154
Total capital assets, being depreciated	411,818,295	13,624,401	-	-	425,442,695
Less accumulated depreciation for:					
Buildings and improvements	(43,892,554)	(2,778,594)	-	-	(46,671,148)
Machinery and equipment	(8,227,871)	(427,726)	-	-	(8,655,596)
Infrastructure	(172,130,831)	(5,007,614)	-	-	(177,138,445)
Intangibles	(1,417,463)	(413,302)	-	-	(1,830,765)
Total accumulated depreciation	(225,668,718)	(8,627,235)	-	-	(234,295,953)
Total capital assets being depreciated, net	186,149,577	4,997,166	-	-	191,146,742
Governmental activities capital assets, net	\$206,238,246	\$16,097,168	(\$9,072,090)	-	\$213,263,325

Depreciation expense was charged as follows:

FUNCTION	TOTAL
General government	\$1,551,992
Public safety	540,505
Transportation	4,837,916
Economic environment	192,200
Culture & recreation	1,504,622
Physical environment	-
Total Depreciation Expense	\$8,627,235

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The following is a list of construction commitments existing as of December 31, 2023 in the City's governmental-type activities.

Fund	Project	Spent as of December 31, 2023	Remaining Committed
Major Funds:			
General Fund	Library STEAM Space improvements	252,504	280
General Fund Total		252,504	280
Streets Capital Construction	Duportail Bridge	29,294,932	260,816
Streets Capital Construction	Henderson Loop Phase 2	1,791,786	95,721
Streets Capital Construction	Citywide Traffic Signal System Safety Improvements	999,440	14,983
Streets Capital Construction	Center Parkway South - Leslie to Clearwater	418,372	49,692
Streets Capital Construction	Columbia Park Trail Improvements - East	4,235,723	9,616
Streets Capital Construction	Clubhouse Lane Extension Phase 2	176,852	941,355
Streets Capital Construction	Center Parkway North - Gage to Tapteal	6,488,599	202,947
Streets Capital Construction	South George Washington Way Intersection Improvements	1,088,103	422,199
Streets Capital Construction	ADA Curbs and Wheelchair Ramps	357,326	44,909
Streets Capital Construction	Downtown Connectivity Improvements	485,344	93,071
Streets Capital Construction	Jadwin Avenue at Catskill Street Pedestrian Crossing	250,968	12,055
Streets Capital Construction	Vantage Highway Pathway Phase 2	705,766	14,939
Streets Capital Construction	Van Giesen and Shelterbelt trail Improvements	143,861	6,019
Streets Capital Construction	Citywide Sidewalk Connectivity Improvements	51,667	234,777
Streets Capital Construction	Jadwin Avenue School Walking Route Improvements	49,239	252,380
Streets Capital Construction Fund Total		46,537,979	2,655,479
Non-Major Funds:			
Parks Construction	Howard Amon Park Improvements	163,984	44,717
Parks Construction	Badger Mountain Trail Improvements	532,622	30,028
Parks Construction	Claybell Park Speed Hump	117,013	30,581
Parks Construction	Shoreline Enhancements	149,889	10,107
Parks Construction	Leslie Groves Park Enhancements	36,704	4,311
Parks Construction	West Village Park at Badger Mountain South	302,690	2,312,498
Parks Construction	Library Outdoor Children's Area	22,768	31,715
Parks Construction	Badger Mountain Park North Parking Lot	967,764	642,376
Parks Construction	South Orchard Park at Badger Mountain South	10,674	19,326
Non-Major Funds Total		2,304,108	3,125,659

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A summary of other, not construction-related encumbrances for governmental-type activities is presented below.

Fund	Encumbered as of December 31, 2023
Major Funds:	
General Fund	\$1,069,095
Industrial Development Fund	173,719
Streets Capital Construction Fund	455,368
Non-Major Funds:	
Total Non-Major Funds	498,881
TOTAL	\$2,197,064

Business-Type Activities - A summary of business-type capital assets for the year ended December 31, 2023 is presented in the following table:

Business-type activities	Balance January 1, 2023	Increases	Decreases	Transfers /Reclassifications	Balance December 31, 2023
<u>Capital Assets, not being depreciated:</u>					
Land	\$8,831,785	\$67,655	\$ -	-	\$8,899,440
Construction in progress	12,667,327	20,332,994	(9,355,369)	-	23,644,952
Total capital assets, not being depreciated	21,499,112	20,400,649	(9,355,369)	-	32,544,392
<u>Capital Assets, being depreciated:</u>					
Buildings and improvements	56,556,642	3,224,498	-	-	59,781,140
Machinery and equipment	58,017,054	5,922,532	(1,718,964)	-	62,220,622
Infrastructure	461,446,619	17,344,528	-	-	478,791,147
Total capital assets, being depreciated	576,020,315	26,491,558	(1,718,964)	-	600,792,909
Less accumulated depreciation for:					
Buildings and improvements	(34,052,565)	(978,547)	-	-	(35,031,112)
Machinery and equipment	(30,467,910)	(3,668,917)	1,748,285	-	(32,388,542)
Infrastructure	(195,836,442)	(11,934,693)	-	-	(207,771,135)
Total accumulated depreciation	(260,356,917)	(16,582,157)	1,748,285	-	(275,190,789)
Total capital assets being depreciated, net	315,663,398	9,909,401	29,321	-	325,602,120
Business-type activities capital assets, net	\$337,162,510	\$30,310,050	(\$9,326,048)	-	\$358,146,512

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The following is a list of construction commitments existing as of the year ended December 31, 2023 in the City's business-type activities:

Fund	Project	Spent as of December 31, 2023	Remaining Committed
Major Funds:			
Electric	Underground Cable Replacement	1,303,221	612,779
Electric	City View Substation	4,402,840	178,160
Electric	Pole Replacement	575,555	70,445
Electric Utility Fund Total		6,281,616	861,384
Water	Columbia Park East Trail East System Improvements	68,922	1,515
Water	Pavement Preservation Program	36,251	1,305
Water	Reservoir Recoating Improvements	387,493	14,572
Water	Sunset/Montana Water Main Replacement	27,164	535,455
Water	Torbett-McPherson Water Main Replacement	2,680,253	109,735
Water	Booster Pump Stations 400 Area	950,707	107,153
Water	WTP Roof Replacement	288,692	12,350
Water	WTP UV Upgrades	1,298,764	2,122
Water	Intake Pumps Upgrades	148,366	8,831
Water	Chief Joseph Middle School Irrigation Well	164,730	6,208
Water	Automated Meter Reading (AMI) System	6,246,849	404,950
Water	Tapteal Pump Station Upgrade	517,755	70,547
Water	SCADA (Security Control & Data Acquisition) Update	6,962	28,236
Water Utility Fund Total		12,822,907	1,302,979
Sewer	B Basin Trench Rehabilitation	1,150,409	39,079
Sewer	Torbett-McPherson Water Main Replacement	113,384	5,101
Sewer	WWTP Boiler Replacement	302,586	302,489
Sewer	Wastewater Treatment Facility Aeration Basin #2 Retrofit	8,616,708	3,804,098
Sewer	Waste Water Treatment Facility Digester Improvements	1,796,428	154,850
Sewer	WWTP HVAC Improvements	113,283	18,239
Sewer	SCADA (Security Control & Data Acquisition) Update	11,729	28,236
Sewer	Columbia Park East Trail East System Improvements	6,020	318
Sewer	Battelle Lift Station Improvements	86,546	3,512
Sewer	Sewer Rehabilitation	62,884	23,975
Sewer	Columbia River Outfall and Effluent Flow Sample Enclosure	151,677	1,930
Wastewater Utility Fund Total		12,411,654	4,381,827
Non-Major Funds:			
Solid waste	Landfill Gas Collection System Ph 1	2,581,421	194,584
Solid waste	Design Costs - Phase 2 Closure	28,756	24,566
Stormwater	Columbia Park Trail West/Leslie	895,572	34,836
Stormwater	Hains Ave Storm Outflow Retro	455,617	32,030
Stormwater	Columbia Park Trail East	820,896	263
Stormwater	DOT Surplus Regional Facility	882	24,118
Non-Major Funds Total:		4,783,144	310,397

A summary of other, non-construction related encumbrances for business-type activities is presented below.

Fund	Encumbered as of December 31, 2023
Major Funds:	
Electric Utility Fund	\$2,702,922
Water Utility Fund	89,133
Wastewater Utility Fund	84,325
Non-Major Funds:	
Total Non-Major Funds	349,794
TOTAL	\$3,226,174

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) total Other Post-Employment Benefits (OPEB) Liability, 5) Net and Total Pension Liability, 6) refunded bonds, and 7) right-to-use leases and subscriptions. 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 2023.

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 No. 75 was implemented in 2018. A large part of GASB Statement No. 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, 2023, was \$10,645,049. The TOL as of December 31, 2023, related to governmental activities was \$9,422,548. The current portion of the TOL for governmental activities was \$756,844.

Net and Total Pension Liability – GASB Statement No. 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 was \$4,195,662 of which \$2,266,099 was 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 (TPL) 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 with 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, 2023, no bonds outstanding are considered defeased.

Right-to-Use Leases – The City implemented GASB Statement No. 87 where a contract conveys control of the right to use another entity’s underlying asset for a period of time in an exchange or exchange-like transaction. The City holds several leases such as land, office space, and equipment that fall under these categories.

Subscription Based Information Technology Agreements (SBITAs)– The City implemented GASB Statement No. 96 where a contract that conveys control of the right to use another party’s IT software, alone or in combination with tangible underlying IT assets, in an exchange or exchange-like transaction for a period exceeding 12 months. The city holds several SBITAs such as information technology hardware and software.

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City of Richland, Washington
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The following table provides a complete and comprehensive record of all long-term governmental liabilities as of December 31, 2023:

Schedule of Long-Term Liabilities

Governmental Activities:

Long-Term Debt:

Purpose	Issuance Amount	Maturity Date	Interest Rate	Unlimited Tax General Obligation Bonds- Voted			Ending Balance December 31, 2023	Amounts Due Within One Year
				Current Balance January 1, 2023	Additions	Reductions		
2015 Refunding UTGO Police Station/Community Center/Library Remodel	14,385,000	12/1/2026	2.00%-5.00%	6,050,000	-	1,355,000	4,695,000	1,445,000
Total Unlimited Tax General Obligation Bond Debt							4,695,000	1,445,000
Limited Tax General Obligation Bonds - Nonvoted, Councilmanic								
2010 LTGO Refunding (1998 LTGO Refund, IT Facility)	3,170,000	12/1/2039	2.00%- 4.30%	1,090,000	-	70,000	1,020,000	75,000
2013A LTGO LRF to finance infrastructure in RAISE area	10,050,000	12/1/2037	1.125%-4.00%	7,610,000	-	395,000	7,215,000	410,000
2014 LTGO Fire Station #74 Construction	3,355,000	12/1/2034	2.0%-4.0%	2,285,000	-	155,000	2,130,000	160,000
2017 LTGO & Refunding & 2006 Refunding Bonds (City Hall Portion)	13,255,000	12/1/2045	3.0%-5.0%	12,345,000	-	325,000	12,020,000	335,000
2017 LTGO & Refunding & 2006 Refunding Bonds (2006 Refunding Portion)	2,875,000	12/1/2045	2.0%-4.0%	960,000	-	225,000	735,000	235,000
Local Fire Stations 73 & 75	5,445,000	6/1/2040	2%	5,115,000	-	180,000	4,935,000	190,000
Total Limited Tax General Obligation Bond Debt							28,055,000	1,405,000
Unamortized Premiums				3,778,963	-	323,799	3,455,164	-
Total General Obligation Bond Debt Net of Unamortized Premiums							31,510,164	1,405,000
Other Governmental Liabilities								
C2003-148- Community Economic Revitaliz. Bd Loan Battelle Blvd. Ext.	780,000	1/1/2026	1%	219,511	-	54,061	165,450	54,602
WSDOT Rail Loan for Streets	399,982	7/1/2025	0%	119,995	-	39,998	79,997	39,998
Compensated Absences				4,103,905	4,098,117	3,070,297	5,131,725	2,748,870
Net Pension Liability- State PERS/LEOFF Plans				2,951,492	-	685,393	2,266,099	-
Total Pension Liability-Pre LEOFF 1 Plan Fire				940,339	-	64,148	876,191	106,395
Total Pension Liability-Pre LEOFF 1 Plan Police				2,161,540	-	73,814	2,087,726	188,478
Total OPEB Liability - LEOFF 1 Plan Fire				2,089,874	-	33,275	2,056,599	159,215
Total OPEB Liability - LEOFF 1 Plan Police				3,157,713	-	57,550	3,100,163	245,719
Total OPEB Liability - City Post Emp Healthcare				4,242,741	23,045	-	4,265,786	351,910
Right-to-Use Leases				9,665	22,448	25,003	7,110	4,153
Information Technology Subscriptions Right to Use (SBITA)				-	213,514	-	213,514	101,693
Total Other Governmental Liabilities							20,250,360	4,001,034
Total Governmental Liabilities							56,455,524	6,851,034

City of Richland, Washington
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The annual debt service requirements to maturity as of the fiscal year ended December 31, 2023 for governmental debt is presented below. The schedule includes all debt issues but excludes all other liabilities.

General Obligation Bonds	Governmental Activities		
	Principal	Interest	Totals
By Fiscal Year:			
2024	3,050,529	1,442,437	4,492,967
2025	3,205,771	1,316,936	4,522,707
2026	3,296,894	1,169,700	4,466,594
2027	1,320,000	1,023,143	2,343,143
2028	1,370,000	972,231	2,342,231
2029-2033	7,740,000	3,970,913	11,710,913
2034-2038	7,235,000	2,377,101	9,612,101
2039-2043	4,330,000	1,001,875	5,331,875
2044-2045	1,665,000	126,000	1,791,000
Total Debt Service Requirements	33,213,194	13,400,336	46,613,531

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 2023.

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.

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, 2023, the City had sufficient funds set aside to pay for the second phase construction costs of \$2,206,709 and provide approximately 30% of the post-closure care. Cash and investments of \$6,688,112 or 57.6% of required reserves, have been accumulated. The post-closure care of the current landfill site is estimated to cost \$7,017,000 in current dollars. The additional portion in reserves necessary to complete the 30 years of post-closure care will be funded through operations.

The City's waste management software tracked 93,257 tons of waste accepted in 2023. The current year expense for the related use of available volume was \$461,107. The estimate of closure cost for 2023 was updated, which resulted in the recognition of an expense credit of \$836,265.

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 \$10,645,049. The TOL related to business type activities was \$1,222,501. The current portion of the TOL for business type activities was \$100,852.

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 was \$4,195,662, of which \$1,929,563 was allocated to business-type activities based on contributions of each fund. Governmental Funds are only reported on the Government Wide 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 debt titled "2017 ULID bonds" in the Water and Sewer Funds to finance improvements related to Reata LID 197. The Water 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, 2023:

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SCHEDULE OF LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES

REVENUE BONDS		Issuance		Current Balance			Ending Balance	Amounts Due	
Purpose	Amount	Maturity Date	Interest Rate	January 1, 2023	Additions	Reductions	December 31, 2023	Within One Year	
Electric									
2013 B Electric Revenue- Capital Improvement and Refunding	19,455,000	1-Nov-42	2.00%-5.00%	14,165,000	-	14,165,000	-	-	
2015 Electric Utility Revenue Bonds	19,435,000	1-Nov-45	2.00%-4.75%	17,920,000	-	465,000	17,455,000	475,000	
2018 Electric Revenue Improvement & Refunding	19,800,000	1-Nov-47	3.00%-5.00%	13,455,000	-	430,000	13,025,000	455,000	
2019A Electric Revenue Improvement & Refunding	12,525,000	1-Nov-44	4.00%-5.00%	11,705,000	-	275,000	11,430,000	290,000	
2019T Electric Revenue & Refunding	3,145,000	1-Nov-33	2.23%-3.21%	3,145,000	-	260,000	2,885,000	265,000	
2021 Electric Revenue Improvement Bond	6,415,000	1-Nov-46	3.00%-4.00%	6,415,000	-	175,000	6,240,000	180,000	
2023 Electric Revenue Improvement Bond	19,415,000	1-Nov-53	3.00%-4.00%	-	19,415,000	-	19,415,000	770,000	
Water									
2012 Water Wastewater Improvement & Refunding	7,540,000	1-Nov-34	2.00%-4.00%	4,825,000	-	360,000	4,465,000	365,000	
2017 Wasteworks Utility Revenue & Refunding Bonds	12,455,000	1-Nov-42	2.00%-5.00%	11,845,000	-	280,000	11,565,000	510,000	
							86,480,000	3,310,000	
TOTAL REVENUE BONDED DEBT									
GENERAL OBLIGATION DEBT ISSUED FOR BUSINESS-TYPE ACTIVITIES									
2010 LTGO Refunding (1998 LTGO Refund, 1996 Golf Course Ref)	4,460,000	1-Dec-39	2.00%- 4.30%	3,200,000	-	130,000	3,070,000	135,000	
2013A LTGO - Broadband Portion to construct a fiber optic structure to support communications network	1,200,000	1-Dec-37	1.125%-4.00%	1,200,000	-	-	1,200,000	-	
2013B LTGO - Broadband Portion to construct a fiber optic structure to support communications network	1,165,000	1-Dec-27	0.38%-3.50%	420,000	-	85,000	335,000	85,000	
							4,605,000	220,000	
TOTAL GENERAL OBLIGATION BONDED DEBT FOR BUSINESS-TYPE ACTIVITIES									
OTHER BUSINESS-TYPE LIABILITIES									
Purpose	Issuance		Current Balance			Ending Balance	Amounts Due		
	Amount	Maturity Date	Interest Rate	January 1, 2023	Additions	Reductions	December 31, 2023	Within One Year	
PWTF #PW-03-691-020 Water Main Replacement	8,755,000	1-Jul-23	0.50%	506,662	-	506,662	-	-	
DWSRF Loan #02-65102-039 Rchld Wellfield Disinfection	1,984,802	1-Oct-23	1.00%	116,131	-	116,131	-	-	
DWSRF Loan #02-65102-040 Rchld Wellfield Capacity	978,117	1-Oct-23	1.00%	57,537	-	57,537	-	-	
DWSRF Loan #03-65103-045 Badger Mountain Pump Station	580,000	1-Oct-24	1.50%	72,500	-	36,250	36,250	36,250	
DWSRF Loan #DM09-952-029 Horn Rapids Water Reservoir	3,030,000	1-Oct-29	1.50%	1,123,610	-	160,516	963,094	160,516	
DWSR Loan #DWL23484	60,993	1-Oct-42	1.00%	737,134	-	36,857	700,277	36,857	
Dept of Ecology Loan #L97000040 for Development of Stormwater Comprehensive Plan	145,776	1-Mar-24	4.30%	16,245	-	10,714	5,531	5,531	
Dept. of Ecology Recovery Act Loan L1000013 Aeration Basin Project Wastewater	1,538,338	27-May-31	2.90%	768,396	-	80,893	687,503	83,271	
PC20-96103-049 Solid Waste Public Works Loan	34,560	1-Jun-39	1.58%	3,578,948	-	210,526	3,368,422	210,526	
Liability for Landfill Closure	N/A			8,281,686	-	375,158	7,906,529	-	
Compensated Absences	N/A			2,500,077	1,476,307	1,680,067	2,296,317	1,148,159	
Net Pension Liability- State PERS/LEOFF Plans	N/A			2,565,704	-	636,141	1,929,563	-	
Total OPEB Liability - City Post Emp Healthcare	N/A			1,284,569	-	62,068	1,222,501	100,852	
Right-to-use Agreements									
Landfill Compactor Lease (Q000106371-7)	312,046	17-May-23	4.95%	326,109	-	66,109	260,000	260,000	
Landfill Dozer Lease	229,405	20-Apr-26	3.85%	132,831	-	31,350	101,481	32,557	
Landfill Articulated Truck Lease	137,038	20-Apr-25	3.85%	69,043	-	22,151	46,892	23,004	
							19,524,360	2,097,523	
TOTAL OTHER BUSINESS-TYPE LIABILITIES									
TOTAL BUSINESS-TYPE LIABILITIES								110,609,360	5,627,523

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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, 2023, 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	\$ 2,435,000	\$ 524,888	\$ 320,113	\$ 30,000	\$ 135,000	\$ 85,000	\$ 3,530,001
Long-Term Portion	70,450,000	9,309,269	5,240,731	605,000	2,935,000	1,450,000	89,990,000
Net unamortized premiums and discounts	8,549,059	994,036	638,244	79,210	42,035	(20,742)	10,281,842
Net Long-Term Portion	78,999,059	10,303,305	5,878,975	684,210	2,977,035	1,429,258	100,271,842
Total Reported Liability	\$ 81,434,059	\$ 10,828,193	\$ 6,199,088	\$ 714,210	\$ 3,112,035	\$ 1,514,258	\$ 103,801,843

*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, 2023 for business-type debt is presented below. The schedule includes all debt issues but excludes all other liabilities.

Business-Type Bonds	Business-Type Activities		
	Principal	Interest	Totals
By Fiscal Year:			
2024	4,113,227	4,136,406	8,249,632
2025	4,206,033	3,985,811	8,191,844
2026	4,355,965	3,821,435	8,177,400
2027	4,473,444	3,641,037	8,114,481
2028	4,636,114	3,460,338	8,096,452
2029-2033	25,001,956	14,402,423	39,404,380
2034-2038	24,240,493	9,057,800	33,298,293
2039-2043	16,676,816	4,311,841	20,988,657
2044-2048	7,060,000	1,199,213	8,259,213
2049-2053	2,130,000	330,000	2,460,000
Total Debt Service Requirements	96,894,047	48,346,304	145,240,351

The following table presents debt coverage ratios for parity debt in the Water, Sewer, and Stormwater funds. As of December 31, 2023, bonds on parity with 2017 Waterworks Utility and Revenue Bonds include 2012 Water Wastewater Improvement & Refunding Bonds and 2014 Waterworks Revenue & Refunding Bonds.

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	Table for Waterworks (Water, Sewer, Stormwater) Parity Debt										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross Revenue	28,933,599	29,306,771	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
Less Operating Expenses	18,786,773	17,884,985	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
Net Amount Available For Debt Service	10,146,825	11,421,787	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
Total Annual Debt Service	2,337,325	3,084,275	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
Water/Sewer Debt Coverage	4.34	3.70	3.14	3.61	3.59	3.37	3.40	2.96	3.19	3.87	2.74

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, 2023, the City’s accrued vacation, PTO and sick leave amounted to \$7,428,042. This amount includes \$499,750 in internal service 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, Stormwater, 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, 2023, the outstanding principal of the PFD's 2015 General Obligation refunding bonds is \$2,525,000.

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 2023, 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 7.7% and 24.3%, respectively.

NOTE 6. LEASES

Lessee Activities. The City of Richland has several arrangements where they are lessee for various noncancelable leases of land, buildings, office equipment, and vehicles.

For leases that meet the capitalization threshold at lease commencement, the City recognizes a lease liability and an intangible right-to-use lease asset on the Statement of Net Position in the government-wide and proprietary and trust fund financial statements.

For governmental fund financial reporting, the initial value of the lease liability is reported as other financing sources with a corresponding capital outlay at lease commencement.

The lease liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying

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asset. If the City of Richland is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

The expected payments are discounted using the City of Richland’s incremental borrowing rate. It was based on the rate of interest the City would be charged if it were to borrow an amount equal to the lease payments for a similar asset type and under similar terms at the commencement or remeasurement date. The incremental borrowing rate is used as the discount rate for lease contracts where the City is the lessee.

The lease terms include the noncancelable period of the lease plus any additional periods covered by either a lessee or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the lessee and the lessor have a unilateral option to terminate (or if both parties must agree to extend) are excluded from the lease term. Certain payments are evaluated to determine if they should be included in the measurement of the lease liabilities, including those payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, purchase options, payments for termination penalties, and other payments.

The City monitors changes in circumstances that may require remeasurement of a lease liability. When certain changes occur that are expected to significantly affect the amount of the lease, the liability is remeasured, and a corresponding adjustment is made to the lease asset. For leases below the capitalization threshold and leases with a maximum possible term of 12 months or less at commencement, an expense/expenditure is recognized based on the provisions of the lease contract.

The following is a summary of governmental right-to-use lease asset activity for the year ended December 31, 2023.

Governmental Activities	Balance December 31, 2022	Additions	Deletions/ Adjustments	Balance December 31, 2023
Office Equipment	\$ 9,665	\$ 20,764	\$ -	\$ 30,429
Accumulated Amortization	9,665	-	(20,047)	(10,382)
Net equipment and other lease Assets	<u>19,330</u>			<u>20,047</u>
Total Governmental Activities Lease				
Assets, Net	<u>\$ 19,330</u>			<u>\$ 20,047</u>

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The following is a summary of business-type right-to-use lease asset activity for the year ending on December 31, 2023.

Business-Type Activities	Balance December 31, 2022	Additions	Deletions/ Adjustments	Balance December 31, 2023
Vehicle lease Assets	\$ 527,984	\$ -	\$ -	\$ 527,984
Accumulated Amortization		-	(119,610)	(119,610)
Net equipment and other lease Assets	527,984			408,374
Total Business-Type Activities Lease Assets, Net	\$ 527,984			\$ 408,374

The following schedule presents future annual lease payments for governmental and business-type activities as of December 31, 2023.

Right-to-Use Lease Agreements	Government-Type Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
By fiscal Year:						
2024	\$ 4,278	\$ 42	\$ 55,561	\$ 19,572	\$ 59,839	\$ 19,615
2025			57,700	17,433	57,700	17,433
2026			35,113	6,742	35,113	6,742
Total	\$ 4,278	\$ 42	\$ 148,373	\$ 43,747	\$ 152,652	\$ 43,790

Variable lease payments, other than those that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease liability. During the fiscal year ending December 31, 2023, the City of Richland, recognized \$97,437 for variable and other lease payments not included in the measurement of the lease liability.

Lessor Activities. The City of Richland has several arrangements where they are lessor for various noncancelable leases of land, buildings, and other assets such as communication towers.

For leases that meet the capitalization threshold at lease commencement, the city recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position in the Government-Wide and Proprietary and Trust fund financial statements and on the Governmental Funds Balance Sheet.

The lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the amount of the lease receivable, plus lease payments made at or before the lease commencement date, less any lease incentives paid to, or on behalf of, the lessee at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as lease revenue on a straight-line basis over the lease term.

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Generally, the City’s incremental borrowing rate for leases is used as the discount rate for lease receivables. The City of Richland’s incremental borrowing rate is used as the discount rate for lease contracts where the contract does not provide an implicit rate.

The lease terms include the noncancellable period of the lease plus any additional periods covered by either a lessee or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the lessee and the lessor have a unilateral option to terminate (or if both parties agree to extend) are excluded from the lease term.

The City monitors changes in circumstances that may require remeasurement of a lease receivable. When certain changes occur that are expected to significantly affect the amount of the lease, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflow of resources.

For leases below the capitalization threshold and leases with a maximum possible term of 12 months or less at commencement, revenue is recognized based on the provisions of the lease contract.

During the fiscal year ending December 31, 2023, the amount of recognized lease revenue and lease interest was \$1.5 million and \$414,743, respectively.

Variable lease receipts, other than those that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease receivable. During the fiscal year ending December 31, 2023, the City of Richland, recognized revenue of \$223,453 for variable lease payments not included in the measurement of the lease receivable. The City of Richland does not use leases to fund its principal ongoing operations.

NOTE 7. INTERFUND TRANSFERS

The following table provides a summary of interfund transfers for the year ended December 31, 2023.

Transferred From...	Transferred To...	Streets Construction Fund	Other Governmental Funds	Major Enterprise Funds	Other Enterprise Funds	Internal Service Funds	Total
	General Fund						
General Fund		\$ 1,536,090	\$ 4,483,420		\$ 605,000	\$ 670,456	\$ 7,294,966
Major Governmental Funds		-	742,126	-	3,399		745,525
Other Governmental Funds	1,072,835	4,743,312	3,969,540	3,945			9,789,632
Major Enterprise Funds		43,000			55,000	117,263	215,263
Other Enterprise Funds			12,301			4,816	17,117
Internal Service Funds						47,500	47,500
Total	\$ 1,072,835	\$ 6,322,402	\$ 9,207,387	\$ 3,945	\$ 663,399	\$ 840,035	\$ 18,110,003

In 2023, the City’s enterprise operations paid a total of \$11,052,791 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.

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

Purpose: Sharing of resources between funds.							
Transferred From...		Transferred To...					
		General Fund	Other Governmental Funds		Other Enterprise Funds		Total
			Streets	Home	Medical Services	Stormwater	
General Fund			\$ 1,143,657			\$ 550,000	\$ 1,693,657
Streets Construction Fund						3,399	3,399
Other Governmental Funds	Industrial Development			107,699			107,699
	District		102,377				102,377
	Criminal Justice	79,019					79,019
	Hotel/Motel Tax	190,803					190,803
Total		\$ 269,822	\$ 1,246,034	\$ 107,699	\$ 550,000	\$ 3,399	\$ 2,176,954

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	Industrial Development	General Govt Construction	LTGO Bonds Debt Service	Park Project Construction	Fire Station 74 Debt Service	Fire Station 76 Construction	WasteWater	Broadband		Equipment Replacement
General Fund		\$ 1,536,090			\$ 727,500	\$ 649,557	\$ 551,250	\$ 669,456	\$ 742,000		\$ 55,000	\$ 670,456	\$ 5,601,309
Street Construction				742,126									742,126
Other Governmental Funds	Industrial Development		1,249,612							3,945			1,253,557
	District		965,000										965,000
	Park Reserve					36,323	690,000						726,323
	Hotel/Motel Tax						505,000						505,000
	CDBG		4,000				3,500						7,500
	Capital Improvement (REET)	750,000	2,524,700	33,754	25,000	579,910	1,295,000						5,208,364
	Fire Station 73 Construction	53,013											53,013
Fire Station 75 Construction								590,976				590,976	
Electric Fund											30,000		30,000
Water Fund			43,000								20,000		63,000
WasteWater Fund											5,000	117,263	122,263
Other Enterprise Funds	Ambulance											4,816	4,816
	Broadband					12,301							12,301
Internal Service Funds	Public Works Admin & Engineering											47,500	47,500
Total		\$ 803,013	\$ 6,322,402	\$ 775,880	\$ 752,500	\$ 1,278,091	\$ 3,044,750	\$ 1,260,432	\$ 742,000	\$ 3,945	\$ 110,000	\$ 840,035	\$ 15,933,049

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 169 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. 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.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$1,000,000, 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 \$2,508,580 in premiums for coverage in 2023.

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

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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 \$794,831 in 2023, of which \$47,973 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.

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 estimation of liabilities for unpaid claims and administrative expense is based on an annual actuarial reserve study plus an additional contingency fund recommended by WAC 200-040. The reserve for estimated claims outstanding at year end was increased by \$219,200 in 2023.

As of December 31, 2023, the estimated claims reserve has \$2,392,900 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 2021 through 2023:

EMPLOYEE HEALTHCARE BENEFITS					
Year	Claims Liability January 1	Annual Claims Paid	Change in Estimate of Incurred But Not Reported Claims	Annual Claims Incurred	Incurred But Not Reported Claims Estimate at Year End
2023	\$ 2,173,700	\$ 8,091,858	\$ 219,200	\$ 8,311,058	\$ 2,392,900
2022	2,474,400	7,433,242	(300,700)	7,132,542	2,173,700
2021	2,611,200	8,484,126	(136,800)	8,347,326	2,474,400

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.

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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 five 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 \$500,000; \$750,000 for any Police and Fire injury claims; and \$1,500,000 for any Firefighter injured on a Wildland fire, are transferred to our reinsurer, Midwest Employers Casualty Company.

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 \$392,047 and \$15,155, 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 2021 through 2023:

WORKERS COMPENSATION CLAIMS					
Year	Claims Liability January 1	Annual Claims Paid	Change in Estimate of Incurred But Not Reported Claims	Annual Claims Incurred	Incurred But Not Reported Claims Estimate at Year End
2023	\$ 183,386	\$ 1,149,178	\$ 208,661	\$ 1,357,840	\$ 392,047
2022	133,056	918,887	50,330	918,887	183,386
2021	52,100	670,247	80,956	670,247	133,056

UNEMPLOYMENT CLAIMS					
Year	Claims Liability January 1	Annual Claims Paid	Change in Estimate of Incurred But Not Reported Claims	Annual Claims Incurred	Incurred But Not Reported Claims Estimate at Year End
2023	\$ 20,929	\$ 49,616	\$ (5,774)	\$ 43,843	\$ 15,155
2022	40,078	63,742	(19,149)	63,742	20,929
2021	12,969	55,474	27,109	55,474	40,078

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 No. 75 for the year 2023:

Aggregate OPEB Amounts - All Plans	
OPEB Liabilities	\$ (10,645,049)
Deferred Outflows of Resources	408,407
Deferred Inflows of Resources	(2,588,835)
OPEB Expenses/Expenditures	21,829

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, 2022 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	36
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	60
Total	96

Changes to the Plan

The OPEB plan was closed to new participants on 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 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% salary contribution from both the City and the employee. Employees that remain in the OPEB plan are required to contribute 1% of their salary to a Retirement Health Savings plan. The efforts to reduce plan participants have been effective, and by 2017 the number of active participants has been reduced by fifty eight 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	2022	2023
Active participants	293	219	146	131	123	114	105	88	77	60	53
Retirees & beneficiaries	91	84	82	86	78	57	62	53	57	36	56
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 employee - 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 \$574,543 (including implicit subsidy credit).

Total OPEB Liability

The City's total OPEB liability was valued as of December 31, 2022, and was used to calculate the total OPEB liability measured as of December 31, 2023. The following is a summary of changes in the Total OPEB liability for fiscal year 2023:

Changes in the Total OPEB Liability	Total OPEB Liability Increases (Decreases)
Balance as of Report Date December 31, 2022	\$5,527,310
Changes for the year:	
Service Cost	148,650
Interest	218,241
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	89,141
Changes of Assumptions	79,488
Benefit Payments	(352,333)
Implicit Rate Subsidy Fulfilled	(222,210)
Other Changes	-
Net Changes	(39,023)
Balance as of Report Date December 31, 2023	<u><u>\$5,488,287</u></u>

The total OPEB liability in the December 31, 2023 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, 2022</u>	<u>December 31, 2023</u>
Discount Rate	4.05%	3.77%
Inflation	5.00%	2.75%
Healthcare Cost Trend Rates		
<i>Pre-Medicare</i>	7.40%	6.80% *
<i>Medicare</i>	n/a	n/a
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.

**Trending down to 4.15% 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 3.77%. 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 (3.77%) as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>2.77%</u>	<u>3.77%</u>	<u>4.77%</u>
Total OPEB Liability (Asset)	\$5,778,624	\$5,488,287	\$5,208,342
Increase (Decrease)	290,337		(279,945)
% Change	5.3%		-5.1%

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

The healthcare cost trend for this valuation started at 6.80% and decreased to 4.15% over 53 years. The following table presents City’s total OPEB liability calculated using the current healthcare cost trend rate (6.80%) as well as what the City's total OPEB liability would be if it were calculated using healthcare trend rates that are one percentage point lower (5.80%) or one percentage point higher (7.80%) than current trend rate.

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
	<u>5.80%</u>	<u>6.80%</u>	<u>7.80%</u>
Total OPEB Liability (Asset)	\$5,053,883	\$5,488,287	\$5,974,992
Increase (Decrease)	(434,404)		486,705
% Change	-7.9%		8.9%

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

For the report year ended December 31, 2023, the City recognized an OPEB expense of (\$101,476). 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	\$121,641	\$(1,943,715)
Changes of Assumptions	286,766	(645,120)
Total	\$408,407	\$(2,588,835)

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>
2024	\$ (513,105)
2025	(608,136)
2026	(532,837)
2027	(503,871)
2028	(25,238)
Remaining	2,759

Current Liability

	<u>Amount</u>
Current OPEB Liability	\$ 452,762
Non-Current OPEB Liability	5,035,525
Total OPEB Liability	\$ 5,488,287

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 6.1 years. However, for calculation purposes, 1.0 was used when calculating amortizations if the EARSL is less than 1 year.

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 (the 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, 2022 (the census date), the benefit terms covered the following employees:

Category	Fire Fighters	Police Officers
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	17	25
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active Employees	-	-
Total	17	25

Contributions

The City contributes an amount to the fund equal to the benefits paid. Contributions for the reporting period were \$88,263 for LEOFF 1 Fire and \$125,867 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 to establish and amend 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, 2022, and was used to calculate the total OPEB liability measured as of December 31, 2023.

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 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, 2022</u>	<u>December 31, 2023</u>
Discount Rate	4.05%	3.77%
Inflation	5.00%	2.75%
Healthcare Cost Trend Rates		
<i>Pre-Medicare</i>	n/a	n/a
<i>Medicare</i>	4.20%	4.17% *
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.

**Trending down to 4.15% over 53 years. Applies to calendar years.*

Discount Rate

The discount rate used to measure the total OPEB liability was 3.77%. 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.

Funding Policy

The City does not require retiree contributions. Fire and Police pension funds are reported within the General Fund in the City’s financial statements. These funds provide for both OPEB and pension benefits to LEOFF 1 employees.

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Notes to the Financial Statements
For the Year Ended December 31, 2023

Contributions for the Fire plan are derived from an annual property tax levy of up to \$0.2250 per \$1,000 of assessed property value. In addition, on an annual basis the State contributes 25% of taxes on fire insurance premiums per RCW 41.16.050. For the year ended December 31, 2023 the State contributed \$100,471. 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 2023:

Changes in the Total OPEB Liability (LEOFF 1 Fire)	Total OPEB Liability Increases (Decreases)
Balance as of Report Date December 31, 2022	\$2,089,874
Changes for the year:	
Service Cost	-
Interest	82,853
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	(76,898)
Changes of Assumptions	49,033
Benefit Payments	(88,263)
Implicit Subsidy Credit	-
Other Changes	-
Net Changes	(33,275)
Balance as of Report Date December 31, 2023	\$2,056,599

Changes in the Total OPEB Liability (LEOFF 1 Police)	Total OPEB Liability Increases (Decreases)
Balance as of Report Date December 31, 2022	\$3,157,713
Changes for the year:	
Service Cost	-
Interest	125,338
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	(126,327)
Changes of Assumptions	69,306
Benefit Payments	(125,867)
Implicit Subsidy Credit	-
Other Changes	-
Net Changes	(57,550)
Balance as of Report Date December 31, 2023	\$3,100,163

Sensitivity of the total OPEB liability changes in the discount rate

The following table presents City's total OPEB liability for LEOFF 1 Fire and LEOFF 1 Police plans calculated using the current discount rate (3.77%) as well as what the City's total OPEB liability for the plans would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) than the current rate.

LEOFF 1 Fire	1% Decrease	Discount Rate	1% Increase
	2.77%	3.77%	4.77%
Total OPEB Liability (Asset)	\$2,249,442	\$2,056,599	\$1,890,255
Increase (Decrease)	192,843		(166,344)
% Change	9.4%		-8.1%
LEOFF 1 Police	1% Decrease	Discount Rate	1% Increase
	2.77%	3.77%	4.77%
Total OPEB Liability (Asset)	\$3,370,794	\$3,100,163	\$2,864,189
Increase (Decrease)	270,631		(235,974)
% Change	8.7%		-7.6%

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

The healthcare cost trend for this valuation started at 4.17% and decreased to 4.15% over 53 years. The following table presents City's total OPEB liability for LEOFF 1 Fire and LEOFF 1 Police plans calculated using the current healthcare cost trend rate (4.17%) as well as what the City's total OPEB liability for the plans would be if it were calculated using healthcare trend rates that are one percentage point lower (3.17%) or one percentage point higher (5.17%) than current trend rate.

LEOFF 1 Fire	1% Decrease	Trend Rate	1% Increase
	3.17%	4.17%	5.17%
Total OPEB Liability (Asset)	\$1,880,483	\$2,056,599	\$2,257,134
Increase (Decrease)	(176,116)		200,535
% Change	-8.6%		9.8%
LEOFF 1 Police	1% Decrease	Trend Rate	1% Increase
	3.17%	4.17%	5.17%
Total OPEB Liability (Asset)	\$2,849,431	\$3,100,163	\$3,382,656
Increase (Decrease)	(250,732)		282,493
% Change	-8.1%		9.1%

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, 2023, the LEOFF 1 Fire and LEOFF 1 Police recognized OPEB expense of \$54,988 and \$68,317 respectively. On December 31, 2023, 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	\$159,215	\$245,719
Non-Current OPEB Liability	<u>1,897,384</u>	<u>2,854,444</u>
Total OPEB Liability	<u>\$2,056,599</u>	<u>\$3,100,163</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 0.0 years. The LEOFF 1 OPEB plans have no active employees, so the EARSL is zero. However, for calculation purposes, 1.0 was used when calculating amortizations if the EARSL is less than 1 year.

NOTE 10. PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement No. 68 - Accounting and Financial Reporting for Pensions and GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68, for the year 2023:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$(7,159,578)
Pension assets	\$23,542,892
Deferred outflows of resources	\$16,578,239
Deferred inflows of resources	\$(9,921,746)
Pension expense/expenditures	\$(1,889,084)

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 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 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.

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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 0.20 percent (increased from 0.18 percent effective September 1, 2023). 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 2023 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee
January - June 2023:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.39%	6.00%
July - August 2023:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Total	9.39%	6.00%
September - December 2023:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Total	9.53%	6.00%

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 times the member’s years of service 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, however, if you have 30 or more years of service and you are age 62, you can also retire with a full benefit. 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 and can withdraw their investment contributions at any point after separation from the employment.

If PERS Plan 3 members have at least 20 years of service credit when they leave employment and do not start to receive their pension, it will increase by approximately 3% for each year of receiving delay up to age 65 (this is called indexing and is exclusively available to Plan 3).

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 0.20 percent (increased from 0.18 percent effective September 1, 2023). 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 2023 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer	Employee
January - June 2023:		
PERS Plan 2/3	6.36%	6.36% for PERS 2 varies for PERS 3
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.39%	
July - August 2023:		
PERS Plan 2/3	6.36%	6.36% for PERS 2 varies for PERS 3
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Total	9.39%	
September - December 2023:		
PERS Plan 2/3	6.36%	6.36% for PERS 2 varies for PERS 3
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Total	9.53%	

The City's actual PERS plan contributions were \$1,167,844 to PERS Plan 1 and \$2,173,827 to PERS Plan 2/3 for the year ended December 31, 2023.

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

LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians.

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 2023. Employers paid only the administrative expense of 0.20 percent of covered payroll (increased from 0.18 percent effective September 1, 2023).

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 0.20 percent (increased from 0.18 percent effective September 1, 2023). 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 2023.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer Employee	
January - August 2023:		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%
September - December 2023:		
State and local governments	5.12%	8.53%
Administrative Fee	0.20%	
Total	5.32%	8.53%

The City’s actual contributions to the plan were \$1,013,616 for the year ended December 31, 2023.

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, 2023, the State contributed \$87,966,142 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount was \$609,093.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed June 30, 2022. 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 2021 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), 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 of 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.

Methods did not change from the prior contribution rate setting June 30, 2022 actuarial valuation report. However, OSA adjusted LEOFF Plan 1/2 assets and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022 measurement date.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0 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 7.0% on pension plans investments was applied to determine the total liability.

Long-Term Expected Rate of Return

OSA selected a 7.00% long-term expected rate of return on pension plan investments. 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 (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

Estimated Rates of Return by Asset Class

The table below summarizes the 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, 2023. The inflation component used to create the table is 2.2% 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%	1.5%
Tangible Assets	7.00%	4.7%
Real Estate	18.00%	5.4%
Global Equity	32.00%	5.9%
Private Equity	23.00%	8.9%
	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 (7.0%), 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 (6.0%) or one percentage point higher (8.0%) than the current rate.

Plan	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
PERS 1	\$5,861,656	\$4,195,661	\$2,741,640
PERS 2/3	10,564,740	(9,713,633)	(26,373,598)
LEOFF 1	(3,275,071)	(3,693,528)	(4,056,394)
LEOFF 2	1,678,203	(10,135,732)	(19,804,423)

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, 2023, the City reported net pension liability of \$4,195,661 and net pension asset of (\$23,542,892) for its proportionate share of the net pension liabilities (assets) as follows:

Plan	Liability (Asset)
PERS 1	\$4,195,661
PERS 2/3	(9,713,633)
LEOFF 1	(3,693,528)
LEOFF 2	(10,135,732)

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:

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Proportionate Share	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$(3,693,528)	\$(10,135,732)
State's proportionate share of the net pension asset associated with the employer	(24,982,930)	(6,472,574)
Total	(28,676,458)	(16,608,306)

At June 30, 2023, the City's proportionate share of the collective net pension liabilities was as follows:

Plans	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportion
PERS 1	0.198149%	0.183800%	-0.014349%
PERS 2/3	0.258001%	0.236994%	-0.021007%
LEOFF 1	0.126497%	0.124444%	-0.002053%
LEOFF 2	0.444254%	0.422569%	-0.021685%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2023 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 2023. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF Plan 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 2023, the State of Washington contributed 38.97 percent of LEOFF Plan 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61.03 percent of employer contributions.

Pension Expense

For the year ended December 31, 2023, the City recognized pension expense as follows:

Plan	Pension Expense
PERS 1	\$(510,134)
PERS 2/3	(1,215,681)
LEOFF 1	(272,998)
LEOFF 2	(61,027)
Total	(2,059,840)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	-	(473,289)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	518,034	-
TOTAL	518,034	(473,289)

PERS PLAN 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,978,656	\$(108,531)
Net difference between projected and actual investment earnings on pension plan investments	-	(3,660,684)
Changes of assumptions	4,078,119	(888,869)
Changes in proportion and differences between contributions and proportionate share of contributions	628,701	(465,786)
Contributions subsequent to the measurement date	1,100,375	-
TOTAL	7,785,851	(5,123,870)

LEOFF 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	-	(244,915)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
TOTAL	-	(244,915)

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LEOFF PLAN 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$4,140,159	\$(83,389)
Net difference between projected and actual investment earnings on pension plan investments	-	(2,144,699)
Changes of assumptions	2,589,135	(832,570)
Changes in proportion and differences between contributions and proportionate share of contributions	1,012,853	(1,019,013)
Contributions subsequent to the measurement date	532,206	-
TOTAL	8,274,353	(4,079,671)

TOTAL	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$6,118,815	\$(191,920)
Net difference between projected and actual investment earnings on pension plan investments	-	(6,523,587)
Changes of assumptions	6,667,254	(1,721,439)
Changes in proportion and differences between contributions and proportionate share of contributions	1,641,554	(1,484,799)
Contributions subsequent to the measurement date	2,150,615	-
TOTAL	16,578,238	(9,921,745)

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, 2024. 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
2024	(322,006)	\$(1,750,159)	\$(167,922)	\$(831,389)
2025	(404,960)	(2,114,616)	(210,720)	(1,177,730)
2026	249,692	3,016,282	130,717	1,874,152
2027	3,985	1,127,014	3,010	685,259
2028	-	1,148,402	-	737,835
Thereafter	-	134,682	-	2,374,349
Total	(473,289)	1,561,605	(244,915)	3,662,476

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, 2022 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	13
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	0
Total	13

Contributions

The City pays benefits as they come due (pay-as-you-go). Therefore, there is no set contribution rate. The City 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 \$108,913.

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 the following link: <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, 2022, and was used to calculate the total pension liability measured as of December 31, 2023.

Actuarial Assumptions

The total pension liability in the December 31, 2023 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, 2022</u>	<u>December 31, 2023</u>	
Discount Rate	4.05%	3.77%	
Inflation	5.00%	2.75%	
Salary Increases	3.50%	3.50%	Used to project total benefit increases
Mortality Rates	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.

Discount Rate

The discount rate used to measure the total pension liability is 3.77%. The City's pension 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.

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. This plan has no active employees, so the expected average remaining service lives (EARSL) for the current period is 0.0 years. However, for calculation purposes, 1.0 was used when calculating amortizations if the EARSL is less than 1 year.

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 2023:

Changes in the Total Pension Liability (Firefighter's Pension)	Total Pension Liability Increase (Decrease)
Balance as of Report Date December 31, 2022	\$940,339
Changes for the year:	
Service Cost	-
Interest	35,879
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	(4,000)
Changes of Assumptions	12,886
Benefit Payments	(108,913)
Other Miscellaneous Income/(Expense)	-
Net Changes	(64,148)
Balance as of Report Date December 31, 2023	\$876,191

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 (3.77%) as well as what the TPL would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) than the current rate.

	1% Decrease	Current Rate	1% Increase
	2.77%	3.77%	4.77%
Total Pension Liability (Asset)	\$925,557	\$876,191	\$831,881
Increase (Decrease)	49,366		(44,310)
% Change	5.6%		-5.1%

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

For the year ended December 31, 2023, the City recognized a pension expense related to firefighter’s pension of \$44,765, 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

	Amount
Current Pension Liability	\$106,395
Non-Current Pension Liability	769,796
Total Pension Liability	\$876,191

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, 2022 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	0
Total	14

Contributions

The City pays benefits as they come due (pay-as-you-go). Therefore, there is no set contribution rate. The City 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 \$199,805.

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, 2022, and was used to calculate the total pension liability measured as of December 31, 2023.

Actuarial Assumptions

The total pension liability in the December 31, 2023 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, 2022</u>	<u>December 31, 2023</u>	
Discount Rate	4.05%	3.77%	
Inflation	5.00%	2.75%	
Salary Increases	3.50%	3.50%	Used to project total benefit increases
Mortality Rates	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.

Discount Rate

The discount rate used to measure the total pension liability is 3.77%. The City's pension 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.

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. This plan has no active employees, so the expected average remaining service lives (EARSL) for the current period is 0.0 years. However, for calculation purposes, 1.0 was used when calculating amortizations if the EARSL is less than 1 year.

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 2023:

Changes in the Total Pension Liability (Firefighter's Pension)	Total Pension Liability Increase (Decrease)
Balance as of Report Date December 31, 2022	\$2,161,540
Changes for the year:	
Service Cost	-
Interest	83,496
Changes of Benefit Terms	-
Differences Between Expected & Actual Experience	2,974
Changes of Assumptions	39,521
Benefit Payments	(199,805)
Other Miscellaneous Income/(Expense)	-
Net Changes	(73,814)
Balance as of Report Date December 31, 2023	\$2,087,726

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 (3.77%) as well as what the TPL would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) than the current rate.

	1% Decrease	Current Rate	1% Increase
	2.77%	3.77%	4.77%
Total Pension Liability (Asset)	\$2,240,936	\$2,087,726	\$1,952,673
Increase (Decrease)	153,210		(135,053)
% Change	7.3%		-6.5%

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

For the year ended December 31, 2023, the City recognized pension expense related to police pension of \$152,991, 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	\$188,478
Non-Current Pension Liability	<u>1,899,248</u>
Total Pension Liability	<u><u>\$2,087,726</u></u>

NOTE 11. WHOLESALE POWER SUPPLY CONTRACTS

Since 1958, the City has purchased the majority of 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 ten 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. New Large Single Loads (NLSL) above ten average MW are not part of BPA tier 2 obligations and are to be served with non-federal or market-based resources. The City does not have any NLSL customers as of 2023, but is expected to have at least one customer by 2028.

Since 2002, the City has been a member of Northwest Requirements Utilities (NRU), which represents the power and transmission interests of 57 consumer-owned electric utilities. In anticipation of operating under BPA's Regional Dialogue Contract for wholesale power and desiring more control over tier 2 power resource options, 16 NRU members utilize 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. 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 the necessary administrative functions required to procure non-Federal resources. Richland elected to meet 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 continue to actively evaluate resource acquisition opportunities including potential for post 2019 baseload 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). However, energy policy regulations on carbon emitting electrical generation have decreased the available supply of non-federal generation resources and the availability for firm block shaped resources. The weighted average market price in the PNW from 2014-2021 was \$29/MWh and \$83/MWh from 2022-2023. The forecasted market price in the PNW is \$84 from 2024-2030. With the supply volatility affecting market-based resources, the City is expected to utilize BPA for tier 1 and all tier 2 obligations from 2024 through 2028. Any NLSL customer is the financial responsibility of the actual NLSL customer.

Richland is also a long-standing member of Energy Northwest (EN), a joint operating agency with 28 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 net billing 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 four lawsuits. One of the lawsuits alleges an unconstitutional taking and due process violation. The City prevailed at the trial court level and this matter is currently on appeal. The other three are land use petitions seeking reversal of three separate land use decisions. Money damages are not part of the land use petition litigation. 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.

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. TAX ABATEMENTS

In 2023 the City created the Horn Rapids Triangle Targeted Urban Area in accordance with Chapter 84.25 of the Revised Code of Washington (RCW). A Targeted Urban Area (TUA) allows cities and counties to offer certain exemptions from property taxes for the value of new construction of industrial and manufacturing facilities in qualifying designated geographic areas for up to ten years.

To qualify for the exemption, a project must create a minimum of twenty-five new family living wage jobs, include building improvements of at least 10,000 square feet with a minimum value of \$800,000, and have uses categorized as “division D: manufacturing” or “division E: transportation (major groups 40-42, 45 or 47-48)” as defined by the US Department of Labor.

Businesses seeking this exemption must apply and be approved by the City Council prior to December 31, 2030. Once approved, a conditional certificate of acceptance of tax exemption is issued. Construction of the facilities subject to the exemption must be completed within three years of the issuance of the conditional certificate of tax exemption. An extension of two years may be granted by the City.

Upon completion of new construction and filing of the certificate of tax exemption, property taxes on the qualifying facilities shall be abated for ten years. Value of land or nonindustrial/manufacturing-related improvements do not qualify for abatement.

Annual reporting is required, and if a business voluntarily or involuntarily discontinues compliance with the chapter, additional property tax must be imposed in the amount that would have been imposed if an exemption had not been available, plus a penalty equal to 20 percent of the additional value.

For the fiscal year ended December 31, 2023, the City abated property taxes totaling \$0. The City has outstanding agreements in place, and construction is in progress, but no final certificates of tax exemption have been issued by the City.

NOTE 14. SERVICE CONCESSION ARRANGEMENTS

The City has identified one Public-Private Partnership agreement that meets the criteria in GASB Statement No. 94 for reporting as a Service Concession Arrangement (SCA); the Horn Rapids ORV Park.

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 is required to operate and maintain the ORV Park in accordance with the agreement. The premises are to be used for conducting the following business: a motorsport complex to include MX track, ATV track, 4x4 relay track, 4x4 obstacle course, sand drags, and campground. The agreement establishes fee schedules that may be increased by the operator at an annual rate of not to exceed 10% per year.

Per the requirements of GASB Statement No. 94, assets constructed, or improvements made by the operator that will not become property of the City until the termination of the agreement, are recorded at acquisition value in the period when the assets were placed into service and are offset by a deferred inflow of resources in the Government-Wide Statement of Net Position, when applicable. 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 operator 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 \$4,289,329 at year end and reports a deferred inflow of resources in the amount of \$3,090,600 related to the structures that have been purchased or constructed by HRMC.

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. According to GASB Statement No. 94, paragraph 23, variable payments, including payments related to revenue sharing arrangements, based on future performance of the operator, should not be included in the measurement of the receivable for installment payments. The City recognizes these variable payments as revenue in the period to which the payments relate.

NOTE 15. FUND BALANCE CLASSIFICATION

As described in 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:

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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	\$ 2,268,127	Real Estate Excise Tax restricted for capital improvements
	5,151,385	Fire Station 76 construction
	561,616	Streets construction projects
	1,159,208	Acquisition and development of public open space (parks)
	126,967	Restricted by franchise agreement for cable broadcast equipment
	<u>\$ 9,267,302</u>	
Public Safety	\$ 2,445,911	Public Safety Sales/Criminal Justice Tax restricted to criminal justice purposes
	56,668	Police confiscations
	115,259	Opioid settlement
	<u>\$ 2,617,838</u>	
Economic Environment	\$ 384,215	Contingency for performance of Hanford Reach Interpretive Center
	2,270,383	Lodging Tax proceeds restricted for tourism promotion
	834,272	HUD Program for owner occupied housing rehabilitation
	2,137,227	HUD Program for home down payment assistance
	15,000	Future Logan Street extension
	150,000	Code enforcement abatement
	2,118,933	Building permit proceeds - unspent
	2,062	Restricted for public art
	<u>\$ 7,912,090</u>	
Other Purposes	\$ 1,340,001	Fire/Police pensions
	82,563	Police operations and special projects
	<u>\$ 1,422,565</u>	
Committed For:		
Capital Improvements	\$ 452,951	Library capital improvements
	10,447,345	Park construction projects
	1,058,106	General government construction projects
	<u>\$ 11,958,403</u>	
Public Safety	\$ 23,255	Police operations and special projects
	25,000	Police - narcotics investigations
	60,539	Fire equipment
	<u>\$ 108,794</u>	
Economic Environment	\$ 214,016	Commercial improvement program
	6,023,462	Industrial development
	<u>\$ 6,237,478</u>	
Assigned To:		
Public Safety	\$ 68,483	Police operations and special projects
	6,235	Fire Department operations
	<u>\$ 74,718</u>	
Transportation	\$ 6,755,557	Construction of streets infrastructure
	785,546	Maintenance of streets and rail infrastructure
	<u>\$ 7,541,103</u>	

NOTE 16. Subscription Based Information Technology Arrangements (SBITA)

The City of Richland has several noncancellable agreements for right-to-use information technology hardware and software. For SBITAs that meet the capitalization threshold of \$25,000 or higher (formerly \$5K), the City of Richland recognizes a subscription liability and a right-to-use subscription intangible capital asset on the Statement of Net Position in the government-wide and proprietary and fiduciary fund financial statements.

For governmental fund financial reporting, the initial value of the subscription liability is reported as other financing sources with a corresponding capital outlay at subscription commencement.

The subscription liability is initially measured at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the portion of the subscription payment that would have been principal if the City had incurred debt to purchase a similar asset type and under similar terms at the commencement or remeasurement date. The City of Richland uses the same incremental borrowing rate used for leases as the discount rate for SBITAs.

The subscription term includes the noncancellable periods of the SBITA plus any additional periods covered by either the City of Richland or vendor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the City of Richland and the vendor have a unilateral option to terminate (or if both parties must agree to extend) are excluded from the subscription term.

Certain payments are evaluated to determine if they should be included in the measurement of the subscription liabilities, including those payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, purchase options, payments for termination penalties, and other payments.

The City of Richland monitors changes in circumstances that may require remeasurement of a subscription liability. When certain changes occur that are expected to significantly affect the amount of the subscription, the liability is remeasured, and a corresponding adjustment is made to the subscription asset.

The subscription asset is initially measured as the amount of the subscription liability, plus any subscription payments made at or before the subscription commencement date and capitalizable implementation costs, less any vendor incentives received at or before the subscription commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

For SBITAs below the capitalization threshold and with a maximum possible term of 12 months or less at commencement, an expense/expenditure is recognized based on the provisions of the contract, of subscription payments made.

Generally, the City of Richland's incremental borrowing rate is used as the discount rate for SBITAs unless the rate that the vendor charges is known. The incremental borrowing rate for SBITAs is based on the rate of interest the City of Richland would be charged if it issued debt to borrow an amount equal to the payments for a similar asset type and under similar terms at the commencement or remeasurement date.

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The City has five qualifying SBITAs under GASB Statement No. 96 in which it is acting as a Lessee. Each subscription varies from two to three years with options to extend on a yearly basis. Subscriptions range from service platforms to infrastructure as a service. Each subscription has a specific monthly or yearly payment.

- The City makes subscription payments yearly for \$27,242 to Adobe Learning for use of multiple platforms. The contract is for three years and has a cancelable clause after two years. Pricing is subject to change each year of renewal. The contract expires December 31st, 2026.
- The City makes subscription payments yearly to Cleargov with a two-year contract starting in 2023 and ending in 2025. Yearly payments are made with a set amount of \$26,022 for 2023 and \$28,328 for 2024. These amounts exclude sales tax. Renewal is based on specific terms and are subject to 3% increases. Cleargov is a local government cloud-based budget cycle management software used for budgeting and capital projects tracking.
- The City makes subscription payments yearly to KnowBe4 with a three-year contract starting in 2023 and ending in 2026. Yearly payments are made with a set amount of \$45,024. KnowBe4 is a security awareness training subscription used by City employees.
- The City makes subscription payments yearly to CitiBot with a three-year contract starting in 2023 and ending in 2026. In 2023, the City paid \$21,794 in subscription fees. Yearly costs for the subscription are subject to be increased by 5%. Renewals are on a three-year period. The City has a noncancelable right for each term. This subscription covers a chatbot customer service platform and software.
- BCES makes subscription payments yearly to MFA Cerium with a three-year contract starting in 2023 and ending in 2026. Renewals after 2026 are subject to be on a 12-month cycle and be cancelable. In 2023, the yearly fee for this subscription was \$26,036. BCES uses this subscription to ensure multiple factor authentication processes in their online mailbox.

In 2023, the City of Richland paid \$142,484 in subscription payments. The following schedule presents future annual subscription payments due.

Year ended in December 31	Principal	Interest	Total
2024	\$101,693	\$23,159	\$124,852
2025	\$85,625	\$11,696	\$97,321
2026	\$26,194	\$1,048	\$27,242
Total	\$213,513	\$35,903	\$249,416

The right-to-use intangible capital asset associated with the SBITAs:

Governmental Activities	Balance			Balance
	December 31, 2023	Increases	Decreases	December 31, 2023
SBITAs	\$ -	\$ 355,963	\$ -	\$ 355,963
Accumulated Amortization	-	-	79,083	79,083
Right-to-use SBITA Software Subscription	-	355,963	79,083	435,046
Total Governmental Activities SBITA Assets, Net	\$ -	\$ 355,963	\$ 79,083	\$ 435,046



REQUIRED SUPPLEMENTARY INFORMATION

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OTHER POST EMPLOYMENT BENEFITS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS						
POST EMPLOYMENT HEALTHCARE PLAN						
FOR THE YEAR ENDED DECEMBER 31, 2023						
LAST 10 FISCAL YEARS*						
	2023	2022	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 5,527,310	\$ 9,009,017	\$ 9,317,685	\$ 10,047,417	\$ 10,859,388	\$ 10,218,385
Service Cost	148,650	342,624	322,534	357,678	327,477	317,939
Interest	218,241	165,051	185,186	274,039	394,657	412,174
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	89,141	(2,500,483)	(132,461)	(324,882)	185,689	(718,605)
Changes of Assumptions	79,488	(725,932)	77,997	(156,493)	(394,411)	1,717,693
Benefit Payments	(352,333)	(360,887)	(318,227)	(606,428)	(1,030,936)	(811,722)
Implicit Rate Subsidy Fulfilled	(222,210)	(402,080)	(443,697)	(273,646)	(294,447)	(276,476)
Total OPEB Liability - Ending	\$ 5,488,287	\$ 5,527,310	\$ 9,009,017	\$ 9,317,685	\$ 10,047,417	\$ 10,859,388
Covered-employee Payroll**	\$ 6,755,864	\$ 6,527,405	\$ 8,357,859	\$ 8,075,226	\$ 10,111,177	\$ 9,816,677
City's Total OPEB Liability as a Percentage of Covered-employee Payroll	81.24%	84.68%	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. The City adopted GASB Statement No. 73 for the fiscal year ending December 31, 2018.
** Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB Statement No. 75, par. 246)
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS						
LEOFF 1 FIREFIGHTERS OPEB						
FOR THE YEAR ENDED DECEMBER 31, 2023						
LAST 10 FISCAL YEARS*						
	2023	2022	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 2,089,874	\$ 3,920,705	\$ 4,039,296	\$ 8,820,142	\$ 9,055,358	\$ 9,668,049
Service Cost	-	-	-	-	-	-
Interest	82,853	71,148	77,889	239,004	335,022	332,039
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(76,898)	(1,227,706)	31,452	(4,458,187)	(251,890)	(354,610)
Changes of Assumptions	49,033	(566,291)	61,816	(303,484)	(75,491)	(328,013)
Benefit Payments	(88,263)	(107,982)	(289,748)	(258,179)	(242,857)	(262,107)
Implicit Rate Subsidy Fulfilled	-	-	-	-	-	-
Total OPEB Liability - Ending	\$ 2,056,599	\$ 2,089,874	\$ 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	N/A	N/A

Notes to Schedule:
* Until a full 10 year trend is compiled, only information for those years available is presented. The City adopted GASB Statement No. 73 for the fiscal year ending December 31, 2018.
** Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB Statement No. 75, par. 246)
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS						
LEOFF 1 POLICE OPEB						
FOR THE YEAR ENDED DECEMBER 31, 2023						
LAST 10 FISCAL YEARS*						
	2023	2022	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 3,157,713	\$ 4,727,042	\$ 4,850,841	\$ 14,696,661	\$ 15,533,433	\$ 13,720,278
Service Cost	-	-	-	-	-	-
Interest	125,338	85,802	95,369	400,745	577,975	565,609
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(126,327)	(726,784)	(127,624)	(9,522,508)	(455,025)	(997,276)
Changes of Assumptions	69,306	(800,485)	73,244	(475,804)	(718,232)	2,474,999
Benefit Payments	(125,867)	(127,862)	(164,788)	(248,253)	(241,490)	(230,177)
Implicit Rate Subsidy Fulfilled	-	-	-	-	-	-
Total OPEB Liability - Ending	\$ 3,100,163	\$ 3,157,713	\$ 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	N/A	N/A

Notes to Schedule:
* Until a full 10 year trend is compiled, only information for those years available is presented. The City adopted GASB Statement No. 73 for the fiscal year ending December 31, 2018.
** Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB Statement No. 75, par. 246)
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75

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PENSION PLANS

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS										
FIRE PENSION										
FOR THE YEAR ENDED DECEMBER 31, 2023										
LAST 10 FISCAL YEARS										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - beginning	\$ 940,339	\$ 1,492,190	\$ 1,563,693	\$ 1,696,538	\$ 1,664,161	\$ 1,494,982	\$ 1,845,762	\$ 1,955,082	\$ 2,072,542	\$ 2,174,667
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	35,879	26,451	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	(4,000)	(110,773)	(4,119)	(288,009)	(13,348)	112,317	(208,186)	-	(4,485)	-
Changes of assumptions	12,886	(358,318)	17,586	228,116	121,000	173,506	(58,767)	-	-	-
Benefit payments, included refunds of employee contributions	(108,913)	(109,211)	(115,093)	(117,985)	(135,147)	(180,048)	(171,820)	(202,024)	(211,338)	(205,715)
Net change in total pension liability	(64,148)	(551,851)	(71,503)	(132,845)	32,377	169,179	(350,780)	(109,320)	(117,460)	(102,125)
Total pension liability - ending	\$ 876,191	\$ 940,339	\$ 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	n/a	n/a

Notes to Schedule
* Covered-employee payroll is the payroll of employees that are provided with pensions through the pension plan (GASB Statement No. 73, par. 128)
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 68

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS										
POLICE PENSION										
FOR THE YEAR ENDED DECEMBER 31, 2023										
LAST 10 FISCAL YEARS										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - beginning	\$ 2,161,540	\$ 3,191,920	\$ 3,289,149	\$ 3,600,194	\$ 3,129,835	\$ 1,978,316	\$ 2,760,704	\$ 2,823,401	\$ 2,910,561	\$ 2,978,378
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	83,496	56,834	63,836	96,207	112,867	116,570	133,349	136,197	139,988	143,633
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,974	67,387	(11,589)	(532,265)	(41,736)	1,304,898	(658,565)	-	(21,223)	-
Changes of assumptions	39,521	(948,390)	45,188	328,481	639,350	(79,437)	(69,702)	-	-	-
Benefit payments, included refunds of employee contributions	(199,805)	(206,211)	(194,664)	(203,468)	(240,122)	(190,512)	(187,470)	(198,894)	(205,925)	(211,450)
Net change in total pension liability	(73,814)	(1,030,380)	(97,229)	(311,045)	470,359	1,151,519	(782,388)	(62,697)	(87,160)	(67,817)
Total pension liability - ending	\$ 2,087,726	\$ 2,161,540	\$ 3,191,920	\$ 3,289,149	\$ 3,600,194	\$ 3,129,835	\$ 1,978,316	\$ 2,760,704	\$ 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	n/a	n/a

Notes to Schedule
* Covered-employee payroll is the payroll of employees that are provided with pensions through the pension plan (GASB Statement No. 73, par. 128)
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 68

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SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 1										
As of June 30, 2023										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.183800%	0.198149%	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)	4,195,661	5,517,195	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	4,195,661	5,517,195	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*	32,762,596	32,065,116	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	12.81%	17.21%	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 liability	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%

Notes to Schedule:
*Covered payroll is the payroll on which contributions to a pension plan are based (GASB Statement No. 82, par. 5)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 2/3										
As of June 30, 2023										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.236994%	0.258001%	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)	(9,713,633)	(9,568,692)	(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	(9,713,633)	(9,568,692)	(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*	32,762,596	32,065,116	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	-29.65%	-29.84%	-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 liability	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

Notes to Schedule:
*Covered payroll is the payroll on which contributions to a pension plan are based (GASB Statement No. 82, par. 5)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY LEOFF RETIREMENT SYSTEM PLAN 1										
As of June 30, 2023										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.124444%	0.126497%	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)	(3,693,528)	(3,628,709)	(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	(24,982,930)	(24,544,500)	(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	(28,676,458)	(28,173,210)	(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	N/A	N/A	-4125.19%	-2008.99%	-1651.75%
Plan fiduciary net position as a percentage of the total pension liability	175.99%	169.62%	187.45%	146.88%	148.78%	144.42%	135.96%	123.74%	127.36%	126.91%

Notes to Schedule:
*Covered payroll is the payroll on which contributions to a pension plan are based (GASB Statement No. 82, par. 5)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY LEOFF RETIREMENT SYSTEM PLAN 2										
As of June 30, 2023										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.422569%	0.444254%	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)	(10,135,732)	(12,073,482)	(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	(6,472,574)	(7,820,939)	(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	(16,608,305)	(19,894,421)	(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*	18,609,903	17,265,092	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	-54.46%	-69.93%	-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 liability	113.17%	116.09%	142.00%	115.83%	119.43%	118.50%	113.36%	106.04%	111.67%	116.75%

Notes to Schedule:
*Covered payroll is the payroll on which contributions to a pension plan are based (GASB Statement No. 82, par. 5)

City of Richland, Washington
Annual Comprehensive Financial Report
Required Supplementary Information
For the Year Ended December 31, 2023

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 1										
As of December 31, 2023										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 1,167,844	\$ 1,182,229	\$ 1,314,404	\$ 1,437,901	\$ 1,464,462	\$ 1,431,430	\$ 35,334	\$ 48,941	\$ 67,823	\$ 78,321
Contributions in relation to the statutorily or contractually required contributions*	(1,167,844)	(1,182,229)	(1,314,404)	(1,437,901)	(1,464,462)	(1,431,430)	(27,661)	(25,145)	(38,503)	(44,388)
Contribution deficiency (excess)	-	-	-	-	-	-	7,673	23,796	29,320	33,933
Covered payroll**	\$ 34,179,651	\$ 31,506,141	\$ 30,401,692	\$ 29,999,312	\$ 29,570,482	\$ 28,284,425	\$ 26,948,293	\$ 25,347,210	\$ 25,380,922	\$ 25,441,133
Contributions as a percentage of covered payroll	3.42%	3.75%	4.32%	4.79%	4.95%	5.06%	0.13%	0.19%	0.27%	0.31%

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 (GASB Statement No. 82, par. 5)

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN 2 & 3										
As of December 31, 2023										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 2,173,827	\$ 2,003,792	\$ 2,184,355	\$ 2,375,815	\$ 2,279,911	\$ 2,121,044	\$ 3,183,939	\$ 2,808,191	\$ 2,536,893	\$ 2,302,039
Contributions in relation to the statutorily or contractually required contributions	(2,173,827)	(2,003,792)	(2,184,355)	(2,375,815)	(2,279,911)	(2,121,044)	(3,183,939)	(2,808,191)	(2,536,893)	(2,302,039)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll*	\$ 34,179,651	\$ 31,506,141	\$ 30,401,692	\$ 29,999,312	\$ 29,570,482	\$ 28,284,425	\$ 26,717,377	\$ 25,122,302	\$ 24,998,494	\$ 24,961,610
Contributions as a percentage of covered payroll	6.36%	6.36%	7.18%	7.92%	7.71%	7.50%	11.92%	11.18%	10.15%	9.22%

Notes to Schedule
*Covered payroll is the payroll on which contributions to a pension plan are based (GASB Statement No. 82, par. 5)

SCHEDULE OF EMPLOYER CONTRIBUTIONS - LEOFF RETIREMENT SYSTEM PLAN 1										
As of December 31, 2023										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	N/A	N/A	1.34%	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 (GASB Statement No. 82, par. 5)

SCHEDULE OF EMPLOYER CONTRIBUTIONS - LEOFF RETIREMENT SYSTEM PLAN 2										
As of December 31, 2023										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 1,013,616	\$ 930,560	\$ 853,461	\$ 817,869	\$ 794,365	\$ 774,994	\$ 735,325	\$ 677,438	\$ 642,151	\$ 614,451
Contributions in relation to the statutorily or contractually required contributions	(1,013,616)	(930,560)	(853,461)	(817,869)	(794,365)	(774,994)	(735,325)	(677,438)	(642,151)	(614,451)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll*	\$ 19,778,826	\$ 18,154,620	\$ 16,601,956	\$ 15,857,451	\$ 15,151,138	\$ 14,648,249	\$ 14,266,819	\$ 13,414,604	\$ 12,715,703	\$ 12,167,241
Contributions as a percentage of covered payroll	5.12%	5.13%	5.14%	5.16%	5.24%	5.29%	5.15%	5.05%	5.05%	5.05%

Notes to Schedule
*Covered payroll is the payroll on which contributions to a pension plan are based (GASB Statement No. 82, par. 5)



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, 2023

	<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	\$ 9,819,782	\$ 2,069,275	\$ 6,946,941	\$ 18,835,998
Deposits with third parties	28,600	-	-	28,600
Investments	3,750,892	-	13,262,206	17,013,098
Taxes receivable	652,849	36,345	254,585	943,779
Customer accounts (net)	876,406	-	-	876,406
Due from other governments	289,412	-	-	289,412
Notes and contracts	1,395,514	-	-	1,395,514
Inventory	36,578	-	-	36,578
Leases receivable	8,410,682	-	-	8,410,682
Special assessments	-	3,008	-	3,008
Total assets	<u>\$ 25,260,713</u>	<u>\$ 2,108,628</u>	<u>\$ 20,463,732</u>	<u>\$ 47,833,074</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 680,355	\$ -	\$ 1,538,750	\$ 2,219,105
Payable to other governments	26,276	-	20	26,296
Due to other funds	12,828	-	-	12,828
Deposits payable	23,000	-	-	23,000
Unearned revenue-other	26,600	-	-	26,600
Total liabilities	<u>769,059</u>	<u>-</u>	<u>1,538,769</u>	<u>2,307,828</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - leases	\$ 8,410,682	\$ -	\$ -	\$ 8,410,682
Unavailable revenue-property taxes	-	19,033	-	19,033
Unavailable revenue-unbilled LID assessments	-	1,426	-	1,426
Total deferred inflows of resources	<u>8,410,682</u>	<u>20,459</u>	<u>-</u>	<u>8,431,140</u>
Total liabilities and deferred inflows of resources	<u>9,179,741</u>	<u>20,459</u>	<u>1,538,769</u>	<u>10,738,969</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Contractually maintained deposits	\$ 2,000	\$ -	\$ -	\$ 2,000
Inventory	36,578	-	-	36,578
Restricted				
Capital improvements	1,159,208	-	7,419,511	8,578,719
Debt service	-	1,826,691	-	1,826,691
Economic environment	5,641,096	-	-	5,641,096
Public safety	2,445,911	-	-	2,445,911
Committed				
Capital improvements	-	-	11,505,451	11,505,451
Economic environment	6,023,462	-	-	6,023,462
Assigned				
Debt service	-	261,479	-	261,479
Transportation	785,546	-	-	785,546
Unassigned	(12,828)	-	-	(12,828)
Total fund balances (deficits)	<u>\$ 16,080,972</u>	<u>\$ 2,088,170</u>	<u>\$ 18,924,963</u>	<u>\$ 37,094,105</u>
Total liabilities and fund balances (deficits)	<u>\$ 25,260,713</u>	<u>\$ 2,108,628</u>	<u>\$ 20,463,732</u>	<u>\$ 47,833,074</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, 2023

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Taxes	\$ 6,018,642	\$ 2,198,529	\$ 3,001,060	\$ 11,218,231
Intergovernmental	2,014,642	-	-	2,014,642
Charges for goods and services	8,246,532	-	-	8,246,532
Investment earnings	357,013	73,984	930,088	1,361,085
Rents and leases	2,694,124	-	-	2,694,124
Miscellaneous revenue	482,246	4,272	12,000	498,518
Disposition of land held for sale	1,494,088	-	-	1,494,088
Total revenues	<u>21,307,287</u>	<u>2,276,785</u>	<u>3,943,148</u>	<u>27,527,220</u>
EXPENDITURES				
Current:				
Public safety	8,668,205	-	-	8,668,205
Transportation	3,972,650	28	157	3,972,835
Economic environment	3,294,559	-	-	3,294,559
Culture and recreation	13,873	-	98,621	112,495
Debt service:				
Administrative charges	-	1,493	-	1,493
Interest	2,195	1,514,631	-	1,516,826
Principal retirement	94,060	2,705,000	-	2,799,060
Capital outlay:				
General government	-	-	93,048	93,048
Public safety	-	-	3,434,206	3,434,206
Transportation	32,443	-	-	32,443
Economic environment	273,439	-	-	273,439
Culture and recreation	-	-	1,947,068	1,947,068
Total expenditures	<u>16,351,424</u>	<u>4,221,152</u>	<u>5,573,099</u>	<u>26,145,675</u>
Excess (deficiency) of revenues over expenditures	<u>4,955,863</u>	<u>(1,944,367)</u>	<u>(1,629,952)</u>	<u>1,381,544</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,129,614	2,538,523	4,539,250	9,207,387
Transfers out	(3,937,279)	-	(5,852,354)	(9,789,632)
Disposition of capital assets	32,427	-	-	32,427
Total other financing sources (uses)	<u>(1,775,238)</u>	<u>2,538,523</u>	<u>(1,313,104)</u>	<u>(549,819)</u>
Net change in fund balances	3,180,624	594,157	(2,943,055)	831,726
Fund balances - beginning	12,900,348	1,494,013	21,868,018	36,262,379
Fund balances - ending	<u>\$ 16,080,972</u>	<u>\$ 2,088,170</u>	<u>\$ 18,924,963</u>	<u>\$ 37,094,105</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 additional industrial development activity.

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, 2023

	Streets Fund	Transportation Benefit District Fund	Park Reserve Fund	Industrial Development Fund	Criminal Justice Fund
ASSETS					
Cash and cash equivalents	\$ 741,059	\$ -	\$ 1,174,782	\$ 1,524,491	\$ 261,220
Deposits with third parties	2,000	-	-	26,600	-
Investments	-	-	-	3,750,892	-
Taxes receivable	-	-	-	-	-
Customer accounts (net)	52,995	-	5,276	818,134	-
Due from other governments	83,360	-	-	-	26,416
Notes and contracts	-	-	-	-	-
Inventory	36,578	-	-	-	-
Leases receivable	268,811	-	682,963	7,458,907	-
Total assets	<u>\$ 1,184,804</u>	<u>\$ -</u>	<u>\$ 1,863,021</u>	<u>\$ 13,579,025</u>	<u>\$ 287,635</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 91,842	\$ -	\$ -	\$ 29,830	\$ -
Payable to other governments	26	-	4,051	19,026	-
Due to other funds	-	12,828	-	-	-
Deposits payable	-	-	16,800	6,200	-
Unearned revenue-other	-	-	-	26,600	-
Total liabilities	<u>91,869</u>	<u>12,828</u>	<u>20,851</u>	<u>81,655</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow - leases	\$ 268,811	\$ -	\$ 682,963	\$ 7,458,907	\$ -
Total deferred inflows of resources	<u>268,811</u>	<u>-</u>	<u>682,963</u>	<u>7,458,907</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>360,680</u>	<u>12,828</u>	<u>703,814</u>	<u>7,540,563</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Contractually maintained deposits	\$ 2,000	\$ -	\$ -	\$ -	\$ -
Inventory	36,578	-	-	-	-
Restricted					
Capital improvements	-	-	1,159,208	-	-
Economic environment	-	-	-	15,000	-
Public safety	-	-	-	-	287,635
Committed					
Economic environment	-	-	-	6,023,462	-
Assigned					
Transportation	785,546	-	-	-	-
Unassigned					
	-	(12,828)	-	-	-
Total fund balances (deficits)	<u>\$ 824,124</u>	<u>\$ (12,828)</u>	<u>\$ 1,159,208</u>	<u>\$ 6,038,462</u>	<u>\$ 287,635</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,184,804</u>	<u>\$ -</u>	<u>\$ 1,863,021</u>	<u>\$ 13,579,025</u>	<u>\$ 287,635</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>
\$ 384,215	\$ 1,778,580	\$ 249,917	\$ 2,063,973	\$ 69,579	\$ 114,136	\$ 1,457,830	\$ 9,819,782
-	-	-	-	-	-	-	28,600
-	-	-	-	-	-	-	3,750,892
-	448,871	-	203,977	-	-	-	652,849
-	-	-	-	-	-	-	876,406
-	-	-	-	55,555	37,804	86,277	289,412
-	-	-	-	-	692,190	703,324	1,395,514
-	-	-	-	-	-	-	36,578
-	-	-	-	-	-	-	8,410,682
<u>\$ 384,215</u>	<u>\$ 2,227,452</u>	<u>\$ 249,917</u>	<u>\$ 2,267,950</u>	<u>\$ 125,134</u>	<u>\$ 844,131</u>	<u>\$ 2,247,430</u>	<u>\$ 25,260,713</u>
\$ -	\$ 69,176	\$ 249,917	\$ 53,305	\$ 69,397	\$ 6,685	\$ 110,204	\$ 680,355
-	-	-	-	-	3,174	-	26,276
-	-	-	-	-	-	-	12,828
-	-	-	-	-	-	-	23,000
-	-	-	-	-	-	-	26,600
-	<u>69,176</u>	<u>249,917</u>	<u>53,305</u>	<u>69,397</u>	<u>9,859</u>	<u>110,204</u>	<u>769,059</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,410,682
-	-	-	-	-	-	-	8,410,682
-	<u>69,176</u>	<u>249,917</u>	<u>53,305</u>	<u>69,397</u>	<u>9,859</u>	<u>110,204</u>	<u>9,179,741</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
-	-	-	-	-	-	-	36,578
-	-	-	-	-	-	-	1,159,208
384,215	-	-	2,214,645	55,737	834,272	2,137,227	5,641,096
-	2,158,276	-	-	-	-	-	2,445,911
-	-	-	-	-	-	-	6,023,462
-	-	-	-	-	-	-	785,546
-	-	-	-	-	-	-	(12,828)
<u>\$ 384,215</u>	<u>\$ 2,158,276</u>	<u>\$ -</u>	<u>\$ 2,214,645</u>	<u>\$ 55,737</u>	<u>\$ 834,272</u>	<u>\$ 2,137,227</u>	<u>\$ 16,080,972</u>
<u>\$ 384,215</u>	<u>\$ 2,227,452</u>	<u>\$ 249,917</u>	<u>\$ 2,267,950</u>	<u>\$ 125,134</u>	<u>\$ 844,131</u>	<u>\$ 2,247,430</u>	<u>\$ 25,260,713</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, 2023

	Streets Fund	Transportation Benefit District Fund	Park Reserve Fund	Industrial Development Fund	Criminal Justice Fund
REVENUES					
Taxes	\$ 766,536	\$ 1,046,488	\$ -	\$ -	\$ -
Intergovernmental	1,231,146	-	-	-	103,680
Charges for goods and services	465,909	-	480,760	-	-
Investment earnings	8,674	(389)	34,074	179,655	-
Rents and leases	41,641	-	218,561	2,433,921	-
Miscellaneous revenue	263,087	-	-	219,159	-
Disposition of land held for sale	-	-	-	1,494,088	-
Total revenues	<u>2,776,993</u>	<u>1,046,099</u>	<u>733,395</u>	<u>4,326,822</u>	<u>103,680</u>
EXPENDITURES					
Current:					
Public safety	-	-	-	-	-
Transportation	3,972,650	-	-	-	-
Economic environment	-	-	-	1,174,388	-
Culture and recreation	-	-	13,873	-	-
Debt service:					
Interest	-	-	-	2,195	-
Principal retirement	-	-	-	94,060	-
Capital outlay:					
Transportation	32,443	-	-	-	-
Economic environment	-	-	-	273,439	-
Total expenditures	<u>4,005,093</u>	<u>-</u>	<u>13,873</u>	<u>1,544,081</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,228,100)</u>	<u>1,046,099</u>	<u>719,522</u>	<u>2,782,741</u>	<u>103,680</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,246,034	-	-	775,880	-
Transfers out	-	(1,067,377)	(726,323)	(1,361,257)	(79,019)
Disposition of capital assets	-	-	32,427	-	-
Total other financing sources (uses)	<u>1,246,034</u>	<u>(1,067,377)</u>	<u>(693,896)</u>	<u>(585,377)</u>	<u>(79,019)</u>
Net change in fund balances	17,934	(21,278)	25,626	2,197,365	24,661
Fund balances - beginning	806,190	8,451	1,133,582	3,841,097	262,974
Fund balances - ending	<u>\$ 824,124</u>	<u>\$ (12,828)</u>	<u>\$ 1,159,208</u>	<u>\$ 6,038,462</u>	<u>\$ 287,635</u>

PPD Facility Contingency Fund	Public Safety Sales Tax Fund	BCES Operations Fund	Hotel/Motel Fund	Special Lodging Assessment Fund	CDBG Fund	HOME Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ 2,584,356	\$ -	\$ 1,621,262	\$ -	\$ -	\$ -	\$ 6,018,642
-	-	-	-	-	169,474	510,342	2,014,642
-	-	6,456,072	-	769,042	467	74,283	8,246,532
9,964	39,825	-	51,322	1,558	-	32,330	357,013
-	-	-	-	-	-	-	2,694,124
-	-	-	-	-	-	-	482,246
-	-	-	-	-	-	-	1,494,088
<u>9,964</u>	<u>2,624,182</u>	<u>6,456,072</u>	<u>1,672,583</u>	<u>770,600</u>	<u>169,941</u>	<u>616,954</u>	<u>21,307,287</u>
-	2,212,133	6,456,072	-	-	-	-	8,668,205
-	-	-	-	-	-	-	3,972,650
-	-	-	507,442	768,913	202,407	641,409	3,294,559
-	-	-	-	-	-	-	13,873
-	-	-	-	-	-	-	2,195
-	-	-	-	-	-	-	94,060
-	-	-	-	-	-	-	32,443
-	-	-	-	-	-	-	273,439
-	2,212,133	6,456,072	507,442	768,913	202,407	641,409	16,351,424
9,964	412,048	-	1,165,141	1,687	(32,466)	(24,455)	4,955,863
-	-	-	-	-	-	107,699	2,129,614
-	-	-	(695,803)	-	(7,500)	-	(3,937,279)
-	-	-	-	-	-	-	32,427
-	-	-	(695,803)	-	(7,500)	107,699	(1,775,238)
9,964	412,048	-	469,338	1,687	(39,966)	83,245	3,180,624
374,250	1,746,227	-	1,745,307	54,050	874,238	2,053,982	12,900,348
<u>\$ 384,215</u>	<u>\$ 2,158,276</u>	<u>\$ -</u>	<u>\$ 2,214,645</u>	<u>\$ 55,737</u>	<u>\$ 834,272</u>	<u>\$ 2,137,227</u>	<u>\$ 16,080,972</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 730,255	\$ 730,255	\$ 766,536	\$ 36,281
Intergovernmental	1,309,221	1,309,221	1,231,146	(78,075)
Charges for goods and services	462,000	462,000	465,909	3,909
Investment earnings	5,000	5,000	8,674	3,674
Rents and leases	35,500	35,500	41,641	6,141
Miscellaneous revenue	13,000	13,000	263,087	250,087
Total revenues	<u>2,554,976</u>	<u>2,554,976</u>	<u>2,776,993</u>	<u>222,017</u>
EXPENDITURES				
Current:				
Transportation	<u>4,032,877</u>	<u>4,403,694</u>	<u>3,972,650</u>	<u>431,044</u>
Total current	<u>4,032,877</u>	<u>4,403,694</u>	<u>3,972,650</u>	<u>431,044</u>
Capital outlay:				
Transportation	-	-	32,443	(32,443)
Total capital outlay	-	-	32,443	(32,443)
Total expenditures	<u>4,032,877</u>	<u>4,403,694</u>	<u>4,005,093</u>	<u>398,601</u>
Excess (deficiency) of revenues over expenditures	<u>(1,477,901)</u>	<u>(1,848,718)</u>	<u>(1,228,100)</u>	<u>620,618</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	963,200	1,253,200	1,246,034	(7,166)
Insurance recoveries	-	10,000	-	(10,000)
Total other financing sources (uses)	<u>963,200</u>	<u>1,263,200</u>	<u>1,246,034</u>	<u>(17,166)</u>
Net change in fund balances	(514,701)	(585,518)	17,934	603,452
Fund balances - beginning	806,190	806,190	806,190	-
Fund balances - ending	<u>\$ 291,489</u>	<u>\$ 220,672</u>	<u>\$ 824,124</u>	<u>\$ 603,452</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,030,000	\$ 1,030,000	\$ 1,046,488	\$ 16,488
Investment earnings	2,000	2,000	(389)	(2,389)
Total revenues	<u>1,032,000</u>	<u>1,032,000</u>	<u>1,046,099</u>	<u>14,099</u>
Excess (deficiency) of revenues over expenditures	<u>1,032,000</u>	<u>1,032,000</u>	<u>1,046,099</u>	<u>14,099</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,067,377)	(1,067,377)	(1,067,377)	-
Total other financing sources (uses)	<u>(1,067,377)</u>	<u>(1,067,377)</u>	<u>(1,067,377)</u>	<u>-</u>
Net change in fund balances	(35,377)	(35,377)	(21,278)	14,099
Fund balances - beginning	8,451	8,451	8,451	-
Fund balances - ending	<u>\$ (26,926)</u>	<u>\$ (26,926)</u>	<u>\$ (12,828)</u>	<u>\$ 14,099</u>

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for goods and services	\$ 460,000	\$ 460,000	\$ 480,760	\$ 20,760
Investment earnings	20,000	20,000	34,074	14,074
Rents and leases	164,286	164,286	218,561	54,275
Total revenues	<u>644,286</u>	<u>644,286</u>	<u>733,395</u>	<u>89,109</u>
EXPENDITURES				
Current:				
Culture and recreation	40,000	40,000	13,873	26,127
Total current	<u>40,000</u>	<u>40,000</u>	<u>13,873</u>	<u>26,127</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>13,873</u>	<u>26,127</u>
Excess (deficiency) of revenues over expenditures	<u>604,286</u>	<u>604,286</u>	<u>719,522</u>	<u>115,236</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(636,323)	(726,323)	(726,323)	-
Disposition of capital assets	-	-	32,427	32,427
Total other financing sources (uses)	<u>(636,323)</u>	<u>(726,323)</u>	<u>(693,896)</u>	<u>32,427</u>
Net change in fund balances	(32,037)	(122,037)	25,626	147,663
Fund balances - beginning	1,133,582	1,133,582	1,133,582	-
Fund balances - ending	<u>\$ 1,101,545</u>	<u>\$ 1,011,545</u>	<u>\$ 1,159,208</u>	<u>\$ 147,663</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Industrial Development Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 10,000	\$ 10,000	\$ 179,655	\$ 169,655
Rents and leases	1,160,908	1,160,908	2,433,921	1,273,013
Miscellaneous revenue	600,000	600,000	219,159	(380,841)
Disposition of land held for sale	1,443,002	1,443,002	1,494,088	51,086
Total revenues	<u>3,213,910</u>	<u>3,213,910</u>	<u>4,326,822</u>	<u>1,112,912</u>
EXPENDITURES				
Current:				
Economic environment	1,518,309	1,672,882	1,174,388	498,494
Total current	<u>1,518,309</u>	<u>1,672,882</u>	<u>1,174,388</u>	<u>498,494</u>
Debt service:				
Interest	2,195	2,195	2,195	-
Principal retirement	94,059	94,059	94,060	(1)
Total debt service	<u>96,254</u>	<u>96,254</u>	<u>96,255</u>	<u>(1)</u>
Capital outlay:				
Economic environment	1,658,000	1,924,598	273,439	1,651,159
Total capital outlay	<u>1,658,000</u>	<u>1,924,598</u>	<u>273,439</u>	<u>1,651,159</u>
Total expenditures	<u>3,272,563</u>	<u>3,693,734</u>	<u>1,544,081</u>	<u>2,149,653</u>
Excess (deficiency) of revenues over expenditures	<u>(58,653)</u>	<u>(479,824)</u>	<u>2,782,741</u>	<u>3,262,565</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	33,754	775,880	775,880	-
Transfers out	(1,300,000)	(5,760,683)	(1,361,257)	4,399,427
Total other financing sources (uses)	<u>(1,266,246)</u>	<u>(4,984,803)</u>	<u>(585,377)</u>	<u>4,399,427</u>
Net change in fund balances	(1,324,899)	(5,464,627)	2,197,365	7,661,992
Fund balances - beginning	3,841,097	3,841,097	3,841,097	-
Fund balances - ending	<u>\$ 2,516,198</u>	<u>\$ (1,623,530)</u>	<u>\$ 6,038,462</u>	<u>\$ 7,661,992</u>

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 101,418	\$ 101,418	\$ 103,680	\$ 2,262
Total revenues	<u>101,418</u>	<u>101,418</u>	<u>103,680</u>	<u>2,262</u>
Excess (deficiency) of revenues over expenditures	<u>101,418</u>	<u>101,418</u>	<u>103,680</u>	<u>2,262</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(79,019)	(79,019)	(79,019)	-
Total other financing sources (uses)	<u>(79,019)</u>	<u>(79,019)</u>	<u>(79,019)</u>	<u>-</u>
Net change in fund balances	22,399	22,399	24,661	2,262
Fund balances - beginning	262,974	262,974	262,974	-
Fund balances - ending	<u>\$ 285,373</u>	<u>\$ 285,373</u>	<u>\$ 287,635</u>	<u>\$ 2,262</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 9,964	\$ 9,964
Total revenues	<u>-</u>	<u>-</u>	<u>9,964</u>	<u>9,964</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>9,964</u>	<u>9,964</u>
Net change in fund balances	-	-	9,964	9,964
Fund balances - beginning	374,250	374,250	374,250	-
Fund balances - ending	<u>\$ 374,250</u>	<u>\$ 374,250</u>	<u>\$ 384,215</u>	<u>\$ 9,964</u>

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,339,560	\$ 2,339,560	\$ 2,584,356	\$ 244,796
Intergovernmental	37,000	-	-	-
Investment earnings	8,000	8,000	39,825	31,825
Total revenues	<u>2,384,560</u>	<u>2,347,560</u>	<u>2,624,182</u>	<u>276,622</u>
EXPENDITURES				
Current:				
Public safety	2,652,750	2,701,412	2,212,133	489,279
Total current	<u>2,652,750</u>	<u>2,701,412</u>	<u>2,212,133</u>	<u>489,279</u>
Total expenditures	<u>2,652,750</u>	<u>2,701,412</u>	<u>2,212,133</u>	<u>489,279</u>
Excess (deficiency) of revenues over expenditures	<u>(268,190)</u>	<u>(353,852)</u>	<u>412,048</u>	<u>765,900</u>
Net change in fund balances	(268,190)	(353,852)	412,048	765,900
Fund balances - beginning	1,746,227	1,746,227	1,746,227	-
Fund balances - ending	<u>\$ 1,478,037</u>	<u>\$ 1,392,375</u>	<u>\$ 2,158,276</u>	<u>\$ 765,900</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for goods and services	\$ 7,063,790	\$ 7,063,790	\$ 6,456,072	\$ (607,718)
Total revenues	<u>7,063,790</u>	<u>7,063,790</u>	<u>6,456,072</u>	<u>(607,718)</u>
EXPENDITURES				
Current:				
Public safety	7,063,790	7,063,790	6,456,072	607,718
Total current	<u>7,063,790</u>	<u>7,063,790</u>	<u>6,456,072</u>	<u>607,718</u>
Total expenditures	<u>7,063,790</u>	<u>7,063,790</u>	<u>6,456,072</u>	<u>607,718</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,621,262	\$ 621,262
Investment earnings	7,000	7,000	51,322	44,322
Total revenues	<u>1,007,000</u>	<u>1,007,000</u>	<u>1,672,583</u>	<u>665,583</u>
EXPENDITURES				
Current:				
Economic environment	994,197	994,197	507,442	486,755
Total current	<u>994,197</u>	<u>994,197</u>	<u>507,442</u>	<u>486,755</u>
Total expenditures	<u>994,197</u>	<u>994,197</u>	<u>507,442</u>	<u>486,755</u>
Excess (deficiency) of revenues over expenditures	<u>12,803</u>	<u>12,803</u>	<u>1,165,141</u>	<u>1,152,338</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(555,803)	(755,803)	(695,803)	60,000
Total other financing sources (uses)	<u>(555,803)</u>	<u>(755,803)</u>	<u>(695,803)</u>	<u>60,000</u>
Net change in fund balances	(543,000)	(743,000)	469,338	1,212,338
Fund balances - beginning	1,745,307	1,745,307	1,745,307	-
Fund balances - ending	<u>\$ 1,202,307</u>	<u>\$ 1,002,307</u>	<u>\$ 2,214,645</u>	<u>\$ 1,212,338</u>

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for goods and services	\$ 549,800	\$ 749,800	\$ 769,042	\$ 19,242
Investment earnings	200	200	1,558	1,358
Total revenues	<u>550,000</u>	<u>750,000</u>	<u>770,600</u>	<u>20,600</u>
EXPENDITURES				
Current:				
Economic environment	550,000	750,000	768,913	(18,913)
Total current	<u>550,000</u>	<u>750,000</u>	<u>768,913</u>	<u>(18,913)</u>
Total expenditures	<u>550,000</u>	<u>750,000</u>	<u>768,913</u>	<u>(18,913)</u>
Excess (deficiency) of revenues over expenditures	-	-	1,687	1,687
Net change in fund balances	-	-	1,687	1,687
Fund balances - beginning	54,050	54,050	54,050	-
Fund balances - ending	<u>\$ 54,050</u>	<u>\$ 54,050</u>	<u>\$ 55,737</u>	<u>\$ 1,687</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 351,658	\$ 760,162	\$ 169,474	\$ (590,688)
Charges for goods and services	-	-	467	467
Total revenues	<u>351,658</u>	<u>760,162</u>	<u>169,941</u>	<u>(590,221)</u>
EXPENDITURES				
Current:				
Economic environment	<u>254,678</u>	<u>801,426</u>	<u>202,407</u>	<u>599,019</u>
Total current	<u>254,678</u>	<u>801,426</u>	<u>202,407</u>	<u>599,019</u>
Total expenditures	<u>254,678</u>	<u>801,426</u>	<u>202,407</u>	<u>599,019</u>
Excess (deficiency) of revenues over expenditures	<u>96,980</u>	<u>(41,264)</u>	<u>(32,466)</u>	<u>8,798</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(199,000)</u>	<u>(215,179)</u>	<u>(7,500)</u>	<u>207,679</u>
Total other financing sources (uses)	<u>(199,000)</u>	<u>(215,179)</u>	<u>(7,500)</u>	<u>207,679</u>
Net change in fund balances	(102,020)	(256,443)	(39,966)	216,477
Fund balances - beginning	874,238	874,238	874,238	-
Fund balances - ending	<u>\$ 772,218</u>	<u>\$ 617,795</u>	<u>\$ 834,272</u>	<u>\$ 216,477</u>

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,250,672	\$ 8,630,904	\$ 510,342	\$ (8,120,562)
Charges for goods and services	300,000	300,000	74,283	(225,717)
Investment earnings	-	-	32,330	32,330
Total revenues	<u>4,550,672</u>	<u>8,930,904</u>	<u>616,954</u>	<u>(8,313,950)</u>
EXPENDITURES				
Current:				
Economic environment	4,550,672	10,220,687	641,409	9,579,278
Total current	<u>4,550,672</u>	<u>10,220,687</u>	<u>641,409</u>	<u>9,579,278</u>
Total expenditures	<u>4,550,672</u>	<u>10,220,687</u>	<u>641,409</u>	<u>9,579,278</u>
Excess (deficiency) of revenues over expenditures	-	<u>(1,289,783)</u>	<u>(24,455)</u>	<u>1,265,328</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	107,699	107,699	-
Total other financing sources (uses)	<u>-</u>	<u>107,699</u>	<u>107,699</u>	<u>-</u>
Net change in fund balances	-	(1,182,084)	83,245	1,265,328
Fund balances - beginning	2,053,982	2,053,982	2,053,982	-
Fund balances - ending	<u>\$ 2,053,982</u>	<u>\$ 871,898</u>	<u>\$ 2,137,227</u>	<u>\$ 1,265,328</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.

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, 2023

	<u>LTGO Bonds Fund</u>	<u>Fire Station 74 Bond Fund</u>	<u>Library Debt Service Fund</u>
ASSETS			
Cash and cash equivalents	\$ 261,479	\$ 719,975	\$ 31,383
Taxes receivable	-	-	36,345
Special assessments	-	-	-
Total assets	<u>\$ 261,479</u>	<u>\$ 719,975</u>	<u>\$ 67,728</u>
LIABILITIES			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	\$ -	\$ -	\$ 19,033
Unavailable revenue-unbilled LID assessments	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>19,033</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>19,033</u>
FUND BALANCES (DEFICITS)			
Restricted			
Debt service	-	719,975	48,695
Assigned			
Debt service	261,479	-	-
Total fund balances (deficits)	<u>\$ 261,479</u>	<u>\$ 719,975</u>	<u>\$ 48,695</u>
Total liabilities and fund balances (deficits)	<u>\$ 261,479</u>	<u>\$ 719,975</u>	<u>\$ 67,728</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>
\$ 110,717	\$ 857,668	\$ 88,053	\$ 2,069,275
-	-	-	36,345
-	-	3,008	3,008
<u>\$ 110,717</u>	<u>\$ 857,668</u>	<u>\$ 91,061</u>	<u>\$ 2,108,628</u>
\$ -	\$ -	\$ -	\$ 19,033
-	-	1,426	1,426
-	-	1,426	20,459
-	-	1,426	20,459
110,717	857,668	89,635	1,826,691
-	-	-	261,479
<u>\$ 110,717</u>	<u>\$ 857,668</u>	<u>\$ 89,635</u>	<u>\$ 2,088,170</u>
<u>\$ 110,717</u>	<u>\$ 857,668</u>	<u>\$ 91,061</u>	<u>\$ 2,108,628</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, 2023

	<u>LTGO Bonds Fund</u>	<u>Fire Station 74 Bond Fund</u>	<u>Library Debt Service Fund</u>
REVENUES			
Taxes	\$ -	\$ -	\$ 1,545,094
Investment earnings	17,767	6,758	19,017
Miscellaneous revenue	-	-	-
Total revenues	<u>17,767</u>	<u>6,758</u>	<u>1,564,112</u>
EXPENDITURES			
Current:			
Transportation	-	-	-
Debt service:			
Administrative charges	443	350	350
Interest	658,090	334,456	260,950
Principal retirement	620,000	335,000	1,355,000
Total expenditures	<u>1,278,533</u>	<u>669,806</u>	<u>1,616,300</u>
Excess (deficiency) of revenues over expenditures	<u>(1,260,766)</u>	<u>(663,048)</u>	<u>(52,188)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,278,091	1,260,432	-
Total other financing sources (uses)	<u>1,278,091</u>	<u>1,260,432</u>	<u>-</u>
Net change in fund balances	17,325	597,384	(52,188)
Fund balances - beginning	244,154	122,591	100,884
Fund balances - ending	<u>\$ 261,479</u>	<u>\$ 719,975</u>	<u>\$ 48,695</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>
\$ 653,435	\$ -	\$ -	\$ 2,198,529
8,199	22,243	-	73,984
-	-	4,272	4,272
<u>661,634</u>	<u>22,243</u>	<u>4,272</u>	<u>2,276,785</u>
-	28	-	28
350	-	-	1,493
261,135	-	-	1,514,631
395,000	-	-	2,705,000
<u>656,485</u>	<u>28</u>	<u>-</u>	<u>4,221,152</u>
<u>5,149</u>	<u>22,215</u>	<u>4,272</u>	<u>(1,944,367)</u>
-	-	-	2,538,523
-	-	-	2,538,523
5,149	22,215	4,272	594,157
105,568	835,453	85,364	1,494,013
<u>\$ 110,717</u>	<u>\$ 857,668</u>	<u>\$ 89,635</u>	<u>\$ 2,088,170</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 11,249	\$ 11,249	\$ 17,767	\$ 6,518
Total revenues	11,249	11,249	17,767	6,518
EXPENDITURES				
Debt service:				
Administrative charges	380	380	443	(63)
Interest	658,090	658,090	658,090	-
Principal retirement	620,000	620,000	620,000	-
Total debt service	1,278,470	1,278,470	1,278,533	(63)
Total expenditures	1,278,470	1,278,470	1,278,533	(63)
Excess (deficiency) of revenues over expenditures	(1,267,221)	(1,267,221)	(1,260,766)	6,455
OTHER FINANCING SOURCES (USES)				
Transfers in	1,278,091	1,278,091	1,278,091	-
Total other financing sources (uses)	1,278,091	1,278,091	1,278,091	-
Net change in fund balances	10,870	10,870	17,325	6,455
Fund balances - beginning	244,154	244,154	244,154	-
Fund balances - ending	\$ 255,024	\$ 255,024	\$ 261,479	\$ 6,455

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 2,500	\$ 2,500	\$ 6,758	\$ 4,258
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>6,758</u>	<u>4,258</u>
EXPENDITURES				
Debt service:				
Administrative charges	300	300	350	(50)
Interest	334,456	334,456	334,456	-
Principal retirement	335,000	335,000	335,000	-
Total debt service	<u>669,756</u>	<u>669,756</u>	<u>669,806</u>	<u>(50)</u>
Total expenditures	<u>669,756</u>	<u>669,756</u>	<u>669,806</u>	<u>(50)</u>
Excess (deficiency) of revenues over expenditures	<u>(667,256)</u>	<u>(667,256)</u>	<u>(663,048)</u>	<u>4,208</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	669,456	1,269,456	1,260,432	(9,024)
Total other financing sources (uses)	<u>669,456</u>	<u>1,269,456</u>	<u>1,260,432</u>	<u>(9,024)</u>
Net change in fund balances	2,200	602,200	597,384	(4,816)
Fund balances - beginning	122,591	122,591	122,591	-
Fund balances - ending	<u>\$ 124,791</u>	<u>\$ 724,791</u>	<u>\$ 719,975</u>	<u>\$ (4,816)</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, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 1,549,250	\$ 1,549,250	\$ 1,545,094	\$ (4,156)
Investment earnings	7,000	7,000	19,017	12,017
Total revenues	<u>1,556,250</u>	<u>1,556,250</u>	<u>1,564,112</u>	<u>7,862</u>
EXPENDITURES				
Debt service:				
Administrative charges	300	300	350	(50)
Interest	260,950	260,950	260,950	-
Principal retirement	1,355,000	1,355,000	1,355,000	-
Total debt service	<u>1,616,250</u>	<u>1,616,250</u>	<u>1,616,300</u>	<u>(50)</u>
Total expenditures	<u>1,616,250</u>	<u>1,616,250</u>	<u>1,616,300</u>	<u>(50)</u>
Excess (deficiency) of revenues over expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>(52,188)</u>	<u>7,812</u>
Net change in fund balances	(60,000)	(60,000)	(52,188)	7,812
Fund balances - beginning	100,884	100,884	100,884	-
Fund balances - ending	<u>\$ 40,884</u>	<u>\$ 40,884</u>	<u>\$ 48,695</u>	<u>\$ 7,812</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 653,435	\$ 653,435	\$ 653,435	\$ -
Investment earnings	3,000	3,000	8,199	5,199
Total revenues	<u>656,435</u>	<u>656,435</u>	<u>661,634</u>	<u>5,199</u>
EXPENDITURES				
Debt service:				
Administrative charges	300	300	350	(50)
Interest	261,135	261,135	261,135	-
Principal retirement	395,000	395,000	395,000	-
Total debt service	<u>656,435</u>	<u>656,435</u>	<u>656,485</u>	<u>(50)</u>
Total expenditures	<u>656,435</u>	<u>656,435</u>	<u>656,485</u>	<u>(50)</u>
Excess (deficiency) of revenues over expenditures	-	-	5,149	5,149
Net change in fund balances	-	-	5,149	5,149
Fund balances - beginning	<u>105,568</u>	<u>105,568</u>	<u>105,568</u>	-
Fund balances - ending	<u>\$ 105,568</u>	<u>\$ 105,568</u>	<u>\$ 110,717</u>	<u>\$ 5,149</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 6,525	\$ 6,525	\$ 22,243	\$ 15,718
Total revenues	<u>6,525</u>	<u>6,525</u>	<u>22,243</u>	<u>15,718</u>
EXPENDITURES				
Current:				
Transportation	25	25	28	(3)
Total current	<u>25</u>	<u>25</u>	<u>28</u>	<u>(3)</u>
Total expenditures	25	25	28	(3)
Excess (deficiency) of revenues over expenditures	<u>6,500</u>	<u>6,500</u>	<u>22,215</u>	<u>15,715</u>
Net change in fund balances	6,500	6,500	22,215	15,715
Fund balances - beginning	835,453	835,453	835,453	-
Fund balances - ending	<u>\$ 841,953</u>	<u>\$ 841,953</u>	<u>\$ 857,668</u>	<u>\$ 15,715</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous revenue	\$ 6,976	\$ 6,976	\$ 4,272	\$ (2,704)
Total revenues	<u>6,976</u>	<u>6,976</u>	<u>4,272</u>	<u>(2,704)</u>
Excess (deficiency) of revenues over expenditures	<u>6,976</u>	<u>6,976</u>	<u>4,272</u>	<u>(2,704)</u>
Net change in fund balances	6,976	6,976	4,272	(2,704)
Fund balances - beginning	85,364	85,364	85,364	-
Fund balances - ending	<u>\$ 92,340</u>	<u>\$ 92,340</u>	<u>\$ 89,635</u>	<u>\$ (2,704)</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.

Fire Station 76 Construction Fund - is used to account for a project to construct a fire station to serve the southwest portion of the City.

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, 2023

	Capital Improvement Fund	Fire Station 75 Construction Fund	Fire Station 73 Construction Fund	Fire Station 76 Construction Fund	Park Project Construction Fund	General Govt Construction Fund	Total Nonmajor Capital Projects Funds
ASSETS							
Cash and cash equivalents	\$ 824,709	\$ -	\$ -	\$ 1,987,119	\$ 3,066,432	\$ 1,068,681	\$ 6,946,941
Investments	1,188,833	-	-	4,060,883	8,012,491	-	13,262,206
Taxes receivable	254,585	-	-	-	-	-	254,585
Total assets	<u>\$ 2,268,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,048,002</u>	<u>\$ 11,078,923</u>	<u>\$ 1,068,681</u>	<u>\$ 20,463,732</u>
LIABILITIES							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 896,617	\$ 631,558	\$ 10,575	\$ 1,538,750
Payable to other governments	-	-	-	-	20	-	20
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,617</u>	<u>631,578</u>	<u>10,575</u>	<u>1,538,769</u>
Total liabilities and deferred inflows of resources	-	-	-	896,617	631,578	10,575	1,538,769
FUND BALANCES (DEFICITS)							
Restricted							
Capital improvements	2,268,127	-	-	5,151,385	-	-	7,419,511
Committed							
Capital improvements	-	-	-	-	10,447,345	1,058,106	11,505,451
Total fund balances (deficits)	<u>\$ 2,268,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,151,385</u>	<u>\$ 10,447,345</u>	<u>\$ 1,058,106</u>	<u>\$ 18,924,963</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,268,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,048,002</u>	<u>\$ 11,078,923</u>	<u>\$ 1,068,681</u>	<u>\$ 20,463,732</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, 2023

	Capital Improvement Fund	Fire Station 75 Construction Fund	Fire Station 73 Construction Fund	Fire Station 76 Construction Fund	Park Project Construction Fund	General Govt Construction Fund	Total Nonmajor Capital Projects Funds
REVENUES							
Taxes	\$ 3,001,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,001,060
Investment earnings	275,499	12,872	1,039	444,390	196,288	-	930,088
Miscellaneous revenue	-	-	-	-	12,000	-	12,000
Total revenues	<u>3,276,559</u>	<u>12,872</u>	<u>1,039</u>	<u>444,390</u>	<u>208,288</u>	<u>-</u>	<u>3,943,148</u>
EXPENDITURES							
Current:							
Transportation	-	-	-	-	157	-	157
Culture and recreation	-	-	-	-	98,621	-	98,621
Capital outlay:							
General government	-	-	-	-	-	93,048	93,048
Public safety	-	5,511	5,315	3,423,380	-	-	3,434,206
Culture and recreation	-	-	-	-	1,947,068	-	1,947,068
Total expenditures	<u>-</u>	<u>5,511</u>	<u>5,315</u>	<u>3,423,380</u>	<u>2,045,846</u>	<u>93,048</u>	<u>5,573,099</u>
Excess (deficiency) of revenues over expenditures	<u>3,276,559</u>	<u>7,361</u>	<u>(4,276)</u>	<u>(2,978,990)</u>	<u>(1,837,558)</u>	<u>(93,048)</u>	<u>(1,629,952)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	742,000	3,044,750	752,500	4,539,250
Transfers out	(5,208,364)	(590,976)	(53,013)	-	-	-	(5,852,354)
Total other financing sources (uses)	<u>(5,208,364)</u>	<u>(590,976)</u>	<u>(53,013)</u>	<u>742,000</u>	<u>3,044,750</u>	<u>752,500</u>	<u>(1,313,104)</u>
Net change in fund balances	(1,931,805)	(583,615)	(57,290)	(2,236,990)	1,207,192	659,452	(2,943,055)
Fund balances - beginning	4,199,932	583,615	57,290	7,388,374	9,240,153	398,654	21,868,018
Fund balances - ending	<u>\$ 2,268,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,151,385</u>	<u>\$ 10,447,345</u>	<u>\$ 1,058,106</u>	<u>\$ 18,924,963</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,010,000	\$ 3,010,000	\$ 3,001,060	\$ (8,940)
Investment earnings	4,000	4,000	275,499	271,499
Total revenues	<u>3,014,000</u>	<u>3,014,000</u>	<u>3,276,559</u>	<u>262,559</u>
Excess (deficiency) of revenues over expenditures	<u>3,014,000</u>	<u>3,014,000</u>	<u>3,276,559</u>	<u>262,559</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,208,364)	(5,208,364)	(5,208,364)	-
Total other financing sources (uses)	<u>(5,208,364)</u>	<u>(5,208,364)</u>	<u>(5,208,364)</u>	<u>-</u>
Net change in fund balances	(2,194,364)	(2,194,364)	(1,931,805)	262,559
Fund balances - beginning	4,199,932	4,199,932	4,199,932	-
Fund balances - ending	<u>\$ 2,005,568</u>	<u>\$ 2,005,568</u>	<u>\$ 2,268,127</u>	<u>\$ 262,559</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 12,872	\$ 12,872
Total revenues	<u>-</u>	<u>-</u>	<u>12,872</u>	<u>12,872</u>
EXPENDITURES				
Capital outlay:				
Public safety	-	3,000	5,511	(2,511)
Total capital outlay	<u>-</u>	<u>3,000</u>	<u>5,511</u>	<u>(2,511)</u>
Total expenditures	<u>-</u>	<u>3,000</u>	<u>5,511</u>	<u>(2,511)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(3,000)</u>	<u>7,361</u>	<u>10,361</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(600,000)	(590,976)	9,024
Total other financing sources (uses)	<u>-</u>	<u>(600,000)</u>	<u>(590,976)</u>	<u>9,024</u>
Net change in fund balances	-	(603,000)	(583,615)	19,385
Fund balances - beginning	583,615	583,615	583,615	-
Fund balances - ending	<u>\$ 583,615</u>	<u>\$ (19,385)</u>	<u>\$ -</u>	<u>\$ 19,385</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,039	\$ 1,039
Total revenues	-	-	1,039	1,039
EXPENDITURES				
Capital outlay:				
Public safety	-	3,000	5,315	(2,315)
Total capital outlay	-	3,000	5,315	(2,315)
Total expenditures	-	3,000	5,315	(2,315)
Excess (deficiency) of revenues over expenditures	-	(3,000)	(4,276)	(1,276)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(60,000)	(53,013)	6,987
Total other financing sources (uses)	-	(60,000)	(53,013)	6,987
Net change in fund balances	-	(63,000)	(57,290)	5,710
Fund balances - beginning	57,290	57,290	57,290	-
Fund balances - ending	\$ 57,290	\$ (5,710)	\$ -	\$ 5,710

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Station 76 Construction Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 444,390	\$ 444,390
Total revenues	-	-	444,390	444,390
EXPENDITURES				
Capital outlay:				
Public safety	-	8,622,111	3,423,380	5,198,731
Total capital outlay	-	8,622,111	3,423,380	5,198,731
Total expenditures	-	8,622,111	3,423,380	5,198,731
Excess (deficiency) of revenues over expenditures	-	(8,622,111)	(2,978,990)	5,643,121
OTHER FINANCING SOURCES (USES)				
Transfers in	-	742,000	742,000	-
Total other financing sources (uses)	-	742,000	742,000	-
Net change in fund balances	-	(7,880,111)	(2,236,990)	5,643,121
Fund balances - beginning	7,388,374	7,388,374	7,388,374	-
Fund balances - ending	\$ 7,388,374	\$ (491,737)	\$ 5,151,385	\$ 5,643,121

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 196,288	\$ 196,288
Miscellaneous revenue	-	1,500,000	12,000	(1,488,000)
Total revenues	-	1,500,000	208,288	(1,291,712)
EXPENDITURES				
Current:				
Transportation	-	-	157	(157)
Culture and recreation	-	-	98,621	(98,621)
Total current	-	-	98,778	(98,778)
Capital outlay:				
Culture and recreation	2,811,250	14,451,972	1,947,068	12,504,904
Total capital outlay	2,811,250	14,451,972	1,947,068	12,504,904
Total expenditures	2,811,250	14,451,972	2,045,846	12,406,126
Excess (deficiency) of revenues over expenditures	(2,811,250)	(12,951,972)	(1,837,558)	11,114,414
OTHER FINANCING SOURCES (USES)				
Transfers in	2,811,250	3,101,250	3,044,750	(56,500)
Total other financing sources (uses)	2,811,250	3,101,250	3,044,750	(56,500)
Net change in fund balances	-	(9,850,722)	1,207,192	11,057,914
Fund balances - beginning	9,240,153	9,240,153	9,240,153	-
Fund balances - ending	\$ 9,240,153	\$ (610,569)	\$ 10,447,345	\$ 11,057,914

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Capital outlay:				
General government	712,500	1,232,836	93,048	1,139,788
Total capital outlay	712,500	1,232,836	93,048	1,139,788
Total expenditures	712,500	1,232,836	93,048	1,139,788
Excess (deficiency) of revenues over expenditures	712,500	1,232,836	93,048	1,139,788
OTHER FINANCING SOURCES (USES)				
Transfers in	712,500	752,500	752,500	-
Total other financing sources (uses)	712,500	752,500	752,500	-
Net change in fund balances	-	(480,336)	659,452	1,139,788
Fund balances - beginning	398,654	398,654	398,654	-
Fund balances - ending	<u>\$ 398,654</u>	<u>\$ (81,682)</u>	<u>\$ 1,058,106</u>	<u>\$ 1,139,788</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Streets Capital Construction Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,636,390	\$ 10,475,647	\$ 4,642,047	\$ (5,833,600)
Charges for goods and services	500,000	500,000	618,419	118,419
Investment earnings	10,000	10,000	504,304	494,304
Total revenues	<u>4,146,390</u>	<u>10,985,647</u>	<u>5,764,770</u>	<u>(5,220,877)</u>
EXPENDITURES				
Current:				
Transportation	<u>3,495,000</u>	<u>4,965,807</u>	<u>4,196,447</u>	<u>769,360</u>
Total current	<u>3,495,000</u>	<u>4,965,807</u>	<u>4,196,447</u>	<u>769,360</u>
Capital outlay:				
Transportation	<u>7,209,180</u>	<u>21,545,535</u>	<u>6,359,984</u>	<u>15,185,551</u>
Total capital outlay	<u>7,209,180</u>	<u>21,545,535</u>	<u>6,359,984</u>	<u>15,185,551</u>
Total expenditures	<u>10,704,180</u>	<u>26,511,342</u>	<u>10,556,431</u>	<u>15,954,911</u>
Excess (deficiency) of revenues over expenditures	<u>(6,557,790)</u>	<u>(15,525,695)</u>	<u>(4,791,660)</u>	<u>10,734,035</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,567,790	10,148,988	6,322,402	(3,826,586)
Transfers out	-	(742,126)	(745,525)	(3,399)
Total other financing sources (uses)	<u>6,567,790</u>	<u>9,406,862</u>	<u>5,576,877</u>	<u>(3,829,985)</u>
Net change in fund balances	10,000	(6,118,833)	785,217	6,904,050
Fund balances - beginning	<u>6,531,956</u>	<u>6,531,956</u>	<u>6,531,956</u>	-
Fund balances - ending	<u>\$ 6,541,956</u>	<u>\$ 413,123</u>	<u>\$ 7,317,173</u>	<u>\$ 6,904,050</u>

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





COMBINING FUND STATEMENTS NONMAJOR ENTERPRISE FUNDS

Solid Waste Utility Fund – is used to account for the provision of solid waste 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.

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, 2023

	Solid Waste Utility Fund	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	\$ 4,014,304	\$ 999,868	\$ 688,038	\$ 2,031,821	\$ 210,822	\$ 918,404	\$ 8,863,258
Investments	1,999,143	1,429,711	-	4,224,549	-	-	7,653,403
Customer accounts (net)	811,664	107,825	2,612	1,731,091	13,458	-	2,666,649
Due from other governments	-	368,610	-	-	-	-	368,610
Notes and contracts	-	-	150,000	-	-	-	150,000
Prepaid items	5,822	-	-	-	-	-	5,822
Inventory	-	-	74,548	-	-	-	74,548
Deposits with third parties	1,050	-	-	-	-	-	1,050
Total current assets	6,831,983	2,906,014	915,198	7,987,461	224,280	918,404	19,783,339
Noncurrent assets:							
Restricted cash and cash equivalents	2,204,039	13,575	22,432	-	-	-	2,240,045
Restricted investments	4,656,410	93,897	-	-	-	-	4,750,306
Net pension asset	628,719	34,982	-	2,922,686	-	-	3,586,387
Land	80,500	8,587	7,967,320	-	-	-	8,056,407
Depreciable assets (net)	7,710,957	10,344	947,248	168,219	231,994	-	9,068,762
Infrastructure	-	14,729,096	-	-	3,673,978	-	18,403,074
Construction in progress	2,610,177	138,395	23,513	-	-	-	2,772,085
Leases receivable	-	-	-	-	427,140	-	427,140
Total noncurrent assets	17,890,802	15,028,876	8,960,512	3,090,905	4,333,113	-	49,304,208
Total assets	24,722,785	17,934,890	9,875,710	11,078,365	4,557,393	918,404	69,087,547
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflow - amount on debt refunding	-	42,262	-	-	-	-	42,262
Deferred outflow - pension	537,472	29,905	-	1,759,647	-	-	2,327,024
Deferred outflow - OPEB	3,858	1,929	-	1,929	-	-	7,715
Total deferred outflows of resources	541,330	74,096	-	1,761,576	-	-	2,377,001
Total assets and deferred outflows of resources	\$ 25,264,115	\$ 18,008,986	\$ 9,875,710	\$ 12,839,941	\$ 4,557,393	\$ 918,404	\$ 71,464,548
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	211,381	90,563	122,961	221,375	22,551	-	668,831
Payable to other governments	21,961	3,100	15,939	140	-	-	41,139
Interfund loans payable	-	-	3,890	-	-	-	3,890
Deposits payable	-	-	5,221	-	-	918,404	923,625
Compensated absences-current	162,207	3,447	-	85,895	-	-	251,549
Total OPEB liability	4,277	2,138	-	2,138	-	-	8,553
General obligation bonds payable-current	-	-	135,000	-	85,000	-	220,000
Revenue bonds payable-current	-	30,000	-	-	-	-	30,000
Notes and contracts payable	210,526	5,530	-	-	-	-	216,057
Total current liabilities	610,352	134,780	283,010	309,548	107,551	918,404	2,363,644
Noncurrent liabilities:							
Compensated absences	162,207	3,448	-	85,895	-	-	251,549
Notes and contracts payable	3,157,895	-	-	-	-	-	3,157,895
General obligation bonds payable	-	-	2,977,035	-	1,429,258	-	4,406,293
Revenue bonds payable	-	684,210	-	-	-	-	684,210
Unearned revenue	-	-	177,827	-	-	-	177,827
Net pension liability	271,566	15,108	-	18,420	-	-	305,094
Total OPEB liability	47,562	23,781	-	23,781	-	-	95,125
Landfill closure liability	7,906,529	-	-	-	-	-	7,906,529
Total noncurrent liabilities	11,545,759	726,546	3,154,862	128,096	1,429,258	-	16,984,522
Total liabilities	12,156,111	861,326	3,437,872	437,644	1,536,808	918,404	19,348,166
DEFERRED INFLOWS OF RESOURCES							
Deferred inflow - leases	-	-	-	-	427,140	-	427,140
Deferred inflow - pension	362,280	20,158	-	925,199	-	-	1,307,637
Deferred inflow - OPEB	24,453	12,226	-	12,226	-	-	48,905
Total deferred inflows of resources	386,733	32,384	-	937,425	427,140	-	1,783,682
Total liabilities and deferred inflows of resources	12,542,843	893,710	3,437,872	1,375,069	1,963,948	918,404	21,131,848
NET POSITION							
Net investment in capital assets	7,006,038	14,139,594	5,826,045	168,219	2,371,005	-	29,510,902
Restricted for:							
Debt service	144,028	72,894	-	-	-	-	216,922
Pensions	801,017	44,568	-	3,756,938	-	-	4,602,523
Unrestricted	4,770,189	2,858,220	611,792	7,539,715	222,439	-	16,002,354
Total net position	\$ 12,721,272	\$ 17,115,276	\$ 6,437,837	\$ 11,464,872	\$ 2,593,444	\$ -	\$ 50,332,701

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, 2023

	Solid Waste Utility Fund	Stormwater Utility Fund	Golf Course Fund	Medical Services Fund	Broadband Fund	Utility Clearing Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES							
Solid waste	\$ 12,170,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,170,797
Stormwater	-	2,023,723	-	-	-	-	2,023,723
Golf course	-	-	2,529,747	-	-	-	2,529,747
Medical services	-	-	-	7,249,151	-	-	7,249,151
Broadband	-	-	-	-	331,988	-	331,988
Other operating revenues	-	-	30	-	-	-	30
Total operating revenues	12,170,797	2,023,723	2,529,777	7,249,151	331,988	-	24,305,435
OPERATING EXPENSES							
Maintenance and operations	8,177,786	863,835	1,925,881	5,352,681	-	-	16,320,183
Administrative and general	947,301	426,786	5,489	1,684,729	74,400	-	3,138,705
Taxes exp	1,537,123	228,972	68,903	82,316	3,985	-	1,921,299
Depreciation	452,435	339,582	33,837	81,863	168,231	-	1,075,948
Total operating expenses	11,114,645	1,859,175	2,034,110	7,201,589	246,615	-	22,456,135
Operating income (loss)	1,056,152	164,548	495,666	47,562	85,373	-	1,849,301
NONOPERATING REVENUES (EXPENSES)							
Investment earnings	812,159	100,485	18,687	323,659	5,655	-	1,260,645
Miscellaneous nonoperating revenues/(expenses)	393,990	709,151	753	127,427	-	-	1,231,321
Interest expense	(37,326)	(27,790)	(137,509)	-	(57,497)	-	(260,122)
Total nonoperating revenues (expenses)	1,168,822	781,846	(118,069)	451,086	(51,842)	-	2,231,844
Income (loss) before contributions and transfers	2,224,974	946,394	377,597	498,648	33,532	-	4,081,145
Transfers in	\$ -	\$ 3,399	\$ -	\$ 550,000	\$ 110,000	\$ -	\$ 663,399
Transfers out	-	-	-	(4,816)	(12,301)	-	(17,117)
Capital contributions	-	273,993	-	-	-	-	273,993
Change in net position	2,224,974	1,223,786	377,597	1,043,832	131,231	-	5,001,419
Total net position - beginning	\$ 10,496,298	\$ 15,641,490	\$ 6,060,240	\$ 10,421,040	\$ 2,462,213	\$ -	\$ 45,081,281
Prior period adjustment	-	250,000	-	-	-	-	250,000
Total net position - ending	\$ 12,721,272	\$ 17,115,276	\$ 6,437,837	\$ 11,464,872	\$ 2,593,444	\$ -	\$ 50,332,701

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Solid Waste Utility Fund	Stormwater Utility Fund	Golf Course Fund	Medical Services Fund	Broadband Fund	Utility Clearing Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash receipts from customers	\$ 12,325,478	\$ 2,054,975	\$ 2,521,195	\$ 6,812,289	\$ 378,954	\$ 117,023	\$ 24,209,915
Payments to employees	(3,461,066)	(191,224)	-	(5,757,816)	-	-	(9,410,107)
Payments to suppliers	(1,011,574)	(258,129)	(1,921,081)	(743,357)	(75,416)	(15,379)	(4,024,937)
Taxes paid	(1,492,010)	(225,951)	(59,750)	(82,179)	(3,985)	-	(1,863,874)
Payments for interfund services used	(5,008,148)	(882,123)	-	(972,723)	-	-	(6,862,995)
Net cash provided (used) by operating activities	1,352,679	497,547	540,365	(743,786)	299,553	101,645	2,048,002
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers to other funds	-	-	-	-	(12,301)	-	(12,301)
Grants and contributions	-	707,667	-	4,354	-	-	712,022
Reimbursements and recoveries	19,487	1,484	70	25	-	-	21,066
Transfers from other funds	-	3,399	-	545,184	110,000	-	658,583
Net cash provided (used) by noncapital financing activities	19,487	712,550	70	549,563	97,699	-	1,379,370
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Lease interest payments received	-	-	683	-	-	-	683
Principal paid on debt	(210,526)	(40,714)	(130,000)	-	(85,000)	-	(466,240)
Interest paid on debt	(38,653)	(30,635)	(140,380)	-	(56,015)	-	(265,682)
Payments related to acquisition, construction or improvements of capital assets	(2,753,818)	(861,300)	(77,387)	(48,243)	(126,657)	-	(3,867,403)
Bond issuance costs	-	-	(257)	-	-	-	(257)
Interfund loan principal paid	-	-	(3,890)	-	-	-	(3,890)
Proceeds from capital grants and contributions	-	(5,460)	-	-	-	-	(5,460)
Net cash provided (used) by capital and related financing activities	(3,002,998)	(938,108)	(351,232)	(48,243)	(267,672)	-	(4,608,250)
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipt of interest	466,006	65,767	18,687	323,659	5,655	-	879,774
Investments purchased	(3,308,516)	(105,019)	-	(1,148,767)	-	-	(4,562,302)
Net cash provided (used) by investing activities	3,774,522	170,785	18,687	1,472,426	5,655	-	5,442,076
Net increase (decrease) in cash and cash equivalents	2,143,693	442,775	207,890	1,229,961	135,235	101,645	4,261,198
Balances - beginning of year	4,074,650	570,668	502,580	801,860	75,587	816,759	6,842,106
Balances - end of the year	\$ 6,218,343	\$ 1,013,443	\$ 710,470	\$ 2,031,821	\$ 210,822	\$ 918,404	\$ 11,103,303
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating Income	\$ 1,056,152	\$ 164,548	\$ 495,666	\$ 47,562	\$ 85,373	\$ -	\$ 1,849,301
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	452,435	339,582	33,837	81,863	168,231	-	1,075,948
Accrued pension and OPEB expense	(315,632)	(40,495)	-	(297,222)	-	-	(653,349)
Changes in assets and liabilities:							
Accounts Payable - Supplier	(9,755)	1,632	17,197	13,003	(1,017)	117,023	138,084
Customer Receivables	185,752	31,785	(25,000)	(314,987)	46,966	(15,379)	(90,863)
Inventory	-	-	2,215	-	-	-	2,215
Salaries & Benefits Payable	(10,450)	495	-	(274,005)	-	-	(283,960)
Unearned revenues	-	-	16,448	-	-	-	16,448
Prepaid items	(5,822)	-	-	-	-	-	(5,822)
Net cash provided (used) by operating activities	\$ 1,352,679	\$ 497,547	\$ 540,365	\$ (743,786)	\$ 299,553	\$ 101,645	\$ 2,048,002
Noncash investing, capital and financing activities							
Contribution of capital assets	\$ -	\$ 273,993	\$ -	\$ -	\$ -	\$ -	\$ 273,993



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, 2023

	Central Stores Fund	Equipment Maintenance Fund	Equipment Replacement Fund	Public Works Admin & Engineering Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 615,015	\$ 1,938,174	\$ 682,985
Deposits with third parties	-	200	-	-
Investments	-	-	5,265,476	-
Customer accounts (net)	-	-	-	13,521
Due from other funds	-	-	46,097	-
Prepaid items	-	-	65,291	-
Inventory	98,464	-	-	-
Total current assets	98,464	615,215	7,315,038	696,506
Noncurrent assets:				
Depreciable assets (net)	-	43,417	21,630,742	46,943
Construction in progress	-	-	1,905,216	-
Net pension asset	-	194,486	-	697,262
Total noncurrent assets	-	237,903	23,535,958	744,205
Total assets	98,464	853,118	30,850,996	1,440,711
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - pension	-	166,261	-	596,068
Deferred outflow - OPEB	-	-	-	643
Total deferred outflows of resources	-	166,261	-	596,711
Total assets and deferred outflows of resources	\$ 98,464	\$ 1,019,379	\$ 30,850,996	\$ 2,037,422
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	3,489	136,365	214,386	133,650
Payable to other governments	174	1,097	2,618	-
Due to other funds	33,269	-	-	-
Deposits payable	-	-	-	45,773
Leases payable-current	-	-	315,561	-
Compensated absences-current	-	63,971	-	185,904
Total OPEB liability	-	-	-	713
Claims and judgments-current	-	-	-	-
Total current liabilities	36,932	201,433	532,565	366,039
Noncurrent liabilities:				
Leases payable	-	-	92,813	-
Compensated absences	-	63,971	-	185,904
Net pension liability	-	84,005	-	301,172
Total OPEB liability	-	-	-	7,927
Total noncurrent liabilities	-	147,976	92,813	495,003
Total liabilities	36,932	349,409	625,377	861,043
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - pension	-	112,066	-	401,774
Deferred inflow - OPEB	-	-	-	4,075
Total deferred inflows of resources	-	112,066	-	405,849
Total liabilities and deferred inflows of resources	36,932	461,475	625,377	1,266,892
NET POSITION				
Net investment in capital assets	-	43,417	23,127,584	46,943
Restricted for:				
Pensions	-	247,783	-	888,343
Unrestricted	61,532	266,704	7,098,034	(164,756)
Total net position	\$ 61,532	\$ 557,904	\$ 30,225,619	\$ 770,530

Workers Compensation Fund	Health Care/Benefits Plan Fund	Unemployment Fund	Post Emp Healthcare Plan Fund	Total Nonmajor Internal Service Funds
\$ 1,505,464	\$ 2,761,599	\$ 731,269	\$ 1,115,298	\$ 9,349,804
100,000	369,114	-	-	469,314
-	6,896,428	-	2,252,742	14,414,646
-	-	-	-	13,521
-	-	-	-	46,097
-	137,743	-	-	203,034
-	-	-	-	98,464
<u>1,605,464</u>	<u>10,164,885</u>	<u>731,269</u>	<u>3,368,039</u>	<u>24,594,880</u>
-	-	-	-	21,721,102
-	-	-	-	1,905,216
-	-	-	-	891,748
-	-	-	-	24,518,065
<u>1,605,464</u>	<u>10,164,885</u>	<u>731,269</u>	<u>3,368,039</u>	<u>49,112,945</u>
-	-	-	-	762,329
-	-	-	-	643
-	-	-	-	762,972
<u>\$ 1,605,464</u>	<u>\$ 10,164,885</u>	<u>\$ 731,269</u>	<u>\$ 3,368,039</u>	<u>\$ 49,875,917</u>
158,368	166,645	-	14,018	826,922
-	31	-	-	3,920
-	-	-	-	33,269
-	-	-	-	45,773
-	-	-	-	315,561
-	-	-	-	249,875
-	-	-	-	713
<u>392,047</u>	<u>2,392,900</u>	<u>15,155</u>	<u>314,138</u>	<u>3,114,241</u>
<u>550,415</u>	<u>2,559,576</u>	<u>15,155</u>	<u>328,156</u>	<u>4,590,272</u>
-	-	-	-	92,813
-	-	-	-	249,875
-	-	-	-	385,177
-	-	-	-	7,927
-	-	-	-	735,792
<u>550,415</u>	<u>2,559,576</u>	<u>15,155</u>	<u>328,156</u>	<u>5,326,064</u>
-	-	-	-	513,840
-	-	-	-	4,075
-	-	-	-	517,915
<u>550,415</u>	<u>2,559,576</u>	<u>15,155</u>	<u>328,156</u>	<u>5,843,979</u>
-	-	-	-	23,217,944
-	-	-	-	1,136,126
<u>1,055,049</u>	<u>7,605,308</u>	<u>716,113</u>	<u>3,039,883</u>	<u>19,677,867</u>
<u>\$ 1,055,049</u>	<u>\$ 7,605,308</u>	<u>\$ 716,113</u>	<u>\$ 3,039,883</u>	<u>\$ 44,031,938</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, 2023

	<u>Central Stores Fund</u>	<u>Equipment Maintenance Fund</u>	<u>Equipment Replacement Fund</u>	<u>Public Works Admin & Engineering Fund</u>
OPERATING REVENUES				
Internal service funds	\$ -	\$ 5,864,876	\$ 5,928,554	\$ 4,409,554
Other operating revenues	-	3,620	-	47,771
Total operating revenues	<u>-</u>	<u>5,868,496</u>	<u>5,928,554</u>	<u>4,457,326</u>
OPERATING EXPENSES				
Maintenance and operations	-	4,488,275	102,039	3,510,181
Administrative and general	-	878,259	134,159	489,064
Depreciation	-	6,721	2,984,375	7,630
Total operating expenses	<u>-</u>	<u>5,373,255</u>	<u>3,220,573</u>	<u>4,006,876</u>
Operating income (loss)	<u>-</u>	<u>495,241</u>	<u>2,707,981</u>	<u>450,450</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	-	384,113	30,667
Disposition of capital assets	-	-	100,000	-
Miscellaneous nonoperating revenues/(expenses)	-	737	378,932	11,385
Interest expense	-	-	(36,432)	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>737</u>	<u>826,612</u>	<u>42,052</u>
Income (loss) before contributions and transfers	<u>-</u>	<u>495,978</u>	<u>3,534,594</u>	<u>492,502</u>
Transfers in	\$ -	\$ -	\$ 840,035	\$ -
Transfers out	-	-	-	(47,500)
Change in net position	<u>-</u>	<u>495,978</u>	<u>4,374,628</u>	<u>445,002</u>
Total net position - beginning	<u>\$ 61,532</u>	<u>\$ 61,926</u>	<u>\$ 25,850,990</u>	<u>\$ 325,528</u>
Total net position - ending	<u>\$ 61,532</u>	<u>\$ 557,904</u>	<u>\$ 30,225,619</u>	<u>\$ 770,530</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 Internal Service Funds</u>
\$ 977,473	\$ 12,165,909	\$ 84,016	\$ 1,125,906	\$ 30,556,289
-	-	-	-	51,391
<u>977,473</u>	<u>12,165,909</u>	<u>84,016</u>	<u>1,125,906</u>	<u>30,607,680</u>
1,704,876	11,598,985	43,843	1,111,141	22,559,340
236,095	149,370	3,750	15,935	1,906,632
-	-	-	-	2,998,726
<u>1,940,971</u>	<u>11,748,355</u>	<u>47,593</u>	<u>1,127,076</u>	<u>27,464,698</u>
<u>(963,498)</u>	<u>417,554</u>	<u>36,424</u>	<u>(1,169)</u>	<u>3,142,982</u>
50,163	404,035	18,516	147,444	1,034,938
-	-	-	-	100,000
-	217,199	-	113,973	722,226
-	-	-	-	(36,432)
<u>50,163</u>	<u>621,235</u>	<u>18,516</u>	<u>261,417</u>	<u>1,820,732</u>
<u>(913,335)</u>	<u>1,038,788</u>	<u>54,940</u>	<u>260,247</u>	<u>4,963,713</u>
\$ -	\$ -	\$ -	\$ -	\$ 840,035
-	-	-	-	(47,500)
<u>(913,335)</u>	<u>1,038,788</u>	<u>54,940</u>	<u>260,247</u>	<u>5,756,248</u>
\$ 1,968,384	\$ 6,566,520	\$ 661,173	\$ 2,779,636	\$ 38,275,690
\$ 1,055,049	\$ 7,605,308	\$ 716,113	\$ 3,039,883	\$ 44,031,938

City of Richland, Washington
Annual Comprehensive Financial Report
Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended December 31, 2023

	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	\$ -	\$ 3,620	\$ -	\$ 557,411
Receipts from interfund services provided	-	5,864,876	5,928,554	3,891,500
Payments to employees	-	(1,058,195)	-	(3,616,862)
Payments to suppliers	(4,704)	(3,925,451)	(171,021)	(342,051)
Taxes paid	174	1,023	(76,646)	(19)
Payments for interfund services used	-	(503,816)	(91,884)	(515,587)
Net cash provided (used) by operating activities	<u>(4,530)</u>	<u>382,056</u>	<u>5,589,003</u>	<u>(25,609)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	-	-	-	(47,500)
Reimbursements and recoveries	-	737	-	11,385
Transfers from other funds	4,530	-	840,035	-
Interfund loan principal payments received	-	-	(17,358)	-
Net cash provided (used) by noncapital financing activities	<u>4,530</u>	<u>737</u>	<u>822,677</u>	<u>(36,115)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on debt	-	-	(119,610)	-
Interest paid on debt	-	-	(36,432)	-
Payments related to acquisition, construction or improvements of capital assets	-	(30,712)	(6,887,033)	(31,263)
Proceeds from sale of capital assets	-	-	481,542	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(30,712)</u>	<u>(6,561,534)</u>	<u>(31,263)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	-	-	187,930	30,667
Investments purchased	-	-	1,479,414	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>1,667,344</u>	<u>30,667</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>352,081</u>	<u>1,517,490</u>	<u>(62,320)</u>
Balances - beginning of year	<u>-</u>	<u>262,934</u>	<u>420,684</u>	<u>745,305</u>
Balances - end of the year	<u>\$ -</u>	<u>\$ 615,015</u>	<u>\$ 1,938,174</u>	<u>\$ 682,985</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income	\$ -	\$ 495,241	\$ 2,707,981	\$ 450,450
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	6,721	2,984,375	7,630
Accrued pension and OPEB expense	-	(145,724)	-	(413,739)
Changes in assets and liabilities:				
Accounts Payable - Supplier	3,828	23,760	(156,040)	(133,800)
Customer Receivables	-	-	-	(8,415)
Inventory	(8,358)	-	-	-
Salaries & Benefits Payable	-	2,058	-	72,265
Prepaid items	-	-	52,687	-
Deposits with third party	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ (4,530)</u>	<u>\$ 382,056</u>	<u>\$ 5,589,003</u>	<u>\$ (25,609)</u>

Workers Compensation Fund	Health Care/Benefits Plan Fund	Unemployment Fund	Post Emp Healthcare Plan Fund	Total
\$ 977,473	\$ 12,196,769	\$ 84,016	\$ 1,125,906	\$ 14,945,195
-	-	-	-	15,684,930
-	-	-	-	(4,675,057)
(1,544,111)	(11,232,851)	(70,545)	(1,014,923)	(18,305,658)
-	(195)	-	-	(75,663)
(114,536)	(149,370)	(3,750)	(15,935)	(1,394,878)
<u>(681,174)</u>	<u>814,354</u>	<u>9,721</u>	<u>95,048</u>	<u>6,178,869</u>
-	-	-	-	(47,500)
-	217,199	-	113,973	343,295
-	-	-	-	844,564
-	-	-	-	(17,358)
<u>-</u>	<u>217,199</u>	<u>-</u>	<u>113,973</u>	<u>1,123,002</u>
-	-	-	-	(119,610)
-	-	-	-	(36,432)
-	-	-	-	(6,949,008)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,542</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,623,509)</u>
50,163	229,962	18,516	82,509	599,748
-	723,323	-	354,559	2,557,296
<u>50,163</u>	<u>953,285</u>	<u>18,516</u>	<u>437,069</u>	<u>3,157,044</u>
<u>(631,012)</u>	<u>1,984,838</u>	<u>28,237</u>	<u>646,090</u>	<u>3,835,406</u>
<u>2,136,476</u>	<u>776,761</u>	<u>703,031</u>	<u>469,208</u>	<u>5,514,398</u>
<u>\$ 1,505,464</u>	<u>\$ 2,761,599</u>	<u>\$ 731,269</u>	<u>\$ 1,115,298</u>	<u>\$ 9,349,804</u>
\$ (963,498)	\$ 417,554	\$ 36,424	\$ (1,169)	\$ 3,142,982
-	-	-	-	2,998,726
-	-	-	-	(559,463)
282,324	367,734	(26,703)	96,218	457,320
-	30,860	-	-	22,445
-	-	-	-	(8,358)
-	-	-	-	74,324
-	(8,759)	-	-	43,928
-	6,964	-	-	6,964
<u>(681,174)</u>	<u>814,354</u>	<u>9,721</u>	<u>95,048</u>	<u>6,178,869</u>



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 communications 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 communications system that carries radio transmissions.

VHF (Very High Frequency) Fund – is used to account for activities of the VHF communications system that carries radio transmissions.



City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Fiduciary Net Position
Custodial funds
December 31, 2023

	Columbia Point Master Association Fund	Uptown Business Improvement District Fund	Downtown Business Improvement District Fund	Southeast Communications Center Fund
ASSETS				
Cash and cash equivalents	\$ 40,177	\$ 6,672	\$ 9,796	\$ 3,815,237
Other current assets	-	-	-	6,558
Receivables:				
Accounts Receivable	32	8,757	5,044	255,300
Due from other governments	-	-	-	285,877
Leases receivable	-	-	-	-
Total receivables	<u>32</u>	<u>8,757</u>	<u>5,044</u>	<u>541,177</u>
Total current assets	<u>40,209</u>	<u>15,428</u>	<u>14,840</u>	<u>4,362,971</u>
Noncurrent Assets:				
Land	-	-	-	-
Depreciable assets (net)	-	-	-	2,049,129
Total noncurrent asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,049,129</u>
Total assets	<u>40,209</u>	<u>15,428</u>	<u>14,840</u>	<u>6,412,101</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - leases	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>40,209</u>	<u>15,428</u>	<u>14,840</u>	<u>6,412,101</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 721	\$ 15,428	\$ 14,840	\$ 18,781
Salaries payable	-	-	-	166,494
Total current liabilities	<u>721</u>	<u>15,428</u>	<u>14,840</u>	<u>185,275</u>
Long-term liabilities:				
Employee leave benefits	-	-	-	166,494
Leases payable	-	-	-	45,448
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,941</u>
Total liabilities	<u>721</u>	<u>15,428</u>	<u>14,840</u>	<u>397,217</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - leases	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>721</u>	<u>15,428</u>	<u>14,840</u>	<u>397,217</u>
NET POSITION				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ 1,999,974
Restricted for organizations and other governments	39,488	-	-	4,014,910
Total net position	<u>\$ 39,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,014,884</u>

<u>800 MHz Fund</u>	<u>Emergency Management Fund</u>	<u>Microwave Fund</u>	<u>VHF Fund</u>	<u>Total Custodial Funds</u>
\$ 1,950,002	\$ -	\$ 165,299	\$ 98,440	\$ 6,085,621
-	-	-	-	6,558
163,596	-	-	-	432,729
-	230,211	-	-	516,087
96,909	-	-	-	96,909
<u>260,505</u>	<u>230,211</u>	<u>-</u>	<u>-</u>	<u>1,045,726</u>
<u>2,210,508</u>	<u>230,211</u>	<u>165,299</u>	<u>98,440</u>	<u>7,137,906</u>
-	14,593	-	-	14,593
1,324,772	932,577	6,631	88,755	4,401,864
1,324,772	947,170	6,631	88,755	4,416,457
3,535,279	1,177,381	171,930	187,194	11,554,363
407,125	-	-	-	407,125
407,125	-	-	-	407,125
3,942,405	1,177,381	171,930	187,194	11,961,488
\$ 93,407	\$ 109,909	\$ 3,669	\$ -	\$ 256,756
-	30,688	-	-	197,182
93,407	140,597	3,669	-	453,938
-	30,688	-	-	197,182
407,513	3,271	-	-	456,231
407,513	33,959	-	-	653,414
500,920	174,557	3,669	-	1,107,351
\$ 96,909	\$ -	\$ -	\$ -	\$ 96,909
96,909	-	-	-	96,909
597,829	174,557	3,669	-	1,204,261
\$ 1,324,352	\$ 943,632	\$ 6,631	\$ -	\$ 4,274,590
2,020,223	59,191	161,630	187,194	6,482,638
<u>\$ 3,344,575</u>	<u>\$ 1,002,824</u>	<u>\$ 168,262</u>	<u>\$ 187,194</u>	<u>\$ 10,757,227</u>

City of Richland, Washington
Annual Comprehensive Financial Report
Combining Statement of Changes in Fiduciary Net Position
Custodial funds
December 31, 2023

	Columbia Point Master Association Fund	Uptown Business Improvement District Fund	Downtown Business Improvement District Fund	Southeast Communications Center Fund
ADDITIONS				
Collections from participants	\$ 11,926	\$ -	\$ -	\$ 5,135,855
Grant revenues	-	-	-	56,448
Tax revenues	-	-	-	2,924,446
Site and facilities rent	-	-	-	-
Contributions for capital projects	-	-	-	-
Interest earnings	999	-	-	103,239
Total additions	<u>12,926</u>	<u>-</u>	<u>-</u>	<u>8,219,988</u>
DEDUCTIONS				
Supplies	\$ -	\$ -	\$ -	\$ 21,601
Charges for goods and services	1,447	-	-	6,358,270
Repairs and maintenance	9,032	-	-	743,409
Admin services - Richland	-	-	-	483,288
Disposition of capital assets	-	-	-	-
Depreciation expense	-	-	-	271,932
Total deductions	<u>\$ 10,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,878,500</u>
Net increase (decrease) in fiduciary net position	<u>2,447</u>	<u>-</u>	<u>-</u>	<u>341,487</u>
Net Position -- beginning	37,041	-	-	5,792,327
Prior period adjustment	-	-	-	(118,931)
Net Position -- ending	<u>\$ 39,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,014,884</u>

<u>800 MHz Fund</u>	<u>Emergency Management Fund</u>	<u>Microwave Fund</u>	<u>VHF Fund</u>	<u>Total Custodial Funds</u>
\$ 1,072,975	\$ 120,709	\$ 114,516	\$ 186,494	\$ 6,642,476
-	963,165	-	-	1,019,613
-	-	-	-	2,924,446
32,653	1,800	-	-	34,453
1,250,000	-	-	-	1,250,000
39,336	(3,353)	4,739	-	144,960
<u>2,394,965</u>	<u>1,082,320</u>	<u>119,255</u>	<u>186,494</u>	<u>12,015,947</u>
\$ 1	\$ 7,654	\$ -	\$ -	\$ 29,256
314,992	921,912	27,840	-	7,624,461
770,173	78,320	74,358	-	1,675,292
22,201	52,281	7,130	-	564,900
-	2,819	-	-	2,819
464,087	66,145	3,884	-	806,049
<u>\$ 1,571,454</u>	<u>\$ 1,129,131</u>	<u>\$ 113,212</u>	<u>\$ -</u>	<u>\$ 10,702,777</u>
823,511	(46,811)	6,042	186,494	1,313,171
2,521,064	1,055,893	162,220	700	9,569,245
-	(6,258)	-	-	(125,188)
<u>\$ 3,344,575</u>	<u>\$ 1,002,824</u>	<u>\$ 168,262</u>	<u>\$ 187,194</u>	<u>\$ 10,757,227</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 2023 & 2014

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, 2023
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 2023 & 2014

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Taxes	\$ 66,151,451	\$ 65,275,841	\$ 63,917,276	\$ 55,656,410	\$ 59,102,905	\$ 53,819,838	\$ 50,437,949	\$ 48,562,310	\$ 45,726,501	\$ 41,977,970
Licenses & permits	2,724,436	2,698,804	2,857,982	2,904,936	3,072,778	2,436,923	2,557,508	2,840,787	2,677,317	2,599,993
Intergovernmental	12,550,333	7,330,545	10,477,293	14,610,087	18,350,424	15,061,570	5,518,666	6,440,906	5,948,208	8,144,118
Charges for services	18,293,408	16,803,479	16,726,400	15,716,070	15,545,520	14,047,140	13,083,228	12,137,127	8,128,419	7,704,122
Fines & forfeits	561,423	343,953	462,109	435,646	531,612	564,618	515,624	607,288	818,967	817,764
Investment earnings	4,066,719	(3,378,687)	(200,416)	1,010,093	1,395,211	839,390	417,954	262,805	288,682	306,015
Rents & leases	2,971,926	1,985,631	1,566,957	1,284,412	1,703,300	1,484,560	1,435,088	1,515,781	1,453,179	717,412
Miscellaneous revenues	1,594,339	1,048,342	540,317	586,646	4,532,259	893,940	1,156,305	876,706	572,642	854,155
Disposition of land held for sale	1,494,088	878,370	1,983,576	1,320,538	4,313,670	1,290,592	1,617,234	502,203	248,812	3,500,027
Total revenues	110,408,123	92,986,277	98,331,494	93,524,838	108,547,679	90,438,571	76,739,556	73,745,913	65,862,727	66,621,576
EXPENDITURES										
<i>Current:</i>										
Judicial	775,285	556,123	661,551	675,038	599,116	787,356	612,709	736,826	752,070	685,091
General government	19,102,996	17,134,758	16,411,906	15,957,875	16,597,904	15,245,682	14,353,222	14,043,533	13,379,397	13,729,256
Public safety	38,247,125	33,928,214	33,158,191	32,567,083	30,819,018	29,815,564	26,627,012	24,484,789	20,044,753	18,986,726
Physical environment	1,233,360	101,323	-	-	-	-	-	246,912	243,518	239,111
Transportation	8,169,281	7,349,447	6,941,842	4,621,728	4,657,494	4,929,654	4,782,030	4,103,281	3,627,432	3,338,151
Health & human services	27,310	9,053	17,471	16,285	15,748	13,806	14,200	14,097	11,954	8,742
Economic environment	6,244,236	5,591,900	7,560,155	6,797,957	5,239,599	4,717,066	5,714,353	4,792,141	4,919,136	8,960,064
Culture & recreation	9,460,355	9,306,170	8,342,555	7,448,762	7,733,056	7,841,734	6,998,649	6,606,846	6,407,652	5,850,173
<i>Debt service:</i>										
Administrative Charges/Other	1,493	2,559	-	1,279	1,280	1,078	152,929	2,104	149,563	4,856
Interest	1,517,709	1,609,512	1,737,699	1,683,376	1,655,448	1,726,973	1,476,869	1,339,549	1,424,949	1,649,496
Principal	2,824,063	2,658,524	2,737,994	2,447,470	2,566,950	2,476,436	6,488,834	3,486,943	5,306,461	3,179,431
<i>Capital Outlay:</i>										
General government	1,494,391	632,493	524,404	598,646	5,137,201	13,423,709	3,089,439	683,833	147,702	542,084
Public safety	3,463,973	2,575,623	7,608,156	1,713,801	277,871	324,145	59,164	46,549	2,652,865	764,037
Physical environment	-	-	-	-	-	-	-	-	-	-
Transportation	6,392,427	5,181,077	7,983,652	12,314,550	18,441,032	14,774,742	6,615,162	4,703,783	3,642,872	4,851,676
Economic environment	273,439	284,940	82,132	153,957	111,118	262,400	887,594	443,802	962,546	651,117
Culture & recreation	2,536,908	1,280,466	513,118	1,271,619	915,445	1,636,199	1,160,433	824,702	2,007,747	1,673,709
Total expenditures	101,764,350	88,202,180	94,280,826	88,269,426	94,768,280	97,976,544	79,032,599	66,559,690	65,680,617	65,113,720
Excess (deficiency) of revenues over (under) expenditures	8,643,774	4,784,097	4,050,668	5,255,412	13,779,399	(7,537,973)	(2,293,043)	7,186,223	182,110	1,507,856
OTHER FINANCING SOURCES (USES)										
Transfers in	16,602,624	28,525,735	13,166,544	12,613,940	8,744,411	13,405,039	10,056,533	4,806,778	5,592,968	8,392,194
Transfers out	(17,830,123)	(30,699,490)	(13,788,193)	(14,246,028)	(9,790,069)	(14,975,184)	(11,399,276)	(5,584,031)	(9,007,349)	(9,254,722)
Leases and SBITAs	234,278	-	-	-	-	-	-	-	-	-
Debt issued	-	-	-	5,445,000	-	-	16,130,000	294,318	15,098,361	3,355,000
Premium on general obligation debt	-	-	-	1,585,468	-	-	2,129,817	-	1,565,869	123,353
Payment to ref. bond escrow agent	-	-	-	-	-	-	-	-	(13,794,724)	-
Disposition of capital assets	32,427	-	-	-	715,549	352,114	17,570	6,681	38,710	214,310
Insurance recoveries	111	31,523	-	-	-	-	-	10,000	-	-
Total other financing sources (uses)	(960,683)	(2,142,231)	(621,649)	5,398,380	(330,109)	(1,218,031)	16,934,644	(466,254)	(506,165)	2,830,135
Net change in fund balances	7,683,091	2,641,866	3,429,019	10,653,792	13,449,290	(8,756,004)	14,641,601	6,719,969	(324,055)	4,337,991
Prior period adjustments	-	11,852	-	-	-	(56,502)	-	(18,633)	-	(786,281)
Total net change in fund balances	\$ 7,683,091	\$ 2,653,718	\$ 3,429,019	\$ 10,653,792	\$ 13,449,290	\$ (8,812,506)	\$ 14,641,601	\$ 6,701,336	\$ (324,055)	\$ 3,551,710
Debt service as a % of noncapital expenditures	4.96%	5.46%	5.77%	5.72%	6.04%	6.22%	12.08%	8.07%	12.23%	8.54%

City of Richland, Washington
Annual Comprehensive Financial Report
Statistical Section - Financial Trends Information
Table 2 - Net Position
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 172,504,756	\$ 163,201,508	\$ 166,048,664	\$ 152,919,749	\$ 137,734,724	\$ 115,682,836	\$ 98,465,338	\$ 92,515,556	\$ 77,921,984	\$ 77,393,420
Restricted	58,327,151	57,540,069	47,456,434	39,211,657	34,155,664	26,047,147	38,243,623	27,908,406	12,390,522	13,984,508
Unrestricted	62,558,906	49,365,827	41,544,977	34,034,006	17,847,924	3,913,192	(2,019,224)	2,628,947	4,241,680	11,434,107
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	293,390,813	270,107,404	255,050,075	226,165,412	189,738,312	145,643,175	134,689,737	123,052,909	94,554,186	102,812,035
BUSINESS-TYPE										
Net Investment in Capital Assets	\$256,105,422	\$231,842,676	\$209,892,995	203,775,917	193,750,024	178,824,569	167,556,016	158,307,907	150,079,976	146,876,162
Restricted	31,369,027	32,637,350	28,163,288	23,139,958	20,617,643	18,131,696	18,479,222	15,883,919	16,628,777	14,119,797
Unrestricted	52,672,792	44,838,536	48,407,488	35,772,255	28,242,454	23,231,265	18,508,853	16,376,163	14,315,523	19,969,244
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	340,147,242	309,318,562	286,463,771	262,688,130	242,610,121	220,187,530	204,544,091	190,567,989	181,024,276	180,965,203
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	428,610,178	395,044,184	375,941,659	356,695,666	331,484,748	294,507,405	266,021,354	250,823,463	228,001,960	224,269,582
Restricted	89,696,178	90,177,419	75,619,722	62,351,615	54,773,307	44,178,843	56,722,845	43,792,325	29,019,299	28,104,305
Unrestricted	115,231,699	94,204,363	89,952,465	69,806,261	46,090,378	27,144,457	16,489,629	19,005,110	18,557,203	31,403,351
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 633,538,055	\$ 579,425,966	\$ 541,513,846	\$ 488,853,542	\$ 432,348,433	\$ 365,830,705	\$ 339,233,828	\$ 313,620,898	\$ 275,578,462	\$ 283,777,238

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
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Table 3 - Changes in Net Position
Last Ten Years (accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
<i>Governmental Activities:</i>										
Judicial	\$ 775,285	\$ 556,123	\$ 661,551	\$ 675,038	\$ 599,116	\$ 787,356	\$ 612,709	\$ 736,826	\$ 752,070	\$ 685,091
General Government	19,297,418	17,905,125	13,652,099	16,312,009	15,831,173	14,126,892	14,468,015	15,442,282	14,260,390	14,389,809
Public Safety	36,626,905	29,068,229	29,806,690	16,625,311	29,194,924	31,185,534	27,228,765	26,983,227	21,032,731	24,966,795
Transportation	12,561,427	11,824,546	10,403,708	7,313,605	7,135,385	7,516,617	7,531,674	6,534,382	11,977,801	11,719,930
Health & human services	27,310	9,053	17,471	16,285	15,748	13,806	14,200	14,097	11,954	8,742
Economic Environment	5,960,588	6,103,614	6,459,960	5,940,607	5,109,855	4,717,912	6,645,265	5,594,614	5,456,432	9,544,697
Culture & Recreation	10,446,145	10,221,142	7,238,877	8,305,056	8,613,042	8,332,412	8,002,424	8,005,109	7,821,561	11,051,111
Physical Environment	1,233,360	101,323	-	-	-	-	-	246,912	243,518	239,111
Interest on Long-Term Debt	1,229,343	1,322,491	1,447,430	1,497,678	1,427,307	1,500,043	1,553,294	1,229,272	1,489,579	1,583,907
Total Governmental Activities	88,157,781	77,111,645	69,687,787	56,685,589	67,926,550	68,180,572	66,056,346	64,786,721	63,046,036	74,189,193
<i>Business-Type Activities:</i>										
Electric & Gas	68,670,617	72,351,881	68,841,236	70,718,531	72,855,019	65,108,241	62,473,834	59,375,689	54,615,686	54,489,969
Water	13,044,728	12,511,940	12,965,380	12,540,030	12,332,021	10,909,729	10,125,955	10,989,873	9,903,328	10,332,007
Wastewater	9,285,780	9,170,006	9,357,585	8,826,423	8,596,204	7,541,067	7,806,872	8,265,826	6,880,869	7,493,696
Solid Waste	9,628,268	9,246,074	10,343,972	9,743,184	8,952,933	8,246,186	6,811,779	5,812,417	8,675,356	6,930,515
Stormwater	1,701,907	1,638,167	1,756,865	1,719,618	1,419,133	1,301,397	1,271,385	1,306,497	1,532,140	1,343,853
Golf Course	2,171,620	2,097,267	2,014,493	1,709,015	1,815,612	1,789,526	1,965,153	1,717,876	1,612,671	1,596,480
Medical Services	7,019,981	6,608,159	5,206,762	4,715,737	4,571,069	3,967,526	4,163,413	3,602,718	3,036,998	3,363,682
Broadband	304,112	294,241	265,445	251,078	270,228	231,724	237,998	174,712	180,575	175,358
Total Business-Type Activities	111,827,013	113,917,734	110,751,737	110,223,616	110,812,219	99,095,396	94,856,389	91,245,608	86,437,623	85,725,560
Total Primary Government Expenses	199,984,794	191,029,379	180,439,524	166,909,205	178,738,769	167,275,968	160,912,735	156,032,329	149,483,659	159,914,753
Program Revenues										
<i>Governmental Activities:</i>										
<i>Charges for Services</i>										
Judicial	554,264	336,493	452,849	420,992	497,053	519,437	472,196	559,077	768,944	769,654
General Government	9,958,215	8,281,793	9,075,843	9,306,763	8,544,831	8,334,328	8,623,083	7,444,746	7,343,592	6,761,340
Public Safety	7,383,702	6,593,904	6,709,971	5,864,076	5,859,765	5,219,306	4,100,340	3,989,347	273,209	259,832
Transportation	1,373,561	1,012,209	1,055,422	967,665	1,278,042	1,036,609	962,535	782,394	1,020,948	831,610
Health & human services	3,824	6,494	8,658	17,112	25,512	30,474	26,229	41,360	111,038	68,991
Economic Environment	5,227,314	4,845,849	3,933,683	3,562,126	4,448,353	3,102,156	2,808,648	4,095,516	2,981,634	3,071,528
Culture & Recreation	1,261,058	1,595,767	908,681	771,865	1,290,908	1,154,397	1,121,617	1,401,316	986,815	895,685
Physical Environment	-	-	-	-	-	-	-	49,105	53,203	55,542
Operating Grants and Contributions	6,488,847	2,476,719	2,543,280	4,478,358	1,604,826	1,728,186	1,814,309	1,826,779	2,184,976	1,440,860
Capital Grants and Contributions	5,111,623	4,600,065	7,394,837	8,762,071	18,633,098	11,936,936	2,300,608	3,343,624	2,544,143	5,296,154
Total Governmental Activities	\$ 37,362,409	\$ 29,749,294	\$ 32,083,223	\$ 34,151,028	\$ 42,182,388	\$ 33,061,829	\$ 22,229,565	\$ 23,533,264	\$ 18,268,502	\$ 19,451,196

City of Richland, Washington
Annual Comprehensive Financial Report
Table 3 - Changes in Net Position (continued)
Last Ten Years (accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<i>Business-Type Activities:</i>										
Charges for Services										
Electric	\$ 80,954,339	\$ 80,511,614	\$ 77,478,580	\$ 73,997,549	\$ 76,239,732	\$ 71,214,318	\$ 67,972,784	\$ 63,520,869	\$ 57,994,539	\$ 57,340,303
Water	14,918,644	15,437,196	16,906,486	16,166,066	15,652,694	15,600,674	14,600,499	14,691,287	14,407,590	13,902,732
Sewer	10,340,698	10,381,565	9,717,026	9,753,196	9,778,836	9,627,892	9,514,786	9,269,282	9,186,121	8,962,953
Solid Waste	12,189,629	12,124,700	11,488,700	10,598,356	12,044,824	9,706,336	9,537,730	8,628,477	8,346,077	7,712,288
Stormwater	2,025,207	2,031,701	1,980,786	1,947,580	2,037,682	1,955,661	1,870,758	2,448,339	2,103,726	2,303,127
Golf Course	2,529,847	2,230,022	2,218,517	1,689,295	1,836,209	1,910,150	1,707,171	1,743,990	1,605,653	1,555,413
Medical Services	7,249,730	7,075,998	7,330,019	5,759,418	4,878,409	4,527,284	3,723,437	3,857,186	3,401,521	3,282,576
Broadband	321,649	264,647	230,028	329,883	192,430	283,654	158,209	150,025	178,484	240,000
Operating Grants and Contributions	834,515	1,183,261	1,316,500	1,160,728	83,577	71,628	68,893	68,092	63,827	204,324
Capital Grants and Contributions	4,835,632	6,106,815	5,554,974	5,921,686	7,027,369	9,495,661	6,821,950	4,269,608	4,367,793	4,882,561
Total Business-Type Activities	136,199,890	137,347,519	134,221,616	127,323,757	129,771,762	124,393,258	115,976,217	108,647,155	101,655,331	100,386,277
Total Primary Government Revenues	173,562,299	167,096,814	166,304,839	161,474,785	171,954,150	157,455,087	138,205,782	132,180,419	119,923,833	119,837,473
Net (Expense)/Revenue										
Governmental Activities	(50,795,372)	(47,362,350)	(37,604,565)	(22,534,561)	(25,744,162)	(35,118,743)	(43,826,781)	(41,253,457)	(44,777,534)	(54,737,997)
Business-type Activities	24,372,877	23,429,785	23,469,879	17,100,141	18,959,543	25,297,862	21,119,828	17,401,547	15,217,708	14,660,717
Total Primary Government Net Expense	(26,422,494)	(23,932,565)	(14,134,685)	(5,434,420)	(6,784,619)	(9,820,881)	(22,706,953)	(23,851,910)	(29,559,826)	(40,077,280)
General Revenues										
<i>Governmental Activities:</i>										
Property Taxes	21,638,312	20,870,527	20,167,579	19,278,175	18,939,382	18,319,976	17,600,966	16,889,650	16,201,248	15,622,185
Sales Taxes	22,837,235	22,003,755	20,863,564	17,099,573	17,667,476	15,611,345	14,892,805	14,434,778	13,215,616	10,991,080
Utility Occupation Taxes	14,595,817	14,339,356	13,855,423	13,469,212	14,068,359	3,242,019	3,725,839	3,383,237	3,597,958	3,952,587
Other Taxes	8,796,502	10,332,684	10,992,708	7,628,392	10,247,071	8,574,620	6,564,709	6,611,152	6,281,555	4,847,975
Investment Earnings	5,066,645	(3,693,043)	(227,679)	1,215,863	1,727,561	1,032,320	519,872	331,460	404,278	564,215
Disposition of Capital Assets	32,427	-	-	-	715,549	352,114	17,569	6,681	-	-
Disposition of Land Held for Resale	1,340,904	567,109	1,690,686	1,186,418	3,377,600	1,056,736	1,557,892	441,158	287,522	3,714,337
Insurance Recoveries	111	31,523	-	-	-	-	-	10,000	-	-
Miscellaneous	-	-	-	1,300,428	3,832,977	4,977,922	2,474,746	5,517,170	650,375	1,232,707
Transfers	(1,227,498)	(2,173,755)	(853,048)	(1,632,088)	(1,129,657)	8,317,012	8,109,211	8,196,381	4,581,273	7,073,433
Total Governmental Activities	73,080,454	62,278,156	66,489,232	59,545,973	69,446,318	61,484,064	55,463,609	55,821,667	45,219,825	47,998,519
<i>Business-Type Activities:</i>										
Investment Earnings	4,764,032	(3,161,880)	(522,903)	984,136	2,079,732	1,230,805	677,884	342,502	427,386	414,790
Disposition of Capital Assets	100,000	384,418	(3,702)	331,594	125,000	-	-	-	-	-
Insurance Recoveries	114,273	-	38,720	30,048	-	-	28,204	-	-	-
Transfers	1,227,498	2,173,755	853,048	1,632,088	1,129,657	(8,317,012)	(8,109,211)	(8,196,381)	(4,581,273)	(7,073,433)
Total Business-Type Activities	6,205,802	(603,707)	365,163	2,977,866	3,334,389	(7,086,207)	(7,403,123)	(7,853,879)	(4,153,887)	(6,658,643)
Total Primary Government	\$ 79,286,256	\$ 61,674,450	\$ 66,854,394	\$ 62,523,839	\$ 72,780,707	\$ 54,397,857	\$ 48,060,486	\$ 47,967,788	\$ 41,065,938	\$ 41,339,876

City of Richland, Washington
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Table 3 - Changes in Net Position (concluded)
Last Ten Years (accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Change in Net Position - Current Year										
Governmental Activities	\$ 22,285,082	\$ 14,915,806	\$ 28,884,667	\$ 37,011,412	\$ 43,702,156	\$ 26,365,321	\$ 11,636,828	\$ 14,568,210	\$ 442,291	\$ (6,739,478)
Business-type Activities	30,578,680	22,826,079	23,835,042	20,078,007	22,293,932	18,211,655	13,716,705	9,547,668	11,063,821	8,002,074
Total Change - Current Year	52,863,762	37,741,885	52,719,709	57,089,419	65,996,088	44,576,976	25,353,533	24,115,878	11,506,112	1,262,596
Change in Net Position - Changes in Accounting Principles										
Governmental Activities	-	-	-	-	-	(17,592,563)	-	-	(8,700,140)	-
Business-type Activities	-	-	-	-	-	(2,568,216)	-	-	(10,978,522)	-
Total Change - Accounting Principles	-	-	-	-	-	(20,160,779)	-	-	(19,678,662)	-
Change in Net Position - Prior Period Adjustments										
Governmental Activities	998,328	141,523	-	(584,308)	392,979	2,180,680	-	13,930,513	-	(786,281)
Business-type Activities	250,000	28,714	(59,401)	-	128,659	-	259,397	(3,955)	(26,226)	(1,076,518)
Total Change - Prior Period Adjustments	1,248,328	170,237	(59,401)	(584,308)	521,638	2,180,680	259,397	13,926,558	(26,226)	(1,862,799)
Total Change in Net Position	\$ 54,112,090	\$ 37,912,122	\$ 52,660,309	\$ 56,505,111	\$ 66,517,726	\$ 26,596,877	\$ 25,612,930	\$ 38,042,436	\$ (8,198,776)	\$ (600,203)

In 2015, the beginning balance of Net Position was restated by \$19,678,662 to reflect the effects of implementation of GASB Statement No. 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 No. 73, *Accounting and Financial Reporting for Pensions and Related Assets, That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement No. 67 and 68 and (ii) GASB Statement No. 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

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Table 4 - Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 40,408	\$ 109,514	\$ 65,454	\$ 25,361	\$ 13,708	\$ 67,994	\$ -	\$ 26,818	\$ 19,425	\$ 2,379,932
Restricted (1)	3,992,453	3,662,113	3,161,436	2,811,138	1,103,590	151,394	288,901	472,947	431,324	275,916
Committed	775,762	762,410	668,624	662,129	593,739	707,423	756,161	750,998	958,643	1,102,645
Assigned (2)	74,718	60,403	57,865	57,865	75,865	109,561	103,961	107,808	104,662	236,704
Unassigned (3)	34,157,083	28,379,837	40,812,719	32,682,828	28,512,010	24,634,653	22,581,155	17,805,052	11,012,089	6,991,885
Total General Fund	39,040,425	32,974,277	44,766,097	36,239,321	30,298,912	25,671,025	23,730,178	19,163,623	12,526,143	10,987,082
All Other Governmental Funds										
Nonspendable	38,578	66,391	71,787	62,001	55,446	79,661	61,344	120,042	73,290	69,239
Restricted (1)	19,054,032	21,896,403	14,118,967	21,534,462	18,482,651	12,742,395	10,956,870	13,912,020	11,959,198	14,063,433
Committed	17,528,913	13,479,905	9,764,799	9,059,291	8,640,710	5,384,413	18,975,989	4,603,581	4,536,674	4,624,882
Assigned (2)	7,802,582	7,351,636	4,393,243	2,790,800	1,573,373	1,724,178	426,890	1,187,186	2,851,066	2,338,337
Unassigned (3)	(12,828)	-	-	-	(124)	-	(1,109,274)	(586,056)	(247,311)	(59,858)
Total All Other Governmental Funds	\$ 44,411,277	\$ 42,794,335	\$ 28,348,796	\$ 33,446,554	\$ 28,752,056	\$ 19,930,647	\$ 29,311,819	\$ 19,236,773	\$ 19,172,917	\$ 21,036,033

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 No. 73, paragraph 115.

City of Richland, Washington
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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	TOTAL TAXES
2023	\$ 19,955,053	\$ 1,868,529	\$ 18,519,562	\$ 4,317,672	\$ 14,595,817	\$ 2,272,496	\$ 3,001,060	\$ 1,621,262	\$ 66,151,451
2022	18,786,557	1,795,617	17,907,212	4,096,543	14,339,356	2,090,405	4,706,045	1,554,206	65,275,941
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	64,453,817
2020	17,488,108	1,777,993	13,892,505	3,207,068	13,469,212	1,490,564	3,260,038	715,356	55,300,844
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	58,524,957
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	53,261,986
2017	15,364,256	2,223,821	12,108,165	2,784,640	13,177,794	869,242	2,287,720	1,078,039	49,893,677
2016	14,722,114	2,158,587	11,674,335	2,760,442	12,356,871	851,112	2,604,109	951,284	48,078,854
2015	13,980,379	2,214,160	10,650,322	2,565,294	11,593,613	556,328	2,723,306	958,100	45,241,502
2014	13,596,507	2,060,964	10,065,562	925,518	11,888,548	515,103	1,687,157	824,271	41,563,630
CHANGE									
2014-2023	46.77%	-9.34%	83.99%	366.51%	22.77%	341.17%	77.88%	96.69%	59.16%

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.

The Other Tax category includes Admission, Leasehold, gambling and TBD fees.

City of Richland, Washington
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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
2023	\$ 21,639,483	\$ (75,519)	\$ 21,563,964	\$ 21,114,582	97.57%	\$ -	\$ 21,114,582	97.92%
2022	20,750,116	(35,395)	20,714,720	20,315,198	97.90%	238,964	20,554,162	99.22%
2021	20,096,569	(51,547)	20,045,022	19,892,966	98.99%	114,199	20,007,165	99.81%
2020	19,201,466	(1,052)	19,200,414	19,022,719	99.07%	161,975	19,184,693	99.92%
2019	18,921,267	(67,642)	18,853,625	18,684,797	98.75%	167,540	18,852,337	99.99%
2018	18,379,482	(44,023)	18,335,459	18,095,807	98.46%	239,636	18,335,442	100.00%
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%

SOURCE:
 Benton County Treasurer

City of Richland, Washington
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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
2023	\$ 9,695,779	\$ 224,634	\$ 39,346	\$ 9,959,760	\$ 2.1733
2022	8,656,171	210,256	43,891	8,910,318	2.3295
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

SOURCE:
 Benton County Assessor's Office
 (Property Values in \$1,000)

City of Richland, Washington
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 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
2023	\$ 1.7931	\$ 0.1552	\$ 0.2250	\$ 2.1733	\$ 0.9370	\$ 4.2424	\$ 0.3317	\$ 2.1741	\$ 9.8585
2022	1.9366	0.1679	0.2250	2.3295	1.0114	4.6196	0.3493	2.6301	10.9399
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

SOURCE:
 Benton County Assessor's Office

City of Richland, Washington
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Table 9 - General Sales Tax Received by Category*
Last Ten Calendar Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Retail Trade	9,223,045	\$ 8,826,285	\$ 8,462,853	\$ 6,998,229	\$ 6,601,244	\$ 6,298,292	\$ 5,780,658	\$ 5,529,111	\$ 5,234,632	\$ 4,815,193
Services	3,561,733	3,024,633	2,687,848	2,354,144	2,575,281	2,429,440	2,040,466	1,931,452	1,667,874	1,520,341
Contracting	2,877,853	3,073,313	2,781,924	2,714,281	2,230,989	1,828,625	1,894,414	2,012,688	1,789,601	1,600,446
Manufacturing	478,218	393,955	347,336	296,711	278,710	242,702	195,029	185,430	202,883	191,190
Trans/Com/Utilities	511,878	474,820	420,366	345,560	388,065	401,462	445,177	460,129	386,733	369,025
Government	5,211	1,042	1,295	(892)	920	57,038	225,400	196,829	197,601	169,197
Wholesaling	1,193,951	1,126,095	1,015,190	862,581	837,322	823,995	827,466	691,015	703,143	725,796
Financial/Ins/Real Estate	113,687	96,336	104,329	89,004	104,310	93,177	71,821	85,092	65,712	62,040
Other Business	442,230	486,878	397,861	312,149	274,375	205,679	16,037	67,218	26,874	51,083
Total	\$ 18,407,808	\$ 17,503,357	\$ 16,219,002	\$ 13,971,767	\$ 13,291,216	\$ 12,380,410	\$ 11,496,468	\$ 11,158,964	\$ 10,275,053	\$ 9,504,311

Source: Tax Tools

*This revenue is reported on a cash basis.

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Statistical Section - Revenue Capacity Information
Table 10 - Principal Property Taxpayers for 2023
and Nine Years Ago

PRINCIPAL TAXPAYERS 2023	NATURE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL (+)
Conagra Foods Packaged Food Company	Packaged Food Company	\$ 211,119,800	2.12%
Lineage PFS WA Richland RE LLC	Cold Warehouse Distribution Facilities	177,288,180	1.78%
Siemens Nuclear Power Corp.	Nuclear Fuels Production	154,074,080	1.55%
Extended Legacy, LLC	Real Estate Development	71,040,810	0.71%
Notus Holding, LLC	Property Management	56,996,460	0.57%
Regency Park ICG LLC	Property Management	55,832,220	0.56%
Cel Land LLC	Property Management	53,001,900	0.53%
Riverpointe ICG LLC	Property Management	47,195,960	0.47%
Townfair Investors LLC	Property Management	44,200,140	0.44%
PC Meadow Springs LLC	Property Management	43,978,170	0.44%

*Total Assessed Valuation for the City of Richland in 2023 = \$9,959,759,806

PRINCIPAL TAXPAYERS 2014	NATURE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUE
Framatome	Nuclear Fuels Production	\$ 105,112,390	1.96%
Battelle Pacific NW National Laboratories	Research & Development	75,256,700	1.40%
Extended Legacy, LLC	Real Estate Development	60,800,400	1.13%
Notus Holding, LLC	Property Management	54,348,270	1.01%
Lamb-Weston Inc.	Value Added Agriculture Products	40,526,440	0.75%
Cowperwood BSF/CSF, LLC	Property Management	37,161,540	0.69%
The Villas at Meadow Springs LLC	Property Management	33,226,365	0.62%
Ferguson Enterprises, LLC	Distribution Facility	31,694,123	0.59%
Kadlec Medical Center	Health Services	25,117,290	0.47%
RP Queensgate LLC	Property Management	24,930,610	0.46%
Oregon Metalurgical Corp	Manufacturing	24,892,450	0.46%
Kadlec Regional Medical Center	Health Services	24,836,330	0.46%

*Total Assessed Valuation for the City of Richland in 2014 = \$5,369,208,018

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Table 11 - Pledged Revenue Coverage
Last Ten Fiscal Years

ELECTRIC	2023	2022	2021	2020	2019	2018	*2017	2016	2015	2014
Gross Revenue	\$ 73,560,910	\$ 73,085,155	\$ 70,049,307	\$ 68,449,634	\$ 70,132,499	\$ 65,798,666	\$ 62,575,971	\$ 58,025,789	\$ 53,729,135	\$ 54,896,193
Less Operating Expenses	50,410,019	55,582,957	51,497,668	54,656,828	56,472,042	54,605,107	52,628,638	49,877,764	46,562,053	46,623,381
Net Amount Available For Debt Service	23,150,891	17,502,198	18,551,639	13,792,806	13,660,457	11,193,559	9,947,333	8,148,025	7,167,082	8,272,812
Principal	2,295,000	3,260,000	3,120,000	3,045,000	2,915,000	2,985,000	2,855,000	2,765,000	2,665,000	2,560,000
Interest	2,962,141	3,021,582	2,936,269	2,960,313	2,851,790	3,108,870	3,171,211	3,248,810	2,490,374	2,590,658
Total Annual Debt Service	\$ 5,257,141	\$ 6,281,582	\$ 6,056,269	\$ 6,005,313	\$ 5,766,790	\$ 6,093,870	\$ 6,026,211	\$ 6,013,810	\$ 5,155,374	\$ 5,150,658
Electric Debt Coverage	4.40	2.88	3.22	2.30	2.37	1.84	1.65	1.35	1.39	1.61
Revenue derived from Residential/Commercial Electric Sales										
WATER/WASTEWATER **										
Gross Revenue	\$ 27,257,077	\$ 24,230,573	\$ 27,173,242	\$ 27,284,985	\$ 26,302,940	\$ 25,671,435	\$ 24,268,385	\$ 24,050,544	\$ 23,758,423	\$ 23,072,818
Less Operating Expenses	14,262,982	13,461,839	13,946,450	12,970,693	12,547,331	12,703,718	12,358,394	14,118,828	12,257,270	12,094,951
Net Amount Available For Debt Service	12,994,095	10,768,734	13,226,792	14,314,292	13,755,609	12,967,717	11,909,991	9,931,716	11,501,153	10,977,867
Principal	2,544,844	3,202,534	4,031,661	4,671,978	4,523,535	4,411,479	4,244,480	4,152,539	4,005,653	4,053,821
Interest	522,605	638,722	774,148	939,996	1,081,869	1,085,971	1,301,814	1,217,410	1,360,957	1,568,069
Total Annual Debt Service	\$ 3,067,449	\$ 3,841,256	\$ 4,805,809	\$ 5,611,974	\$ 5,605,404	\$ 5,497,450	\$ 5,546,294	\$ 5,369,949	\$ 5,366,610	\$ 5,621,890
Water/Sewer Debt Coverage	4.24	2.80	2.75	2.55	2.45	2.36	2.15	1.85	2.14	1.95
Revenue derived from Residential/Commercial Water and Sewer charges										
SOLID WASTE										
Gross Revenue	\$ 13,376,946	\$ 12,396,848	\$ 10,244,765	\$ 9,667,336	\$ 12,002,576	\$ 9,365,877	\$ 9,203,182	\$ 9,454,184	\$ 8,357,968	\$ 7,706,624
Less Operating Expenses	9,333,160	9,031,539	7,659,823	7,499,575	7,171,113	7,487,615	6,307,015	6,834,452	7,188,986	6,771,135
Net Amount Available For Debt Service	4,043,786	3,365,309	2,584,942	2,167,761	4,831,463	1,878,262	2,896,167	2,619,732	1,168,982	935,489
Principal	210,526	210,526	-	-	135,000	125,000	125,000	120,000	115,000	115,000
Interest	37,326	39,600	-	-	3,445	6,367	10,039	13,651	17,114	20,037
Total Annual Debt Service	\$ 247,852	\$ 250,126	\$ -	\$ -	\$ 138,445	\$ 131,367	\$ 135,039	\$ 133,651	\$ 132,114	\$ 135,037
Solid Waste Debt Coverage	16.32	13.45	N/A	N/A	34.90	14.30	21.45	19.60	8.85	6.93
Revenue derived from Residential/Commercial Garbage Collection and Landfill Charges										

City of Richland, Washington
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Table 11 - Pledged Revenue Coverage (continued)
Last Ten Fiscal Years

STORMWATER **	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross Revenue	\$ 3,086,758	\$ 2,751,026	\$ 2,442,774	\$ 2,108,312	\$ 2,110,258	\$ 1,994,701	\$ 1,891,335	\$ 1,915,962	\$ 1,893,741	\$ 1,769,387
Less Operating Expenses	1,342,770	1,217,884	1,324,912	1,326,346	984,932	1,042,566	986,284	1,149,489	1,260,137	1,129,395
Net Amount Available For Debt Service	1,743,988	1,533,142	1,117,862	781,966	1,125,326	952,135	905,051	766,473	633,604	639,992
Principal	40,714	40,268	34,840	80,048	214,524	213,158	206,819	199,092	107,623	102,306
Interest	27,790	29,193	31,652	33,229	38,869	44,916	53,420	66,450	67,634	69,466
Total Annual Debt Service	\$ 68,504	\$ 69,461	\$ 66,492	\$ 113,277	\$ 253,393	\$ 258,074	\$ 260,239	\$ 265,542	\$ 175,257	\$ 171,772
Stormwater Debt Coverage	25.46	22.07	16.81	6.90	4.44	3.69	3.48	2.89	3.62	3.73

Revenue derived from Residential/Commercial Stormwater charge

COLUMBIA POINT GOLF COURSE	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross Revenue	\$ 2,549,217	\$ 2,702,511	\$ 2,353,821	\$ 1,687,764	\$ 1,836,586	\$ 1,911,848	\$ 1,735,452	\$ 1,744,975	\$ 1,606,953	\$ 1,557,942
Less Operating Expenses	2,000,273	2,087,949	1,821,760	1,504,188	1,634,896	1,569,401	1,732,150	1,473,926	1,369,361	1,350,128
Net Amount Available For Debt Service	548,944	614,562	532,061	183,576	201,690	342,447	3,302	271,049	237,592	207,814
Principal	130,000	125,000	120,000	115,000	110,000	105,000	100,000	100,000	95,000	95,000
Interest	137,509	143,512	148,664	153,726	157,767	161,386	165,512	169,475	173,488	178,085
Total Annual Debt Service	\$ 267,509	\$ 268,512	\$ 268,664	\$ 268,726	\$ 267,767	\$ 266,386	\$ 265,512	\$ 269,475	\$ 268,488	\$ 273,085
Columbia Point Golf Course Coverage	2.05	2.29	1.98	0.68	0.75	1.29	0.01	1.01	0.88	0.76

Revenue derived from Public Golf Course Fees/Charges including retail sales

BROADBAND	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross Revenue	\$ 337,643	\$ 299,181	\$ 231,881	\$ 333,368	\$ 204,372	\$ 295,290	\$ 165,626	\$ 155,506	\$ 187,463	\$ 452,209
Less Operating Expenses	78,385	73,465	52,862	40,098	71,621	38,456	60,278	18,927	26,150	59,723
Net Amount Available For Debt Service	259,258	225,716	179,019	293,270	132,751	256,834	105,348	136,579	161,313	392,486
Principal	85,000	80,000	91,640	110,787	109,908	104,143	117,011	102,312	104,166	75,000
Interest	57,497	59,577	61,634	64,206	66,558	68,560	73,447	72,132	70,772	68,439
Total Annual Debt Service	\$ 142,497	\$ 139,577	\$ 153,274	\$ 174,993	\$ 176,466	\$ 172,703	\$ 190,458	\$ 174,444	\$ 174,938	\$ 143,439
Broadband Coverage	1.82	1.62	1.17	1.68	0.75	1.49	0.55	0.78	0.92	2.74

Revenue derived from Fiber Optic Leases/Charges including retail sales

* 2017 presentation of ACFR 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 ACFR Statements) does not include Grants, Capital Contributions and Transfers in, also doesn't include LID for water and sewer
Operating Expense (from ACFR Statements) does not include Transfers out, utility occupation taxes, depreciation or other non operating expenses.

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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	LEASES/SBITAs	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, LEASES				
2023	\$ 31,248,872	\$ 4,935,000	\$ 245,446	\$ 220,624	\$ 3,112,035	\$ 91,329,942	\$ 17,027,281	\$ 1,514,258	\$ 714,210	\$ 6,021,078	\$ 156,368,746	6.66%	2,470	
2022	34,096,511	5,115,000	339,506	8,064	3,244,676	74,323,182	18,791,933	1,597,776	749,550	7,303,268	145,569,466	6.31%	2,340	
2021	31,520,155	5,290,000	433,030	-	3,372,317	71,168,182	17,219,183	1,676,295	784,890	7,758,769	139,222,821	6.12%	2,270	
2020	39,623,812	5,445,000	526,024	-	3,494,958	73,417,368	25,049,471	1,754,813	815,230	9,416,156	159,542,832	6.80%	2,725	
2019	40,637,729	-	618,494	-	3,612,598	76,738,800	28,705,619	1,833,331	845,570	6,714,873	159,707,014	7.01%	2,809	
2018	43,383,423	-	710,444	-	3,725,239	70,216,329	32,216,766	2,050,823	967,991	7,992,709	161,263,724	8.03%	2,915	
2017	46,039,120	-	801,880	-	3,832,880	67,909,722	35,617,914	2,253,315	1,090,413	9,580,505	167,125,749	8.50%	3,086	
2016	33,904,184	-	1,328,964	-	3,935,521	70,920,568	26,886,027	2,455,807	1,131,245	10,434,188	150,996,504	7.79%	2,827	
2015	37,313,776	-	1,296,607	-	4,038,162	73,841,413	29,955,039	2,653,299	1,238,327	11,930,977	162,267,600	8.70%	3,057	
2014	39,919,336	-	671,467	-	4,135,803	55,138,379	32,879,050	2,845,790	1,340,409	12,542,130	149,472,364	8.17%	2,870	

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
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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
2023	63,320	\$ 9,959,759,806	\$ 37,355,000	\$ 2,069,275	\$ 35,285,725	0.35%	\$ 557.26
2022	62,220	8,910,318,246	35,160,000	1,483,491	33,676,509	0.38%	541.25
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

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://bentoncountywa.municipalone.com//files/documents/2022TaxBooklet1370061922021022PM.pdf>

*The assessed valuation is completed in November of the previous tax year.

City of Richland, Washington
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Statistical Section - Debt Capacity Information
Table 14 - Direct and Overlapping Debt- Governmental Activities
As of December 31, 2023

<u>DIRECT DEBT</u>	AMOUNT
Voted General Obligation Debt	\$ 4,695,000
Councilmanic General Obligation Debt	28,055,000
Councilmanic Loans	245,446
TOTAL DIRECT DEBT	\$ 32,995,446

<u>OVERLAPPING DEBT</u> (For debt paid with property taxes)	(1) OUTSTANDING DEBT	(2) PERCENT APPLICABLE	AMOUNT OVERLAPPING
<u>Jurisdiction</u>			
Benton County	\$ 3,259,663	40.49%	\$ 1,319,838
Richland School District #400	153,490,000	89.78%	137,803,322
Kennewick School District #17	164,775,000	6.25%	10,298,438
Kiona Benton School District #52	147,273	0.01%	15
Port of Benton	8,200,000	71.64%	5,874,480
Port of Kennewick	3,647,865	27.54%	1,004,622
Fire District No. 1	565,000	2.47%	13,956
		TOTAL OVERLAPPING DEBT	\$ 156,314,671

<u>GOVERNMENTAL ACTIVITIES DEBT RATIOS</u>	
Assessed Valuation - 2023 (Established in November 2022 for the 2023 tax year)	\$ 9,959,759,806
Population	63,320
Net Direct Debt to Assessed Valuation	0.33%
Net Direct Debt and Overlapping Debt to Assessed Valuation	1.90%
Per Capita Assessed Value	\$ 157,292
Per Capita Net Direct Debt	\$ 521
Per Capita Total Direct Debt and Overlapping Debt	\$ 2,990

Councilmanic Debt and Other Obligations consists of:	
2010 LTGO - IT Facility/1998 Refunding	\$ 1,020,000
2013 LTGO A- LRF	7,215,000
2014 LTGO -Fire Station Construction	2,130,000
2017 LTGO - City Hall	12,020,000
2017 LTGO - 2006 Refunding	735,000
2020 Local Program Fire Stations 73 & 75	4,935,000
	\$ 28,055,000
Voted GO Debt:	
2015 UTGO - Refunding Bonds/2005/2007	\$ 4,695,000
	\$ 4,695,000

(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
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 Statistical Section - Debt Capacity Information
 Table 15 - Legal Debt Margin
 Last Ten Fiscal Years

FOR FISCAL YEAR ENDING DECEMBER 31										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 746,981,985	\$ 668,273,868	\$ 618,473,256	\$ 578,425,357	\$ 521,715,361	\$ 462,204,227	\$ 444,801,110	\$ 435,794,023	\$ 415,077,276	\$ 402,690,601
Total net debt applicable to debt limit	32,995,446	32,995,446	38,453,030	41,191,024	38,193,494	40,760,444	43,236,880	31,930,344	41,293,920	43,914,352
Legal Debt Margin	\$ 713,986,539	\$ 635,278,422	\$ 580,020,226	\$ 537,234,333	\$ 483,521,867	\$ 421,443,783	\$ 401,564,230	\$ 403,863,679	\$ 373,783,356	\$ 358,776,249
Total net debt applicable to the limit as a percentage of debt limit	4.42%	4.94%	6.22%	7.12%	7.32%	8.82%	9.72%	7.33%	9.95%	10.91%

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 Statement 44

City of Richland, Washington
 Annual Comprehensive Financial Report
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 Table 16 - Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Richland Population (1)</u>	<u>*Per Capita Income (2)</u>	<u>Total Personal Income</u>	<u>**Median Age (3)</u>	<u>School Enrollment (4)</u>	<u>Annual Unemployment Rate (5)</u>
2023	63,320	\$ 54,454	\$ 3,448,027,280	36.3	14,351	4.8%
2022	62,220	\$ 54,598	\$ 3,397,087,560	36.4	14,144	4.2%
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	\$ 2,339,290,019	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	\$ 2,027,668,883	37.5	12,300	6.7%

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
 Annual Comprehensive Financial Report
 Statistical Section
 Table 17 - Principal Employers for 2023
 and Ten Years Ago

PRINCIPAL EMPLOYERS 2023	RANK	NATURE OF BUSINESS	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYEES
Battelle/Pacific Northwest National Laboratory	1	Research & Development	5,300	16.9%
Kadlec Regional Medical Center	2	Health Services	3,800	12.1%
Washington River Protection Solutions	3	Environmental Remediation Services	2,336	7.5%
Richland School District	4	K-12 Education	2,200	7.0%
Central Plateau Cleanup Company (CPCCo)	5	Environmental Remediation Services	2,100	6.7%
Bechtel National	6	Engineering & Construction	2,000	6.4%
Hanford Mission Integration Solutions (HMIS)	7	Support Services, Hanford/DOE Site	1,884	6.0%
Energy Northwest	8	Power Generation Facility	1,000	3.2%
Lamb Weston	9	Food Processing	1,000	3.2%
Framatome/Areva	10	Fuel Production Facility	700	2.2%

PRINCIPAL EMPLOYERS 2014	RANK	NATURE OF BUSINESS	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYEES
Battelle Pacific NW National Laboratories	1	Research & Development	3,239	*
Kadlec Medical Center	2	Medical Services	2,754	*
Bechtel National	3	Engineering and Consultation	2,006	*
Washington River Protection Solutions LLC	4	DOE Contractor	1,518	*
Mission Support Alliance, LLC	5	DOE Contractor	1,484	*
Richland School District	6	K-12 Education	1,400	*
Energy Northwest	7	Power Generation Facility	1,174	*
Framatome/Areva	8	Nuclear Fuels Production	1,048	*
Washington Closure Hanford LLC	9	DOE Contractor	815	*
City of Richland	10	Municipality	485	*

SOURCE: City of Richland Business License Database, RSD website, City of Richland Payroll

City of Richland, Washington
Annual Comprehensive Financial Report
Statistical Section - Operating Information
Table 18 - Operating Indicators by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PUBLIC SAFETY										
POLICE										
Number of Employees	91.70	85.70	84.65	82.00	81.80	81.20	79.20	79.20	77.20	71.90
Ratio of Employees to Population	1/691	1/726	1/724	1/714	1/695	1/681	1/684	1/674	1/688	1/724
Criminal Filings - Non Traffic ¹⁰	936	790	857	1,017	1,784	1,747	1,564	1,490	1,413	1,295
Criminal Filings - Traffic	552	375	481	555	962	860	937	-	-	-
Infraction Filings	3,385	1,373	1,171	1,424	2,892	2,467	2,735	-	-	-
Calls for Service	38,438	38,022	34,912	30,728	33,178	31,979	31,286	29,411	28,066	27,526
Traffic Accidents	885	903	875	694	1,057	967	936	931	811	667
FIRE:										
Number of Employees	92	80	80	78	65	65	63	63	63	58
Ratio of Employees to Population	1/688	1/778	1/771	1/754	1/869	1/855	1/860	1/848	1/847	1/902
Fire Calls	3,070	3,279	2,758	2,076	2,014	1,792	1,822	1,683	1,587	1,383
Ambulance Calls	6,441	6,657	5,920	5,299	5,200	4,972	4,820	4,814	4,715	4,408
CULTURE & RECREATION										
LIBRARY:										
Number of Patron Visits ⁹	187,175	156,477	90,934	59,243	250,384	260,941	213,770	587,135	547,885	567,645
Website Visits (pageviews)	281,875	369,463	415,617	210,332	331,794	321,883	330,233	-	-	-
Annual Circulation	882,865	674,621	530,742	382,256	642,371	644,727	666,560	798,336	807,639	726,629
Reference Requests ¹¹	25,545	18,345	9,650	5,045	17,145	31,204	29,902	24,700	30,266	31,507
PARKS & RECREATION:										
Number of Parks	58	58	58	58	58	58	58	58	58	58
Park Acreage-Undeveloped	1,700	1,700	1,700	1,700	1,695	1,695	1,695	1,695	1,695	1,695
Park Acreage-Developed	650	650	650	650	650	650	650	650	650	650
ECONOMIC DEVELOPMENT										
Building Permits Issued	1,965	1,967	2,241	2,275	2,362	2,186	2,331	2,125	2,017	1,979
Value of Permits in Millions	273.34	229.93	246.94	269.21	319.06	175.32	212.62	279.27	237.56	256.39
Business Licenses Issued	6,037	5,066	5,992	5,390	5,563	5,558	5,183	4,949	4,940	4,879
TRANSPORTATION										
Street Resurfacing (lane miles) Asphalt Overlays	-	5.87	10.23	4.66	15.23	1.9	8.5	17.1	18.5	7.4
Slurry Seal/Micro Surfacing (Types I & II)	51.47	20.7	9.57	0.72	8.39	29.9	-	-	-	-
City Streets cleaned (X per year)	5	5	5	5	5	5	4	4	5	5

City of Richland, Washington
 Annual Comprehensive Financial Report
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 Table 18 - Operating Indicators by Function/Program
 Last Ten Fiscal Years (Continued)

FUNCTION/PROGRAM:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
BUSINESS-TYPE ACTIVITIES										
ELECTRIC										
New Connections	574	661	925	386	384	463	336	323	289	294
Total Consumption (kilowatt hr)millions	998	979	950	906	911	932	959	880	880	896
No. of Customers ⁷	27,242	26,732	26,658	25,613	24,966	24,526	24,095	23,867	23,628	23,197
WATER										
New Connections	414	318	427	572	367	354	313	303	269	262
Daily Ave Consumption(millions/gal)	18.0	17.7	18.1	16.9	16.8	16.8	15.4	16.4	16.8	16.4
Max Daily Plant Capacity(millions/gal)	30	30	30	30	30	30	30	30	30	30
No. of Customers ⁶	21,842	21,506	20,811	20,739	20,127	19,766	18,383	18,052	18,652	17,655
SEWER										
Daily Average Treatment (millions/gal)	6.28	6.41	6.162	6.061	6.558	6.1	6.4	5.8	5.6	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	23,009	22,777	21,227	21,861	21,436	20,987	20,589	20,284	19,972	18,077
GARBAGE & SOLID WASTE										
Residential Landfill Visitors	34,438	32,301	34,594	36,032	31,668	29,435	24,306	29,269	29,263	27,679
Commercial Landfill Visitors	14,162	12,895	14,071	11,668	11,145	5,598	5,874	9,338	11,322	11,612
Household Hazardous Waste Visitors	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
No. of Customers ⁵ - Refuse	24,497	24,170	22,837	20,732	20,373	17,430	17,315	17,747	18,099	17,632
No. of Customers ⁵ - Recycle	8,240	7,800	7,303	7,169	6,243	5,889	5,523	5,324	5,004	4,570
STORM WATER										
Catch Basins Cleaned	1,039	1,056	1,382	1,750	1,286	688	232	869	443	539
Storm Pipes Jetted (ft) ⁸	8,287	4,388	14,834	13,326	12,794	13,677	26,206	20,287	7,140	23,210
Storm Drains Televised (ft)	1,477	3,927	9,955	7,738	7,924	3,592	33,258	20,788	16,925	21,547
No. of Customers ⁵	22,701	22,431	21,439	21,767	20,899	20,504	19,947	19,613	19,529	18,707

⁵Customer counts are a snap-shot in time (12/31/23) 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
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Statistical Section

Table 19 - Top Ten Customers by Utility Sales for 2023 (Selected Utilities Only)

<u>ELECTRIC</u>	<u>TOP TEN CUSTOMERS</u>	<u>NATURE OF BUSINESS</u>	<u>CONSUMPTION</u> (mWh)	<u>UTILITY SALES</u>	<u>% OF UTILITY SALES</u>
1	Lamb Weston	Value Added Agriculture Products	74,343	\$ 4,578,020	15.63%
2	Battelle Pacific NW National Laboratories	Research & Development	60,939	3,617,305	12.35%
3	Areva NP Richland	Nuclear Fuels Production	34,937	2,001,055	6.83%
4	ATI Richland Operations	Manufacturing	28,846	527,023	1.80%
5	Preferred Freezer Services Of Richland, LLC	Storage and Distribution Facilities	21,811	1,300,969	4.44%
6	Battelle Pacific NW National Laboratories	Business Offices	19,196	1,292,225	4.41%
7	Richland School District	K-12 Education	17,523	1,226,253	4.19%
8	City of Richland	Municipality	16,915	1,124,921	3.84%
9	Kadlec Hospital	Health Facility	16,554	989,289	3.38%
10	Notus Holdings LLC	Storage and Distribution Facilities	10,662	694,410	2.37%
<u>WATER</u>			<u>(Cubic Feet)</u>		
1	Lamb Weston	Value Added Agriculture Products	872,536	\$ 801,263	22.28%
2	City of Richland	Municipality	279,562	299,408	8.33%
3	City of West Richland Intertie	Municipality	500,733	290,425	8.08%
4	Richland School District	K-12 Education	136,293	207,697	5.78%
5	Battelle Pacific NW National Laboratories	Research & Development	116,751	197,760	5.50%
6	Penford Food Ingredients	Food Processing	92,931	65,324	1.82%
7	Preferred Freezer Services Of Richland, LLC	Storage and Distribution Facilities	56,338	44,793	1.25%
8	Kadlec Regional Medical Center	Health Services	38,431	45,322	1.26%
9	Alyson/Richland MHC, LLC	Property Management	52,160	45,136	1.26%
10	ATI Richland Operations	Manufacturing	49,000	36,368	1.01%
<u>SEWER</u>					
1	Penford Food Ingredients	Food Processing	N/A	\$ 189,320	6.77%
2	Battelle Pacific NW National Laboratories	Research & Development	N/A	131,017	4.68%
3	ATI Richland Operations	Manufacturing	N/A	106,030	3.79%
4	The Villas At Meadow Springs	Property Management	N/A	88,017	3.15%
5	Bella Vista Apartments	Property Management	N/A	79,257	2.83%
6	Richland School District	K-12 Education	N/A	77,588	2.77%
7	Copper Mountain Apartments, LLC	Property Management	N/A	73,589	2.63%
8	Riverpointe ICG LLC	Property Management	N/A	68,568	2.45%
9	Kadlec Regional Medical Center	Health Services	N/A	66,510	2.38%
10	Timbers Apartments	Property Management	N/A	58,974	2.11%
<u>STORMWATER</u>					
1	Richland School District	K-12 Education	N/A	\$ 65,583	9.64%
2	Battelle Pacific NW National Laboratories	Research & Development	N/A	44,056	6.48%
3	City of Richland - Municipality	Municipality	N/A	37,315	5.49%
4	Port of Benton	Special Purpose District	N/A	34,699	5.10%
5	Ferguson Enterprises Inc.	Distribution Facility	N/A	21,099	3.10%
6	Areva NP Richland	Nuclear Fuels Production	N/A	20,779	3.05%
7	Washington Securities	Financial & Retail Services	N/A	18,407	2.71%
8	Wal-Mart Store	Retail	N/A	15,821	2.33%
9	WSU Tri-Cities	Education	N/A	14,155	2.08%
10	City of Richland - City Shops	City Shops	N/A	13,388	1.97%

City of Richland, Washington
 Annual Comprehensive 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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FUNCTION/PROGRAM										
Judicial	5.00	5.00	5.00	5.00	3.00	3.00	3.00	2.00	2.00	3.00
General Government	65.20	65.85	62.10	62.10	64.10	65.80	64.80	65.30	65.05	64.60
Public Safety*	183.70	165.70	164.20	159.70	147.20	145.90	142.20	142.20	139.90	128.65
Physical Environment	53.30	51.30	47.30	47.30	47.60	47.60	47.60	45.60	46.00	46.00
Transportation	21.30	20.30	20.30	20.30	20.00	19.00	18.00	17.00	18.00	19.00
Economic Environment	20.50	21.00	20.00	20.00	18.00	17.55	19.05	19.05	19.05	21.05
Culture & Recreation	33.80	34.30	33.50	32.50	34.00	34.50	34.00	34.00	34.50	34.10
Electric & Gas	59.00	60.00	59.75	60.75	60.75	60.75	59.50	58.50	56.50	56.50
Water	22.70	22.70	22.70	22.70	23.00	23.00	23.00	23.00	23.00	23.25
Sewer	22.70	22.70	22.70	22.70	22.95	22.95	22.95	22.95	22.95	22.95
Garbage & Solid Waste	30.10	28.10	28.10	28.10	28.10	28.10	28.10	28.10	28.70	28.50
Stormwater	2.30	2.30	2.30	2.30	2.05	2.05	2.05	2.05	2.05	2.05
TOTAL	519.60	499.25	487.95	483.45	470.75	470.20	464.25	459.75	457.70	449.65
TOTAL POPULATION	63,320	62,220	61,320	58,550	56,850	55,320	54,211	53,410	53,080	52,090
PER CAPITA FTE	121.86	124.63	125.67	121.11	120.76	117.65	116.77	116.17	115.97	115.85

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
Annual Comprehensive Financial Report
Statistical Section - Operating Information
Table 21 - Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	49	46	46	35	27	27	27	26	26	23
Fire										
Stations	4	4	4	4	4	4	4	4	4	3
Emergency Response Vehicles	22	20	17	17	14	14	14	13	13	13
Equipment Maintenance										
City Fleet	652	647	548	516	507	493	493	477	470	441
Electric										
Substations	9	9	9	9	9	9	8	8	8	8
Water										
Treatment Plants	3	3	3	3	3	3	2	2	2	2
Water Mains (Miles)	421	419	414	399	399	391	347	337	289	332
Reservoirs	18	18	18	18	18	18	18	18	18	18
Pump Stations ¹	12	12	12	12	12	12	12	12	11	11
Wastewater										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Lift Stations	18	18	15	15	15	15	14	14	14	14
Sanitary Sewers (Miles)	321	319	316	301.5	305	283	286	277	279	278
Solid Waste										
Collection Vehicles	23	22	22	20	20	20	20	20	20	20
Transportation										
Area of City (Square Miles)	46.0	43.4	42.9	42.7	42.7	42.7	42.6	42.6	42.6	42.5
Miles of Streets-By Jurisdiction										
City	307.3	304.0	299.3	292.3	288.1	277.8	272.7	269.4	267.2	263.6
State	19.6	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4
Private	45.9	43	43	43	43	44.5	44.1	41.7	41.5	41.5
Traffic Signals	55	54	54	54	54	54	54	54	53	53
Parks and Recreation ²										
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 Statement No. 34 Statistical requirements. Prior years data not available.

¹ Beginning in 2012, Stormwater pump stations are included in this statistic.

² Parks redefined and calculated more accurately in 2012

ACKNOWLEDGEMENT

The following employees played important roles in producing the 2023 Annual Comprehensive Financial Report for the City of Richland, Washington. Their significant commitment to this project has been greatly appreciated.

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Sheila Navarro, Accountant

Brian Nakamura, Accountant

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