RICHLAND HILLS CITY COUNCIL
REGULAR MEETING AGENDA
MARCH 11, 2024
CITY HALL, 3200 DIANA DRIVE

The Work Session and Regular Session are open to the public. If Executive Session is required, it will be held in the Council Conference Room, and is closed to the public. Please note that although the Council will generally consider the items on the agenda in the order shown below, they may elect to re-order items in order to accommodate the needs of the Council, city staff, presenters, or the public generally. Therefore, members of the public interested in any agenda item are encouraged to be in attendance at the start of the meeting.

CITY COUNCIL WORK SESSION – 6:30 PM

1. **Executive Session**: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.**

    1. Section 551.071: Consultation with City Attorney
        a. Child-Care Facility Property Tax Exemption Amendment

    2. Section 551.072: Deliberation regarding real property
        a. 2721 Handley Ederville Road, Richland Hills, TX

2. Discuss items listed on tonight's City Council agenda. No action will be taken and each item will be considered during the Regular Session.

REGULAR SESSION – 7:00 PM

CALL TO ORDER

INVOCATION AND PLEDGES OF ALLEGIANCE

1. PRESENTATIONS

A. 2023 Employee Awards

B. Telecommunicator Appreciation Week Proclamation

C. Citizen Appearances/Public Comments

Citizen comments emailed to Lindsay Rawlinson (lrawlinson@richlandhills.com) on an item either listed on this agenda or not listed on this agenda will be heard at this time. Citizens in attendance at the meeting who have signed a card to speak to the City Council will also be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the city staff and City Council members are prevented from discussion of the subject and may respond only with statements of factual information or existing city policy. Public comment will not be taken on items that the Council has previously considered in a public hearing.

2. CONSENT AGENDA

All items listed below are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items unless a Councilmember or citizen so requests, in which event the item will be removed from the consent agenda and considered in its normal sequence. Approval of the consent agenda authorizes the City Manager to implement each item in accordance with staff recommendations.

A. Approve minutes from the February 26, 2024 City Council Regular Meeting

B. Approve Resolution 593-24 participating in the National Wildlife Federation's Mayor's Monarch Pledge

C. Approve Ordinance 1493-24 amending Article IV "Stopping, Standing and Parking", Section 82-313 "Driving and/or Parking on Sidewalks and Curbs Prohibited; Owner and/or Driver Liable for Damage to Streets, Sidewalks and Curbs; Owner Prima Facie the Operator" and repealing Article VII of Chapter 34 in order to update provisions pertaining to parking, stopping or standing vehicles on public and private streets and other places

3. PUBLIC HEARINGS, MEETINGS, AND OTHER RELATED ITEMS

A. None

4. ORDINANCES & RESOLUTIONS AND OTHER RELATED ITEMS

A. None

5. CONTRACTS, AGREEMENTS, BID AWARDS AND OTHER RELATED ITEMS

A. Consider renewal of unit price contract with Reliable Paving, Inc. for street, curb and gutter repair

6. OTHER ITEMS FOR CONSIDERATION

A. Consider acceptance of Annual Comprehensive Financial Report for Fiscal Year ended September 30, 2023

7. REPORTS & DISCUSSIONS

A. None

8. COMMUNITY INTEREST ITEMS

This is a standing item on the agenda of every regular meeting of the City Council. (The Texas Open Meetings Act effective September 1, 2009, provides that "*a quorum of the city council may receive from municipal staff, and a member of the governing body may make, a report regarding items of community interest during a council meeting without having given notice of the subject of the report, provided no action is taken or discussed.*" The Open Meetings Act does not allow Council to discuss an item concerning pending City Council business unless it is specifically, appropriately posted on the agenda.) An "item of community interest" includes the following:

- information regarding holiday schedules;
- honorary recognitions of city officials, employees, or other citizens;
- reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by a city official or city employee; and
- announcements involving imminent public health and safety threats to the city

9. EXECUTIVE SESSION

Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.**

Reconvene into open session for possible action resulting from any items posted and legally discussed in Executive Session.

10. ADJOURNMENT

CERTIFICATE

I hereby certify that the above agenda was posted on this the 7th day of March 2024 by 5:30 p.m., on the official bulletin board at the Richland Hills City Hall, 3200 Diana Drive, Richland Hills, Texas, pursuant to the Texas Government Code, Chapter 551.

Lindsay Rawlinson
Lindsay Rawlinson
City Secretary

ACCESSIBILITY STATEMENT

The Facility is wheelchair accessible. If you plan to attend this public meeting and have a disability that requires special arrangements, please notify the City Secretary 48 hours in advance at (817) 616-3810 and reasonable accommodations will be made to assist you.

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Candice Edmondson, City Manager

Date: March 11, 2024

Subject: Employee Awards Recognition

Agenda Item:

2023 Employee Awards

Background Information:

On March 5, 2024, the City of Richland Hills held its annual Employee Appreciation and Awards luncheon to recognize the hard work and dedication of city employees during 2023. Several employees were also recognized for receiving service milestones and core values awards. Service milestones are recognized at City Council meetings throughout the year. On Monday, staff would like to recognize our 2023 core values award winners:

Service
Kay Fisk
Lead Animal Control Officer

Teamwork
Juan Martinez
Public Works Technician

Robert Freeman
Public Works Technician

Respect
Lien Nguyen
Library Assistant

Integrity
Ronnie Miller
Police Lieutenant

Christian Gaytan
Police Lieutenant

Vision
Josh Izaguirre
Parks Technician

Empowerment
Stephen May
Police Officer/School Resource Officer

Mayor’s Award
Kimberly Sylvester
Chief of Police

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

None

Council Action Requested:

No Council Action

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Lindsay Rawlinson, City Secretary

Date: March 11, 2024

Subject: Presentation of Telecommunicator Appreciation Week Proclamation

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Agenda Item:

Presentation of Telecommunicator Appreciation Week Proclamation

Background Information:

In recognition of “Telecommunicator Appreciation Week”, Mayor Lopez will present a Proclamation to Dispatchers Heather Bierman, Diane Skaggs, and Chelsea Duncan.

Heather Bierman began serving as dispatcher, in Haltom City in October 1996, and has been serving all 4 communities in the consolidated dispatch center since 2012. In that 28 years, Heather has obtained her Master Telecommunicator certification, is a CTO, and participates in public education. Heather was awarded Haltom's Citizen of the Year in 2001. Her favorite aspect of dispatching: "It's not the same thing everyday. Even after 28 years, I am still learning!" Heather was the first female to be selected for the All-State soccer team at Yukon High School. (home of country star Garth Brooks).

Diane Skaggs began her career in dispatch 18 years ago with the city of North Richland Hills; also serving the consolidated dispatch center since 2012. In that time, Diane has obtained her Master Telecommunicator certification, is a CTO, serves as on the CISM (Critical Incident Stress Management) team, and participates in public education. Diane has been the recipient of the Life Saving Award. Her favorite aspect of dispatching: "The ability to be there for someone in the worst time of their life, to be the voice of reason when the other person believes there is no reason to be had. It does not work for everyone, but to know that we have that ability and time, is satisfying and keeps me coming back to work." Diane drove herself from New Mexico to Washington for travel school at the age of 18, using a paper map and an Atlas, because GPS and cell phones weren't in existence yet. She describes this as "quite the adventure."

Chelsea Duncan began her dispatch career relatively recently, in April of 2021, after working for almost a decade in the ER at Medical City North Hills. In her 3 years, Chelsea has obtained her Intermediate Telecommunicator certification, is a TCOLE instructor and CTO, is in the process of becoming an Emergency Medical Dispatch instructor, and participates in public education. She is our newest Communications Supervisor and received the Stork Award in May of 2023. Her favorite aspects of being a dispatcher: "Playing a role in keeping the 4 communities we serve safe and being the empathetic ear for callers going through tough times, reminding them they're not alone." Chelsea is an avid hockey fan.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

Telecommunicator Appreciation Week Proclamation

Council Action Requested:

Presentation of Telecommunicator Appreciation Week Proclamation

Proclamation

Richland Hills

WHEREAS, in an emergency, most Americans depend on 9–1–1 and each day, more than half a million public safety communicators answer desperate calls for help, responding with services that save the lives and property of American citizens in need of assistance; and

WHEREAS, Congress and the President of the United States have established the second week of April as National Telecommunicators Week; and

WHEREAS, when an emergency occurs, these dedicated men and women are more than anonymous voices on the telephone line, they are local police, fire, and medical professionals who use public safety telecommunications to quickly respond to emergency calls; and

WHEREAS, the work of these "unseen first responders" is invaluable in emergency situations, and each of these dedicated men and women deserves our heartfelt appreciation; and

WHEREAS, Richland Hills wishes to show its appreciation and recognize that our health, safety, and well-being are often dependent on the commitment and steadfast devotion of public safety telecommunicators.

NOW, THEREFORE, BE IT RESOLVED, that I, Edward Lopez, Mayor of the City of Richland Hills, Texas do hereby proclaim April 14 – 20, 2024 as:

NATIONAL TELECOMMUNICATORS APPRECIATION WEEK

in Richland Hills, Texas and encourage all citizens to join us in expressing their sincere appreciation for the service and dedication of our Telecommunicators.

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Mayor Edward Lopez
City of Richland Hills

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Lindsay Rawlinson, City Secretary

Date: March 11, 2024

Subject: Minutes from the February 26, 2024 Regular City Council Meeting

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Agenda Item:

Approval of minutes from the February 26, 2024 City Council Regular Meeting

Background Information:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

February 26, 2024 Draft Minutes

Council Action Requested:

Motion to approve the minutes from the February 26, 2024 City Council Regular Meeting

RICHLAND HILLS CITY COUNCIL
REGULAR MEETING
FEBRUARY 26, 2024
MINUTES

Roll Call:

Council present	Council absent
Edward Lopez, Mayor	
G.W. Estep, Mayor Pro Tem	
Douglas Knowlton, Place 1	
Travis Malone, Place 2	
Theresa Bledsoe, Place 3	
Javier Alvarez, Place 4	
Roland Goveas, Place 6	

Staff present
Candice Edmondson, City Manager
Lindsay Rawlinson, City Secretary
James Donovan, City Attorney

CITY COUNCIL WORK SESSION – 6:31 PM

1. **Executive Session:** Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.

None.

2. **Discuss items listed on tonight's City Council agenda. No action will be taken and each item will be considered during the Regular Session.**

7A. Street Improvement Projects

Director of Public Works and Capital Projects Kip Dernovich provided the street improvement projects update and advised that 100 potholes were repaired and the City will work with a private vendor for street re-striping.

Discussion ensued regarding providing a listing of curb and gutter repairs on the City's website.

7B. January Department Reports

Director of Public Works and Capital Projects Kip Dernovich presented the January Public Works Department report and advised that the department is addressing citizen concerns regarding the newly installed street signs.

Fire Chief Russell Shelley presented the January Fire Department update and advised of a residential fire, overall response times, and departmental training.

Director of Parks and Recreation Jason Brown presented the January Park Department update and advised of a new community program called Homeschool Recess, Link revenues, and the Miss Texas Invitational held Saturday, January 27, 2024.

Mayor Lopez adjourned the work session at 7:03 p.m.

REGULAR SESSION – Mayor Lopez Called to Order – Time 7:03 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE – Mayor Lopez

PRESENTATIONS

1A. Business Spotlight: The Cake Supply Store

Director of Planning & Development Services JP Ducay introduced The Cake Supply Store located at 7410 Boulevard 26. They received their Certificate of Occupancy on November 6, 2023.

1B. Citizen Appearances/Public Comments

Diane Barrette, 2173 Dover Lane, Richland Hills, expressed her concern regarding the two lane option in the Glenview Master Plan and expressed appreciation to the City Council and staff for their work on the plan.

Jenny Clark, 6973 Hardisty Street, Richland Hills, expressed her concern regarding drivers using Ruth Road to cut through to Glenview Drive.

Fernando Peralta, 7128 Glen Hills, Richland Hills, advised that he is in favor of development and innovation but expressed concern regarding drivers cutting through neighborhoods to avoid Glenview Drive.

Daniel Wennersten, 7205 Hardisty Drive Richland Hills, expressed his concern that the Glenview Master Plan would have an impact on area property values and traffic congestion.

CONSENT AGENDA

2A. Approved minutes from the February 12, 2024 City Council Regular Meeting

2B. 2023 Racial Profiling Report

2C. Excuse the absence of Councilmember Javier Alvarez from the February 12, 2024 regular City Council meeting

Motion: Motion was made by Councilmember Malone and seconded by Councilmember Knowlton to approve the consent agenda.

Motion carried by a vote of 7-0.

PUBLIC HEARINGS, MEETINGS, AND OTHER RELATED ITEMS

3. None

ORDINANCES & RESOLUTIONS AND OTHER RELATED ITEMS

4A. Approved designation of one-way streets in school zones and approved Ordinance 1494-24 repealing section 82-122 regarding one-way streets enumerated other than school zones

Police Chief Kimberly Sylvester introduced Captain Scot Russell who presented the item to the City Council and advised that the Birdville Independent School District (BISD) opened Cheney Hills Elementary in August 2021. Since the opening of the school, the Richland Hills Police Department has observed the impacts of traffic ingress and egress during school hours. Additionally, several meetings have taken place with residents who expressed concerns about traffic congestion impacts.

Prior to the start of each school year, the Police Department and BISD review school traffic patterns and make adjustments as needed. For the 2023-2024 school year, school district officials redesigned the student drop-off and pick-up procedures at Cheney Hills to allow more traffic to queue inside the school parking lot and relieve congestion on Dreeben Drive. As a result, Police Department staff recommended creating a one-way traffic flow on southbound Dreeben Drive from Baker Boulevard to better support the traffic flow. Crites Street from Baker Boulevard to Allena Lane was designated as a southbound one-way to prevent additional congestion and maximize traffic and pedestrian safety. Allena Lane from Dreeben Drive to Gerome Street was designated as an eastbound one-way only. This pattern encourages traffic to disperse further away from the school and use Rufe Snow Drive which has a traffic control signal.

The one-way traffic pattern was implemented at the beginning of the school year for a 90 day evaluation period in accordance with Richland Hills City Ordinance 82-46. The evaluation period ended on November 16, 2023. During that time, Police Department staff observed reduced drop-off and pick-up times and increased vehicular and traffic safety. Specifically, the one-way traffic flow reduced congestion at the entrance and exit points of the school parking lot. However, since this change went into effect, the Police Department has received several complaints from neighboring residents who are having issues getting to their homes during school zone times. Several residents attended the City Council meeting on December 18, 2023, to express their concerns regarding traffic flow and congestion.

The Police Department held a Community Town Hall Meeting on January 16, 2024, to gather additional resident feedback on the Cheney Hills traffic flow. Staff then met with BISD officials on January 29, 2024, to share the resident's concerns. The school district agreed to look at options to increase the number of vehicles in the queue line during school pick-up. Since the meeting, school officials have been utilizing a drone to view traffic-related issues at Cheney Hills and are evaluating ways they can improve the ingress and egress of traffic on school property.

Based on the traffic analysis and resident and school district feedback, the Police Department recommends the following streets be designated as one-way streets during school zone hours at Cheney Hills Elementary:

- Dreeben Drive from the north property line of 3224 Dreeben Drive to Allena Lane. (southbound only)
- Allena Lane from Dreeben Drive to Gerome Street (eastbound only)

In addition to adding one-way street designations around Cheney Hills, revisions need to be made to the one-way street designations around Richland Middle School and Jack C. Binion Elementary. Due to the redesign and construction of the two schools, the following one-way designations need to be added during school zone hours:

- Bridges Avenue from Labadie Drive to Norton Drive (westbound only)
- Labadie Drive from Hovenkamp Avenue to Bridges Avenue (southbound only)
- Hardisty Street from Norton Drive to Labadie Street (eastbound only)

The following one-way designations should be removed:

- Norton Drive from its intersection with Evergreen Road to Glenview Drive, and its intersection with the 7400 block of Bridges Avenue to Hovenkamp Avenue, traffic to move in a northerly direction.
- Labadie Drive from its intersection with Evergreen Road to Hardisty Street, traffic to move in a northerly direction.
- Hovenkamp Avenue from its intersection with Norton Drive to Labadie Drive, traffic to move in an easterly direction.
- Scranton Drive from its intersection of Evergreen Road to Hardisty Street, traffic to move in a northerly direction.

With the temporary relocation of Mullendore Elementary School to the former Richland Elementary School site, staff reviewed the current one-way street designations and noted the following designations should be added during school zone hours:

- Scruggs Park Drive from Mimosa Park Drive to Latham Drive (northbound only)
- Latham Drive from Scruggs Park Drive to Willow Park Drive (southbound only)

The following one-way designations should be removed:

- Scruggs Park Drive from its intersection with Park Place Drive to Latham Drive, traffic to move in a northerly direction.
- Latham Drive from its intersection with Scruggs Park Drive to Willow Park Drive, traffic to move in a northerly direction.

In conjunction with these one-way street designations, staff has brought forth an ordinance repealing Section 82-122 of the Richland Hills code, which contains contradictory and confusing language regarding specific one-way street designations within the City.

Motion: Motion was made by Mayor Pro Tem Estep and seconded by Councilmember Goveas to approve the designation of one-way streets in school zones as listed below:

- Dreeben Drive from the north property line of 3224 Dreeben Drive to Allena Lane. (southbound only)
- Allena Lane from Dreeben Drive to Gerome Street (eastbound only)
- Bridges Avenue from Labadie Drive to Norton Drive (westbound only)
- Labadie Drive from Hovenkamp Avenue to Bridges Avenue (southbound only)
- Hardisty Street from Norton Drive to Labadie Street (eastbound only)
- Scruggs Park Drive from Mimosa Park Drive to Latham Drive (northbound only)
- Latham Drive from Scruggs Park Drive to Willow Park Drive (southbound only)

and motion to approve Ordinance 1494-24 repealing section 82-122 regarding one-way streets enumerated other than school zones.

Motion carried by a vote of 7-0.

4B. Approved Ordinance 1495-24 approving and adopting an amended budget for Fiscal Year 2024

City Manager Candice Edmondson presented the item to the City Council and advised that on February 12, 2024, the City Council approved agenda items 5A Illuminated Street Signs and 5B Parkhill Agreement (Rosebud Park). Ordinance 1495-24 brings forward the budget amendment to provide funding for both projects as approved on February 12, 2024.

Illuminated Street Signs Project – The approved project contract is $115,780 and the FY 2024 Budget amount allocated in account 089-56112-61-00 for the project is $90,000, necessitating a budget amendment of $25,780 to that account. The proposed budget amendment will be to increase line item 089-56122-61-00 from $90,000 to $115,780 and increase the total FY 2024 Tax Increment Financing Fund (TIF) budget from $750,000 to $775,780. With the adoption of the FY 2024 budget, there was a projected ending fund balance in the TIF Fund of $212,421 that will provide adequate funding for the budget amendment. Additionally, the expenditure for the illuminated street signs will be allocated to the adopted TIF project plan categories as follows: $75,000 to Streetscape – Signal/Crosswalk Improvements and $40,780 to Streetscape – Engineering/Design.

Parkhill Professional Services Agreement for Rosebud Park Improvements - The approved project agreement is $158,000 and there is available funding in the Capital Projects Fund in the amount of $160,443. This represents the uncommitted cash balance remaining from previous capital projects. There is no appropriated funding for FY 2024 in the Capital Projects Fund. The proposed budget amendment would be to increase line item 020-56107-88-880P09 to $160,443 and increase the FY 2024 Capital Projects Fund budget from $0 to $160,443. While the budget amendment is slightly greater than the Parkhill agreement, this amount will provide funding that can be used in other areas of the Rosebud Park Improvement project.

Motion: Motion was made by Councilmember Goveas and seconded by Councilmember Malone to approve Ordinance 1495-24 approving and adopting an amended budget for Fiscal Year 2024 by increasing the Tax Increment Financing Fund (TIF) budget from $750,000 to $775,780 and the Capital Projects Fund budget from $0 to $160,443.

Motion carried by a vote of 7-0.

CONTRACTS, AGREEMENTS, BID AWARDS AND OTHER RELATED ITEMS

5. None

OTHER ITEMS FOR CONSIDERATION

6. Approved the Glenview Corridor Master Plan

City Manager Candice Edmondson briefly introduced the item and advised that on February 27, 2023, the Richland Hills Development Corporation and City Council approved a professional services agreement with Catalyst Commercial, Inc. to complete a concept plan for the Glenview Corridor. The purpose of the Glenview Corridor Plan is to establish a policy and vision to guide future development in the corridor from State Highway 26 to the eastern city limits. The plan coincided with Tarrant County's 2021 Transportation Bond Program which provides a $5.32M match to improve Glenview Drive and the surrounding infrastructure. The concept plan provides recommendations focused on mitigating safety and mobility issues while improving economic conditions, creating a sense of place and establishing the corridor as a regional destination.

The planning process was initiated in March 2023 and included data collection, evaluation of existing conditions, a market assessment, transportation and mobility audits and public engagement. The draft plan was presented to the public during the City Council Work Session on January 8, 2024. The plan contains two concept options to enhance mobility, increase bicycle and pedestrian safety and create a visually appealing commercial corridor.

The Enhanced Concept includes a four-lane road, wider sidewalks, relocation of utilities, safer intersection crossings, a landscape buffer to provide additional separation between pedestrian and vehicular traffic and development of two catalytic sites. The estimated annual net benefit of the Enhanced Concept is $1.5 million.

The Transformational Concept includes a two-lane road with center turn lanes, strategically placed medians, wider sidewalks, relocation of utilities, safer intersection crossings, on-street parking, a landscape buffer to provide additional separation between pedestrian and vehicular traffic and development of four catalytic sites. The estimated annual net benefit of the Transformational Concept is $4.9 million.

The following residents spoke about the proposed Glenview Corridor Master Plan:

Joyce Fiaccone, 3800 Labadie, Richland Hills
Vicki Hamilton, 7905 Leslie Drive, Richland Hills
Robbie Robinson, 7142 Hardisty Street, Richland Hills
Curtis Bergthold, 3641 Scruggs Drive, Richland Hills
John Garza, 7900 Leslie Drive, Richland Hills

Jason Claunch, owner and president of Catalyst Commercial, advised that the Plan is a policy document meant to provide a framework for potential future development.

Discussion ensued regarding moving utility lines and clarified that no residential properties will be purchased as part of the Plan.

Motion: Motion was made by Mayor Pro Tem Estep and seconded by Councilmember Knowlton to approve the Glenview Corridor Plan.

The vote was as follows:
For: Mayor Lopez, Mayor Pro Tem Estep, and Councilmembers Knowlton, Malone, and Goveas
Against: Councilmember Bledsoe

Motion carried by a vote of 6-1.

REPORTS & DISCUSSIONS

7A. Street Improvement Projects

Item was discussed during worksession.

7B. January Department Reports

Item was discussed during worksession.

COMMUNITY INTEREST ITEMS

8. Mayor Pro Tem Estep advised of several upcoming events:

- Applications for the Citizens Fire Academy are being accepted for the next class to begin Thursday, April 4, 2024;
- Thursday, February 29, 2024, Moncrief Breast Cancer Screenings, The Link Parking Lot, 8:30 a.m. to 4:00 p.m.
- Monday, March 11, 2024 through Friday, March 15, 2024, Spring Break Camp;
- Thursday, March 14, 2024,
    - Senior Lunch Bunch and Bingo, The Link, 12:00 to 2:00 p.m.;
    - Tarrant County Food Pantry, The Link parking lot, 5:30 to 7:00 p.m.;
- Every Thursday, Coffee Talk, Public Library, 10:00 to 11:30 a.m.;

EXECUTIVE SESSION

9. **Executive Session:** Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sec. 551.071, Sec. 551.072, Sec. 551.073, Sec. 551.074, Sec. 551.076, Sec. 551.087 and Sec. 418.0183 (f) and 418.106 (d) & (e) of the Texas Government Code (Texas Disaster Act).

1. Section 551.074: Deliberation regarding Personnel Matters
    a) City Manager annual review

Motion: Motion was made by Councilmember Knowlton and seconded by Mayor Pro Tem Estep to adjourn into Executive Session at 8:27 p.m.

Motion carried by a vote of 7-0.

Mayor Lopez reconvened into open session at 9:43 p.m.

ADJOURNMENT

10. There being no further business to come before the City Council, Mayor Lopez declared the meeting adjourned at 9:44 p.m.

ATTEST:

Lindsay Rawlinson, City Secretary

APPROVED:

Edward Lopez, Mayor

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Jason Brown, Director of Parks and Recreation

Date: March 11, 2024

Subject: Resolution 593-24 Participating in Mayor’s Monarch Pledge

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Agenda Item:

Approve Resolution 593-24 participating in the National Wildlife Federation’s Mayor’s Monarch Pledge

Background Information:

The monarch butterfly is considered a critical species for the continued proliferation of flowering plants, including some food plants. In North America, the monarch’s population has dramatically declined in the previous couple of decades. In fact, monarchs are currently on the threatened and endangered species list.

Additionally, North Texas is a crucial pathway for monarch migration in the fall and spring. For these reasons, the National Wildlife Federation has created the Mayor’s Monarch Pledge to engage cities and towns to take this concern seriously and look for local solutions.

By approving Resolution 593-24 the Richland Hills City Council pledges to use its resources, park areas, staff expertise and educational opportunities to increase monarch habitat while decreasing negatively impactful concerns that affect monarch migratory success. In 2023, the City of Richland Hills ended the pledge campaign with eight certified tasks completed to earn second tier recognition “Leadership Circle”.

In 2024, the City will commit to increase public communication and education, offer programs and more wildflower areas, and integrate monarch conservancy in our park plans. Staff is committed to complete ten tasks to again keep the city in the elite category of operating with sustainability and conservation in mind.

Financial Considerations:

There will be very little financial commitment, beyond staff time. Most items are already currently planned in our park system or will be added to our programming with our afterschool program and day camps.

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

Resolution 593-24

Council Action Requested:

Motion to approve Resolution 593-24 participating in the National Wildlife Federation’s Mayor’s Monarch Pledge

RESOLUTION NO. 593-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, PLEDGING TO COMPLETE BENEFICIAL TASKS ON THE NATIONAL WILDLIFE FEDERATION'S LIST FOR THE MAYOR'S MONARCH PLEDGE IN ORDER TO SUCCESSFULLY BECOME ONE OF THE HUNDRED OF ACCREDITED LOCAL GOVERNMENTS WORKING TO REMOVE THE MONARCH BUTTERFLY FROM THE ENDANGERED AND THREATENED SPECIES LISTS.

WHEREAS, the monarch butterfly is an iconic North American species whose multigenerational migration and metamorphosis from caterpillar to butterfly has captured the imagination of millions of Americans; and

WHEREAS, the monarch butterfly is the official state insect of the State of Texas along other iconic, proud Texas symbolic animals; and

WHEREAS, the spring northern migration route and the fall southern migration route for a large portion of the North American population of monarch butterflies travel through the North Texas regions, and

WHEREAS, two decades ago over one billion monarchs made the annual migration trip to Mexico and back, but in 2014 only 60 million monarchs made the same trip; and

WHEREAS, the resulting 94 percent reduction in the migratory population landed the monarch butterfly on the endangered and threatened species list; and

WHEREAS, the National Wildlife Federation and other conservation groups have seen a rebound in species numbers since a nationwide intentional effort to reestablish and create new habitat; and

WHEREAS, every resident and business can make a difference for migratory populations of monarchs by planting native milkweed, nectar flowers and decreasing light pollution; and

WHEREAS, the Mayor and City Council on behalf of all residents and businesses accept the City of Richland Hills' role in being a part of the solution to increase monarch habitat within our city limits,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THAT:

SECTION 1:

The above findings are hereby found to be true and correct and are incorporated herein in their entirety.

SECTION 2:

The City Council of the City of Richland Hills, Texas hereby pledges to use its resources, park areas, staff expertise and educational opportunities to increase monarch habitat while decreasing negatively impactful concerns that affect monarch migratory success.

SECTION 3:

Richland Hills will join hundreds of other local governments working toward improving monarch habitat for the benefit of all pollinators in locations where residents live, work, learn, play, and worship.

APPROVED AND ADOPTED at a regular meeting of the Richland Hills City Council on March 11, 2024, by a vote of _____ayes, _____nays, and _____abstentions.

APPROVED:

____
THE HONORABLE EDWARD LOPEZ, MAYOR

ATTEST:

____
LINDSAY RAWLINSON, CITY SECRETARY

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Kimberly Sylvester, Chief of Police

Date: March 11, 2024

Subject: On-Street Parking Ordinance

Agenda Item:

Approve Ordinance 1493-24 amending Article IV "Stopping, Standing and Parking", Section 82-313 "Driving and/or Parking on Sidewalks and Curbs Prohibited; Owner and/or Driver Liable for Damage to Streets, Sidewalks and Curbs; Owner Prima Facie the Operator" and repealing Article VII of Chapter 34 in order to update provisions pertaining to parking, stopping or standing vehicles on public and private streets and other places

Background Information:

During the February 12, 2024 City Council meeting, staff presented proposed ordinance amendments pertaining to parking, stopping or standing vehicles on public and private streets and other places. After reviewing the proposed amendments, City Council requested that two additional definitions of sidewalks and medians be added. Those changes have been made and the updated ordinance, as previously reviewed and discussed, is now being presented for City Council approval.

Financial Considerations:

N/A

Legal Review:

The City Attorney prepared the draft ordinance.

Board/Citizen Input:

N/A

Attachments:

Ordinance 1493-24

Council Action Requested:

Motion to approve Ordinance 1493-24 amending Article IV “Stopping, Standing and Parking”, Section 82-313 “Driving and/or Parking on Sidewalks and Curbs Prohibited; Owner and/or Driver Liable for Damage to Streets, Sidewalks and Curbs; Owner Prima Facie the Operator” and repealing Article VII of Chapter 34 in order to update provisions pertaining to parking, stopping or standing vehicles on public and private streets and other places

ORDINANCE NO. 1493-24

AN ORDINANCE OF THE CITY OF RICHLAND HILLS, TEXAS AMENDING ARTICLE IV "STOPPING, STANDING, AND PARKING", SECTION 82-313 "DRIVING AND/OR PARKING ON SIDEWALKS AND CURBS PROHIBITED; OWNER AND/OR DRIVER LIABLE FOR DAMAGE TO STREETS, SIDEWALKS AND CURBS; OWNER PRIMA FACIE THE OPERATOR" AND REPEALING ARTICLE VII OF CHAPTER 34 IN ORDER TO UPDATE PROVISIONS PERTAINING TO PARKING, STOPPING, OR STANDING VEHICLES ON PUBLIC AND PRIVATE STREETS AND OTHER PLACES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SAVINGS CLAUSE: PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY; PROVIDING FOR PUBLICATION AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Richland Hills is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the Texas Transportation Code authorizes local authorities to reasonably regulate the stopping, standing, or parking of a vehicle with respect to a highway under its jurisdiction; and

WHEREAS, the City has previously adopted ordinance provisions regulating parking on public and private streets within the City; and

WHEREAS, the City finds that parking regulations in addition to those provided in the Texas Transportation Code are necessary for the public safety of its citizens; and

WHEREAS, in an effort to maintain current and clear regulations regarding parking on public streets, the City Council now desires to update the City's ordinance provisions contained in Article IV of Chapter 82 of the Richland Hills Code; and

WHEREAS, the City Council finds that this ordinance is in the best interests of the citizens of the City of Richland Hills.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS:

SECTION 1.

Article IV "Stopping, Standing, Parking" of Chapter 82 "Traffic and Vehicles" is hereby amended in its entirety to read as follows:

"Article IV Stopping, Standing, Parking

Division 1 Public Streets

Sec. 82-211. – Definitions.

The following words, terms, and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Bicycle lane means a portion of a roadway that has been designated by pavement markings (and / or signage) for preferential or exclusive use by bicyclists.

Commercial equipment means any self-propelled or towable device that is used for profit which carries personal property or moves dirt, sand or gravel or compacts dirt, sand or gravel, and shall include trailers of any shape or design (except recreational vehicles and trailers which are primarily used for recreational purposes).

Median means the area between opposing lanes of traffic, excluding turn lanes, and can be defined by pavement markings, raised medians, or islands to separate motorized and non-motorized road users.

Motorcycle means a motor vehicle, other than a tractor, that is equipped with a rider's saddle and designed to have when propelled not more than three wheels on the ground.

Motor vehicle means a self-propelled vehicle but does not include an electric bicycle or an electric personal assistive mobility device.

Oversized commercial motor vehicle means any vehicle designated below:

i) Tow trucks, dump trucks, truck-tractors, concrete mixing trucks, stake-bed trucks, buses, trailers; or

ii) Vehicles which are more than:

(1) Twenty (20) feet in length from end to end; or

(2) Seven (7) feet in width at their widest point, or

(3) More than seven (7) feet in height at their highest point.

iii) *Exclusions:* The term oversize commercial motor vehicle shall exclude:

(1) a recreational vehicle; or

(2) a vehicle owned by a public or franchise utility that is located at the residence of an employee of said utility provided the employee is "on call"

for emergency response outside normal business hours of 7:30 a.m. to 5:30 p.m.

Passenger car means a motor vehicle, other than a motorcycle, used to transport persons and designed to accommodate ten (10) or fewer passengers, including the operator.

Public infrastructure means the system of public works of the city including but not limited to roads; bridges; water, wastewater and stormwater systems and public utility systems (electric, gas and communications).

Residential district means any area in which residential living is permitted under the comprehensive zoning ordinance.

Roadway means the portion of a street that is improved, designated for, or ordinarily used for vehicular travel.

Right of way means the strip of land, dedicated to or owned by the State of Texas, any political subdivision of the State of Texas, or any public authority having jurisdiction, that contains or will contain a street, sidewalk, parkway, median, and/or other public facilities.

Recreational vehicle means a vehicle which is built on a single chassis; 400 square feet or less when measured at the largest horizontal projections; designed to be self-propelled or towable as defined in Texas Transportation Code Chapter 541; and designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

Sidewalk means a paved path, often alongside a roadway, used for pedestrian travel.

Stop, stand, or park means a vehicle being stationary at, or nearly at, the same location, irrespective if the vehicle is running or attended, and any calculation of time listed in this article shall be the cumulative of a vehicle being stopping, standing, or parking.

Street means any road, street, parkway, boulevard or way, inclusive of its right-of-way, under the jurisdiction of the City of Richland Hills and open to public travel.

Trailer means a vehicle without motive power designed to be pulled by a motor vehicle and to transport persons or property.

Vehicle means a device that can be used to transport or pull persons or property on a street.

Sec. 82-212 Stopping, Standing, or Parking Prohibited in Certain Places

a) *Maximum Parking Time; Non-Residential Districts.* An operator may not stop, stand, or park any vehicle that is on a public street for a continuous period of time longer than 24 hours.

b) *Maximum Parking Time; Residential districts.*

1) An operator may not stop, stand, or park on a public street or other public right-of-way in a residential district any vehicle, other than a passenger car, motorcycle, or recreational vehicle, on a public street or other public right-of-way in a residential district overnight (from 9 p.m. to 6 a.m.).

2) An operator may not stop, stand, or park any recreational vehicle on a public street or on other public right-of-way in a residential district for a continuous period of time longer than 48 hours.

c) *Alleys*. An operator may not stop, stand, or park in any dedicated public alley any motor vehicle or trailer, unless it is for the purpose of expeditiously loading or unloading goods or materials from or to property adjacent to an alley, in which case the motor vehicle or trailer may be stood, stopped, or parked for a time period not to exceed thirty minutes.

d) *Parking for certain purposes prohibited.* An operator may not stop, stand, or park on any public street, playground, park, athletic field, or public-school property any vehicle, boat, trailer, or any other type of vehicle for the purpose of displaying such vehicle for sale, repairing such vehicle (except repairs necessitated by an emergency), or selling or exhibiting property of any nature.

e) *Vehicles with expired license plate or registration.* An operator may not stop, stand, or park on a public street or alley a vehicle when the vehicle does not have lawfully affixed thereto a valid license plate(s) or registration windshield sticker for the current registration period.

f) *State law.* An operator may not stop, stand, or park in any manner prohibited by Chapter 545 of the Texas Transportation Code.

Sec. 82-213 Parking of Commercial Motor Vehicles and Commercial Equipment

a) *Parking on public property.* No person shall park or store any oversized commercial motor vehicle or commercial equipment upon any public property located in any zoning district, including but not limited to public streets, alleys, rights-of-way, sidewalks, parkways or other public property, except in designated parking spaces or designated loading zones, unless the oversized commercial vehicle or commercial equipment is:

1) Parked in a dedicated public alley for less than thirty minutes for the purpose of expeditiously loading or unloading goods or materials; or

2) Parked in a district zoned for residential use between the hours of 7:30 a.m. and 5:30 p.m. for the purpose of providing a service to an adjacent residential property.

b) *Defense.* It shall be a defense to prosecution under this section if the oversized commercial motor vehicle or commercial equipment is:

1) utilized in providing an urgent service to a business or residence which cannot be performed during the hours of 7:30 a.m. to 5:30 p.m.; or

2) utilized by the City (or its contractor) or by a public or franchise utility (or its contractor) in constructing, maintaining, or repairing public infrastructure; or

3) the vehicle is disabled or inoperable, and

i) the vehicle does not impede traffic, and

ii) a towing service has been contacted to remove the vehicle from the right of way.

c) *Disabled or Inoperable Vehicles.* In no case may a disabled or inoperable oversized commercial vehicle remain stopped, parked, or standing for more than four (4) hours.

Sec. 82-214 Parking on TxDOT Streets, Roads.

a) *No Stopping, Standing, or Parking.* A person shall not stop, stand, or park a vehicle in the right of way of a road owned or under the jurisdiction of the Texas Department of Transportation.

b) *Defense.* It shall be a defense to prosecution under this section if:

(1) the vehicle is disabled or inoperable, and

(2) the vehicle does not impede traffic, and

(3) a towing service has been contacted to remove the vehicle from the right of way.

c) *Disabled or Inoperable Vehicles.* In no case may a disabled or inoperable vehicle remain stopped, parked, or standing in a right of way described by this section for more than four (4) hours.

Sec. 82-215 Obstructions from Parked Vehicles.

No person shall stop, stand or park a vehicle under such conditions as to leave available less than ten (10) feet of the width of the roadway for free movement of vehicular traffic, except that a driver may stop temporarily during actual loading or unloading of passengers or when necessary in obedience to traffic regulations or traffic signs or signals of a police officer.

Sec. 82-216 Storing Motor Vehicles on Public Streets Prohibited.

It shall be unlawful for any person to store or allow the storage of a motor vehicle upon the public streets, alleys, sidewalks, or parkways of the city. For purposes of this section, a vehicle shall be considered stored if it has remained parked at, or nearly at, the same location for a continuous period of time in excess of five (5) days.

Sec. 82-217 Unauthorized Parking on Certain Public Property Prohibited.

a) *Unauthorized Parking Prohibited.* Except as provided in subsection (b), it shall be unlawful for any person to park, stop, or stand a vehicle, whether occupied or unoccupied:

1) In a manner which blocks a public driveway;

2) Overnight (from 12 a.m. to 5 a.m.) on any public parking lot upon which is located signage designating the parking lot for the use of the public conducting business at a City facility; or

3) On a public parking lot upon which is located signage designating the parking lot for city employees and/or city officials.

b) *Exception.* It is an exception to subsection (a) if a person parks, stops, or stands a vehicle:

1) temporarily for the purpose of, and while actually conducting the activity of, loading or unloading passengers from such vehicle, or

2) pursuant to authorized from the City Manager, or his designee.

Sec. 82-218 Parking Near Emergency Vehicle.

a) A person shall not stop, stand, or park a vehicle

(1) in a manner which interferes with the arrival, operation, or departure of any emergency vehicle actively responding to an emergency; or

(2) in a manner prohibited by Texas Transportation Code Chapter 545 or other applicable state law.

b) Any vehicle found in violation of this section may be immediately moved or towed.

Sec. 82-219 Parking on Medians Prohibited

A person shall not stop, stand, or park a vehicle in or upon the strip of land between the lanes of opposing traffic on a divided street.

Sec. 82-220 Passenger Loading Zones

a) It shall be unlawful for the driver of a vehicle to stop, stand or park longer than five (5) minutes in any place marked as a passenger loading zone, and then only for the expeditious loading or unloading of persons.

b) It shall be unlawful at any time to leave an unattended vehicle in any place marked as a passenger loading zone.

Sec. 82-221 Determination of curb loading zones.

The city council is hereby authorized to determine the location of freight curb loading zones and shall direct the chief of police to place and maintain appropriate signs indicating the location of such freight curb loading zones. These zones shall be operative from 7:00 a.m. to 6:30 p.m., except on Sundays and legal holidays.

Sec. 82-222 Citation; Towing; Evidence.

a) The chief of police or any member of the police department designated by the chief of police is hereby authorized to issue parking citations to any person who has violated any portion of this article.

b) The chief of police or his designee may effectuate the towing or removal of the vehicle of an individual cited under this article at the expense of the owner of said vehicle and, if towed, may have the vehicle impounded and detained until all towing and storage charges are paid by the owner under the following procedure:

    1) Notice. Notice shall be given to such owner by one or more of the following methods at least 48 hours prior to the time such removal is required:

        i) A sticker or flyer affixed to the automobile; or

        ii) Personal notice delivered to the owner.

    2) If a vehicle remains after the 48-hour period such vehicle may be ordered by the city manager, the chief of police, or a designee thereof, to be removed and stored at the expense of the owner.

c) In a prosecution for an offense under this article or under applicable state law involving the stopping, standing, or parking of an motor vehicle it is presumed that the registered owner of the vehicle is the person who stopped, stood, or parked the vehicle at the time and place the offense occurred.

Sec. 82-223 Parking in Bicycle Lanes.

a) It shall be unlawful for the driver of any vehicle or trailer to stop, stand or park in any bicycle lane designated with signage which reads “No Parking Bicycle Lane” or signage of the same meaning approved by the Manual of Uniform Traffic Devices.

b) Exception. It is an exception to prosecution under subsection (a) if a person stops or stands a vehicle or trailer in a bicycle lane:

(1) momentarily while in the process of safely executing a turning movement onto a street or driveway; or

(2) when directed to do so by a police officer; or

(3) when the vehicle or trailer is being utilized by the City (or its contractor) or by a public or franchise utility (or its contractor) to construct, maintain or repair public infrastructure.

Sec. 82-224 Authorized Emergency Vehicles Exempt

In operating an authorized emergency vehicle, the operator may park or stand the vehicle, irrespective of another provision of this article

Secs. 82-225 through 82-235. – Reserved.

DIVISION 2 PRIVATE PROPERTY

Sec. 82-236 Stopping, Standing, or Parking Prohibited in Certain Places.

(a) *Parking prohibited in certain places*. An operator may not park, stand, or store any vehicle in the front yard, rear yard, or side yard unless the vehicle is parked on hard paved surface of concrete or asphalt not less than nine (9) feet by eighteen (18) feet, or at least of sufficient size to accommodate the horizontal area projected by the extreme limits of the vehicle. A vehicle may be parked or stored on an unpaved surface in the side yard or rear yard provided it is screened from public view by a solid fence that is not less than six (6) feet tall. Items parked or stored in or on a side yard shall maintain a minimum three-foot clearance to the property lines. No more than two vehicles shall at any one time be parked in the rear yard of a residential lot of less than one-half acre, and no more than three vehicles shall be parked in the rear yard of a residential lot of one-half acre or more in size. On residential lots greater than one acre in size, farm implements shall be exempted from the requirements of this subsection and shall not count as vehicles in calculating the maximum number allowed. Notwithstanding the foregoing, vehicles which are parked in an enclosed garage or carport shall not count as vehicles in calculating the maximum number allowed, and shall be permitted in unlimited numbers.

(b) *Parking space requirements*. All parking spaces constructed for the purposes of abating this nuisance shall be constructed with a driveway adjoining an existing on-site driveway or with a driveway and approach adjoining a public right-of-way. All screening fences constructed for the purpose of abating this nuisance shall comply with setbacks contained in the Richland Hills Code.

(c) *Exemptions*. Properties that do not have an existing concrete or asphalt driveway as of the effective date of this ordinance shall be exempt from this requirement. In the event that a concrete or asphalt driveway is constructed after the effective date of this ordinance, the provisions of this section shall apply.

Sec. 82-237 Parking for certain purposes prohibited.

(a) *Parking prohibited*. An operator may not stop, stand, park any automobile, boat, trailer, or any other type of vehicle upon any private property, including parking lots or driveways of residential or commercial lots with any type of sign or writing upon the vehicle which offers the vehicle for sale. The owner or person entitled to possession of any real property commits an offense by allowing the parking of a vehicle on the property that violates this section.

(b) *Defense*. It is a defense to prosecution under this section if the vehicle is offered for sale upon real property on which a certificate of occupancy has been issued for automobile sales, or if the vehicle is offered for sale on private residential property and no more than two vehicles have been offered for sale upon that property within any one calendar year.

Sec. 82-238 Parking of Oversized Commercial Vehicles Prohibited.

d) *Parking Prohibited in Residential Areas.* No person shall park or store any oversized commercial vehicle or commercial equipment upon any private property located in a district zoned for residential use including any portion of a front yard, driveway, side yard, or rear yard unless the oversized commercial vehicle or commercial equipment is:

1) Parked in a district zoned for residential use between the hours of 7:30 a.m. and 5:30 p.m. for the purpose of providing a service to an adjacent residential property, or

2) Parked or stored in an enclosed building constructed in compliance with all other codes and ordinances of the City.

e) *Defense.* It shall be a defense to prosecution under this section if the oversized commercial motor vehicle or commercial equipment is:

1) utilized in providing an urgent service to a business or residence which cannot be performed during the hours of 7:30 a.m. to 5:30 p.m.; or

2) utilized by the City (or its contractor) or by a public or franchise utility (or its contractor) in constructing, maintaining, or repairing public infrastructure.

Sec. 82-239 through Sec. 82-250 – Reserved.

DIVISION 3 PARKING FOR THE DISABLED

Sec. 82-251 Authority to designate spaces; posting of signs; dimensions.

The building official of the city is hereby authorized to designate specific parking stalls, spaces or areas upon public property as disabled parking spaces. Upon the request of the owner or operator of any existing off-street parking facility, the building official of the city is authorized to approve stalls, spaces or parking areas in an off-street parking facility as handicapped parking spaces. The building official, in the approval process for off-street parking facilities, is authorized to designate stalls, spaces or parking areas in an off-street parking facility as disabled parking spaces. Disabled parking spaces are for the exclusive use of vehicles which display a distinguishing license plate, specially designated symbols, tags or other devices issued pursuant to Texas Transportation Code §§ 502.253—502.255 to disabled persons and veterans. Such stalls or spaces shall be designated by posting, at the businesses' expense, signs which comply with the requirements of the said statute. The dimensions of all parking spaces so designated shall comply with state commission of licensing and regulation guidelines.

Sec. 82-252 Use of spaces by unauthorized vehicles; towing.

A vehicle or vehicles not displaying the proper state issued handicapped designation may, at the discretion of any peace officer, be towed, or otherwise removed, from a properly designated handicapped parking space at the expense of the owner of said vehicle and, if towed, may be impounded and detained until all towing and storing charges are paid.

Sec. 82-253 Use of designated disabled parking spaces by unauthorized vehicles unlawful; parking citations.

(a) *Generally.* A vehicle or vehicles not displaying the proper state issued disability designation which is stopped, standing, parked or left in any parking space properly designated for the exclusive use of persons with disabilities within the city may, at the discretion of any peace officer or other authorized parking enforcement agent, be issued a parking citation. Authorized parking enforcement agents shall include any city police officer or employee or city volunteer designated by the chief of police or the city manager to enforce the provisions of this section.

(b) *Penalty.* Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this section:

(1) Except as provided by this subsection (b), an offense under this division is a misdemeanor punishable by a fine of not less than $250.00 or more than $500.00.

(2) If it is shown on the trial of an offense under this section that the person has been previously convicted one time of an offense under this section, the offense is punishable by a fine of not less than $300.00 or more than $600.00.

(3) If it is shown on the trial of an offense under this section that the person has been previously convicted two times of an offense under this section, the offense is punishable by:

a. A fine of not less than $300.00 or more than $600.00; and

b. Not less than ten or more than 20 hours of community service.

(4) If it is shown on the trial of an offense under this section that the person has been previously convicted three times of an offense under this section, the offense is punishable by:

a. A fine not less than $500.00 or more than $1,000.00; and

b. Not less than 20 or more than 50 hours community service.

(5) If it is shown on the trial of an offense under this section that the person has been previously convicted four times of an offense under this section, the offense is punishable by a fine of $1,000.00 and 50 hours of community service.

Secs. 82-254 through Sec. 82-260 - Reserved.

Division 4 Specific Streets

§ 82-261. Parking prohibited on certain streets.

Parking is prohibited on the following enumerated streets:

(1) Ash Park. It shall be unlawful for any person to park along the west curbline and the east curbline on Ash Park Drive between Latham Drive and Baker Boulevard as designated by the sign posted on Ash Park Drive.

(2) Baker Boulevard (and/or SH 183):

a. It shall be unlawful for any person to stop, park or leave standing any vehicle, whether attended or unattended, upon the paved or main traveled portion of Baker Boulevard (and/or State Highway 183) within the city limits. This subsection shall not apply to the driver of any vehicle which is disabled while on the paved or main traveled portion of such Baker Boulevard (and/or State Highway 183) in such manner and to such extent that it is impossible to avoid stopping and temporarily leaving such disabled vehicle in such position.

b. It shall be unlawful for any person to park or leave standing any vehicle on Baker Boulevard. All disabled vehicles shall be moved to the curbline and removed.

(3) Booth Calloway. No person shall stop, stand or park a vehicle on Booth Calloway.

(4) Glenview Drive. No person shall stop, stand or park a vehicle on either side of Glenview Drive.

(5) Rena Drive. It shall be unlawful for any person to park or leave any vehicle, object or article on Rena Drive between Diana Drive and Rufe Snow Drive in the city.

(6) State Highway 121 Access Road (North Midway Road). It shall hereafter be unlawful for any person to park a vehicle or leave a vehicle on State Highway 121 Access Road (North Midway Road).

(7) Willman Avenue. No person shall stop, stand or park a vehicle except when necessary to avoid conflict with other traffic or in compliance with law or direction of a police officer or traffic control device on either side of Willman Avenue.

(8) Handley Ederville Rd. No person shall stop, stand or park a vehicle on Handley Ederville Rd.

(9) Rufe Snow Dr. No person shall stop, stand or park a vehicle on Rufe Snow Dr. between Baker BLVD and Park Place Dr.

(10) Matthews Dr. No person shall stop, stand or park a vehicle on Matthews Dr. between Baker BLVD and Park Place Dr.

Secs. 82-262 through Sec. 82-280 - Reserved."

SECTION 2.

Section 82-313 "Driving and/or parking on sidewalks and curbs prohibited; owner and/or driver liable for damage to streets, sidewalks and curbs; owner prima facie the operator" of Chapter 82 "Traffic and Vehicles" is hereby amended in its entirety to read as follows:

"**§82-313 Driving and/or parking on sidewalks and curbs prohibited; owner and/or driver liable for damage to streets, sidewalks and curbs; owner prima facie the operator.**

(a) No person shall drive, operate or park a motor vehicle upon or over a sidewalk within the corporate limits of the city.

(b) No person shall drive, operate or park a motor vehicle upon, across or over a curb in any public street within the corporate limits of the city.

(c) No person shall turn or maneuver any vehicle upon any street, sidewalk or curb within the corporate limits of the city in such a way as to cause damage to the surface or structure of such street, sidewalk or curb.

(d) No person shall park or leave unattended a bicycle upon a street or sidewalk as to obstruct traffic or pedestrian movement.

(e) The owner of a motor vehicle used in driving, operating, or parking upon or over a street, sidewalk or curb in violation of this section is presumed to be the driver or operator of the motor vehicle so driven, operated or parked in violation of this section. The presumption shall be rebuttable and shall have the effects and consequences set forth in V.T.C.A., Penal Code § 2.05.

(f) Any person causing damage to any street, sidewalk or curb shall, in addition to such criminal penalty specified in this section, be liable in a civil suit or proceeding for all damages, attorneys fees and costs which the city shall incur or sustain as a result of such damage and the recovery thereof."

SECTION 3.

Article VII of Chapter 34 "Environment" is hereby repealed in int entirety and shall be marked as reserved as follows:

"**Article VII Reserved.**

Secs. 34-291 through Sec. 34-299 - Reserved."

SECTION 4.
ORDINANCE CUMULATIVE

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Richland Hills, Texas, as amended, except where the provisions of the is Ordinance are in direct conflict with the provisions of such Ordinances and such Code are hereby repealed.

SECTION 5.
RESERVATION OF RIGHTS AND REMEDIES FOR ACCRUED VIOLATIONS

That all rights and remedies of the City of Richland Hills are expressly saved as to any and all violations of the provisions of the City's parking regulations which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 6.
PROVISIONS SEVERABLE

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 7.
PENALTY CLAUSE

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Five Hundred Dollars ($500.00) for each offense unless an offense herein details a different specific fine amount. Each day that a violation is permitted to exist shall constitute a separate offense. In addition, any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance may be subjected to such civil penalties as authorized by law.

SECTION 8.
PUBLICATION CLAUSE

The City Secretary of the City of Richland Hills is hereby directed to publish caption, penalty clause, and effective date clause in the official newspaper as/if required by law.

SECTION 9.
EFFECTIVE DATE

This Ordinance shall be in full force and effect from and after its passage, and it is so ordained.

APPROVED AND ADOPTED at a regular meeting of the Richland Hills City Council on March 11, 2024, by a vote of _____ ayes, _____ nays, and _____ abstentions.

APPROVED:

____
THE HONORABLE MAYOR EDWARD LOPEZ

ATTEST:

____
LINDSAY RAWLINSON, CITY SECRETARY

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Kip Dernovich, Director of Public Works and Capital Projects

Date: March 11, 2024

Subject: 2024 Street, Curb, and Gutter Repair Unit Price Contract

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Agenda Item:

Consider renewal of unit price contract with Reliable Paving, Inc. for street, curb, and gutter repair

Background Information:

On March 13, 2023, the City Council approved a unit price contract with Reliable Paving, Inc., for street, curb, and gutter repairs. The unit price contract has helped the City expedite work such as localized street repairs due to water and sewer main breaks, residential driveway approach repairs, curb and gutter replacement, etc. especially on extensive repairs or when staffing has been limited. The unit price contract also standardizes the costs for these projects vs. quoting each individual project as it comes up. The City utilizes similar contracts from other government entities and, as the primary contract holder, would allow other agencies to utilize this contract as well.

The original unit price contract was bid on January 3, 2022. Unit prices were based on industry standard units: linear feet, square feet, cubic yards, etc. depending on the work to be performed. The bid total received is for determining bid ranking only and does not reflect a contract amount to be awarded. The total contract amount will vary depending on the various task order assignments requested.

The current unit price contract with Reliable Paving, Inc. allows for an annual renewal with cost adjustments reflective of current economic trends. Reliable Paving desires to renew the contract with a 5% price adjustment on all line items. The proposed price adjustments are highlighted on the attached unit price sheet. A review of the proposed increases determined that the cost differences were consistent with current economic and market conditions.

Financial Considerations:

The unit price contract is based on task order assignments. Assignments could be in the range of $1,000 for small simple repairs and up to $50,000 or $100,000 for complex projects. The contract is written with a “not to exceed” limit of $500,000 combined total of all task order assignments. Funding for street, curb, and gutter repairs is approved through the annual budget process and expenditures would be based on annual allocations.

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

Contract Bid Proposal Price Sheet with proposed FY 2024 Unit Prices

Council Action Requested:

Motion to approve renewal of unit price contract with Reliable Paving, Inc. for street, curb, and gutter repair

STANDARD FORM OF AGREEMENT
SUPPLEMENTAL AGREEMENT NO. 2

As Adopted by
THE TEXAS SECTION OF THE AMERICAN SOCIETY OF CIVIL ENGINEERS
October 7, 1971

Revised November 17, 1928
Revised April 15, 1932
Revised October 27, 1934
Revised October 19, 1945
Revised April 8, 1954
Revised April 21, 1960
Revised October 7, 1971

Approved as to Legal form by
Legal Counsel

STATE OF **TEXAS**
COUNTY OF TEXAS **TARRANT**

BACKGROUND:

The original AGREEMENT, executed on January 03, 2022, between the CITY OF RICHLAND HILLS (OWNER) and Reliable Paving, Incorporated, (CONTRACTOR) to complete street, curb, and gutter repairs and improvements on a unit price basis. The OWNER and CONTRACTOR agree to amend the contract as follows:

1. Extend the termination date of the contract from September 30, 2023, to September 30, 2024
2. Maintain Supplemental Agreement Number One (Option 2) to increase the maximum amount payable of the contract from $500,000 to $1,000,000
3. All contract terms remain the same, with the exception of the attached updated unit pricing

SUPPLEMENTAL AGREEMENT:

This SUPPLEMENTAL AGREEMENT, made and entered into this **11th** day of **March**, **2024**, by and between the **CITY OF RICHLAND HILLS**, of the County of **TARRANT** and State of Texas acting through **EDWARD LOPEZ, MAYOR** thereunto duly authorized so to do, Party of the First Part, hereinafter termed OWNER, of the City of **RICHLAND HILLS**, County of **TARRANT**, and State of **TEXAS**, Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Party of the First Part (OWNER), and under the conditions expressed in the bond bearing even date herewith, the said Party of the Second Part (CONTRACTOR), hereby agrees with the Party of the First Part (OWNER) to commence and complete the construction of certain improvements and described as follows:

STREET, CURB, AND GUTTER UNIT PRICE CONTRACT

AND ALL EXTRA WORK IN CONNECTION THEREWITH, UNDER THE TERMS AS STATED IN THE General Conditions of the Agreement and at his (or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto, and in accordance with the Notice of Contractors, General and Special Conditions Agreement, Construction Documents and other drawings and printed or written explanatory matter thereof, and the Specifications and addenda therefore, as prepared by **THE CITY OF RICHLAND HILLS**, herein entitled the ENGINEER, each of which has been identified by the CONTRACTOR and the ENGINEER, together with the CONTRACTOR'S written Proposal, the General Conditions of the Agreement, and the Performance and Payment Bonds hereto attached; all of which are made part hereof and collectively evidence and constitute the entire contract.

The CONTRACTOR hereby agrees to commence work within fifteen (15) days after the date written notice to do so for each task order. Completion of each task order will be completed based on the agreed time for each task order, subject to such extensions of time as are provided by the General and Special Conditions.

The OWNER agrees to pay the CONTRACTOR in current funds the price or prices as shown in the proposal, which forms a part of this contract, such payments to be subject to the General and Special Conditions of the contract.

IN WITNESS WHEREOF, the parties to these presents have executed this Agreement in the year and day I first above written.

THE CITY OF RICHLAND HILLS
Party of the First Part (OWNER)

By____________________________

ATTEST:

____

RELIABLE PAVING< INCORPORATED
Party of the Second Part (CONTRACTOR)

By: ____________________________
C.M. LONG - CEO

ATTEST:

____

FY 2024 STREETS UNIT PRICE CONTRACT

Item No.	Description	Unit of Measure	Quantity Range	Bid Quantity	Unit Price (FY 23)	Unit price (FY 24)	Price Difference (%)
1a	Mobilization & General Site Preparation ($0-$10,000 Task Order Amount)	LS	1	1	$813.75	$854.44	5%
1b	Mobilization & General Site Preparation ($10,001-$25,000 Task Order Amount)	LS	1	1	$1,627.50	$1,708.88	5%
1c	Mobilization & General Site Preparation ($25,001-$50,000 Task Order Amount)	LS	1	1	$5,775.00	$6,063.75	5%
1d	Mobilization & General Site Preparation ($50,001-$100,000 Task Order Amount)	LS	1	1	$9,555.00	$10,032.75	5%
1e	Mobilization & General Site Preparation ($101,000-$500,000 Task Order Amount)	LS	1	1	$29,610.00	$31,090.50	5%
2a	Construction Staking ($0-$10,000 Task Order Amount)	LS	1	1	$630.00	$661.50	5%
2b	Construction Staking ($10,001-$25,000 Task Order Amount)	LS	1	1	$1,890.00	$1,984.50	5%
2c	Construction Staking ($25,001-$50,000 Task Order Amount)	LS	1	1	$2,520.00	$2,646.00	5%
2d	Construction Staking ($50,001-$100,000 Task Order Amount)	LS	1	1	$3,780.00	$3,969.00	5%
2e	Construction Staking ($101,000-$500,000 Task Order Amount)	LS	1	1	$7,560.00	$7,938.00	5%
3	Barricades, Warning and Detour Signs, and Traffic Handling	Working Days	0-5	5	$189.00	$198.45	5%
			6-10	10	$157.50	$165.38	5%
			11-20	20	$157.50	$165.38	5%
			21-40	40	$157.50	$165.38	5%
4	Sawcut and Remove Existing Asphalt Pavement	LS	UP TO 40 SF	1	$1,575.00	$1,653.75	5%
		SF	41-150	150	$15.75	$16.54	5%
			151-500	500	$5.25	$5.51	5%
5	Sawcut and Remove Existing Concrete Pavement	LS	UP TO 40 SF	1	$1,155.00	$1,212.75	5%
		SF	41-150	150	$13.65	$14.33	5%
			151-500	500	$7.35	$7.72	5%
6	Sawcut and Remove Existing Concrete Driveway	LS	UP TO 40 SF	1	$1,029.00	$1,080.45	5%
		SF	41-150	150	$13.65	$14.33	5%
			151-500	500	$6.30	$6.62	5%
7	Sawcut and Remove Existing Concrete Curb and Gutter	LS	UP TO 40'	1	$1,365.00	$1,433.25	5%
		LF	41-200	200	$13.65	$14.33	5%
			201-500	500	$10.50	$11.03	5%
			501-1000	1000	$9.45	$9.92	5%
8	Unclassified Street Excavation	LS	UP TO 200 CY	1	$6,300.00	$6,615.00	5%
		CY	201-500	500	$26.25	$27.56	5%
			501-2000	2000	$23.10	$24.26	5%
			2001-5000	5000	$22.05	$23.15	5%
9	Block Sodding	LS	UP TO 100 SY	1	$1,890.00	$1,984.50	5%
		SY	101-250	250	$15.75	$16.54	5%
			251-1000	1000	$12.60	$13.23	5%
10	Hydromulch Seeding	LS	UP TO 100 SY	1	$1,890.00	$1,984.50	5%
		SY	101-250	250	$6.30	$6.62	5%
			251-1000	1000	$5.25	$5.51	5%
11	6-Inch Thick Grade A, Type 1 or 2 Flex Base	LS	UP TO 40 SY	1	$4,410.00	$4,630.50	5%
		SY	41-150	150	$57.75	$60.64	5%
			151-500	500	$28.35	$29.77	5%
12	4-Inch Thick HMAC Type "B" Base Course	LS	UP TO 40 SY	1	$3,045.00	$3,197.25	5%
		SY	41-150	150	$39.90	$41.90	5%
			151-500	500	$31.50	$33.08	5%
13	2-Inch Thick HMAC Type "D" Surface Course	LS	UP TO 40 SY	1	$2,100.00	$2,205.00	5%
		SY	41-150	150	$29.40	$30.87	5%
			151-500	500	$18.90	$19.85	5%
14	6-inch Thick, 4,000 PSI Portland Cement Reinforced Concrete Pavement	LS	UP TO 40 SY	1	$5,250.00	$5,512.50	5%
		SY	41-150	150	$98.70	$103.64	5%
			151-500	500	$77.70	$81.59	5%
15	6-Inch Thick, 4,000 PSI Portland Cement Reinforced Concrete Driveway and Approach	LS	UP TO 40 SY	1	$3,150.00	$3,307.50	5%
		SY	41-150	150	$78.75	$82.69	5%
			151-500	500	$77.70	$81.59	5%
16	6-Inch Thick, 4,000 PSI Portland Cement Reinforced Concrete Valley Gutter	LS	UP TO 40 SY	1	$4,200.00	$4,410.00	5%
		SY	41-150	150	$90.30	$94.82	5%
			151-500	500	$84.00	$88.20	5%
17	6-Inch Concrete Curb and Gutter	LS	UP TO 40'	1	$4,095.00	$4,299.75	5%
		LF	41-200	200	$59.85	$62.84	5%
			201-500	500	$49.35	$51.82	5%
			501-1000	1000	$47.25	$49.61	5%
18	Concrete Pad for Existing Water Valves	EA	1-2	2	$630.00	$661.50	5%
			3-5	5	$504.00	$529.20	5%
			7-10	10	$441.00	$463.05	5%

FY 2024 STREETS UNIT PRICE CONTRACT

Item No.	Description	Unit of Measure	Quantity Range	Bid Quantity	Unit Price (FY 23)	Unit price (FY 24)	Price Difference (%)
19	Concrete Pad for Existing Sanitary Sewer Manholes	EA	1-2	2	$1,008.00	$1,058.40	5%
			3-5	5	$882.00	$926.10	5%
			7-10	10	$756.00	$793.80	5%
20	Adjust Water Valve Stack to Grade	EA	1-2	2	$630.00	$661.50	5%
			3-5	5	$504.00	$529.20	5%
			7-10	10	$378.00	$396.90	5%
21	Adjust Sanitary Sewer Manhole to Grade	EA	1-2	2	$1,575.00	$1,653.75	5%
			3-5	5	$1,386.00	$1,455.30	5%
			7-10	10	$1,260.00	$1,323.00	5%
22	Silt Fence	LS	UP TO 40'	1	$588.00	$617.40	5%
		LF	41-100	100	$10.50	$11.03	5%
			101-500	500	$5.25	$5.51	5%
			501-1000	1000	$4.20	$4.41	5%
23	Inlet Protection	EA	1-2	2	$504.00	$529.20	5%
			3-5	5	$378.00	$396.90	5%
TOTAL BASE BID (BID AMOUNT FOR DETERMINING BID RANKINGS ONLY)							

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Terry Leake, Interim Finance Director

Date: March 11, 2024

Subject: FY 2023 Annual Comprehensive Financial Report

Council Action Requested:

Consider acceptance of Annual Comprehensive Financial Report for Fiscal Year ended September 30, 2023

Background Information:

The Richland Hills City Charter requires an annual audit by an independent certified public accountant. George, Morgan and Sneed, P.C., a firm of licensed certified public accountants, was selected by the City Council to audit the City's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Daniel Hungerford of George, Morgan and Sneed, P.C. will present the Annual Comprehensive Financial Report (ACFR) of the City of Richland Hills, Texas, for the fiscal year ended September 30, 2023. Copies will be distributed to the Mayor and Council at the meeting, and a copy will be incorporated as an attachment to this agenda item. The City received an unqualified audit opinion, which is the most favorable audit opinion. This type of opinion reflects that the City's financial statements are fairly and appropriately presented, without any identified exceptions, and are in compliance with generally accepted accounting principles.

The purpose of the ACFR is to provide the City Council, management, staff, citizens and other interested parties with detailed information reflecting the City's financial condition. After the ACFR has been accepted by Council it will be placed on the City's website, a copy will be placed in the Richland Hills Public Library, and it will be available for public inspection at City Hall. An original copy will be kept as a permanent record of the City in the City Secretary's office.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

Annual Comprehensive Financial Report for Fiscal Year ended September 30, 2023
Required Communication Letter

Council Action Requested:

Motion to approve and accept the Annual Comprehensive Financial Report for Fiscal Year ended September 30, 2023

Richland Hills

FY 2022-23

CITY OF RICHLAND HILLS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2023

CITY OF RICHLAND HILLS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2023

Prepared by the Finance Department

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CITY OF RICHLAND HILLS, TEXAS
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

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INTRODUCTORY SECTION

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Richland Hills
3200 Diana Drive | Richland Hills, TX, 76118
817-616-3812 | richlandhills.com

March 1, 2024

The Honorable Mayor, Members of the City Council,
and Citizens of Richland Hills (the "City")

Submitted herewith is the Annual Financial Report (AFR) of the City of Richland Hills, Texas, for the fiscal year ended September 30, 2023. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

THE REPORTING ENTITY

The City of Richland Hills is a political subdivision of the State, incorporated as a municipal corporation in 1950. The City operates under the laws of the State and the City's home rule charter, approved by the citizens in 1985 as a council-manager form of government. Policy-making and legislative authority are vested in a governing city council consisting of the mayor and five other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's city manager. The city manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. Council members serve two-year staggered terms with three council members elected in odd-numbered years and the mayor and two council members elected in even-numbered years. The mayor and council members are elected from the community at large. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. The City of Richland Hills voters approved a one percent local sales and use tax at an election held on December 5, 1967.

The City provides a full range of municipal services that include police and fire protection, emergency medical services, animal control services, municipal court, construction and maintenance of streets and drainage infrastructure, planning and zoning, economic development, code enforcement, library services, parks and recreational activities and cultural events, and general administrative services. Water and wastewater services and sanitation services are provided as an operation of the City and therefore have been included as an integral part of the City's financial statements. The Richland Hills Development Corporation (a Type B Economic Development Corporation) and Richland Hills Crime Control and Prevention District are legally separate entities but are in substance part of the government's operation and are included in the ACFR.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

Richland Hills is situated Northeast Tarrant County in the middle of the Dallas / Fort Worth Metroplex, the major metropolitan area in the north central part of the state, and is approximately 7 miles from downtown Fort Worth, 30 miles from downtown Dallas, and approximately 15 miles from DFW International Airport. Richland Hills is served by three state-numbered highways, SH 121, SH 26, and SH 10 (Baker Blvd. in Richland Hills), as well as the Trinity Railway Express (TRE), a commuter rail line between Fort Worth and Dallas operated jointly by Dallas Area Rapid Transit (DART) and the Fort Worth Transit Authority (The T).

The City of Richland Hills occupies a land area of 3.9 square miles, is approximately 98% developed, and serves an estimated population of 8,484.

As it is widely recognized, revenue sources for municipalities are primarily driven from ad-valorem (property), sales and use taxes. In 2023, Richland Hills experienced a 13% increase in net assessed taxable value due to an increase in residential and commercial property valuation and an upward trend in economic recovery. The property tax base remains diverse with the top ten taxpayers accounting for 12.5% of the total assessed value. In the General Fund, property tax revenues accounted for 32% and sales tax accounted for 49% of total revenues.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

To provide a reasonable basis for making these representations, the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP) for local governments, as prescribed by the Governmental Accounting Standards Board (GASB) and other recognized professional standards. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that assets are safeguarded and that the financial statements will be free from material misstatement.

The City's accounting records for general governmental operations are maintained on a modified accrual basis. Under this method of accounting, expenditures are recognized when the services or goods are received, and the liability is incurred. Revenues are recognized when measurable and available. Accounting records for the proprietary funds are maintained on the accrual basis.

The annual budget serves as the foundation for the City's financial planning and control. All City departments are required to submit requests for appropriation to the city manager by April of each year. The city manager uses these requests as the starting point for developing a proposed budget. The city manager then presents this proposed budget to the Council for review by at least 60 days prior to October 1. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The city manager is authorized to transfer budgeted amounts between line items within any fund. Any revisions that alter the total expenditures of any fund require special approval of the Council.

RELEVANT FINANCIAL POLICIES

The Financial Policies enable the City to achieve a long-term stable and positive financial condition. Annual estimates of revenue in both the General Fund and Proprietary Funds are based on historical trends and reasonable expectation of growth. A conservative approach is observed in estimating revenues, so that revenue estimates will not be overstated. In order to protect from fluctuations in revenue sources due to fluctuations in the economy and variations in weather, a diversified revenue system is also maintained. In addition, it is also the City's policy that one-time, or non-recurring revenues, will not be used to finance current ongoing operations. Non-recurring revenues are used only for one-time expenditures such as capital needs. Every fiscal year, each possible program addition or service level change is analyzed in terms of its potential financial impact as part of the budget package decision making process. This process enables the City to make assumptions about future debt and operational funds capacity. The City has also identified projects based on their critical nature and the timeliness of available financing for these projects. The City Council continued its strategic planning process to identify goals and objectives for long range planning. Directives from the City Council are utilized to help guide the budget planning and service and program implementation.

INDEPENDENT AUDIT

The Richland Hills City Charter requires an annual audit by an independent certified public accountant. George, Morgan & Sneed P.C., a firm of licensed certified public accountants, was selected by the City Council to audit the City's financial statements. The audit report will be available for public inspection and the original copy will be kept as a permanent record of the City.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for excellence in Financial Reporting to the City of Richland Hills for its comprehensive annual financial report for the fiscal year ended September 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The City of Richland Hills has received the Certificate of Achievement for the past seventeen years.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the cooperation of City employees throughout the organization. Sincere appreciation is also expressed to the Mayor and City Council for their continued interest and support in the conduct of the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Terry Leake

Terry Leake
Interim Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Richland Hills
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill
Executive Director/CEO

CITY OF RICHLAND HILLS, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2023

CITY COUNCIL

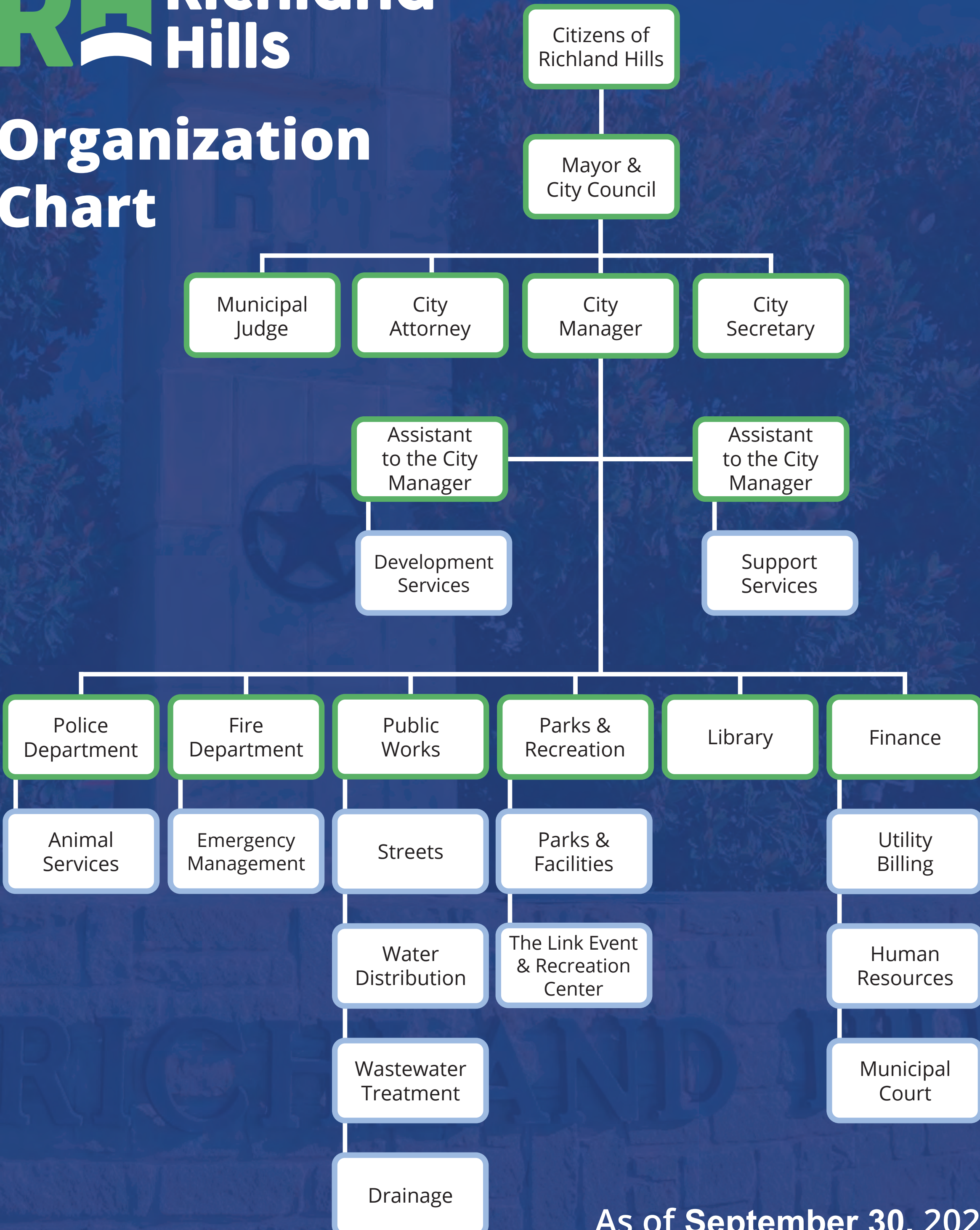
EDWARD LOPEZ, MAYOR
DOUGLAS KNOWLTON, PLACE 1
TRAVIS MALONE, PLACE 2
THERESA BLEDSOE , PLACE 3
JAVIER ALVAREZ, PLACE 4
G.W. ESTEP, MAYOR PRO TEM, PLACE 5
ROLAND GOVEAS, PLEACE 6

CITY STAFF

CANDICE EDMONDSON, CITY MANAGER
TERRY LEAKE, INTERIM FINANCE DIRECTOR
KIMBERLY SYLVESTER, CHIEF OF POLICE
RUSSELL SHELLEY, FIRE CHIEF
KIP DERNOVICH, DIRECTOR OF PUBLIC WORKS AND CAPITAL PROJECTS
JASON BROWN, PARKS & RECREATION DIRECTOR
LINDSAY RAWLINSON, CITY SECRETARY

Richland Hills

Organization Chart



As of **September 30, 2023**

FINANCIAL SECTION

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GMS CERTIFIED PUBLIC ACCOUNTANTS
GEORGE | MORGAN | SNEED

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Richland Hills, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Richland Hills, Texas (the "City"), as of and for the year ended September 30, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof 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 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 of Richland Hills, Texas 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.

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.

George, Morgan & Sneed, P.C.
1849 Wall Street | Weatherford, TX 76086 | *Phone* 817.594.2704 | *Fax* 817.599.7389

www.gms-cpa.com

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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 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.

We are required to 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 management's discussion and analysis on pages 4 – 15 and budgetary comparison schedule – general fund, budgetary comparison schedule – crime control district, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of changes in OPEB liability and related ratios on pages 54 - 62 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. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the 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 combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

In connection with our audit 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 in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

George, Morgan & Sneed, P.C.

George, Morgan & Sneed, P.C.
Weatherford, Texas
March 1, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Richland Hills, Texas, we offer readers of The City of Richland Hills' financial statements this narrative overview and analysis of the financial activities of the City of Richland Hills for the year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Richland Hills exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $44,900,830 (*net position*) compared to $40,767,113 for the prior year. Of this amount, $10,339,937 (*unrestricted net position)* may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $4,133,715. The City's governmental activities net position increased by $2,895,646 and the business-type activities net position increased $1,238,069.

- As of the close of the current year, the City of Richland Hills's governmental funds reported combined ending fund balances of $15,090,832 compared to $12,912,365 for the prior year. $4,004,437 is available for spending at the City's discretion (unassigned fund balance).

- At the end of the current year, unassigned fund balance for the general fund was $4,004,437, or 45% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Richland Hills's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and fees).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, parks and beautification, community development and economic development. The business-type activities of the City include water and sewer and drainage utility.

The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Crime Control District special revenue fund, and road and street capital projects fund which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

Proprietary funds. The City maintains one type of proprietary fund. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and drainage utility operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund and drainage utility fund.

The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-53 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on Exhibits E-1 and E-5 of this report.

The combining and individual nonmajor governmental funds statements and schedules are presented immediately following the required supplementary information. These statements can be found on Exhibits F-1 through G-10 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $44,900,830 as of September 30, 2023.

The largest portion of the City's net position (57%) reflects its investment in capital assets (e.g. land, improvements other than buildings, buildings, machinery and equipment, streets and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $10,339,937 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current year, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate governmental activities and business-type activities.

Below are summaries of the City's Statement of Net Position and Statement of Activities.

Condensed Statement of Net Position

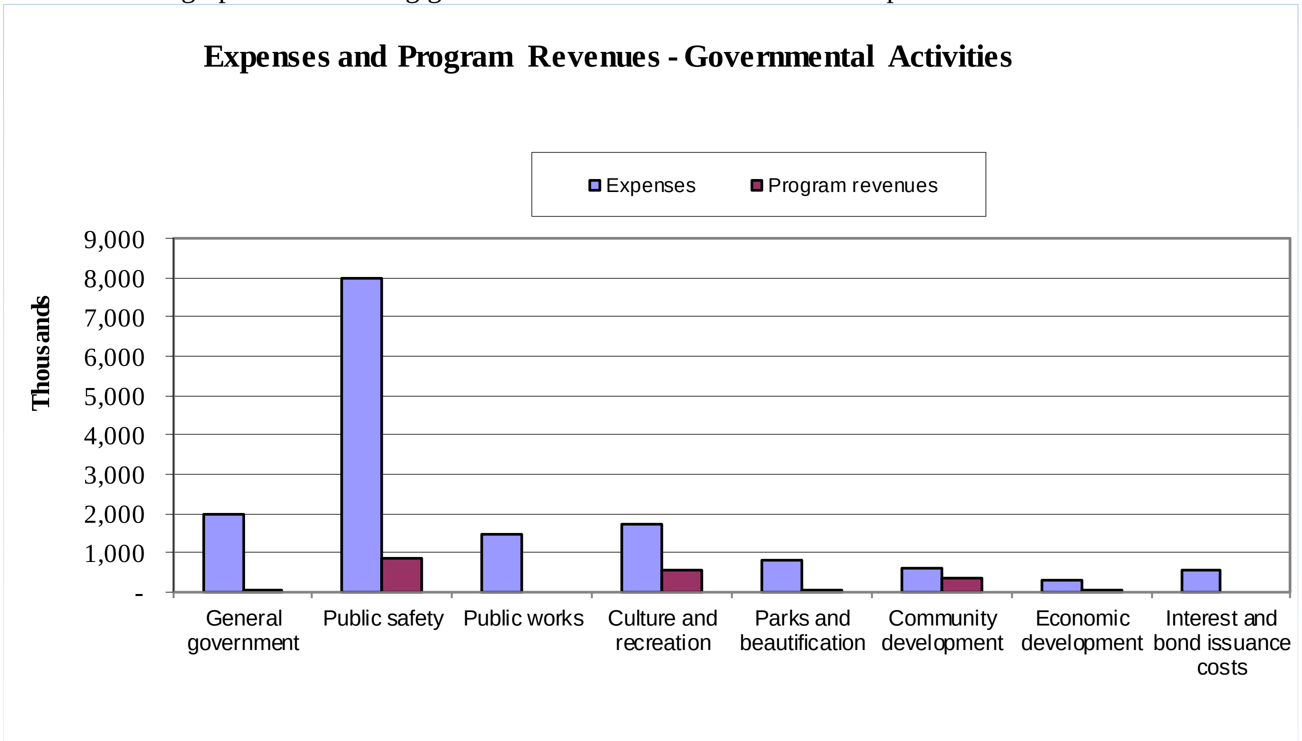
	Governmental Activities		Business-type Activities		Total	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Current and other assets	$ 17,850,388	$ 15,298,225	$ 8,093,680	$ 8,927,607	$ 25,944,068	$ 24,225,832
Capital assets	32,789,552	31,430,300	19,767,968	18,115,630	52,557,520	49,545,930
Total Assets	50,639,940	46,728,525	27,861,648	27,043,237	78,501,588	73,771,762
Deferred outflows of resources	2,917,291	768,921	493,937	152,044	3,411,228	920,965
Total deferred outflows	2,917,291	768,921	493,937	152,044	3,411,228	920,965
Current liabilities	1,764,171	1,346,563	2,390,326	2,305,131	4,154,497	3,651,694
Long-term liabilities	24,539,739	19,929,196	8,199,248	8,118,453	32,738,987	28,047,649
Total liabilities	26,303,910	21,275,759	10,589,574	10,423,584	36,893,484	31,699,343
Deferred inflows of resources	102,006	1,966,020	16,496	260,251	118,502	2,226,271
Total deferred inflows	102,006	1,966,020	16,496	260,251	118,502	2,226,271
Net Position:						
Net investment in capital assets	13,570,753	12,326,976	12,379,038	11,460,920	25,949,791	23,787,896
Restricted	8,611,102	7,250,766	-	-	8,611,102	7,250,766
Unrestricted	4,969,460	4,677,925	5,370,477	5,050,526	10,339,937	9,728,451
Total Net Position	$ 27,151,315	$ 24,255,667	$ 17,749,515	$ 16,511,446	$ 44,900,830	$ 40,767,113

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Revenues:						
Program revenues:						
Charges for services	$ 1,675,173	$ 1,449,304	$ 5,976,107	$ 6,127,284	$ 7,651,280	$ 7,576,588
Operating grants and contributions	159,643	38,952	-	-	159,643	38,952
Capital grants and contributions	-	-	166,570	202,578	166,570	202,578
General revenues:						
Property taxes	4,365,451	3,991,037	-	-	4,365,451	3,991,037
Sales taxes	10,031,749	9,283,031	-	-	10,031,749	9,283,031
Franchise taxes	647,876	569,457	-	-	647,876	569,457
Hotel Occupancy taxes	254,445	214,587	-	-	254,445	214,587
Investment earnings	361,636	15,723	271,649	16,756	633,285	32,479
Miscellaneous revenue	713,093	452,516	10,000	85,830	723,093	538,346
Total revenues	18,209,066	16,014,607	6,424,326	6,432,448	24,633,392	22,447,055
Expenses						
General government	1,994,587	1,380,007	-	-	1,994,587	1,380,007
Public safety	7,983,920	6,086,145	-	-	7,983,920	6,086,145
Public works	1,476,279	838,964	-	-	1,476,279	838,964
Culture and recreation	1,699,041	1,588,342	-	-	1,699,041	1,588,342
Parks and beautification	787,617	684,518	-	-	787,617	684,518
Community development	600,762	409,804	-	-	600,762	409,804
Economic development	303,619	283,064	-	-	303,619	283,064
Interest and fiscal agent charges	566,515	551,242	-	-	566,515	551,242
Water and sewer	-	-	4,564,289	4,032,448	4,564,289	4,032,448
Drainage Utility	-	-	523,049	537,734	523,049	537,734
Total expenses	15,412,339	11,822,086	5,087,338	4,570,182	20,499,677	16,392,268
Increase (decrease) in net position before transfers	2,796,727	4,192,521	1,336,988	1,862,266	4,133,715	6,054,787
Transfers	98,919	135,645	(98,919)	(135,645)	-	-
Increase (decrease) in net position	2,895,646	4,328,166	1,238,069	1,726,621	4,133,715	6,054,787
Net Position October 1	24,255,669	19,927,501	16,511,446	14,784,825	40,767,115	34,712,326
Net Position September 30	$ 27,151,315	$ 24,255,667	$ 17,749,515	$ 16,511,446	$ 44,900,830	$ 40,767,113

Governmental Activities. Governmental activities increased the City's net position by $2,895,646 in the current year compared with a $4,328,166 increase in the prior year. Total governmental activities revenues increased $2,194,459 (12%) to $18,209,066. Property taxes increased $374,414 due to a $97.2 million increase in assessed property values. Sales tax increased $748,718. Total governmental activities expenses increased $3,590,253 from the prior year. Expenses increased primarily due to increased salaries and wages and pension expense in the current year.

Below are two graphs summarizing governmental activities revenue and expense:



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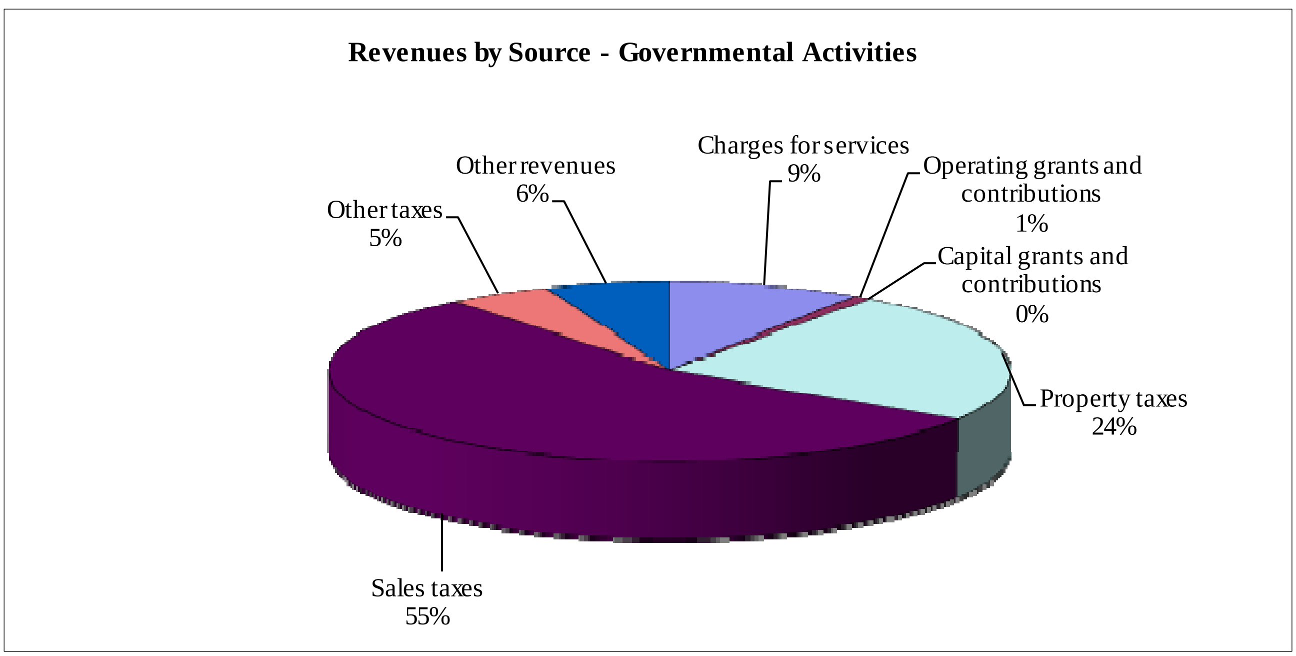
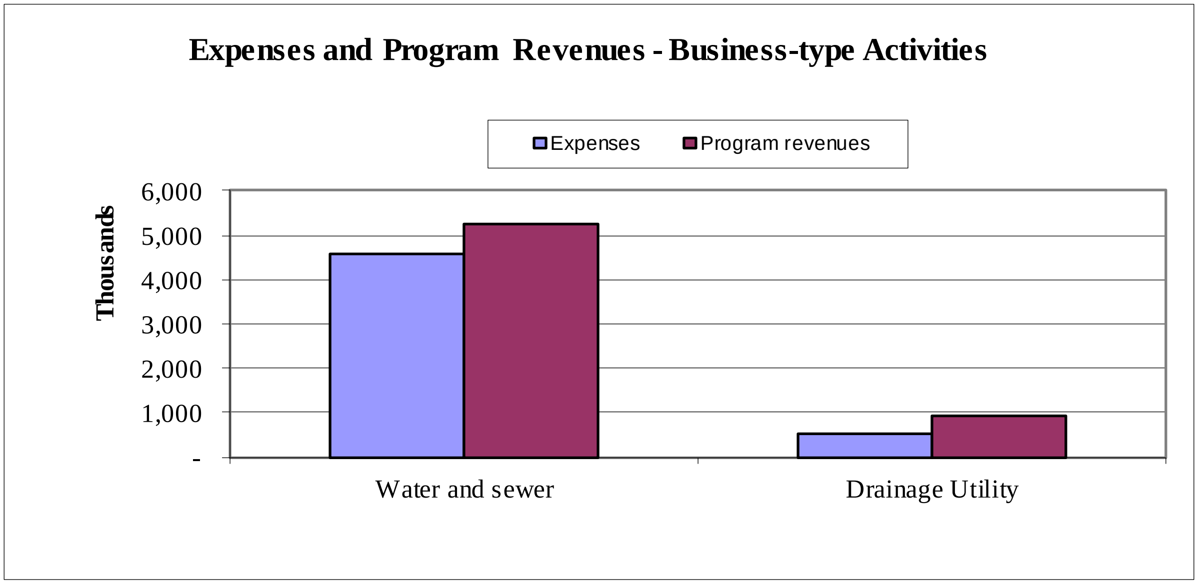


Business-type activities. Business-type activities increased the City's net position by $1,238,069 in the current year compared to an increase in net position of $1,726,621 in the prior year. The business-type activities total revenues decreased $8,122 (0.1%) to $6,424,326. Total expenses increased $517,156 (10%) to $5,087,338 primarily because of personnel costs for wages and pension expense and rate increases for sewage treatment.

Below are two graphs summarizing business-type activities revenue and expense:



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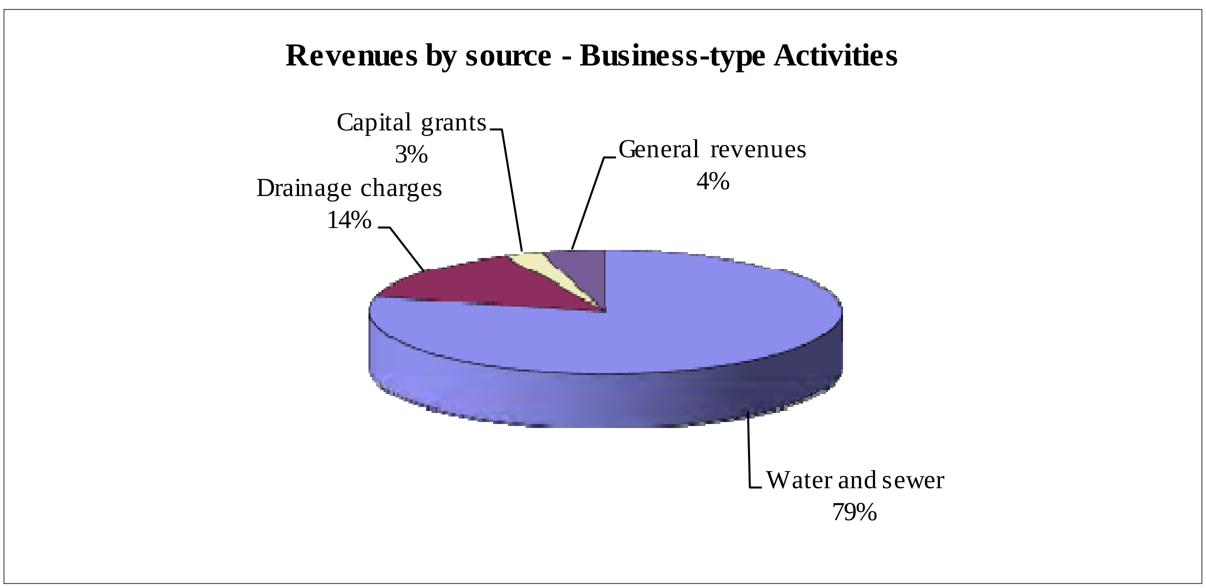


Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At year end, the City's governmental funds reported combined ending fund balances of $15,090,832. $4,004,437 (27%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted and assigned to indicate that it is not available for new spending because it has already been committed for projects and debt service.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $4,004,437. Fund balance of the general fund decreased $1,482,920 compared to an increase of $1,118,970 in the prior year. Key factors in this increase are as follow:

- Revenues increased $1,150,618 (13%). General fund sales taxes increased $326,917 due to growth in the local economy. Property taxes increased $361,688 due to a $97.2 million increase in assessed property values.

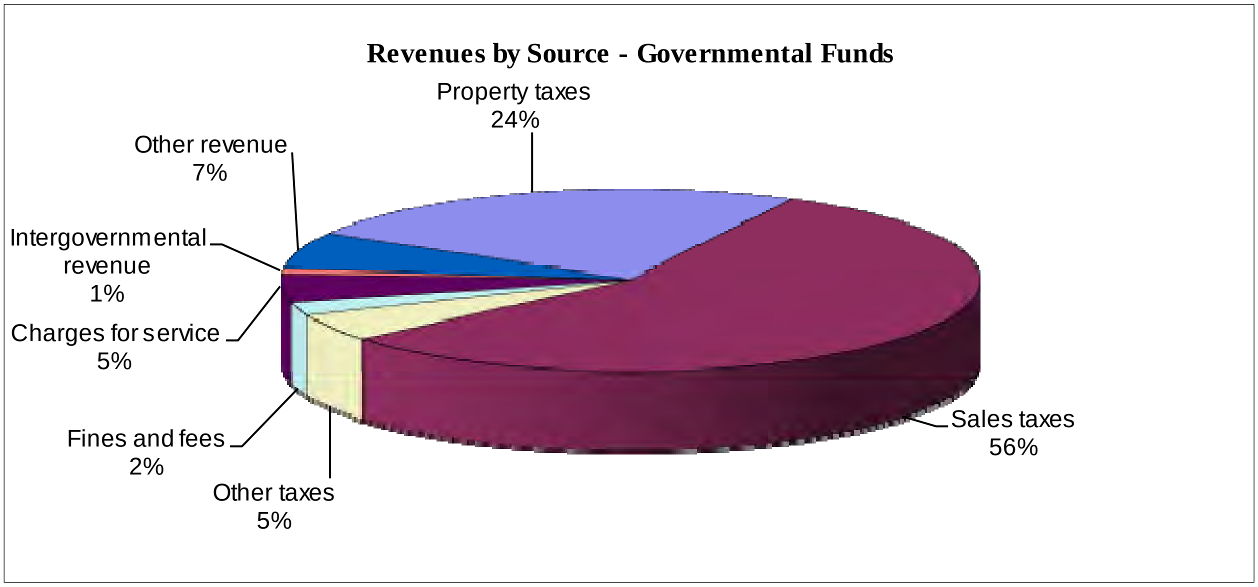
- Expenditures increased $1,133,080 (15%). Public safety increased $705,922 primarily due pay increases and more positions filled. General government increased by $414,376 due to increased salaries, claims expense, and workers compensation.

- Transfers out increased $2,431,972 due to a $2,400,000 transfer to the strategic initiative fund for capital outlay.

The Crime Control and Prevention District is funded with a .375% sales tax. Sales tax revenue of the Crime Control and Prevention District was $1,877,438 and funded police expenditures of $2,154,145 during the current year. Fund balance at year-end is $1,215,491.

The road and street capital projects fund is funded with a .375% sales tax. Sales tax revenue of the road and street fund was $1,881,208 and funded capital projects of $1,930,236. Fund balance at year-end is $1,971,015.

Below are two graphs summarizing governmental fund revenue and expenditures.



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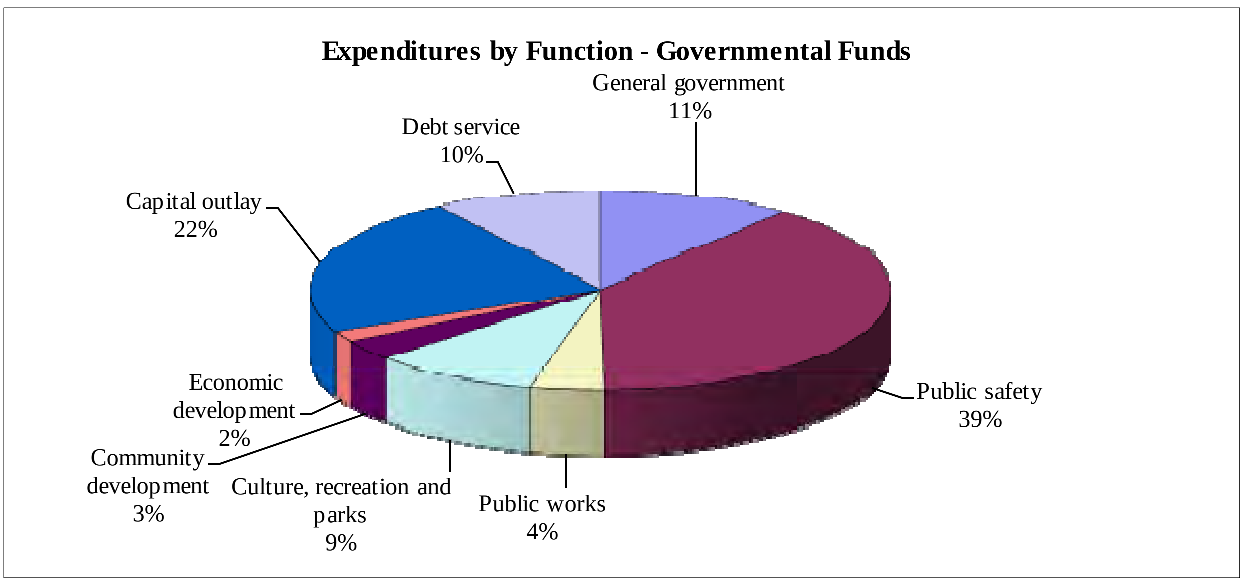

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund and Drainage Utility Fund at the end of the year were $4,568,154 and $802,323 respectively. The Water and Sewer Fund and Drainage Utility Fund net position increased $847,662 and $390,407 respectively. Factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City amended its budget during the year. Revenues were increased $408,500 to reflect an increase in investment income and taxes. Expenditures were increased $157,100. During the year, actual revenues were $150,322 more than budgeted because sales tax exceeded expectations. Actual expenditures were $37,077 more than budgeted.

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2023, amounts to $52,557,518, (net of accumulated depreciation). This investment in capital assets includes land, buildings, water and sewer systems, improvements other than buildings, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year included the following:

Governmental Activities:

• 2023 street improvements	$1,116,075
• Magnolia Park Drive construction	328,615
• Animal Shelter parking lot construction	173,995
• Restroom Creek Trail Park	149,758

Business-type activities:

• Water meter replacement project in progress	$2,053,991
• Sewer improvements	107,275

The City of Richland Hills's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Land	$ 830,414	$ 830,414	$ 256,267	$ 256,267	$ 1,086,681	$ 1,086,681
Construction in progress	1,921,171	1,291,092	245,681	286,662	2,166,852	1,577,754
Buildings	16,196,641	16,602,235	37,692	40,048	16,234,333	16,642,283
Improvements	2,651,308	2,985,111	5,851,115	6,032,007	8,502,423	9,017,118
Water and sewer systems	-	-	12,953,597	11,168,929	12,953,597	11,168,929
Machinery and equipment	1,819,844	2,065,116	184,519	224,770	2,004,363	2,289,886
Infrastructure	8,240,504	7,501,493	-	-	8,240,504	7,501,493
Leased machinery & equip	1,129,670	154,839	239,095	106,947	1,368,765	261,786
Total	$ 32,789,552	$ 31,430,300	$ 19,767,966	$ 18,115,630	$ 52,557,518	$ 49,545,930

Additional information on the City's capital assets can be found in note 1.D.6 and note 7 to the financial statements.

Long-Term Debt

At year-end the City had $25,800,482 in long-term debt outstanding. $14,720,000 are general obligation bonds backed by the full faith and credit of the City and $7,395,000 are certificates of obligation secured by a combination of tax and revenue. The City's outstanding tax supported debt is rated "AA" by Standard & Poor's Ratings Services.

City of Richland Hills's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Certificates of Obligation	$ 3,460,000	$ 3,665,000	$ 3,935,000	$ 4,295,000	$ 7,395,000	$ 7,960,000
General Obligation	13,021,750	13,411,250	1,698,250	1,978,750	14,720,000	15,390,000
Tax Notes	310,000	405,000	-	-	310,000	405,000
Financed purchases	687,172	817,108	1,297,254	1,420,753	1,984,426	2,237,861
Lease financing	1,152,955	155,414	238,101	107,297	1,391,056	262,711
Total	$ 18,631,877	$ 18,453,772	$ 7,168,605	$ 7,801,800	$ 25,800,482	$ 26,255,572

More detailed information about the City's debt is presented in note 8 to the Financial Statements.

Economic factors and the Next Year's Budgets and Rates

The City's tax year 2023 (fiscal year 2024) total taxable value, as provided by the Tarrant Appraisal District is $946,539,167, an increase of 10.2% over 2023 tax year (fiscal 2024) total taxable value of $849,885,672. The property tax rate in the fiscal year 2024 adopted budget is $0.522689, which is $.016196 (-3%) lower than fiscal year 2023. The maintenance and operations rate of $0.361700 decreased by $.051928 due to higher valuations and the debt rate is $0.160989 an increase of $0.035732 to cover the street funding portion of the planned October 2023 debt issuance. The estimated property tax revenue for fiscal year 2024 is $4,839,669 which represents an increase of 14.4% over the budgeted tax revenues for fiscal year 2023 due to an increase in assessed property values in the Tarrant County and Dallas Fort-Worth area.

In the General Fund, total operating revenues for fiscal year 2024 are $10,138,937. The City's largest source of General Fund revenue is sales tax revenue, and it is projected at a $4.877 million. This increase of 3.5% over the 2023 budget is primarily due to strong sales performance from the industrial sector of City based businesses. Building permit revenues are projected to increase by almost $70,000, due to permits for two townhome developments adjacent to Baker Boulevard, a main thoroughfare in the City. Investment income and funding for two additional school resource officers from the Birdville Independent School District provides an over $400,000 increase in the miscellaneous revenue category. Total General Fund expenditures including transfers are budgeted at $10,281,682 and this includes a transfer of $256,260 to the Strategic Initiative Fund. This transfer is derived from the sweep of the of excess unassigned fund balance reserves in the General Fund into the Strategic Initiative Fund to provide funding in for one-time projects such as improvements to technology and building improvements.

Water and wastewater revenues for fiscal year 2024 are projected at $5,148,900, which is a 6.4% increase primarily due to tap fees and meter setting fees from the aforementioned new townhome developments and increased investment income. No water rate increases are in effect for fiscal year 2024. However, included in the budget is funding for a rate study to review options such as a pass-through charge to water customers as wholesale water and wastewater rates continue to increase for fiscal year 2024. This will also provide funding to plan for needed improvements to the City's aging infrastructure. Budgeted expenses included transfers of the water and wastewater fund are $5,677,042, which is $528,142 greater than anticipated revenue. This draw down of available cash in the Utility Fund provides funding for FY 2024 budgeted capital for water line and tank infrastructure rehabilitation.

The indicators for fiscal year 2024 show financial stability and continued recovery from the past economic challenges from the impact of COVID-19. The funds received from the October 2023 debt issue will fund street improvements to various neighborhood streets and replace aging utility lines in those areas for continued focus on infrastructure rehabilitation. These factors allow budgeted revenues to take a conservative approach, and it is anticipated that the City's financial position will remain stable.

Request for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 3200 Diana Drive, Richland Hills, Texas 76118.

BASIC FINANCIAL STATEMENTS

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EXHIBIT A-1

CITY OF RICHLAND HILLS, TEXAS
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 10,783,753	$ 4,182,615	$ 14,966,368
Investments	3,918,860	1,016,742	4,935,602
Receivables (Net of allowances for uncollectibles)			
Property tax	69,613	-	69,613
Sales tax	1,940,245	-	1,940,245
Franchise taxes	345,225	-	345,225
Accounts	692,138	823,696	1,515,834
Other	35,810	-	35,810
Prepaids	64,744	205	64,949
Supplies inventory - at cost	-	221,760	221,760
Restricted assets:			
Cash and cash equivalents	-	156,420	156,420
Investments	-	1,692,242	1,692,242
Capital assets			
Non-depreciable assets	2,751,585	501,948	3,253,533
Depreciable assets, net	30,037,967	19,266,020	49,303,987
Total Assets	50,639,940	27,861,648	78,501,588
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	27,706	27,706
Deferred outflows related to pensions	2,867,803	458,232	3,326,035
Deferred outflows related to OPEB	49,488	7,999	57,487
Total deferred Outflows of Resources	2,917,291	493,937	3,411,228
LIABILITIES:			
Accounts payable	1,317,370	560,646	1,878,016
Accrued liabilities	326,099	40,647	366,746
Unearned Revenue	35,222	-	35,222
Current Liabilities Payable from Restricted Assets:			
Unearned grant revenue	-	1,605,388	1,605,388
Interest payable	85,480	27,225	112,705
Customer deposits	-	156,420	156,420
Noncurrent liabilities:			
Due Within One Year	1,279,706	850,345	2,130,051
Due in More Than One Year	23,260,033	7,348,903	30,608,936
Total Liabilities	26,303,910	10,589,574	36,893,484
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	-	-
Deferred inflows related to OPEB	102,006	16,496	118,502
Total deferred inflows of Resources	102,006	16,496	118,502
NET POSITION:			
Net investments in Capital Assets	13,570,753	12,379,038	25,949,791
Restricted for			
Public Safety	1,332,138	-	1,332,138
Culture and recreation	156,575	-	156,575
Parks and beautification	68,027	-	68,027
Economic development	2,461,196	-	2,461,196
Debt Service	675,126	-	675,126
Capital projects	3,918,040	-	3,918,040
Unrestricted Net Position	4,969,460	5,370,477	10,339,937
Total Net Position	$ 27,151,315	$ 17,749,515	$ 44,900,830

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

CITY OF RICHLAND HILLS, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2023

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 1,994,587	$ 1,192	$ -	$ -
Public safety	7,983,920	727,863	138,427	-
Public works	1,476,279	-	-	-
Culture and recreation	1,699,041	562,433	4,810	-
Parks and beautification	787,617	-	16,406	-
Community development	600,762	345,006	-	-
Economic development	303,619	38,679	-	-
Interest and fiscal agent charges	566,515	-	-	-
Total governmental activities	15,412,339	1,675,173	159,643	-
Business-type activities:				
Water and sewer	4,564,289	5,070,844	-	166,570
Drainage utility	523,049	905,263	-	-
Total business-type activities	5,087,338	5,976,107	-	166,570
Total primary government	$ 20,499,677	$ 7,651,280	$ 159,643	$ 166,570

General Revenues:
Taxes:
Property Taxes, levied for general purposes
Property Taxes, levied for debt service
Proptery Taxes, levied for TIF Zone
Sales Taxes
Franchise Taxes
Hotel Occupancy Taxes
Investment Earnings
Gain on disposal of capital assets
Miscellaneous Revenues
Transfers
Total General Revenues and Transfers

CHANGE IN NET POSITION

NET POSITION, OCTOBER 1, 2022

NET POSITION, SEPTEMBER 30, 2023

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

EXHIBIT B-1

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (1,993,395)	$ -	$ (1,993,395)
(7,117,630)	-	(7,117,630)
(1,476,279)	-	(1,476,279)
(1,131,798)	-	(1,131,798)
(771,211)	-	(771,211)
(255,756)	-	(255,756)
(264,940)	-	(264,940)
(566,515)	-	(566,515)
(13,577,523)	-	(13,577,523)
-	673,125	673,125
-	382,214	382,214
-	1,055,339	1,055,339
$ (13,577,523)	$ 1,055,339	$ (12,522,184)
$ 3,169,531	$ -	$ 3,169,531
1,001,271	-	1,001,271
194,649	-	194,649
10,031,749	-	10,031,749
647,876	-	647,876
254,445	-	254,445
361,636	271,649	633,285
238,830	10,000	248,830
474,263	-	474,263
98,919	(98,919)	-
16,473,169	182,730	16,655,899
2,895,646	1,238,069	4,133,715
24,255,669	16,511,446	40,767,115
$ 27,151,315	$ 17,749,515	$ 44,900,830

CITY OF RICHLAND HILLS, TEXAS
Balance Sheet
Governmental Funds
September 30, 2023

	General	Crime Control District	Road & Street Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	$ 2,060,665	$ 885,671	$ 2,335,895	$ 5,501,522	$ 10,783,753
Investments	1,630,048	-	-	2,288,812	3,918,860
Receivables (Net of allowances for uncollectibles)					
Property tax	56,402	-	-	13,211	69,613
Sales tax	970,763	362,755	364,036	242,691	1,940,245
Franchise taxes	345,225	-	-	-	345,225
Accounts	692,138	-	-	-	692,138
Other	-	-	-	35,810	35,810
Due from other funds	-	29,383	-	-	29,383
Prepaids	64,744	-	-	-	64,744
Total assets	$ 5,819,985	$ 1,277,809	$ 2,699,931	$ 8,082,046	$ 17,879,771
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 410,247	$ 33,912	$ 728,916	$ 144,295	$ 1,317,370
Accrued liabilities	276,137	28,406	-	21,556	326,099
Due to other funds	-	-	-	29,383	29,383
Unearned Revenue	-	-	-	35,222	35,222
Total liabilities	686,384	62,318	728,916	230,456	1,708,074
Deferred inflow of resources:					
Deferred revenue	1,064,420	-	-	16,445	1,080,865
Total deferred revenue	1,064,420	-	-	16,445	1,080,865
Fund Balances:					
Nonspendable:					
Prepaid items	64,744	-	-	-	64,744
Restricted for:					
Public Safety	-	1,215,491		116,647	1,332,138
Culture and recreation	-	-	-	156,575	156,575
Parks and beautification	-	-	-	68,027	68,027
Economic development	-	-	-	2,461,196	2,461,196
Debt Service	-	-	-	661,915	661,915
Capital projects	-	-	1,971,015	2,036,949	4,007,964
Assigned for capital projects	-	-	-	2,333,836	2,333,836
Unassigned	4,004,437	-	-	-	4,004,437
Total fund balances	4,069,181	1,215,491	1,971,015	7,835,145	15,090,832
Total liabilities, deferred inflows and fund balances	$ 5,819,985	$ 1,277,809	$ 2,699,931	$ 8,082,046	$ 17,879,771

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

CITY OF RICHLAND HILLS, TEXAS
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
September 30, 2023

Total Fund Balances - Governmental Funds	$ 15,090,832
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of these assets was $64,205,329 and the accumulated depreciation and amortization was $31,415,777	32,789,552
Long-term liabilities, including $17,468,594 bonds payable, tax notes and premiums, $687,172 financed purchases $1,152,955 lease financing, and $428,321 compensated absences payable are not due and payable in the current period, and, therefore are not reported as liabilities in the fund financial statements.	(19,737,042)
Interest payable is not expected to be liquidated with available financial resources and is not reported as a liability in the fund financial statements.	(85,480)
Current receivables are not available soon enough to pay for the current period's expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	1,080,865
Included in the items related to noncurrent liabilities is the recognition of the City's net pension asset required by GASB 68 in the amount of $4,544,836, a deferred resource inflow related to pensions of $0, and a deferred resource outflow related to pensions in the amount of $2,867,803. This amounts to a decrease in net position.	(1,677,035)
Included in the items related to noncurrent liabilities is the recognition of the City's OPEB liability required by GASB 75 in the amount of $257,859 and a deferred resource inflow related to OPEB in the amount of $102,006, and a deferred resource outflow related to OPEB in the amount of $49,488. This is a decrease in net position.	(310,377)
Net Position of Governmental Activities	$ 27,151,315

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

CITY OF RICHLAND HILLS, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2023

	General	Crime Control District	Road & Street Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	$ 3,164,771	$ -	$ -	$ 1,193,743	$ 4,358,514
Sales	4,900,999	1,877,438	1,881,208	1,372,104	10,031,749
Franchise	604,469	-	-	-	604,469
Hotel occupancy tax	-	-	-	254,445	254,445
Fines and forfeitures	401,361	-	-	16,973	418,334
Licenses and permits	264,742	-	-	-	264,742
Charges for service	342,076	-	-	562,350	904,426
Intergovernmental revenue	17,825	95,036	-	47,009	159,870
Investment earnings	218,217	22,168	-	121,251	361,636
Other revenue	120,149	-	-	398,767	518,916
Total revenues	10,034,609	1,994,642	1,881,208	3,966,642	17,877,101
EXPENDITURES					
Current					
General government	1,814,279	-	-	77,360	1,891,639
Public safety	5,193,279	1,486,437	-	16,063	6,695,779
Public works	241,061	-	481,347	-	722,408
Culture and recreation	685,112	-	-	677,098	1,362,210
Parks and beautification	232,330	-	-	11,475	243,805
Community development	558,289	-	-	-	558,289
Economic development	-	-	-	301,971	301,971
Capital outlay	162,696	650,908	1,448,889	1,590,560	3,853,053
Debt service:					
Principal	17,797	16,800	-	937,566	972,163
Interest and fiscal agent charges	8,761	-	-	649,553	658,314
Total expenditures	8,913,604	2,154,145	1,930,236	4,261,645	17,259,630
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,121,005	(159,503)	(49,028)	(295,003)	617,471
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	-	-	-	67,260	67,260
Sale of capital assets	-	-	-	244,546	244,546
Lease financing	123,660	531,445	-	495,163	1,150,268
Transfers in	67,078	12,370	-	2,900,119	2,979,567
Transfers out	(2,794,663)	(50,000)	-	(35,985)	(2,880,648)
Total other financing sources (uses)	(2,603,925)	493,815	-	3,671,103	1,560,993
NET CHANGE IN FUND BALANCES	(1,482,920)	334,312	(49,028)	3,376,100	2,178,464
FUND BALANCE, OCTOBER 1, 2022	5,552,101	881,179	2,020,043	4,459,045	12,912,368
FUND BALANCE, SEPTEMBER 30, 2023	$ 4,069,181	$ 1,215,491	$ 1,971,015	$ 7,835,145	$ 15,090,832

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

CITY OF RICHLAND HILLS, TEXAS
Reconciliation of Statement of Revenues,
Expenditures and Changes is Fund Balances of
The Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2023

Total Net Change in Fund Balances - Governmental Funds	$ 2,178,464
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including $3,589,357 of capital outlays and $972,162 of debt principal payments is to increase net position.	4,561,519
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals and transfers between activities) is to decrease net assets.	(5,716)
Depreciation and amortization is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.	(2,224,389)
Current year financed purchases and lease financing are other financing sources in the fund financial statements. The net effect of the increase in financed purchases and lease financing liabilities is a decrease in net position.	(1,150,268)
Interest payable and compensated absences are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The $5,933 decrease in interest payable and $75,253 increase in compensated absences payable, and the $85,866 amortization of deferred charges, premiums and discounts increase net position.	16,546
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.	25,876
GASB requires the City to recognize its net pension liability and deferred resource outflow and inflows related to pensions. The changes in these balances increased net position.	(516,090)
GASB requires the City to recognize its OPEB liability and deferred resource outflow and inflows related to OPEBs. The changes in these balances decreased net position.	9,704
Change in Net Position of Governmental Activities	$ 2,895,646

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

EXHIBIT D-1

CITY OF RICHLAND HILLS, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2023

	Water and Sewer Fund	Drainage Utility Fund	Totals
ASSETS:			
Current Assets:			
Cash and cash equivalents	$ 3,459,325	$ 723,290	$ 4,182,615
Investments	897,474	119,268	1,016,742
Receivables (Net of allowance for uncollectibles):			
Accounts	751,172	72,524	823,696
Prepaids	205	-	205
Supplies inventory	221,760	-	221,760
Restricted Assets:			
Cash and cash equivalents	156,420	-	156,420
Investments	1,692,242	-	1,692,242
Total current assets	7,178,598	915,082	8,093,680
Noncurrent Assets:			
Capital assets			
Non-depreciable assets	378,097	123,851	501,948
Depreciable assets, net	13,300,465	5,965,555	19,266,020
Total capital assets	13,678,562	6,089,406	19,767,968
Total noncurrent assets	13,678,562	6,089,406	19,767,968
Total assets	$ 20,857,160	$ 7,004,488	$ 27,861,648
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	4,206	23,500	27,706
Deferred outflows related to pensions	397,307	60,925	458,232
Deferred outflows related to OPEB	6,996	1,003	7,999
Total deferred outflows of resources	408,509	85,428	493,937
LIABILITIES:			
Current Liabilities:			
Accounts payable	$ 503,460	$ 57,186	$ 560,646
Accrued liabilities	36,192	4,455	40,647
Current Liabilities Payable from Restricted Assets:			
Current portion of noncurrent liabilities	453,527	396,818	850,345
Unearned grant revenue	1,605,388	-	1,605,388
Interest payable	16,020	11,205	27,225
Customer deposits payable	156,420	-	156,420
Total current liabilities	2,771,007	469,664	3,240,671
Noncurrent Liabilities:			
Compensated absences payable	20,586	2,160	22,746
Net Pension liability	643,075	91,868	734,943
OPEB liability	36,486	5,212	41,698
Financed purchases	1,171,576	-	1,171,576
Lease financing	182,177	-	182,177
Bonds payable	2,009,256	3,186,507	5,195,763
Total noncurrent liabilities	4,063,156	3,285,747	7,348,903
Total liabilities	6,834,163	3,755,411	10,589,574
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows related to OPEB	14,434	2,062	16,496
Total deferred outflows of resources	14,434	2,062	16,496
NET POSITION:			
Net Investment in capital assets	9,848,918	2,530,120	12,379,038
Unrestricted	4,568,154	802,323	5,370,477
Total net assets	$ 14,417,072	$ 3,332,443	$ 17,749,515

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

EXHIBIT D-2

CITY OF RICHLAND HILLS, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	Water and Sewer Fund	Drainage Utility Fund	Totals
OPERATING REVENUES			
Charges for sales and services:			
Water sales	$ 2,578,062	$ -	$ 2,578,062
Sewer charges	1,821,788	-	1,821,788
Infrastructure improvement fees	-	905,263	905,263
Garbage charges	513,974		513,974
Late payment fee	85,715	-	85,715
Miscellaneous fees and charges	71,305	-	71,305
Total operating revenue	5,070,844	905,263	5,976,107
OPERATING EXPENSES			
Personnel	1,045,110	127,470	1,172,580
Contractual services	157,627	25,257	182,884
Maintenance and repairs	158,262	53,571	211,833
Water purchase	471,030	-	471,030
Sewage treatment	944,558	-	944,558
Garbage service	521,620	-	521,620
Other supplies and expenses	399,025	7,854	406,879
Depreciation	736,407	219,855	956,262
Total operating expenses	4,433,639	434,007	4,867,646
Operating income (loss)	637,205	471,256	1,108,461
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	266,366	5,283	271,649
Gain on disposal of capital assets	10,000	-	10,000
Interest expense and fiscal agent charges	(130,650)	(89,042)	(219,692)
Total nonoperating revenues (expenses)	145,716	(83,759)	61,957
Income (loss) before contributions and transfers	782,921	387,497	1,170,418
Capital contributions and transfers			
Capital grant	166,570	-	166,570
Transfers in	-	2,910	2,910
Transfers out	(101,829)	-	(101,829)
CHANGE IN NET POSITION	847,662	390,407	1,238,069
NET POSITION, OCTOBER 1, 2022	13,569,410	2,942,036	16,511,446
NET POSITION, SEPTEMBER 30, 2023	$ 14,417,072	$ 3,332,443	$ 17,749,515

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

CITY OF RICHLAND HILLS, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	Water and Sewer Fund	Drainage Utility Fund	Totals
Cash flows from operating activities:			
Cash received from customers	$ 5,064,293	$ 901,696	$ 5,965,989
Cash paid to suppliers	(2,579,318)	(35,990)	(2,615,308)
Cash paid to employees	(896,892)	(121,990)	(1,018,882)
Net cash provided by operating activities	1,588,083	743,716	2,331,799
Cash flow from noncapital financing activities:			
Increase (decrease) in due to other funds	(657)	-	(657)
Transfers in/(out)	(101,829)	2,910	(98,919)
Net cash provided (used) by noncapital financing activities	(102,486)	2,910	(99,576)
Cash flow from capital and related financing activities:			
Principal payments on long-term debt	(430,509)	(385,000)	(815,509)
Capital outlay	(2,351,437)	(74,852)	(2,426,289)
Proceeds from sale of capital assets	10,000	-	10,000
Interest and fiscal agent charges	(140,113)	(97,988)	(238,101)
Net cash (used) by capital and related financing activities	(2,912,059)	(557,840)	(3,469,899)
Cash flow from investing activities:			
Interest received	266,366	5,283	271,649
Sale of investments	633,670	-	633,670
Purchase of investments	(127,800)	(5,283)	(133,083)
Net cash provided by investing activities	772,236	-	772,236
Net increase (decrease) in cash and cash equivalents	(654,226)	188,786	(465,440)
Cash and cash equivalents, October 1, 2022	4,269,971	534,504	4,804,475
Cash and cash equivalents, September 30, 2023	$ 3,615,745	$ 723,290	$ 4,339,035
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ 637,205	$ 471,256	$ 1,108,461
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	736,407	219,855	956,262
(Increase) decrease in accounts receivable	(19,394)	(3,567)	(22,961)
(Increase) decrease in prepaids	(100)	-	(100)
(Increase) decrease in supplies inventory	(118,409)	-	(118,409)
Increase (decrease) in accounts payable	191,313	50,692	242,005
Increase (decrease) in accrued liabilities	(3,027)	210	(2,817)
Increase (decrease) in compensated absences	6,924	590	7,514
Increase (decrease) in net pension balances	135,491	5,407	140,898
Increase (decrease) in OPEB Balances	8,830	(727)	8,103
Increase (decrease) in customer meter deposits	12,843	-	12,843
Total adjustments	950,878	272,460	1,223,338
Net cash provided by operating activities	$ 1,588,083	$ 743,716	$ 2,331,799
Noncash investing, capital and financing activities			
Vehicles acquired with lease financing	$ 182,314	$ -	$ 182,314
Total noncash investing, capital and financing activities	$ 182,314	$ -	$ 182,314

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

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Richland Hills is a municipal corporation governed by an elected mayor and five-member council. The financial statements of the City of Richland Hills, Texas ("City") include all governmental activities, organizations, and functions for which the City exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the City's financial statements included: the City's accountability for the entity's fiscal matters; the scope of public service of the entity; and the nature of any special financing relationships which may exist between the City and a given governmental entity. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The City has two blended component units. Separate financial information for each can be obtained from the City.

Blended Component Units.

The Richland Hills Development Corporation (a nonprofit development corporation formed under the Development corporation act of 1979, Texas Rev Civil Statute) was incorporated June 28, 1996. The corporation serves all citizens of the City and is governed by a board of seven directors appointed by the City Council. Four of the directors are council member directors and three are citizen member directors. The purpose of the Corporation is to promote infrastructure improvements, parks and park facilities and economic development within the City and the State of Texas in order to eliminate unemployment and underemployment and to promote and encourage employment and the public welfare of, for and on behalf of the City by developing, implementing, providing, and financing projects. Operation of the Corporation is funded by .125 percent sales tax approved by the voters. The sales tax was increased to .25 percent effective April 2019. The corporation is reported as a Special Revenue Fund.

November 8, 2005, citizens of the City of Richland Hills voted to create the Richland Hills Crime Control and Prevention District (the "District") dedicated to crime reduction programs. The City Council serves as the board of directors for the District. Operation of the District is funded by .375 percent sales tax approved by the voters. The District is reported as a Special Revenue Fund.

B. Government-wide and Fund Financial Statements

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

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

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

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are 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. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property, sales, and franchise taxes, 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. All other revenue items are considered to be measurable and available only when the government receives payment.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City reports the following major governmental fund:

The ***General Fund*** is the government's primary operating fund. It accounts for all resources used to finance basic operations of the City and covers all activities for which a separate fund has not been established.

The ***Crime Control District*** special revenue fund is a blended component unit that accounts for the proceeds of a .375 percent sales tax and crime reduction programs.

The **Road and Street** capital projects fund is used to account for sales tax restricted to road and street improvements.

The City reports the following major proprietary funds:

The ***Water and Sewer Fund*** is used to account for the operation of the water and sewage systems for the City.

The ***Drainage Utility Fund*** is used to account for the construction and maintenance of the drainage system for the City.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges and transfers between the governmental activities and the business-type activities.

Amounts reported as program revenues include 1) charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 water and sewer fund and drainage utility fund are charges to customers for sales and services. Operating expenses for the enterprise 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity

1. ***Cash, Cash Equivalents and Investments***

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments that are highly liquid with maturity within three months or less when purchased. Assets reported as cash and cash equivalents are considered cash and cash equivalents for the statement of cash flows.

2. ***Receivables and Payables***

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

3. Property Tax

Ad valorem property taxes are levied each October 1 from valuations assessed as of the prior January 1 and are recognized as revenue beginning on the date of levy, October 1, when they become available. "Available" means collected within the current period or expected to be collected soon thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year ending are recorded as deferred revenue and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenue and recognized as revenue of the period to which they apply. Taxes are due on October 1 immediately following the levy date and are delinquent after the following January 31. Tax liens are automatic on January 1 each year.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. *Inventory*

The inventory of supplies held by the Enterprise Funds is valued at cost using the first-in-first-out ("FIFO") method.

5. *Prepaids*

Payments made to vendors for services that will benefit periods beyond September 30 are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid expenses in the governmental funds are accounted for using the purchases method.

6. *Capital Assets*

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government and proprietary funds are depreciated using the straight-line method over the following estimated useful lives.

Building and improvements	20 - 40 years
Office equipment	5 - 20 years
Autos and trucks	4 - 5 years
Equipment	3 - 20 years
Waterworks and sewer system	5 - 40 years
Infrastructure	20 – 40 years

The City has reported infrastructure capital assets acquired prior to the implementation of GASB Statement No. 34 at estimated historical cost.

7. *Compensated Absences*

It is the City′s policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Sick pay benefits are not paid upon separation therefore no liability is reported for unpaid accumulated sick leave. Vacation and compensatory time are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported by the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. *Fund Balance – Governmental Funds*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classifications includes amounts that cannot be spent because they are either not spendable in form (such as prepaids or inventory) or are legally or contractually required to be maintained intact (such as endowment funds).

Restricted: This classification includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed: This classification includes amounts constrained to specific purposes by a government itself, using its highest decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint (City Council ordinance).

Assigned: This classification includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Council has delegated the authority to assign fund balance to the City Manager by resolution.

Unassigned – All amounts not included in other classifications. The general fund is the only fund that will report a positive unassigned fund balance. However, in governmental funds other than the general fund, if

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted fund balance to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been first spent out of committed funds, then assigned, and finally unassigned as needed.

11. *Net Position*

Net position represents the difference between assets and liabilities. Net position net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The following is a reconciliation of restricted fund balance reported in the governmental fund financial statements to restricted net position of the governmental activities reported in the government-wide financial statements.

Restricted fund balance (Exhibit C-1)	$ 8,687,815
Adjustments	
Deferred property tax revenue restricted for debt service	13,211
Unspect bond funds added to net investments in capital assets	(89,924)
Total adjustments	(76,713)
Restricted net position (Exhibit A-1)	$ 8,611,102

12. *Use of Estimates*

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

Substantially all operating cash and investments are maintained in consolidated cash and investment accounts. Investment income relating to consolidated investments is allocated to the individual funds monthly based on the funds' pro-rata share of total cash and investments.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation references for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Investment Pools

The City invests idle funds in the Texas Local Government Investment Pool (TexPool) and TexSTAR investment pool. These pools are local government investment pool organized under the authority of the Interlocal Cooperation Act Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. All investments of the Pools are stated at amortized cost, which in most cases approximates the fair value of the securities. The objective of the Pools is to maintain a stable $1.00 net asset value; however, the $1.00 net asset value is not guaranteed or insured by the State of Texas. There are no limitations or restrictions on participant withdrawals from these pools.

The State Comptroller of Public Accounts exercises oversight responsibilities over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. As a requirement to maintain its rating, weekly portfolio information must be submitted to Standards and Poors, as well as the office of the Comptroller of Public Accounts for review.

TexSTAR has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. An advisory board composed of participants in TexSTAR and other persons who do not have a business relationship with TexSTAR has been established and maintained.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's funds are required to be deposited and invested under the terms of a depository contract. The City's deposits are required to be collateralized with securities held by the pledging institution's trust department or agent in the City's name. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance. At September 30, 2023, the City's deposits were covered by FDIC Insurance or collateralized with securities held by the bank's agent in the City's name.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk– Investments

The City controls credit risk by limiting its investments to those instruments allowed by the State Public Funds Investment Act described above.

Interest Rate Risk – Investments

The City manages interest rate risk by structuring its portfolio so that it will experience minimal volatility during economic cycles. This is accomplished by purchasing high quality, short to medium term securities which will complement each other. The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity date of each security.

The City's investments at September 30, 2023, included the following:

Investment	Credit Rating	Maturities	Percentage of Total Investments	Cost	Fair Value
Tex-Pool	AAAm	28 days	48.28%	$ 3,117,763	$ 3,117,763
TexSTAR Pool	AAAm	29 days	51.72%	$ 3,339,880	$ 3,339,880
				$ 6,457,643	$ 6,457,643

Reconciliation to financial statements	
Investments from Exhibit A-1	$ 6,627,844
Less: Certificates of Deposit	(170,201)
	$ 6,457,643

NOTE 3: RESTRICTED ASSETS

Certain proceeds of the City's enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond ordinances and other legal restrictions. Enterprise Funds restricted assets are held for the following purposes in accordance with bond ordinances or other legal restrictions:

Cash and cash equivalents	
Customer Deposits	$ 156,420
Total restricted cash and cash equivalents	156,420
Investments	
Construction funds	1,692,242
Total restricted assets	$ 2,005,082

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 4: RECEIVABLES

All accounts and property tax receivables are shown net of an allowance for uncollectibles. Water and sewer fund and drainage utility fund accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectible accounts of $932,064. The property tax receivable allowance of $84,603 and $19,816 for the general fund and debt service fund respectively, and is equal to 60% of outstanding delinquent property taxes at September 30. The fines and fees receivable in the general fund is reported net of an allowance of $1,799,492 which is 75% of the adjusted receivable. The EMS charges receivable in the general fund is reported net of an allowance of $212,101 which is accounts outstanding in excess of 60 days. These allowances are based upon historical experience. Receivables as of year-end for the City's major and nonmajor funds, including the applicable allowances for uncollectible accounts are as follows:

	General	Crime Control District	Enterprise Funds	Other Governmental Funds	Total
Receivables:					
Property tax	$ 141,004	$ -	$ -	$ 33,027	$ 174,032
Sales tax	970,763	362,755	-	606,727	1,940,245
Franchise taxes	345,225	-	-	-	345,225
Accounts	2,703,730	-	1,521,992	-	4,225,721
Earned and Unbilled Services	-	-	233,768	-	233,768
Other	-	-	-	35,810	35,810
Gross Receivables	4,160,723	362,755	1,755,760	675,564	6,954,801
Less: Allowance					
for Uncollectibles	(2,096,195)	-	(932,064)	(19,816)	(3,048,075)
Net Total Receivables	$ 2,064,528	$ 362,755	$ 823,696	$ 655,748	$ 3,906,727

NOTE 5: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and this, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify in this category, deferred loss on refunding, deferred outflows related to pensions and deferred outflows related to OPEB reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as in inflow of resource (revenue) until that time. The city has three types of items in this category, unavailable revenues for governmental funds and deferred inflows related to pensions and deferred inflows related to OPEB in the government-wide statement of net position and proprietary funds statements.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 5: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

	General	Nonmajor	Total Governmental Funds
Deferred property taxes receivable	$ 56,402	13,211	$ 69,613
Deferred franchise tax receivable	312,946	-	312,946
Deferred fines and fees receivable	599,830	-	599,830
Deferred EMS charges receivable	88,565	-	88,565
Deferred miscellaneous receivable	6,678	3,234	9,912
Total deferred inflows of resources for governmental funds	$ 1,064,420	$ 16,445	$ 1,080,865

NOTE 6: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund balances for the City's individual major funds and nonmajor funds at September 30, 2023, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Crime Control	Capital Projects	29,383	Capital Projects
Total Governmental Funds		$ 29,383	

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2023, is as follows:

Transfer In	Transfer Out	Amount	Purpose
General Fund	Water and Sewer	$ 64,578	Prior year expenses
Crime Control District	General Fund	12,370	Prior year expenses
General Fund	Other Governmental Funds	2,500	Prior year expenses
Other Governmental Funds	General Fund	199,680	Link funding
Other Governmental Funds	General Fund	182,483	Capital Projets
Other Governmental Funds	General Fund	81,971	Capital Projects
Other Governmental Funds	Other Governmental Funds	35,985	Capital Projects
Other Governmental Funds	General Fund	2,400,000	Capital Projects
Total Governmental Funds Transfers In		$ 2,979,567	
Drainage Fund	Water and sewer	$ 2,910	Prior year expenses
Total Enterprise Funds Transfers In		$ 2,910	

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Non - Depreciable Assets:				
Land	$ 830,414	$ -	$ -	$ 830,414
Construction in Progress	1,291,091	2,123,180	(1,493,100)	1,921,171
Total non-depreciable assets	2,121,505	2,123,180	(1,493,100)	2,751,585
Depreciable Assets:				
Buildings	19,772,188	37,728	-	19,809,916
Improvements other than buildings	6,297,022	180,899	-	6,477,921
Machinery and equipment	6,463,994	171,089	(529,834)	6,105,249
Infrastructure	26,327,938	1,419,292	-	27,747,230
Intangible right-to-use lease - equipment	163,159	1,150,269	-	1,313,428
Total capital assets being depreciated and amortized	59,024,301	2,959,277	(529,834)	61,453,744
Accumulated Depreciation and Amortization:				
Buildings	(3,169,952)	(443,323)	-	(3,613,275)
Improvements other than buildings	(3,311,911)	(514,702)	-	(3,826,613)
Machinery and equipment	(4,398,878)	(410,645)	524,118	(4,285,405)
Infrastructure	(18,826,445)	(680,281)	-	(19,506,726)
Intangible right-to-use lease - equipment	(8,320)	(175,438)	-	(183,758)
Total accumulated depreciation and amortization	(29,715,506)	(2,224,389)	524,118	(31,415,777)
Governmental activities capital assets, net	$ 31,430,300	$ 2,858,068	$ (1,498,816)	$ 32,789,552

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 7: CAPITAL ASSETS - (Continued)

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Non - Depreciable Assets:				
Land	$ 256,267	$ -	$ -	$ 256,267
Construction in Progress	286,662	2,209,194	(2,250,175)	245,681
Total non-depreciable assets	542,929	2,209,194	(2,250,175)	501,948
Depreciable Assets:				
Buildings	221,137	-	-	221,137
Improvements other than buildings	7,825,700	21,789	-	7,847,489
Water and sewer systems	22,229,025	2,445,480	-	24,674,505
Machinery and equipment	1,069,687	-	(121,836)	947,851
Intangible right-to-use lease - equipment	110,277	182,314	-	292,591
Total capital assets being depreciated and amortized	31,455,826	2,649,583	(121,836)	33,983,573
Accumulated Depreciation:				
Buildings	(181,089)	(2,356)	-	(183,445)
Improvements other than buildings	(1,793,695)	(202,679)	-	(1,996,374)
Water and sewer systems	(11,060,096)	(660,812)	-	(11,720,908)
Machinery and equipment	(844,918)	(40,250)	121,836	(763,332)
Intangible right-to-use lease - equipment	(3,330)	(50,166)	-	(53,496)
Total accumulated depreciation	(13,883,128)	(956,263)	121,836	(14,717,555)
Business-type activities capital assets, net	$ 18,115,627	$ 3,902,514	$ (2,250,175)	$ 19,767,966

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 43,369
Public safety	683,900
Public works	715,674
Culture and recreation	242,110
Parks and beautification	526,801
Community development	12,535
Total depreciation expense - governmental activities	$ 2,224,389
Business-type activities:	
Water and sewer	$ 736,407
Drainage Utility	219,855
Total depreciation expense - business-type activities	$ 956,262

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 8: LONG-TERM LIABILITIES

A. Bonds Payable

Governmental Activities

The City has issued certificates of obligation, general obligation bonds and tax notes for the construction of large capital projects. The General Obligation Bonds Series 2017 are split between the governmental activities and business-type activities 15 and 85 percent. Bonds outstanding are as follows:

	Interest Rate	Maturity	Original Issue	Amount Outstanding
Governmental activities:				
Certificates of obligation				
2016 Tax and Revenue	2.00 - 3.13%	8/15/2036	$ 4,705,000	$ 3,460,000
Total certificates of obligation			4,705,000	3,460,000
General obligation bonds				
2016 General Obligation	2.00% - 3.38%	8/15/2046	8,770,000	7,870,000
2019 General Obligation	2.25% - 4.00%	8/15/2039	5,660,000	5,070,000
Direct placement				
2017 General Obligation Refunding	1.84%	8/15/2027	228,750	81,750
Total general obligation bonds			14,658,750	13,021,750
Tax Notes				
2019 Tax Notes	3.00% - 4.00%	8/15/2026	680,000	310,000
Total contractual obligation bonds			680,000	310,000
Total governmental activities			$ 20,043,750	$ 16,791,750

The annual debt service requirements to maturity for the governmental activities bonds outstanding as of September 30, 2023, are as follows:

	Governmental Activities					
	Certificates of Obligation			Tax Notes		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 210,000	$ 124,575	$ 334,575	$ 100,000	$ 11,400	$ 111,400
2025	210,000	119,850	329,850	100,000	8,400	108,400
2026	225,000	109,350	334,350	110,000	4,400	114,400
2027	240,000	98,100	338,100	-	-	-
2028	245,000	88,500	333,500	-	-	-
2029-2033	1,385,000	289,600	1,674,600	-	-	-
2034-2038	945,000	59,306	1,004,306	-	-	-
Total	$ 3,460,000	$ 889,281	$ 4,349,281	$ 310,000	$ 24,200	$ 334,200

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 8: LONG-TERM LIABILITIES (Continued)

	Governmental Activities						
	General Obligation Bonds			General Obligation Bonds - Direct Placement			
	Principal	Interest	Total	Principal	Interest	Total	Total
2024	$ 385,000	$ 426,532	$ 811,532	$ 19,500	$ 1,504	$ 21,004	$ 832,536
2025	405,000	408,881	813,881	20,250	1,145	21,395	835,276
2026	420,000	390,332	810,332	21,000	773	21,773	832,105
2027	550,000	373,532	923,532	21,000	386	21,386	944,918
2028	560,000	351,532	911,532	-	-	-	911,532
2029-2033	3,150,000	1,411,957	4,561,957	-	-	-	4,561,957
2034-2038	3,635,000	918,069	4,553,069	-	-	-	4,553,069
2039-2043	2,440,000	455,119	2,895,119	-	-	-	2,895,119
2044-2048	1,395,000	95,175	1,490,175	-	-	-	1,490,175
Total	$ 12,940,000	$ 4,831,129	$ 17,771,129	$ 81,750	$ 3,808	$ 85,558	$ 17,856,687

Business-type Activities

The City's enterprise funds also issue certificates of obligation for the construction of large capital projects. Bonds outstanding are as follows:

	Interest Rate	Maturity	Original Issue	Amount Outstanding
Business-type activities				
Certificates of obligation				
2013 Tax and Revenue	3.00% - 4.50%	8/15/2033	5,370,000	3,400,000
Direct placement				
2015 Tax and Revenue	2.56%	8/15/2030	1,030,000	535,000
Total certificates of obligation			6,400,000	3,935,000
General obligation bonds				
Direct placement				
2017 General Obligation Refunding	1.84%	8/15/2027	1,296,250	463,250
2020 General Obligation Refunding	1.21%	8/15/2030	1,730,000	1,235,000
Total general obligation bonds			3,026,250	1,698,250
Total business-type activities			$ 9,426,250	$ 5,633,250

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 8: LONG-TERM LIABILITIES (Continued)

The annual debt service requirements to maturity for the business-type activities bonds outstanding as of September 30, 2023, are as follows:

	Business-type Activities						
	Certificates of Obligation			Certificates of Obligation - Direct Placement			
	Principal	Interest	Total	Principal	Interest	Total	Total
2024	$ 290,000	$ 122,000	$ 412,000	$ 70,000	$ 13,696	$ 83,696	$ 495,696
2025	300,000	113,300	413,300	75,000	11,904	86,904	500,204
2026	310,000	104,300	414,300	75,000	9,984	84,984	499,284
2027	320,000	95,000	415,000	75,000	8,064	83,064	498,064
2028	330,000	83,800	413,800	80,000	6,144	86,144	499,944
2029-2033	1,850,000	224,950	2,074,950	160,000	6,144	166,144	2,241,094
Total	$ 3,400,000	$ 743,350	$ 4,143,350	$ 535,000	$ 55,936	$ 590,936	$ 4,734,286

	Business-type Activities		
	General Obligation Bonds - Direct Placement		
	Principal	Interest	Total
2024	$ 280,500	$ 23,468	$ 303,968
2025	284,750	19,377	304,127
2026	294,000	15,209	309,209
2027	294,000	10,902	304,902
2028	180,000	6,595	186,595
2029-2033	365,000	6,655	371,655
Total	$ 1,698,250	$ 82,206	$ 1,780,456

Direct Placement Bonds

Direct placement bonds are bonds that are issued directly to an investor. The direct placement bonds include provisions that in the event the City defaults on the payments or performance of covenants, the holders of the bonds may proceed against the City for the purpose of protecting and enforcing the rights of the bondholders by mandamus or other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 8: LONG-TERM LIABILITIES (Continued)

B. Financed Purchases

Governmental Activities

On February 11, 2019, the City entered into a $607,000 purchase agreement for a fire truck due in 10 annual payments of $73,539 beginning February 28, 2020. The interest rate is 3.65%

On June 26, 2019, the City entered into a $112,733 purchase agreement for an Opticom system due in 7 annual payments of $18,772 beginning June 26, 2020. The interest rate is 3.985%.

On November 10, 2021, the City entered into a $299,855 purchase agreement for an ambulance due in 5 annual payments of $65,172 beginning November 10, 2022. The interest rate is 2.838%.

Business-type Activities

On August 15, 2022, the City entered into a $1,420,753 purchase agreement for a water meter replacement project due in 10 annual payments of $169,655 beginning August 1, 2023. The interest rate is 3.39%.

The annual debt service to maturity for financed purchases outstanding as of September 30, 2023, are as follows:

	Governmental Activities Financed Purchases			Business-type Activities Financed Purchases		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 134,273	$ 23,211	$ 157,484	$ 125,678	$ 43,977	$ 169,655
2025	138,756	18,727	157,483	129,939	39,716	169,655
2026	143,384	14,100	157,484	134,344	35,311	169,655
2027	129,414	9,297	138,711	138,898	30,757	169,655
2028	68,451	5,088	73,539	143,607	26,049	169,656
2029-2033	72,894	646	73,540	624,788	53,833	678,621
Total	$ 687,172	$ 71,069	$ 758,241	$ 1,297,254	$ 229,643	$ 1,526,897

These assets and the related accumulated depreciation are as follows.

	Governmental Activities	Business-type Activities
Machinery and equipment	$ 1,019,588	$ 2,272,635
Less: Accumulated Depreciation	(347,864)	(112,509)
Net	$ 671,724	$ 2,160,126

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 8: LONG-TERM LIABILITIES (Continued)

C. Lease financing

With the implementation of Governmental Accounting Standards Board No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize a lease liability and an intangible right to use asset.

The City, as a lessee, entered into an agreement related to fleet acquisition, management, resale and maintenance. The City also entered into lease agreements for copiers and public safety equipment. The leases are summarized as follows:

Description	Date	Payment Terms	Interest Rate	Original Lease	Balance 9/30/2023
Governmental Activities					
Public Works Vehicle	5/18/2022	60 months	6.37%	$ 41,500	$ 31,560
Public Works Vehicle	5/25/2022	48 months	6.23%	38,601	26,618
Public Safety Vehicle	6/8/2022	36 months	6.21%	21,283	12,864
Public Safety Vehicle	8/19/2022	36 months	6.68%	20,282	13,352
Public Safety Vehicle	9/6/2022	36 months	6.96%	18,053	12,428
Public Safety Vehicle	9/29/2022	36 months	7.71%	23,440	16,068
Public Safety Vehicle	8/1/2023	60 months	8.01%	51,964	50,546
Public Safety Vehicle	6/1/2022	60 months	6.21%	32,854	26,188
Public Safety Vehicle	11/3/2022	60 months	7.95%	45,245	38,892
Public Safety Vehicle	11/15/2022	60 months	7.48%	46,843	40,880
Public Safety Vehicle	12/8/2022	60 months	7.48%	47,344	41,317
Public Safety Vehicle	12/6/2022	36 months	7.48%	31,840	24,535
Public Safety Fleet Cameras	8/1/2023	120 months	8.01%	154,136	146,136
Public Safety Tasers and Body Cameras	3/1/2023	120 months	7.31%	377,309	368,509
Code Enforcement Vehicle	5/19/2022	60 months	6.37%	31,975	25,898
Code Enforcement Vehicle	4/7/2022	60 months	5.95%	30,698	24,694
Fire Vehicle	10/20/2022	48 months	7.97%	40,155	32,046
Fire Vehicle	10/20/2022	48 months	7.97%	36,769	29,344
Parks Vehicle	4/7/2023	60 months	5.95%	30,698	24,694
Parks Vehicle	4/20/2023	48 months	7.31%	33,056	30,044
Animal Services Vehicle	1/26/2023	48 months	7.46%	35,721	30,480
Admin Copiers and Printers	10/4/2022	63 months	7.97%	123,660	105,864
				$ 1,313,426	$ 1,152,957
Business-type Activities					
Utility Vehicle	5/5/2022	48 months	6.37%	$ 39,963	$ 27,727
Utility Vehicle	9/19/2022	72 months	7.31%	70,314	60,623
Utility Vehicle	5/19/2022	60 months	6.37%	32,991	26,721
Utility Vehicle	5/31/2022	60 months	6.23%	34,929	28,272
Utility Vehicle	4/7/2022	60 months	5.95%	30,698	24,694
Public Works Vehicle	4/7/2022	60 months	5.95%	30,698	24,694
Utility Copiers and Printers	10/4/2022	63 months	7.97%	52,997	45,370
				$ 292,590	$ 238,101

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 8: LONG-TERM LIABILITIES (Continued)

The City's leased assets are recorded at the present value of lease payments and amortized using the straight-line method over the term of the lease. These assets are reported as intangible right-to-use leases.

The future lease payments under lease agreements are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 263,951	$ 74,375	$ 338,326	$ 55,924	$ 14,521	$ 70,445
2025	220,856	61,063	281,919	59,785	10,660	70,445
2026	195,652	45,662	241,314	60,074	6,559	66,633
2027	152,999	32,286	185,285	44,292	2,806	47,098
2028	77,943	23,374	101,317	18,025	625	18,650
2029-2033	241,554	48,746	290,300	-	-	-
Total	$ 1,152,955	$ 285,506	$ 1,438,461	$ 238,100	$ 35,171	$ 273,271

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

D. Changes in long-term liabilities

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2023.

	09/30/2022	Additions	Retirements	09/30/2023	Due Within One Year
Governmental Activities.:					
Certificates of obligation	$ 3,665,000	$ -	$ 205,000	$ 3,460,000	$ 210,000
General obligation bonds	13,310,000	-	370,000	12,940,000	385,000
Direct placement					
General obligation bonds	101,250	-	19,500	81,750	19,500
Contractual obligation bonds	-	-	-	-	-
Tax notes	405,000	-	95,000	310,000	100,000
Premiums on bonds	762,710	-	85,866	676,844	81,318
Financed purchases	817,108	-	129,936	687,172	134,273
Lease financing	155,414	1,150,269	152,728	1,152,955	263,951
Compensated Absences	353,068	428,321	353,068	428,321	85,664
Net Pension Liability	-	4,544,836	-	4,544,836	-
OPEB Liability	359,646	-	101,787	257,859	-
Total Governmental Activities	19,929,196	6,123,426	1,512,885	24,539,737	1,279,706
Business-type Activities:					
Certificates of obligation	3,690,000	-	290,000	3,400,000	290,000
Direct placement					
Certificates of obligation	605,000	-	70,000	535,000	70,000
General obligation bonds	1,978,750	-	280,500	1,698,250	280,500
Premiums on bonds	248,127	-	22,557	225,570	22,557
Financed purchases	1,420,753	-	123,499	1,297,254	125,678
Lease financing	107,297	182,314	51,510	238,101	55,924
Compensated Absences	20,918	28,432	20,918	28,432	5,686
Net Pension Liability	-	734,945	-	734,945	-
OPEB Liabilty	47,608	-	5,910	41,698	-
Total Business-type Activities	8,118,453	945,691	864,894	8,199,250	850,345
Total Long-Term Debt	$ 28,047,649	$ 7,069,117	$ 2,377,779	$ 32,738,987	$ 2,130,051

Compensated absences, net pension liabilities and OPEB liabilities of the governmental activities and business-type activities are paid by the general fund, water and sewer fund, and drainage utility fund, respectively.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 9: RISK MANAGEMENT

The City is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City's general liability, and property insurance is underwritten through a self-insurance fund for Texas political subdivisions. Premiums are paid to the carrier, and they administer all claims. The City is also insured for workers' compensation claims through a self-insurance fund for Texas political subdivisions. Rates are determined by the state, and the pool assigns discount rates to premiums based upon the City's claims history. The City retains, as a risk, only the deductible amount of each policy.

The City has maintained insurance coverage in all major categories of risk comparable to that of the prior year with no reduction in coverage. The amount of settlements during the past three years has not exceeded the insurance coverage.

NOTE 10: DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated as if the sum of the member's contributions, with interest, and the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring members may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's contributions and interest.

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

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

	Plan Year 2023
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	123
Inactive employees entitled to but not yet receiving benefits	136
Active employees	83
	342

C. Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of member's total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 16.02% and 16.01% in calendar years 2023 and 2022 respectively. The city's contributions to TMRS for the year ended September 30, 2023, were $938,272, and were equal to the required contributions.

D. Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 10: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with Public Safety table used for males and the General Employee table used for females. Morality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality rates. The rates for actives, healthy retirees and beneficiaries are projected on a full generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for health retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and a 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs to TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Real Return	12.0%	8.10%
Real Estate	12.0%	5.80%
Absolute Return	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2021	$ 36,374,345	$ 36,460,090	$ (85,745)
Changes for the year:			
Service cost	973,542	-	973,542
Interest	2,423,065	-	2,423,065
Change of benefit terms	-	-	-
Difference between expected and actual experience	527,184	-	527,184
Changes of assumptions	-	-	-
Contributions - employer	-	843,584	(843,584)
Contributions - employee	-	368,835	(368,835)
Net investment income	-	(2,658,605)	2,658,605
Benefit payments, including refunds of employee contributions	(1,927,704)	(1,927,704)	-
Administrative expense	-	(23,031)	23,031
Other changes	-	27,482	(27,482)
Net changes	1,996,087	(3,369,439)	5,365,526
Balance at 12/31/2022	$ 38,370,432	$ 33,090,651	$ 5,279,781

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase Discount Rate (7.75%)
City's Net Pension Liability/ Asset	$ 10,447,348	$ 5,279,781	$ 1,037,794

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at *www.tmrs.com*.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

D. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of $1,618,822.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 367,734	$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings.	2,271,071	-
Contributions subsequent to the measurement date	687,230	-
Total	$ 3,326,035	$ -

$687,230 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability for the year ending September 30,2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2023	$ 366,015
2024	637,450
2025	611,411
2026	1,023,929
2027	-
Thereafter	-
Total	$ 2,638,805

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

TMRS administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The SDBF is considered to be a single-employer plan. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 11. <u>POSTEMPLOYEMENT BENEFITS OTHER THAN PENSIONS (OPEB)</u> (Continued)

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

B. <u>BENEFITS PROVIDED</u>

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitle to but not yet receiving benefits	14
Active employees	83
	155

C. <u>TOTAL OPEB LIABILITY</u>

The City's total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5% including inflation
Retirees' share of benefit relate costs	$0

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates for service retirees were based on 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates for disabled retirees were based on 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-froward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.05%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 11. POSTEMPLOYEMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2021	$ 407,254
Changes for the year:	
Service Cost	17,844
Interest	7,542
Change of benefit terms	-
Difference between expected and actual experience	9,106
Changes of assumptions	(129,593)
Benefit payments	(12,596)
Net changes	(107,697)
Balance at 12/31/2022	$ 299,557

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase Discount Rate (5.05%)
City's Total OPEB Liability	$ 349,837	$ 299,557	$ 259,599

D. OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of $13,651.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	7,699	13,425
Changes in assumptions and other inputs	38,249	105,077
Contributions subsequent to the measurement date	11,539	-
Total	57,487	118,502

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 11. POSTEMPLOYEMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

Year Ended December 31:		
2023	$	(6,062)
2024		(13,980)
2025		(23,391)
2026		(22,949)
2027		(6,172)
Thereafter		-
Total	$	(72,554)

NOTE 12: CONTINGENT LIABILITIES

A. Federal and State Programs

Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made, in compliance with program guidelines, to the grantor agency.

These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, the City has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of fund monies may be required.

As it pertains to other matters of compliance, in the opinion of the City's administration, there are no significant contingent liabilities relating to matters of compliance and accordingly, no provision has been made in the accompanying financial statements for such contingencies.

B. Litigation

The City has claims or lawsuits arising from the normal course of business. Although the outcome of these claims and lawsuits is not presently determinable, it is the opinion of City management and legal counsel that they will not have a material adverse effect on the financial condition of the City.

NOTE 13: CONTRACTS AND COMMITMENTS

A. Wastewater Treatment

On April 18, 2017, the City Council approved a 20 year agreement with the City of Fort Worth whereby Fort Worth agreed to provide wastewater treatment to the City. The agreement allows the City to connect its wastewater system to the Fort Worth waste water system. Charges to the City are based upon cost-of-service rate studies performed by independent utility rate consultants. This contract has been amended various times during the years. Charges during the year for the treatment of wastewater by the City of Fort Worth were $619,396.

CITY OF RICHLAND HILLS, TEXAS
Notes to Financial Statements
September 30, 2023

NOTE 13: CONTRACTS AND COMMITMENTS (Continued)

B. Water Treatment

The City entered into a 20 year agreement with the City of Fort Worth effective January 1, 2011 through September 30, 2031 whereby Fort Worth agreed to provide treated water to the City. Rates to purchase the water will be based upon a cost-of-service rate study conducted every three years by independent utility rate consultants. Charges during the year for the purchase of treated water from the City of Fort Worth were $471,030.

C. Transportation of Sewerage

On May 13, 1986, the City entered into an agreement with the City of Hurst to allow sewerage to be metered in Hurst then transported through the Trinity River Authority Calloway Branch sewer line to the city of Fort Worth. Charges to the City are based upon current sewer rates charged to Hurst by the Trinity River Authority and a $75.00 per month meter service charge. Charges during the year from the City of Hurst were $273,988.

NOTE 14: SUBSEQUENT EVENTS

October 11, 2023, the City issued $6,150,000, Combination Tax And Waterworks and Sewer System Revenue Certificates of Obligation, Series 2023 to fund street and utility system capital projects.

Subsequent events were evaluated through March 1, 2024, which is the date the financial statements were available to be issued.

NOTE 15: CORONAVIRUS LOCAL FISCAL RECOVERY FUND

Under the American Rescue Plan Act of 2021, the Coronavirus Local Recovery Fund (CLFRF) provides emergency funding for eligible local governments. The U.S. Treasury manages the distribution of these funds to Texas counties and cities with populations above 50,000. Cities, villages, towns, and townships serving populations of less than 50,000 are classified as nonentitlement units of local government and will receive funding distributed by the Texas Division of Emergency Management. $1,974,536 was received during the years ended September 30, 2022, and 2023 respectively. $166,570 has been spent and recognized as revenues in fiscal year 2023. The $1,605,388 funds that have not been spent are reported as unearned revenue.

NOTE 16: CHANGE IN ACCOUNTING PRINCIPAL

GASB Statement No. 96, Subscription-Based Information Technology Arrangements was effective for the fiscal year ended September 30, 2023. The City has entered into subscription-based technology information technology arrangements involving:

- A SCADA (Supervisory Control and Data Acquisition) water service suite regarding the City's water system and electronic water meter reading software
- Law enforcement, fire and EMS software
- Document imaging software
- Accounting, payroll services and server software subscriptions

The City has outflows of resources during the fiscal year totaling $117,323 that are not included in the measurement of a subscription liability. The City's software subscriptions are not commitments longer than twelve months; therefore a subscription liability is not calculated.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E-1

CITY OF RICHLAND HILLS, TEXAS
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Property	$ 3,281,519	$ 3,304,519	$ 3,164,771	$ (139,748)
Sales	4,714,716	4,714,716	4,900,999	186,283
Franchise	562,000	614,000	604,469	(9,531)
Fines and forfeitures	262,000	342,000	401,361	59,361
Licenses and permits	209,500	234,500	264,742	30,242
Charges for service	305,900	320,900	342,076	21,176
Intergovernmental revenue	-	-	17,825	17,825
Investment earnings	1,500	180,000	218,217	38,217
Other revenue	138,652	173,652	120,149	(53,503)
Total revenues	9,475,787	9,884,287	10,034,609	150,322
EXPENDITURES				
Current				
General government	1,710,101	1,748,101	1,814,279	(66,178)
Public safety	5,104,581	5,263,681	5,193,279	70,402
Public works	325,079	305,079	241,061	64,018
Culture and recreation	702,940	702,940	685,112	17,828
Parks and beautification	271,287	251,287	232,330	18,957
Community development	535,439	535,439	558,289	(22,850)
Debt Service:				
Principal	-	-	17,797	(17,797)
Interest	-	-	8,761	(8,761)
Capital outlay	70,000	70,000	162,696	(92,696)
Total expenditures	8,719,427	8,876,527	8,913,604	(37,077)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	756,360	1,007,760	1,121,005	113,245
OTHER FINANCING SOURCES (USES)				
Lease Financing	-	-	123,660	123,660
Transfers in	2,500	67,100	67,078	(22)
Transfers out	(618,015)	(628,015)	(2,794,663)	(2,166,648)
Total other financing sources (uses)	(615,515)	(560,915)	(2,603,925)	(2,043,010)
NET CHANGE IN FUND BALANCES	140,845	446,845	(1,482,920)	(1,929,765)
FUND BALANCE, OCTOBER 1, 2022	5,552,101	5,552,101	5,552,101	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 5,692,946	$ 5,998,946	$ 4,069,181	$ (1,929,765)

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF RICHLAND HILLS, TEXAS
Crime Control District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Sales	$ 1,779,795	$ 1,779,795	$ 1,877,438	$ 97,643
Investment earnings	-	15,000	22,168	7,168
Intergovernmental revenues	21,760	105,510	95,036	(10,474)
Total revenues	1,801,555	1,900,305	1,994,642	94,337
EXPENDITURES				
Current				
Public safety	1,440,266	1,477,766	1,486,437	(8,671)
Capital outlay	78,871	168,871	650,908	(482,037)
Debt service:				
Principal	-	-	16,800	(16,800)
Total expenditures	1,519,137	1,646,637	2,154,145	(507,508)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	282,418	253,668	(159,503)	(413,171)
OTHER FINANCING SOURCES (USES)				
Lease financing	-	-	531,445	531,445
Transfers in	-	-	12,370	12,370
Transfers out	-	(50,000)	(50,000)	-
Total other financing sources (uses)	-	(50,000)	493,815	12,370
NET CHANGE IN FUND BALANCES	282,418	203,668	334,312	(400,801)
FUND BALANCE, OCTOBER 1, 2022	881,179	881,179	881,179	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 1,163,597	$ 1,084,847	$ 1,215,491	$ (400,801)

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF RICHLAND HILLS, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years (will ultimately be displayed)

	2014	2015	2016
Total Pension Liability			
Service Cost	$ 687,735	$ 747,466	$ 768,050
Interest (on the Total Pension Liability)	1,871,624	1,924,741	1,944,232
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(712,052)	(370,657)	$ (390,269)
Change of assumptions	-	212,735	-
Benefit payments, including refunds of employee contributions	(978,956)	(1,257,766)	(1,177,105)
Net Change in Total Pension Liability	868,351	1,256,519	1,144,908
Total Pension Liability - Beginning	26,883,097	27,751,448	29,007,967
Total Pension Liability - Ending	$ 27,751,448	$ 29,007,967	$ 30,152,875
Plan Fiduciary Net Position			
Contributions - Employer	$ 721,134	$ 736,648	$ 675,283
Contributions - Employee	284,230	291,329	292,511
Net Investment Income	1,371,030	37,404	1,698,601
Benefit payments, including refunds of employee contributions	(978,956)	(1,257,766)	(1,177,105)
Administrative Expense	(14,314)	(22,782)	(19,182)
Other	(1,177)	(1,125)	(1,034)
Net Change in Plan Fiduciary Net Position	1,381,947	(216,292)	1,469,074
Plan Fiduciary Net Position - Beginning	23,965,772	25,347,719	25,131,427
Plan Fiduciary Net Position - Ending	$ 25,347,719	$ 25,131,427	$ 26,600,501
Net Pension Liability/(Asset) - Ending	$ 2,403,729	$ 3,876,540	$ 3,552,374
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.34%	86.64%	88.22%
Covered Payroll	$ 4,060,434	$ 4,161,836	$ 4,178,724
Net Pension Liability as a Percentage of Covered Payroll	59.20%	93.14%	85.01%

The accompanying notes to required supplementary information are an integral part of this schedule.

EXHIBIT E-3

2017	2018	2019	2020	2021	2022
$ 818,261	$ 902,607	$ 893,134	$ 874,546	$ 871,222	$ 973,542
2,011,541	2,057,136	2,124,314	2,219,334	2,299,569	2,423,065
-	-	-	-	-	-
$ (298,938)	$ 538	$ 113,437	$ (68,235)	$ 435,654	$ 527,184
-	-	81,366	-	-	-
(1,522,784)	(2,272,345)	(1,648,272)	(1,942,256)	(1,728,359)	(1,927,704)
1,008,080	687,936	1,563,979	1,083,389	1,878,086	1,996,087
30,152,875	31,160,955	31,848,891	33,412,870	34,496,259	36,374,345
$ 31,160,955	$ 31,848,891	$ 33,412,870	$ 34,496,259	$ 36,374,345	$ 38,370,432
$ 713,878	$ 774,634	738,471	729,799	744,070	843,584
309,612	339,326	334,149	326,846	324,564	368,835
3,687,182	(891,663)	4,280,458	2,380,513	4,280,598	(2,658,605)
(1,522,784)	(2,272,345)	(1,648,272)	(1,942,256)	(1,728,359)	(1,927,704)
(19,106)	(17,234)	(24,197)	(15,413)	(19,820)	(23,031)
(968)	(900)	(727)	(601)	135	27,482
3,167,814	(2,068,182)	3,679,882	1,478,888	3,601,188	(3,369,439)
26,600,501	29,768,315	27,700,132	31,380,014	32,858,902	36,460,090
$ 29,768,315	$ 27,700,133	$ 31,380,014	$ 32,858,902	$ 36,460,090	$ 33,090,651
$ 1,392,640	$ 4,148,758	$ 2,032,856	$ 1,637,357	$ (85,745)	$ 5,279,781
95.53%	86.97%	93.92%	95.25%	100.24%	86.24%
$ 4,423,034	$ 4,847,513	4,773,564	4,669,225	4,636,625	5,248,205
31.49%	85.59%	42.59%	35.07%	-1.85%	100.60%

CITY OF RICHLAND HILLS, TEXAS
Schedule of Contributions
Last 10 Fiscal Years (will ultimately be displayed)

	2014	2015	2016	2017
Actuarially Determined Contribution	$ 701,213	$ 722,326	$ 713,791	$ 711,966
Contributions in relation to the actuarially determined contribution	$ 701,213	$ 722,326	$ 713,791	$ 711,966
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 4,013,063	$ 4,145,235	$ 4,303,832	$ 4,409,872
Contributions as a percentage of covered payroll	17.47%	17.43%	16.59%	16.14%

The accompanying notes to required supplementary information are an integral part of this schedule.

EXHIBIT E-4

2018	2019	2020	2021	2022	2023
$ 762,645	$ 752,726	708,466	717,202	789,826	938,272
$ 762,645	$ 752,726	$ 708,466	$ 717,202	$ 789,826	$ 938,272
$ -	$ -	$ -	$ -	$ -	$ -
$ 4,755,061	$ 4,827,173	$ 4,544,174	$ 4,501,008	$ 5,077,128	$ 5,841,797
16.04%	15.59%	15.59%	15.93%	15.56%	16.06%

EXHIBIT E-5

CITY OF RICHLAND HILLS, TEXAS
Schedule of Changes in OPEB Liability and Related Ratios
Last 10 Years (will ultimately be displayed)

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	$ 9,731	$ 12,119	$ 10,024	$ 11,206	$ 14,837	$ 17,844
Interest (on the Total OPEB Liability)	9,484	9,578	10,292	9,556	7,998	7,542
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	(11,178)	1,385	(12,260)	(13,869)	9,106
Change of assumptions	20,853	(18,310)	51,104	49,045	11,143	(129,593)
Benefit payments, including refunds of employee contributions	(2,654)	(2,909)	(3,341)	(3,268)	(10,664)	(12,596)
Net Change in Total OPEB Liability	37,414	(10,700)	69,464	54,279	9,445	(107,697)
Total OPEB Liability - Beginning	247,352	284,766	274,066	343,530	397,809	407,254
Total OPEB Liability - Ending	$ 284,766	$ 274,066	$ 343,530	$ 397,809	$ 407,254	$ 299,557
Covered Payroll	$ 4,423,034	$4,847,513	$ 4,773,564	$ 4,669,225	$ 4,669,225	$5,248,205
Total OPEB Liability as a Percentage of Covered Payroll	6.44%	5.65%	7.20%	8.52%	8.72%	5.71%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF RICHLAND HILLS, TEXAS
Notes to Required Supplementary Information
September 30, 2023

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Crime Control District, Court Building Security Special Revenue Fund, Richland Hills Development Corporation Special Revenue Fund, Court Technology Special Revenue Fund, Hotel Occupancy Tax Special Revenue Fund, Link Operations Special Revenue Fund, Debt Service Fund, Road and Street Capital Project Fund, Oil & Gas Lease Capital Projects Fund, the Capital Projects Fund, the Baker Boulevard Projects Fund and the vehicle replacement fund. All annual appropriations lapse at fiscal year end.

At least 35 days prior to the beginning of the budget year, October 1, the City Manager will submit his proposed city budget for the ensuing year to the City Council. From its date of submission, the proposed budget shall be a public record. The City Council shall hold a public hearing on the proposed budget at least 14 days before the beginning of the budget year. At least 10 days notice of such public hearing will be given by notice in the official newspaper. After a hearing, the City Council may make such changes it deems proper in the proposed budget and adopt a final budget prior to the beginning of the budget year. All budget hearings and actions on the budget shall be open to the public. If a final budget is not adopted by the beginning of the budget year, the proposed budget of the City Manager shall be deemed to have been approved. The budget shall go into effect on the first day of the budget year. The budget may be amended during the year only after complying with the notice procedure called for above for adoption of the budget. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at the time are to be either canceled or appropriately provided for in the subsequent year’s budget.

The City’s budget was properly amended throughout the year as needed.

B. Excess of Expenditures Over Appropriations

The following funds had actual expenditures that exceeded appropriations.

Fund	Amount	Explanation
General Fund	$ 37,077	Salary and wage increases
Crime Control District	413,169	Equipment acquired with lease financing
Capital Projects Fund	121,551	Improvements
Vehicle Replacement	423,617	Vehicles acquired with lease financing

CITY OF RICHLAND HILLS, TEXAS
Notes to Required Supplementary Information
September 30, 2023

C. Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Table. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. Safety table used for males and the General Employee table used for females The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

D. Schedule of Changes in OPEB Liability

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

NONMAJOR GOVERNMENTAL FUNDS
COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects or proprietary funds) that are legally restricted to expenditures for specified purposes.

Court Building Security Fund is used to account for the City's share of fines to be used to enhance building security for municipal court.

The **Richland Hills Development Corporation** is a blended component unit which accounts for the promotion of infrastructure improvements, parks and park facilities and economic development within the City and the State of Texas in order to eliminate unemployment and underemployment and to promote and encourage employment and the public welfare of, for and on behalf of the City.

Court Technology Fund is used to account for the City's share of fines to be used for improvements to municipal court technology.

Library Grants Fund is used to account for grants to be used for the library.

Red Light Camera Enforce Fund accounts for all revenues and expenditures related to red light cameras placed at intersections in the City.

The **Hotel Occupancy Tax Fund** accounts for the proceeds of a 7 percent hotel occupancy tax and expenditures related tourism.

The **Keep Richland Hills Beautiful Fund** accounts for donations to be used for the City's parks.

The **Recreation Event Fund** accounts for recreational events that are hosted by the City.

The **Crime Victim Liaison Fund** is used to account for expenses of the crime victim liaison cops grant.

The **Link Operations Fund** is used to account for operations of the Link event and recreation center.

The **Contributions and Donations fund** is used to account for donations made to the City for various activities.

The **Police Seizure and Police Forfeiture funds** account for seizure and forfeiture funds.

The **LEOSE fund** accounts for grants for public safety training.

DEBT SERVICE FUND

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECT FUNDS

The Capital Project Funds account for all resources used for the acquisition and/or construction of capital facilities by the City, except those financed by the Enterprise Funds.

The **Oil and Gas Lease Fund** is used to account for the proceeds of the oil and gas lease bonus and future expenditures for capital projects.

The **Capital Projects Fund** accounts for the purchase of equipment by the City.

The **2019 GO Bonds Fund** is used to account for bond proceeds for the purpose of constructing and equipping a new fire station.

The **2019 Tax Notes Fund** accounts for the proceeds of the 2019 Tax Notes, which will be used for the demolition and renovation of space formerly used as a city jail to be used for city administrative uses, including conference rooms, training rooms, criminal investigation and related municipal use.

The **Baker Boulevard Projects Fund** is used to account for the receipts of the Baker Boulevard TIF zone and the green ribbon and intersection projects.

The **Link Activity Center Fund** is used to account for the construction of the multi-purpose community facility.

The **Vehicle Replacement Fund** accounts for replacement vehicles purchased by the City.

The **Link Replacement Fund** accounts for capital asset replacement at the Link.

The **Strategic Initiative** accounts for City improvements.

CITY OF RICHLAND HILLS, TEXAS
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2023

	Court Building Security	Richland Hills Development Corporation	Court Technology	Library Grants	Red Light Camera Enforce
ASSETS					
Cash	$ -	$ 1,992,062	$ -	$ 3,125	$ -
Investments	37,586	-	17,388	-	357
Receivables (Net of allowances for uncollectibles)					
Property tax	-	-	-	-	-
Sales tax	-	242,691	-	-	-
Other	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	$ 37,586	$ 2,234,753	$ 17,388	$ 3,125	$ 357
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 28,723	$ -	$ -	$ -
Accrued liabilities	-	4,285	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	-	33,008	-	-	-
Deferred inflows of resources					
Deferred revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balance:					
Restricted for:					
Public Safety	37,586	-	17,388	-	357
Culture and recreation	-	-	-	3,125	-
Parks and beautification	-	-	-	-	-
Economic Development	-	2,201,745	-	-	-
Debt Service	-	-	-	-	-
Capital Projects	-	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	37,586	2,201,745	17,388	3,125	357
Total liabilities, deferred inflows of resources and fund balances	$ 37,586	$ 2,234,753	$ 17,388	$ 3,125	$ 357

EXHIBIT F-1

Special Revenue							
Hotel Occupancy Tax	Keep Richland Hills Beautiful	Recreation Event	Crime Victim Liaison	Link Operations	Contributions & Donations	Police Seizure	Police Forfeiture
39,172	$ -	$ 141	$ -	$ 202,884	$ 45,606	$ 2,039	$ 9,908
198,381	68,027	-	14,080	-	-	25,680	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,339	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
260,892	$ 68,027	141	14,080	202,884	45,606	27,719	9,908
-	$ -	$ 141	$ -	$ 43,988	$ -	$ -	$ -
1,441	-	-	-	15,830	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	35,222	-	-	-
1,441	-	141	-	95,040	-	-	-
-	-	-	-	-	-	710	2,524
-	-	-	-	-	-	710	2,524
-	-	-	14,080	-	-	27,009	7,384
-	-	-	-	107,844	45,606	-	-
-	68,027	-	-	-	-	-	-
259,451	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
259,451	68,027	-	14,080	107,844	45,606	27,009	7,384
260,892	$ 68,027	$ 141	$ 14,080	$ 202,884	$ 45,606	$ 27,719	$ 9,908

CITY OF RICHLAND HILLS, TEXAS
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2023

	LEOSE	Total Special Revenue Funds	Debt Service	Oil & Gas Lease	Capital Projects	2019 GO Bonds
ASSETS						
Cash	$ 12,843	$ 2,307,780	$ 1,672	$ 522,930	$ 182,995	$ 5,562
Investments	-	361,499	661,387	209,099	19,031	84,362
Receivables (Net of allowances for uncollectibles)						
Property tax	-	-	13,211	-	-	-
Sales tax	-	242,691	-	-	-	-
Other	-	23,339	-	12,471	-	-
Due from other funds	-	-	-	-	-	-
Total assets	$ 12,843	$ 2,935,309	$ 676,270	$ 744,500	$ 202,026	$ 89,924
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ 72,852	$ 1,144	$ 12,955	$ 10,478	$ -
Accrued liabilities	-	21,556	-	-	-	-
Due to other funds	-	-	-	-	29,383	-
Unearned revenues	-	35,222	-	-	-	-
Total liabilities	-	129,630	1,144	12,955	39,861	-
Deferred inflows of resources						
Deferred revenue	-	3,234	13,211	-	-	-
Total deferred inflows of resources	-	3,234	13,211	-	-	-
Fund Balance:						
Restricted for:						
Public Safety	12,843	116,647	-	-	-	-
Culture and recreation	-	156,575	-	-	-	-
Parks and beautification	-	68,027	-	-	-	-
Economic Development	-	2,461,196	-	-	-	-
Debt Service	-	-	661,915	-	-	-
Capital Projects	-	-	-	731,545	162,165	89,924
Assigned	-	-	-	-	-	-
Total fund balances	12,843	2,802,445	661,915	731,545	162,165	89,924
Total liabilities, deferred inflows of resources and fund balances	$ 12,843	$ 2,935,309	$ 676,270	$ 744,500	$ 202,026	$ 89,924

Capital Projects Funds							
2019 Tax Notes	Baker Boulevard Projects	Link Activity Center	Vehicle Replacement	Link Replacement	Strategic Initiative	Total Capital Projects Funds	Total Nonmajor Funds
$ 175	$ 117,965	$ -	$ 49,919	$ 40,821	$ 2,271,703	$ 3,192,070	$ 5,501,522
6,097	947,337	-	-	-	-	1,265,926	2,288,812
						-	
						-	
-	-	-	-	-	-	-	13,211
-	-	-	-	-	-	-	242,691
-	-	-	-	-	-	12,471	35,810
-	-	-	-	-	-	-	-
$ 6,272	$ 1,065,302	$ -	$ 49,919	$ 40,821	$ 2,271,703	$ 4,470,467	$ 8,082,046
$ -	$ 18,259	$ -	$ 16,352	$ -	$ 12,255	$ 70,299	$ 144,295
-		-	-	-	-	-	21,556
-	-	-	-	-	-	29,383	29,383
-		-				-	35,222
-	18,259	-	16,352	-	12,255	99,682	230,456
-	-	-	-	-	-	-	16,445
-	-	-	-	-	-	-	16,445
-	-	-	-	-	-	-	116,647
-	-	-	-	-	-	-	156,575
-	-	-	-	-	-	-	68,027
-	-	-	-	-	-	-	2,461,196
-	-	-	-	-	-	-	661,915
6,272	1,047,043	-	-	-	-	2,036,949	2,036,949
-	-	-	33,567	40,821	2,259,448	2,333,836	2,333,836
6,272	1,047,043	-	33,567	40,821	2,259,448	4,370,785	7,835,145
$ 6,272	$ 1,065,302	$ -	$ 49,919	$ 40,821	$ 2,271,703	$ 4,470,467	$ 8,082,046

CITY OF RICHLAND HILLS, TEXAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended September 30, 2023

	Court Building Security	Richland Hills Development Corporation	Court Technology	Library Grants	Red Light Camera Enforce
REVENUES					
Taxes:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Sales	-	1,254,139	-	-	-
Hotel occupancy tax	-	-	-	-	-
Fines and forfeitures	9,255	-	7,718	-	-
Charges for service	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-
Investment earnings	-	36,121	-	-	-
Other revenue	-	-	-	-	-
Total revenue	9,255	1,290,260	7,718	-	-
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	152	-
Parks and beautification	-	591	-	-	-
Economic development	-	208,496	-	-	-
Capital Outlay	-	255,649	-	-	-
Debt Service					
Principal	-	140,000	-	-	-
Interest	-	88,663	-	-	-
Total expenditures	-	693,399	-	152	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,255	596,861	7,718	(152)	-
Other financing sources (uses):					
Insurance recoveries	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Lease financing	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses):	-	-	-	-	-
NET CHANGE IN FUND BALANCES	9,255	596,861	7,718	(152)	-
FUND BALANCE, OCTOBER 1, 2022	28,331	1,604,884	9,670	3,277	357
FUND BALANCE, SEPTEMBER 30, 2023	$ 37,586	$ 2,201,745	$ 17,388	$ 3,125	$ 357

EXHIBIT F-2

Hotel Occupancy Tax	Keep Richland Hills Beautiful	Recreation Event	Crime Victim Liaison	Link Operations	Contributions & Donations	Police Seizure	Police Forfeiture
			Special Revenue				
-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
254,445	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	562,350	-	-	-
-	-	-	-	5,000	-	-	-
5,752	-	-	-	-	-	1,124	-
-	16,406	2,955	-	-	19,094	2,039	-
260,197	16,406	2,955	-	567,350	19,094	3,163	-
-	-	-	-	-	-	-	-
-	-	-	-	-	10,631	-	-
-	-	3,221	-	673,725	-	-	-
-	5,950	-	-	-	-	-	-
93,475	-	-	-	-	-	-	-
-	-	-	-	6,347	-	-	-
65,000	-	-	-	-	-	-	-
40,013	-	-	-	-	-	-	-
198,488	5,950	3,221	-	680,072	10,631	-	-
61,709	10,456	(266)	-	(112,722)	8,463	3,163	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	199,680	-	-	-
-	-	-	-	(35,985)	-	-	-
-	-	-	-	163,695	-	-	-
61,709	10,456	(266)	-	50,973	8,463	3,163	-
197,742	57,571	266	14,080	56,871	37,143	23,846	7,384
259,451	$ 68,027	$ -	$ 14,080	$ 107,844	$ 45,606	$ 27,009	$ 7,384

CITY OF RICHLAND HILLS, TEXAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended September 30, 2023

	LEOSE	Total Special Revenue Funds	Debt Service	Oil & Gas Lease	Capital Projects	
REVENUES						
Taxes:						
Property taxes	$ -	$ -	$ 999,094	$ -	$ -	$
Sales	-	1,254,139	-	-	-	
Hotel occupancy tax	-	254,445	-	-	-	
Fines and forfeitures	-	16,973	-	-	-	
Charges for service	-	562,350	-	-	-	
Intergovernmental revenue	3,330	8,330	-	-	38,679	
Investment earnings	-	42,997	49,406	-	-	
Other revenue	-	40,494	3,209	355,064	-	
Total revenue	3,330	2,179,728	1,051,709	355,064	38,679	
EXPENDITURES						
Current:						
General government	-	-	4,760	21,005	-	
Public safety	450	11,081	-	-	-	
Culture and recreation	-	677,098	-	-	-	
Parks and beautification	-	6,541	-	4,934	-	
Economic development	-	301,971	-	-	-	
Capital Outlay	-	261,996	-	66,410	172,380	
Debt Service						
Principal	-	205,000	484,500	-	129,935	
Interest	-	128,676	459,444	-	27,548	
Total expenditures	450	1,592,363	948,704	92,349	329,863	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,880	587,365	103,005	262,715	(291,184)	
Other financing sources (uses):						
Insurance recoveries	-	-	-	-	-	
Gain/loss on the sale of capital assets	-	-	-	-	-	
Lease financing	-	-	-	-	-	
Transfers in	-	199,680	-	-	157,483	
Transfers out	-	(35,985)	-	-	-	
Total other financing sources (uses):	-	163,695	-	-	157,483	
NET CHANGE IN FUND BALANCES	2,880	751,060	103,005	262,715	(133,701)	
FUND BALANCE, OCTOBER 1, 2022	9,963	2,051,385	558,910	468,830	295,866	
FUND BALANCE, SEPTEMBER 30, 2023	$ 12,843	$ 2,802,445	$ 661,915	$ 731,545	$ 162,165	$

Capital Projects Funds								
2019 GO Bonds	2019 Tax Notes	Baker Boulevard Projects	Link Activity Center	Vehicle Replacement	Link Replacement	Strategic Initiative	Total Capital Projects Funds	Total Nonmajor Funds
-	$ -	$ 194,649	$ -	$ -	$ -	$ -	194,649	$ 1,193,743
-	-	117,965	-	-	-	-	117,965	1,372,104
-	-	-	-	-	-	-	-	254,445
-	-	-	-	-	-	-	-	16,973
-	-	-	-	-	-	-	-	562,350
-	-	-	-	-	-	-	38,679	47,009
4,966	-	23,882	-	-	-	-	28,848	121,251
-	-	-	-	-	-	-	355,064	398,767
4,966	-	336,496	-	-	-	-	735,205	3,966,642
-	-	13,390	-	-	-	38,205	72,600	77,360
-	-	4,982	-	-	-	-	4,982	16,063
-	-	-	-	-	-	-	-	677,098
-	-	-	-	-	-	-	4,934	11,475
-	-	-	-	-	-	-	-	301,971
28,200	-	216,149	12,447	705,841	24,789	102,348	1,328,564	1,590,560
-	-	-	-	118,131	-	-	248,066	937,566
-	-	-	-	33,885	-	-	61,433	649,553
28,200	-	234,521	12,447	857,857	24,789	140,552	1,720,578	4,261,645
(23,234)	-	101,975	(12,447)	(857,857)	(24,789)	(140,552)	(985,373)	(295,003)
-	-	-	-	67,260	-	-	67,260	67,260
-	-	-		244,546	-	-	244,546	244,546
-	-	-	-	495,163	-	-	495,163	495,163
-	-	-	-	81,971	60,985	2,400,000	2,700,439	2,900,119
-	-	-	-	-	-	-	-	(35,985)
-	-	-	-	888,940	60,985	2,400,000	3,507,408	3,671,103
(23,234)	-	101,975	(12,447)	31,083	36,196	2,259,448	2,522,035	3,376,100
113,158	6,272	945,068	12,447	2,484	4,625	-	1,848,750	4,459,045
89,924	$ 6,272	$ 1,047,043	$ -	$ 33,567	$ 40,821	$ 2,259,448	4,370,785	$ 7,835,145

CITY OF RICHLAND HILLS, TEXAS
Court Building Security Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forfeitures	$ 5,500	$ 5,500	$ 9,255	$ 3,755
Total revenues	5,500	5,500	9,255	3,755
EXPENDITURES				
Current				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCES	5,500	5,500	9,255	3,755
FUND BALANCE, OCTOBER 1, 2022	28,331	28,331	28,331	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 33,831	$ 33,831	$ 37,586	$ 3,755

EXHIBIT G-2

CITY OF RICHLAND HILLS, TEXAS

Richland Hills Development Corporation Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Sales	$ 1,178,054	$ 1,178,054	$ 1,254,139	$ 76,085
Investment earnings	-	-	36,121	36,121
Total revenues	1,178,054	1,178,054	1,290,260	112,206
EXPENDITURES				
Current				
Parks and beautification	-	-	591	(591)
Economic development	347,868	347,868	208,496	139,372
Capital outlay	-	1,000,000	255,649	744,351
Debt service:				
Principal	140,000	140,000	140,000	-
Interest and fiscal agent charges	88,663	88,663	88,663	-
Total expenditures	576,531	1,576,531	693,399	883,132
NET CHANGE IN FUND BALANCES	601,523	(398,477)	596,861	995,338
FUND BALANCE, OCTOBER 1, 2022	1,604,884	1,604,884	1,604,884	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 2,206,407	$ 1,206,407	$ 2,201,745	$ 995,338

EXHIBIT G-3

CITY OF RICHLAND HILLS, TEXAS
Court Technology Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forfeitures	$ 4,800	$ 4,800	$ 7,718	$ 2,918
Total revenues	4,800	4,800	7,718	2,918
EXPENDITURES				
Current				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCES	4,800	4,800	7,718	2,918
FUND BALANCE, OCTOBER 1, 2022	9,670	9,670	9,670	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 14,470	$ 14,470	$ 17,388	$ 2,918

EXHIBIT G-4

CITY OF RICHLAND HILLS, TEXAS
Hotel Occupancy Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Hotel occupancy tax	$ 180,000	$ 240,000	$ 254,445	$ 14,445
Investment earnings	-	5,000	5,752	752
Total revenues	180,000	245,000	260,197	15,197
EXPENDITURES				
Economic development	93,656	93,656	93,475	181
Debt service:				
Principal	65,000	65,000	65,000	-
Interest and fiscal agent charges	40,013	40,013	40,013	-
Total expenditures	198,669	198,669	198,488	181
NET CHANGE IN FUND BALANCES	(18,669)	46,331	61,709	15,378
FUND BALANCE, OCTOBER 1, 2022	197,742	197,742	197,742	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 179,073	$ 244,073	$ 259,451	$ 15,378

EXHIBIT G-5

CITY OF RICHLAND HILLS, TEXAS
Link Operations Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for Service	$ 542,190	$ 542,190	$ 562,350	$ 20,160
Intergovernmental revenue	-	-	5,000	5,000
Total revenues	542,190	542,190	567,350	25,160
EXPENDITURES				
Current				
Culture and recreation	741,871	741,871	673,725	68,146
Capital outlay	-	-	6,347	(6,347)
Total expenditures	741,871	741,871	680,072	61,799
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(199,681)	(199,681)	(112,722)	86,959
OTHER FINANCING SOURCES (USES)				
Transfers in	199,680	199,680	199,680	-
Transfers out	-	-	(35,985)	(35,985)
Total other financing sources (uses)	199,680	199,680	163,695	(35,985)
NET CHANGE IN FUND BALANCES	(1)	(1)	50,973	50,974
FUND BALANCE, OCTOBER 1, 2022	56,871	56,871	56,871	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 56,870	56,870	107,844	$ 50,974

EXHIBIT G-6

CITY OF RICHLAND HILLS, TEXAS
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Property taxes	$ 1,001,117	$ 1,001,117	$ 999,094	$ (2,023)
Investment earnings	-	-	49,406	49,406
Other revenue	-	-	3,209	3,209
Total revenues	1,001,117	1,001,117	1,051,709	50,592
EXPENDITURES				
Current				
General government	5,000	5,000	4,760	240
Debt service:				
Principal	484,500	484,500	484,500	-
Interest and fiscal agent charges	459,344	459,344	459,444	(100)
Total expenditures	948,844	948,844	948,704	140
NET CHANGE IN FUND BALANCES	52,273	52,273	103,005	50,732
FUND BALANCE, OCTOBER 1, 2022	558,910	558,910	558,910	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 611,183	$ 611,183	$ 661,915	$ 50,732

EXHIBIT G-7

CITY OF RICHLAND HILLS, TEXAS
Road and Street Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Sales	$ 1,767,081	$ 1,767,081	$ 1,881,208	$ 114,127
Total revenues	1,767,081	1,767,081	1,881,208	114,127
EXPENDITURES				
Current				
Public Works	-	-	481,347	(481,347)
Capital outlay	2,929,388	2,929,388	1,448,889	1,480,499
Total expenditures	2,929,388	2,929,388	1,930,236	999,152
NET CHANGE IN FUND BALANCES	(1,162,307)	(1,162,307)	(49,028)	1,113,279
FUND BALANCE, OCTOBER 1, 2022	2,020,043	2,020,043	2,020,043	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 857,736	$ 857,736	$ 1,971,015	$ 1,113,279

EXHIBIT G-8

CITY OF RICHLAND HILLS, TEXAS
Oil & Gas Lease Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Other revenue	$ 77,000	$ 77,000	$ 355,064	$ 278,064
Total revenues	77,000	77,000	355,064	278,064
EXPENDITURES				
Current				
General	-	-	21,005	(21,005)
Parks and beautification	-	-	4,934	(4,934)
Capital outlay	95,000	95,000	66,410	28,590
Total expenditures	95,000	95,000	92,349	2,651
NET CHANGE IN FUND BALANCES	(18,000)	(18,000)	262,715	280,715
FUND BALANCE, OCTOBER 1, 2022	468,830	468,830	468,830	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 450,830	$ 450,830	$ 731,545	$ 280,715

CITY OF RICHLAND HILLS, TEXAS
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental revenue	$ 80,000	$ 80,000	$ 38,679	(41,321)
Total revenues	80,000	80,000	38,679	(41,321)
EXPENDITURES				
Current				
Capital outlay	1,130,000	50,000	172,380	(122,380)
Debt service:				
Principal	136,643	136,643	129,935	6,708
Interest and fiscal agent charges	21,668	21,668	27,548	(5,880)
Total expenditures	1,288,311	208,311	329,863	(121,551)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,208,311)	(128,311)	(291,184)	(162,872)
OTHER FINANCING SOURCES (USES)				
Transfers in	158,311	158,311	157,483	(828)
Total other financing sources (uses)	158,311	158,311	157,483	(828)
NET CHANGE IN FUND BALANCES	(1,050,000)	30,000	(133,701)	(163,700)
FUND BALANCE, OCTOBER 1, 2022	295,866	295,866	295,866	-
FUND BALANCE, SEPTEMBER 30, 2023	$ (754,134)	325,866	162,165	(163,700)

EXHIBIT G-10

CITY OF RICHLAND HILLS, TEXAS
Baker Boulevard Projects
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Property taxes	$ 201,709	$ 201,709	$ 194,649	$ (7,060)
Sales	75,000	75,000	117,965	42,965
Investment earnings	-	-	23,882	23,882
Total revenues	276,709	276,709	336,496	59,787
EXPENDITURES				
Current				
General government	-	-	13,390	(13,390)
Public safety	-	-	4,982	(4,982)
Capital outlay	580,000	580,000	216,149	363,851
Total expenditures	580,000	580,000	234,521	358,869
NET CHANGE IN FUND BALANCES	(303,291)	(303,291)	101,975	405,266
FUND BALANCE, OCTOBER 1, 2022	945,068	945,068	945,068	-
FUND BALANCE, SEPTEMBER 30, 2023	$ 641,777	$ 641,777	$ 1,047,043	$ 405,266

CITY OF RICHLAND HILLS, TEXAS
Vehicle Replacement
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Property taxes	$ -	$ -	$ -	$ -
Sales	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current				
Capital outlay	289,240	434,240	705,841	(271,601)
Debt service:				
Principal	-	-	118,131	(118,131)
Interest and fiscal agent charges	-	-	33,885	(33,885)
Total expenditures	289,240	434,240	857,857	(423,617)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(289,240)	(434,240)	(857,857)	(423,617)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	67,260	67,260
Proceeds from sale of capital assets	279,950	279,950	244,546	(35,404)
Lease financing	-	-	495,163	495,163
Transfers in	-	140,000	81,971	(58,029)
Total other financing sources (uses)	279,950	419,950	888,940	468,990
NET CHANGE IN FUND BALANCES	(9,290)	(14,290)	31,083	45,373
FUND BALANCE, OCTOBER 1, 2022	2,484	2,484	2,484	-
FUND BALANCE, SEPTEMBER 30, 2023	$ (6,806)	$ (11,806)	$ 33,567	$ 45,373

STATISTICAL DATA
(Unaudited)

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CITY OF RICHLAND HILLS, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023
STATISTICAL SECTION INDEX
(Unaudited)

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports of the relevant year.

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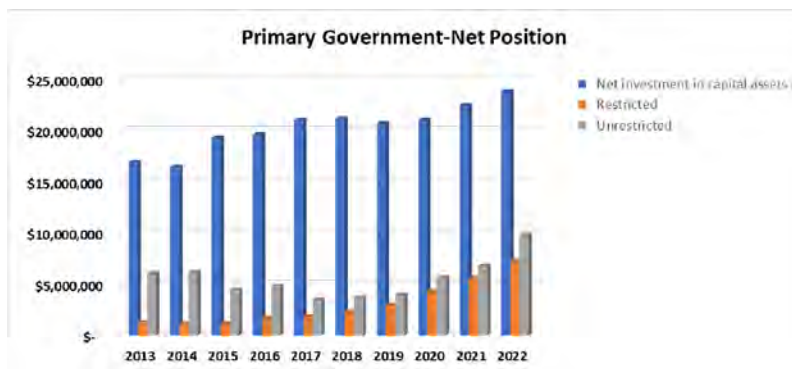
CITY OF RICHLAND HILLS, TEXAS **TABLE 1**
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	$ 10,136,996	$ 10,450,781	$ 10,653,314	$11,342,503	$10,617,667	$9,925,810	$9,928,481	$ 11,386,772	$ 12,326,976	$ 13,570,753
Restricted	1,069,428	1,127,400	1,692,036	1,812,889	2,298,796	2,946,115	4,304,087	5,564,111	7,250,766	8,611,102
Unrestricted	3,410,142	2,205,841	2,791,787	1,415,184	1,708,787	1,718,246	2,675,729	2,976,618	4,677,925	4,969,460
Total governmental activities net position	$ 14,616,566	$ 13,784,022	$ 15,137,137	$14,570,576	$14,625,250	$14,590,171	$16,908,297	$19,927,501	$24,255,667	$27,151,315
Business-type activities:										
Net investment in capital assets	$ 6,254,783	$ 8,788,016	$ 8,921,383	$9,637,000	$10,501,116	$10,728,810	$11,062,511	$ 11,014,660	$ 11,460,920	$ 12,379,038
Restricted	-	-	-	-	-	-	-			
Unrestricted	2,770,715	2,284,595	2,010,464	2,053,701	1,968,931	2,230,173	2,928,819	3,770,165	5,050,526	5,370,477
Total business-type activities net position	$ 9,025,498	$ 11,072,611	$ 10,931,847	$11,690,701	$12,470,047	$12,958,983	$13,991,330	$14,784,825	$16,511,446	$17,749,515
Primary government:										
Net investment in capital assets	$ 16,391,779	$ 19,238,797	$ 19,574,697	$20,979,503	$21,118,783	$20,654,620	$20,990,992	$ 22,401,432	$ 23,787,896	$ 25,949,791
Restricted	1,069,428	1,127,400	1,692,036	1,812,889	2,298,796	2,946,115	4,304,087	5,564,111	7,250,766	8,611,102
Unrestricted	6,180,857	4,490,436	4,802,251	3,468,885	3,677,718	3,948,419	5,604,548	6,746,783	9,728,451	10,339,937
Total primary government activities net position	$ 23,642,064	$ 24,856,633	$ 26,068,984	$26,261,277	$27,095,297	$27,549,154	$30,899,627	$34,712,326	$40,767,113	$44,900,830



CITY OF RICHLAND HILLS, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year 2014	2015	2016	2017
EXPENSES				
Governmental activities:				
General government	$ 1,241,332	$ 1,182,618	$ 1,297,325	$ 2,070,959
Public safety	5,023,432	4,898,102	5,250,251	5,377,655
Public works	641,584	695,387	743,555	682,106
Culture and recreation	422,537	413,433	445,559	1,445,683
Parks and beautification	88,408	74,723	45,555	565,333
Community development	769,346	787,272	527,634	387,387
Economic development	-	-	184,833	113,213
Interest and fiscal agent charges	36,102	33,408	272,493	422,212
Bond issuance costs	-	-	269,037	-
Total governmental activities expenses	8,222,741	8,084,943	9,036,242	11,064,548
Business-type activities:				
Water and wastewater	5,183,820	3,801,600	3,939,736	3,574,827
Drainage utility	2,493,216	399,214	609,757	604,158
Total business-type activities expenses	7,677,036	4,200,814	4,549,493	4,178,985
Total primary government expenses	$ 15,899,777	$ 12,285,757	$ 13,585,735	$ 15,243,533
PROGRAM REVENUES				
Governmental activities:				
Charges for services	$ 1,223,032	$ 1,115,626	$ 1,400,803	$ 1,481,181
Operating grants and contributions	332,703	324,176	212,901	225,025
Capital grants and contributions	173,007	298,227	364,313	4,148
Total governmental activities program revenues	1,728,742	1,738,029	1,978,017	1,710,354
Business-type activities				
Charges for services	4,697,772	4,698,246	4,916,055	5,058,451
Capital grants and contributions	-	-	-	173,079
Total business-type activities program revenues	4,697,772	4,698,246	4,916,055	5,231,530
Total primary government program revenues	$ 6,426,514	$ 6,436,275	$ 6,894,072	$ 6,941,884
NET (EXPENSE) REVENUE				
Governmental activities	$ (6,493,999)	$ (6,346,914)	$ (7,058,225)	$ (9,354,194)
Business-type activities	(2,979,264)	497,432	366,562	1,052,545
Total primary government net expense	$ (9,473,263)	$ (5,849,482)	$ (6,691,663)	$ (8,301,649)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	$ 2,309,156	$ 2,324,952	$ 2,364,093	$ 2,839,255
Sales	3,852,303	4,023,815	4,471,407	4,735,759
Franchise	602,352	590,583	599,094	512,109
Hotel occupancy	210,250	210,250	232,946	226,677
Investment earnings	1,078	9,701	2,992	16,669
Miscellaneous	8,777	8,777	232,653	97,487
Gain (loss) on retirement of capital assets	(269,203)	6,452	-	61,519
Transfers in (out)	413,985	413,985	508,155	298,158
Total governmental activities	7,128,698	7,588,515	8,411,340	8,787,633
Business-type activities:				
Investment earnings	1,529	1,542	829	4,467
Miscellaneous	10,397	10,397	-	-
Transfers in (out)	(413,983)	(413,985)	(508,155)	(298,158)
Total business-type activities	(402,057)	(402,046)	(507,326)	(293,691)
Total primary government	$ 6,726,641	$ 7,186,469	$ 7,904,014	$ 8,493,942
Change in Net Position				
Governmental activities	$ 634,699	$ 1,241,601	$ 1,353,115	$ (566,561)
Business-type activies	(3,381,321)	95,386	(140,764)	758,854
Total primary government	$ (2,746,622)	$ 1,336,987	$ 1,212,351	$ 192,293

(Continued)

TABLE 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 1,735,244	$ 1,802,970	$ 1,305,958	1,433,218	1,380,007	1,994,587
5,710,989	6,030,013	5,895,176	5,660,499	6,086,145	7,983,920
664,835	929,775	690,123	801,562	838,964	1,476,279
1,366,158	1,585,385	1,362,787	1,387,144	1,588,342	1,699,041
567,625	660,430	644,340	737,938	684,518	787,617
476,545	282,211	472,435	411,596	409,804	600,762
127,644	202,730	268,713	165,116	283,064	303,619
427,832	447,445	585,288	561,806	551,242	566,515
5,852	203,390	-	-	-	-
11,082,724	12,144,349	11,224,820	11,158,879	11,822,086	15,412,340
3,463,115	4,163,091	3,563,124	4,394,454	4,032,448	4,564,289
686,287	663,439	584,961	675,847	537,734	523,049
4,149,402	4,826,530	4,148,085	5,070,301	4,570,182	5,087,338
$ 15,232,126	$ 16,970,879	$ 15,372,905	$ 16,229,180	$ 16,392,268	$ 20,499,678
$ 1,775,163	$ 1,711,007	$ 1,509,317	$ 1,208,191	$ 1,449,304	$ 1,675,173
196,804	29,361	368,625	131,684	38,952	159,643
39,582	205,260	118,210	854,411	-	-
2,011,549	1,945,628	1,996,152	2,194,286	1,488,256	1,834,816
5,144,552	5,142,527	5,167,724	5,863,089	6,127,284	5,976,107
9,585	145,000	-		202,578	166,570
5,154,137	5,287,527	5,167,724	5,863,089	6,329,862	6,142,677
$ 7,165,686	$ 7,233,155	$ 7,163,876	$ 8,057,375	$ 7,818,118	$ 7,977,493
$ (9,071,175)	$ (10,198,721)	$ (9,228,668)	$ (8,964,593)	$ (10,333,830)	$ (13,577,524)
1,004,735	460,997	1,019,639	792,788	1,759,680	1,055,339
$ (8,066,440)	$ (9,737,724)	$ (8,209,029)	$ (8,171,805)	$ (8,574,150)	$ (12,522,185)
$ 2,972,668	$ 3,199,055	$ 3,707,148	$ 3,762,747	$ 3,991,037	$ 4,365,451
5,081,993	5,851,598	6,906,449	7,370,537	9,283,031	10,031,749
560,282	650,388	547,312	516,814	569,457	647,876
231,045	200,577	85,603	155,154	214,587	254,445
33,085	46,896	73,895	2,763	15,723	361,636
149,513	166,686	226,387	170,411	452,516	713,093
106,522	48,442	-	5,371		
210,192	-	-	-	135,645	98,919
9,345,300	10,163,642	11,546,794	11,983,797	14,661,996	16,473,169
12,704	27,939	12,708	707	16,756	271,649
-	-	-		85,830	10,000
(210,192)	-	-		(135,645)	(98,919)
(197,488)	27,939	12,708	707	(33,059)	182,730
$ 9,147,812	$ 10,191,581	$ 11,559,502	$ 11,984,504	$ 14,628,937	$ 16,655,899
$ 274,125	$ (35,079)	$ 2,318,126	$ 3,019,204	$ 4,328,166	$ 2,895,645
807,247	488,936	1,032,347	793,495	1,726,621	1,238,069
$ 1,081,372	$ 453,857	$ 3,350,473	$ 3,812,699	$ 6,054,787	$ 4,133,714

(Concluded)

CITY OF RICHLAND HILLS, TEXAS
FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	**2015**	**2016**	**2017**	**2018**
General Fund					
Nonspendable	$ 487,319	$ -	$ 46,221	$ 1,813	$ 63,242
Restricted	-	-	57,661	59,086	64,622
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	2,384,982	3,031,436	3,883,656	2,630,467	2,827,940
Total general fund	$ 2,872,301	$ 3,031,436	$ 3,987,538	$ 2,691,366	$ 2,955,804
All Other Governmental Funds					
Restricted	$ 1,511,691	$ 1,513,668	$ 11,552,448	$ 2,347,740	$ 2,395,212
Assigned	23,425	23,425	40,711	2,711	2,711
Unassigned	(367,364)	(216,619)	(91,145)	-	-
Total all other governmental funds	$ 1,167,752	$ 1,320,474	$ 11,502,014	$ 2,350,451	$ 2,397,923

(Continued)

TABLE 3

Fiscal Year				
2019	**2020**	**2021**	**2022**	**2023**
$ 22,013	$ 49,732	$ 48,023	$ 65,694	$ 64,744
94,408	100,793	81,349	-	-
-	-	-	-	-
-	-	-	-	-
2,849,792	3,912,570	4,303,759	5,486,407	4,004,437
$ 2,966,213	$ 4,063,095	$ 4,433,131	$ 5,552,101	$ 4,069,181
$ 9,549,679	$ 10,166,690	$ 6,060,835	$ 7,352,890	$ 8,687,815
216,947	270,108	33,539	7,374	2,333,836
-	-	(31,566)	-	-
$ 9,766,626	$ 10,436,798	$ 6,062,808	$ 7,360,264	$ 11,021,651

(concluded)

CITY OF RICHLAND HILLS, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
REVENUES				
Taxes	$ 6,959,860	$ 7,131,372	$ 7,715,290	$ 8,400,231
Fines and forfeitures	775,521	775,521	953,662	784,004
Licenses and permits	131,148	131,148	155,834	168,640
Charges for service	260,172	260,172	316,544	407,685
Intergovernmental	309,768	485,486	280,429	428,826
Investment earnings	1,078	1,078	2,992	16,669
Miscellaneous	204,719	145,694	233,745	121,224
Total revenues	8,642,266	8,930,471	9,658,496	10,327,279
EXPENDITURES				
Current operations:				
General government	1,181,854	1,181,854	1,288,242	2,102,399
Public safety	4,788,070	4,789,942	4,948,279	4,955,726
Public works	252,849	252,849	292,570	173,764
Culture and recreation	378,424	378,425	403,527	726,122
Parks and beutification	81,620	81,620	45,555	134,826
Community development	769,346	769,346	438,384	381,325
Economic development	-	-	184,833	113,213
Capital outlay	921,268	895,743	4,917,553	11,855,499
Debt service:				
Principal	330,000	330,000	355,451	254,729
Interest and fiscal agent charges	36,404	36,404	24,799	669,467
Bond issuance costs	-	-	269,037	-
Total expenditures	8,739,835	8,716,183	13,168,230	21,367,070
Excess (deficiency) of revenues over (under) expenditures	(97,569)	214,288	(3,509,734)	(11,039,791)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	6,452	40,711	61,519
Proceeds from capital lease	-	-	-	232,379
Proceeds of bond issuance	-	-	13,475,000	-
Financed Purchases				
Lease Financing				
Refund on existing debt	-	-	-	-
Bond issuance premium	-	-	623,510	-
Proceeds from insurance recovery	-	-	-	-
Transfers in	705,559	705,560	942,848	2,498,158
Transfers out	(291,574)	(291,575)	(434,693)	(2,200,000)
Total other financing sources (uses)	413,985	420,437	14,647,376	592,056
Net change in fund balances	$ 316,416	$ 634,725	$ 11,137,642	$ (10,447,735)
Debt service as a percentage of non-capital expenditures	4.69%	4.69%	4.61%	9.36%

(Continued)

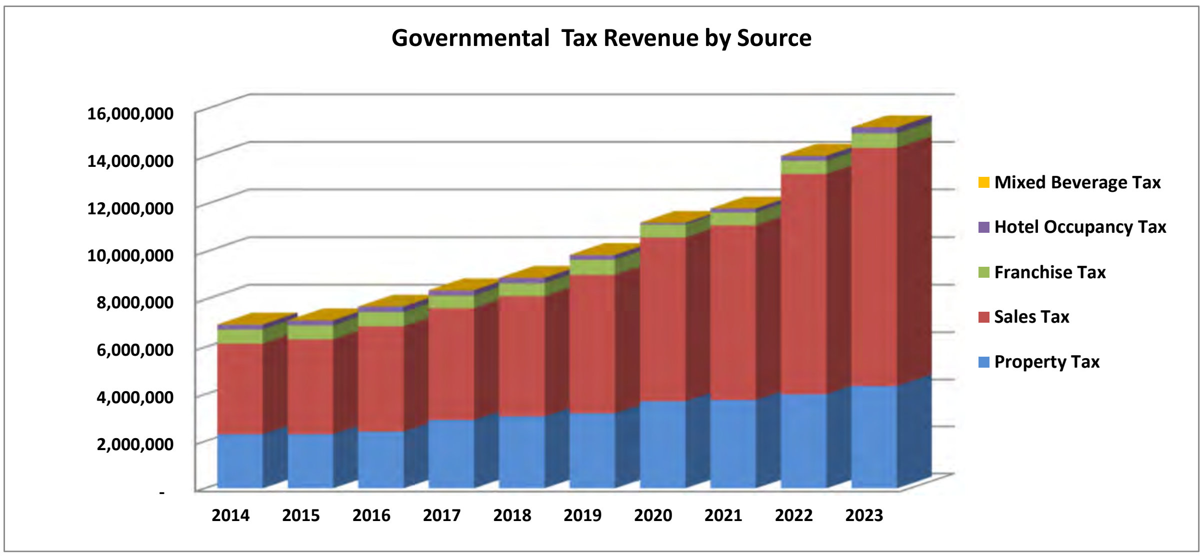
TABLE 4

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ 8,923,509	$ 9,883,901	$ 11,261,193	$ 11,841,892	$ 14,052,969	$ 15,249,177
755,599	747,816	421,680	293,125	308,753	418,334
138,751	168,765	383,038	186,174	177,429	264,742
687,291	694,494	713,931	665,780	893,388	904,426
212,493	209,449	456,161	955,460	4,899	159,870
33,085	46,896	73,895	2,763	15,723	361,636
173,406	191,858	193,276	246,679	523,191	518,916
10,924,134	11,943,179	13,503,174	14,191,873	15,976,352	17,877,101
1,693,517	1,720,769	1,260,799	1,395,739	1,405,943	1,891,639
5,415,041	5,355,003	5,317,932	5,461,574	5,716,721	6,695,778
185,479	240,479	158,080	231,511	181,835	722,408
1,041,613	1,076,150	1,055,758	1,135,135	1,378,658	1,362,210
125,182	216,351	177,500	146,179	174,659	243,805
481,077	275,784	461,423	415,953	415,999	558,289
127,644	202,730	268,713	165,116	281,478	301,971
953,090	1,359,363	2,416,463	7,866,272	3,301,913	3,853,053
405,610	402,540	694,054	721,871	706,953	972,163
471,912	464,340	668,016	661,848	637,049	658,314
5,852	203,390	-	-	-	-
10,906,017	11,516,899	12,478,738	18,201,198	14,201,208	17,259,630
18,117	426,280	1,024,436	(4,009,325)	1,775,144	617,471
77,295	48,442	22,885	5,371	23,915	244,546
-	-	719,733			
228,750	6,340,000	-			
				299,855	-
				163,159	1,150,268
(222,444)	-	-			
-	564,390	-			
-	-	-		18,708	67,260
2,061,600	610,959	291,844	978,623	965,250	2,979,567
(1,851,408)	(610,959)	(291,844)	(978,623)	(829,605)	(2,880,648)
293,793	6,952,832	742,618	5,371	641,282	1,560,993
$ 311,910	$ 7,379,112	$ 1,767,054	$ (4,003,954)	$ 2,416,426	$ 2,178,464
8.79%	8.21%	13.53%	13.39%	12.08%	11.93%

(concluded)

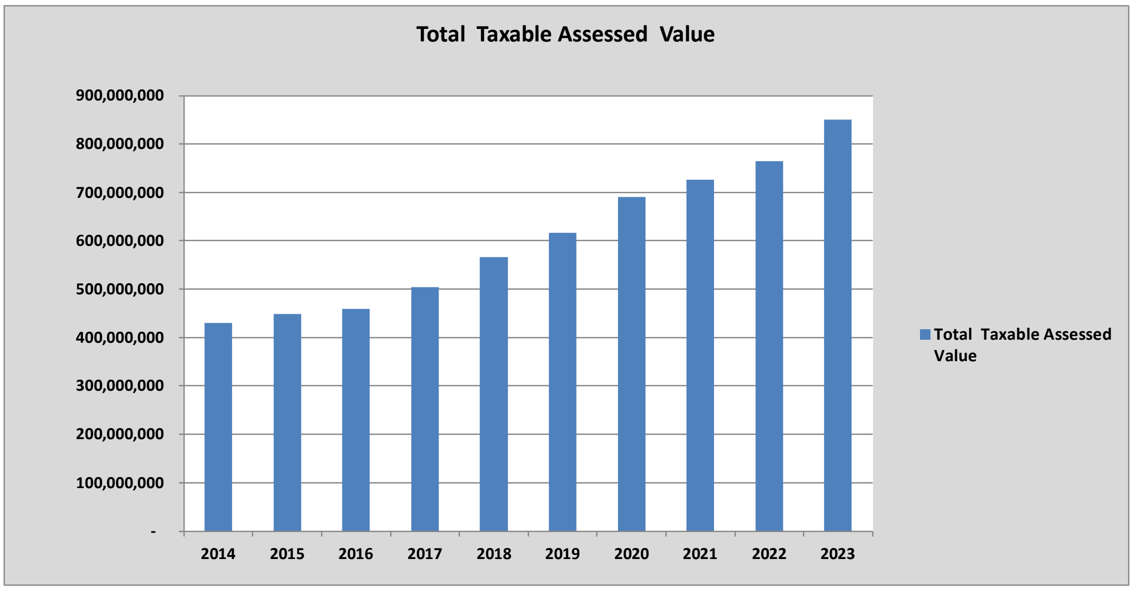
CITY OF RICHLAND HILLS, TEXAS **TABLE 5**
GOVERNMENTAL FUNDS
TAX REVENUE BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Property Tax	Sales Tax	Mixed Beverage Tax	Franchise Tax	Hotel Occupancy Tax	Total Tax Revenue
2014	2,306,724	3,850,729	1,574	590,583	210,250	6,959,860
2015	2,306,724	4,021,746	2,069	590,583	210,250	7,131,372
2016	2,416,008	4,469,203	2,204	594,929	232,946	7,715,290
2017	2,909,940	4,733,430	2,329	527,855	226,677	8,400,231
2018	3,061,504	5,080,421	1,572	548,966	231,045	8,923,508
2019	3,198,614	5,849,484	2,114	633,112	200,577	9,883,901
2020	3,707,148	6,906,449	1,640	547,312	73,895	11,236,444
2021	3,760,884	7,367,612	2,925	533,360	177,111	11,841,892
2022	4,006,019	9,280,247	2,784	549,332	214,587	14,052,969
2023	4,358,514	10,029,342	2,408	604,469	254,444	15,249,177



CITY OF RICHLAND HILLS, TEXAS **TABLE 6**
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

	Assessed Property Value									
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2014	244,644,818	133,773,931	11,034,455	5,204,810	83,241,474	47,763,360	430,136,128	0.528094	430,136,128	100.0%
2015	249,818,804	140,619,127	10,954,105	8,567,090	88,156,960	49,823,877	448,292,209	0.528094	448,292,209	100.0%
2016	252,248,877	148,470,367	10,935,105	6,433,902	89,767,063	48,639,210	459,216,104	0.528805	459,216,104	100.0%
2017	283,204,384	164,847,074	13,090,988	497,316	94,503,549	51,585,738	504,557,573	0.595633	504,557,573	100.0%
2018	317,868,306	199,515,427	14,298,894	111,002	101,993,372	67,615,182	566,171,819	0.563738	566,171,819	100.0%
2019	352,011,740	208,140,145	15,195,814	341,130	108,277,963	67,797,937	616,168,855	0.541880	616,168,855	100.0%
2020	394,094,551	231,526,855	20,884,453	1,805,720	109,575,049	67,301,522	690,585,106	0.558551	690,585,106	100.0%
2021	423,423,768	239,006,207	19,145,422	1,052,000	111,532,031	67,882,417	726,277,011	0.558551	726,277,011	100.0%
2022	464,667,753	236,648,205	19,514,353	1,091,238	109,451,688	67,834,625	763,538,612	0.558551	763,538,612	100.0%
2023	521,484,041	263,104,566	18,742,438	6,610,136	113,710,680	73,766,189	849,885,672	0.538885	849,885,672	100.0%



Source: Tarrant Appraisal District

Note: Property in the City is reassessed each year by the Tarrant Appraisal District.
Property is assessed at actual value; therefore,the assessed values are equal to actual value.

CITY OF RICHLAND HILLS, TEXAS **TABLE 7**
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(Unaudited)

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OVERLAPPING RATES										
Tarrant County	0.264000	0.264000	0.264000	0.244000	0.244000	0.234000	0.234000	0.229000	0.229000	0.224000
Tarrant County Hospital District	0.227897	0.227897	0.227897	0.224429	0.224429	0.224429	0.224429	0.224429	0.224429	0.224429
Tarrant County College District	0.149500	0.149500	0.149500	0.140060	0.140060	0.136070	0.130170	0.130170	0.130170	0.130170
Birdville Independent School District	1.435000	1.435000	1.453900	1.453900	1.453900	1.453900	1.383900	1.380300	1.338000	1.279800
CITY DIRECT RATES										
Operating & Maintenance	0.467694	0.469092	0.470680	0.471433	0.460847	0.450755	0.418051	0.418051	0.418051	0.413628
Interest & Sinking	0.060400	0.059002	0.058125	0.124200	0.102891	0.091125	0.140500	0.140500	0.140500	0.125257
Total Direct Rate	0.528094	0.528094	0.528805	0.595633	0.563738	0.541880	0.558551	0.558551	0.558551	0.538885
Total Direct & Overlapping Rate	2.604491	2.604491	2.624102	2.658022	2.626127	2.590279	2.531050	2.522450	2.480150	2.397284

Note: All rates per $100 assessed value.

The taxing jurisdictions are mutually exclusive.

Sources: Tarrant Appraisal District and City records.

CITY OF RICHLAND HILLS, TEXAS **TABLE 8**
PRINCIPAL PROPERTY TAXPAYERS
Current and Ten Years Ago
(Unaudited)

		2023			2014		
Taxpayer	**Industry**	**2022 Taxable Assessed Valuation****	**Rank**	**Percentage of Total Taxable Assesed Valuation**	**2013 Taxable Assessed Valuation***	**Rank**	**Percentage of Total Taxable Assesed Valuation**
1. A&R Calloway LLC	Apartments	$ 26,600,000		3.1%	$ -		-
2. Stuart C Irby LLC	Retailer	17,347,170		2.0%	4,994,884		1.2%
3. 356 Midway Venture LLC	Real Estate/Commercial	11,286,435		1.3%	-		-
4. Buyers Barricades	Retailer	10,809,231		1.3%	-		-
5. Hung Properties #1 LP	Real Estate/Commercial	8,500,000		1.0%	-		-
6. WalMart Stores	Retailer	6,899,655		0.8%	-		-
7. Oncor Electric Co	Utility	6,869,584		0.8%	4,976,271		1.2%
8. MB Midway LLC	Real Estate/Commercial	6,399,665		0.8%	-		0.0%
9. Hudgins Donald L	Commercial	6,008,825		0.7%	-		-
10. Linron Properties LTD	Real Estate/Commercial	5,728,950		0.7%	-		0.0%
First Industrial, LP	Commercial	-		0.0%	8,205,913		1.9%
CNN Churchill II and III	Hotel	-		0.0%	5,985,000		1.4%
Charter Communications	Utility	-		0.0%	5,845,529		1.4%
Regency Raintree	Apartments	-		0.0%	5,500,000		1.3%
Southwestern Bell	Utility	-		0.0%	5,253,582		1.2%
Chesapeake Operating	Oil/Gas	-		0.0%	4,614,900		1.1%
First Industrial, LP	Real Estate	-		0.0%	4,033,300		0.9%
AHC Richland Hill LLC	Senior living	-		0.0%	3,552,000		0.8%
Total		$ 106,449,515		12.5%	$ 52,961,379		12.3%
Total assessed value of other taxpayers		743,436,157		87.5%	377,174,749		87.7%
Total assessed value of all taxpayers		$ 849,885,672		100.0%	$ 430,136,128		100.0%

Source: Tarrant Appraisal District
* Taxpayers assessed on January 1, 2013 (2013 tax year) for the 2013-2014 fiscal year.
** Taxpayers assessed on January 1, 2022 (2022 tax year) for the 2022 -2023 fiscal year.

CITY OF RICHLAND HILLS, TEXAS **TABLE 9**
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

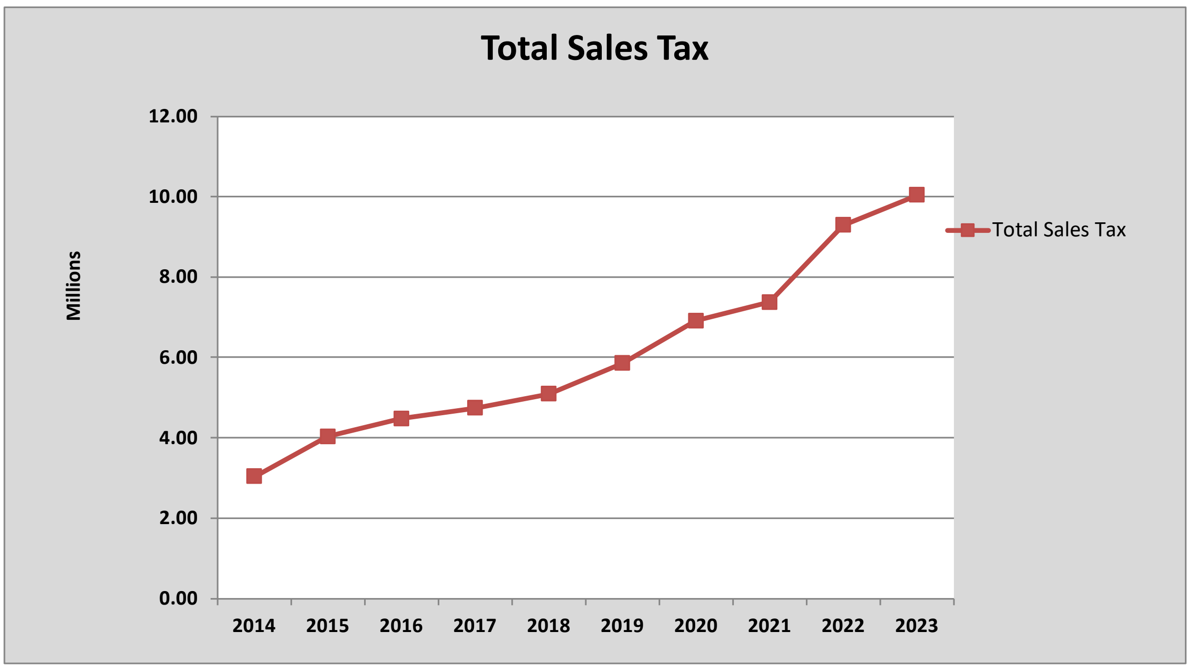
Fiscal Year Ended 9/30	Actual Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2013	2,250,917	2,231,421	99.1%	10,845	2,242,266	99.6%
2015	2014	2,316,163	2,272,895	98.1%	38,816	2,311,711	99.8%
2016	2015	2,380,796	2,354,223	98.9%	22,304	2,376,527	99.8%
2017	2016	2,875,298	2,836,300	98.6%	35,154	2,871,454	99.9%
2018	2017	3,008,103	2,970,529	98.8%	31,636	3,002,166	99.8%
2019	2018	3,158,251	3,116,025	98.7%	33,145	3,149,170	99.7%
2020	2019	3,630,618	3,580,932	98.6%	38,078	3,619,010	99.7%
2021	2020	3,721,627	3,671,287	98.6%	40,788	3,712,075	99.7%
2022	2021	3,946,468	3,907,870	99.0%	20,833	3,928,703	99.5%
2023	2022	4,290,549	4,232,901	98.7%	-	4,232,901	98.7%

Source: Tarrant County Tax Assessor Collector.

Tax Lien and Assessment Date:	January 1 each year
Taxes due:	October 1 of the same year
Taxes delinquent:	February 1 of the following year

CITY OF RICHLAND HILLS, TEXAS **TABLE 10**
SALES TAX COLLECTIONS BY FUND
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended 9/30	General	(TIF) Tax Increment Financing **	Crime Control District	Road and Street *	Richland Hills Development Corporation	Total Sales Tax Collections
2014	1,987,280	35,470	754,203	-	252,648	3,029,601
2015	2,583,922	101,400	1,003,104	-	335,389	4,023,815
2016	2,873,295	107,428	1,118,369	-	372,315	4,471,407
2017	2,980,714	178,474	1,186,765	-	389,806	4,735,759
2018	3,267,337	104,325	1,293,803	-	416,528	5,081,993
2019	3,303,034	49,252	1,248,819	625,562	624,931	5,851,598
2020	3,367,227	80,581	1,302,112	1,292,928	861,952	6,904,800
2021	3,619,035	68,182	1,380,638	1,381,609	921,073	7,370,537
2022	4,574,082	72,655	1,733,824	1,741,482	1,160,988	9,283,031
2023	4,900,999	117,965	1,877,438	1,881,208	1,254,139	10,031,749



* Sales tax was voted to be collected effective April 2019.
** Sales tax for TIF is budgeted as a transfer in varying fiscal years.
Source: City records.

CITY OF RICHLAND HILLS, TEXAS
RATIOS OF TOTAL OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

	GOVERNMENTAL ACTIVITIES						
Fiscal Year	General Obligaton Bonds	Premiums	Certificates of Obligation (1)	Public Property Finance Contractual Obligations	Tax Notes	Financed Purchases/ Capital Leases	Leases (4)
2014	-	-	250,000	801,000	-	39,016	
2015	-	-	130,000	591,000	-	30,104	
2016	8,770,000	623,510	4,705,000	375,000	-	20,653	
2017	8,770,000	565,372	4,585,000	297,000	-	196,303	
2018	8,863,250	523,579	4,410,000	42,000	-	141,193	
2019	14,388,500	1,046,871	4,230,000	-	680,000	95,403	
2020	14,077,250	950,156	4,050,000	-	590,000	702,332	
2021	13,751,750	853,623	3,860,000	-	500,000	585,961	
2022	13,411,250	762,710	3,665,000	-	405,000	817,108	155,414
2023	13,021,750	676,844	3,460,000	-	310,000	687,172	1,152,955

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) Includes certificate of obligation secured by combination property tax and revenue.
(2) Includes governmental activities and business-type activities debt.
(3) See Table 16 for population and personal income data.
(4) Leases applies to new GASB87 Requirements

TABLE 11

BUSINESS-TYPE ACTIVITIES							
General Obligation Bonds	Certificates of Obligation	Premiums	Financed Purchases/ Capital Leases	Leases (4)	Total Primary Government (2)	Total Debt Per Capita (3)	Per Capita Debt as a Percent of Capita Income (3)
-	11,500,000	505,314	109,110		13,204,440	1,693	6.9%
-	11,750,000	473,166	55,756		13,030,026	1,645	6.7%
-	10,895,000	441,021	270,722		26,100,906	3,296	13.4%
-	10,000,000	408,871	206,981		25,029,527	3,160	12.8%
1,151,750	7,935,000	376,723	140,683		23,584,178	2,978	10.3%
1,011,500	7,405,000	344,573	71,725		29,273,572	3,696	12.3%
862,750	6,850,000	312,423	-		28,394,911	3,585	11.3%
2,283,250	4,750,000	280,276	-		26,864,860	3,383	9.9%
1,978,750	4,295,000	248,127	1,420,753	107,297	27,159,112	3,201	8.7%
1,698,250	3,935,000	225,570	1,297,254	238,101	26,464,795	3,119	8.9%

CITY OF RICHLAND HILLS, TEXAS **TABLE 12**
RATIOS OF GENERAL BONDED DEBT
PER ASSESSED VALUE AND PER CAPITA
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Bonded Debt	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value (1)	Net Bonded Debt Per Capita (2)
2014	801,000	144,394	656,606	0.15%	84
2015	591,000	185,035	405,965	0.09%	51
2016	9,440,379	164,196	9,276,183	2.02%	1,171
2017	9,339,859	237,811	9,102,048	1.80%	1,149
2018	10,314,328	310,514	10,003,814	1.77%	1,263
2019	16,142,630	363,334	15,779,296	2.56%	1,992
2020	15,625,494	385,295	15,240,199	2.21%	1,924
2021	16,661,501	441,480	16,220,021	2.23%	2,043
2022	15,959,230	558,911	15,400,319	2.02%	1,815
2023	15,559,484	661,915	14,897,569	1.75%	1,756

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See Table 6 for taxable value data.
(2) See Table 16 for population and personal income data.

CITY OF RICHLAND HILLS, TEXAS **TABLE 13**
GENERAL BONDED DEBT AS A RATIO OF
ANNUAL GOVERNMENTAL EXPENDITURES
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Principal	Interest and fees	Total Debt Service	Total Governmental Expenditures (1)	Ratio of Debt Service to Governmental Expenditures
2014	203,000	29,730	232,730	9,312,525	2.5%
2015	210,000	29,730	239,730	8,716,183	2.8%
2016	346,000	22,978	368,978	13,168,230	2.8%
2017	198,000	664,965	862,965	21,367,070	4.0%
2018	350,500	464,388	814,888	10,906,017	7.5%
2019	356,750	460,171	816,921	11,516,899	7.1%
2020	581,250	636,650	1,217,900	12,478,738	9.8%
2021	605,500	633,857	1,239,357	18,201,198	6.8%
2022	630,500	609,839	1,240,339	14,201,208	8.7%
2023	689,500	586,119	1,275,619	17,259,630	7.4%

Notes: (1) Includes general, special revenue, debt service and capital project funds.

CITY OF RICHLAND HILLS, TEXAS **TABLE 14**
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2023
(Unaudited)

Governmental Unit	Tax Supported Debt Outstanding	Estimated Percent Applicable*	Estimated Share of Direct and Overlapping Debt
City of Richland Hills	$ 19,308,721	100%	$ 19,308,721
Total direct debt			$ 19,308,721
Tarrant County (1)	404,360,000	0.30%	$ 1,213,080
Tarrant County Hospital District(1)	448,410,000	0.30%	1,345,230
Tarrant County College District	610,315,000	0.30%	1,830,945
Birdville Independent School District(1)	515,125,000	5.41%	27,868,263
Total overlapping debt			$ 32,257,518
Total direct and overlapping debt			$ 51,566,239
Total Direct and Overlapping Debt per Capita:			$ 6,078

Source: (1)
Municipal Advisory Council of Texas - "Texas Municipal Reports

*Estimated percentage is based on formula using assessed net taxable property values located within the Richland Hills City limits.

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

CITY OF RICHLAND HILLS, TEXAS **TABLE 15**
Computation of Legal Debt Margin
September 30, 2023
(Unaudited)

Article XI, Section 5 of the State of Texas Constitution state in part:

"… no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property for such city."

As a home rule city, the City of Richland Hills is not limited by the law in the amount of debt it may issue. The City's charter provides that general property taxes are limited to $1.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation bonds.

The tax rate for fiscal year 2023 was established at $.538885 per $100 of assessed valuation based on 100% appraised value.

CITY OF RICHLAND HILLS, TEXAS **TABLE 16**
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population [1]	Median Household Income[3]	Per Capita Income[3]	Public School Enrollment	Unemployment Rate [2]
2014	7,801	50,788	22,682	1,765	6.0%
2015	7,920	50,788	22,682	1,765	6.0%
2016	7,920	50,126	24,612	1,765	4.2%
2017	7,920	50,126	24,612	1,765	3.5%
2018	7,920	59,206	29,023	1,765	3.4%
2019	7,920	61,105	29,953	1,765	3.1%
2020	7,920	64,802	31,766	1,765	7.5%
2021	7,940	70,139	34,122	1,765	3.4%
2022	8,484	64,038	36,653	1765	3.8%
2023	8,484	65,255	35,082	1765	3.9%

Sources: U.S. Census Bureau
1 North Central Texas Council of Governments (NCTCOG)
2 Texas Workforce Commission
Birdville ISD
3 Data for Tarrant County/NCTCOG

CITY OF RICHLAND HILLS, TEXAS **TABLE 17**
PRINCIPAL EMPLOYERS
Current and Ten Years Ago
(Unaudited)

		2023			2014		
Employer	**Industry**	**Number of Employees**	**Rank**	**% of Total Employment**	**Number of Employees**	**Rank**	**% of Total Employment**
Birdville ISD	Independent School District	217	1	4%	235	1	5%
Buyers Barricade	Equipment Rentals	164	2	3%	97	3	2%
Smith Lawn and Tree	Landscape and Horticulture	120	3	2%	-	-	-
City of Richland Hills	Municipality	120	4	2%	79	6	2%
WalMart Neighborhood Market	Grocery Store	103	5	2%	95	4	2%
Trugreen Chemlawn	Landscape and Horticulture	100	6	2%	60	10	1%
Hamilton Form Company	Industrial Machinery/Equipment	95	7	2%	75	7	1%
Accurate Metal Stamping	Metal Fabrication	70	8	1%	-	-	-
Lexington Place	Nursing and Personal Care	70	9	1%	101	2	2%
Valley Dynamo	Table Top Games	56	10	1%	85	5	2%
Royal Bath	Plumbing Equipment/Manufacturing	-	-	-	72	8	1%
Sterling House Nursing Home	Nursing and Personal Care	-	-	-	65	9	1%
Total		1,115		23%	964		19%

Sources: City records, company records and North Central Texas Council of Governments

Richland Elementary in Birdville ISD closed in 2021

CITY OF RICHLAND HILLS, TEXAS **TABLE 18**
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	FISCAL YEAR									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Police										
Physical arrests	416	404	347	438	557	208	515	489	611	701
Number of law violations	1,346	976	798	1,266	2,783	4,820	3,082	2568	4433	4735
Fire										
Number of fire runs	566	554	740	647	663	663	499	581	604	589
Number of EMS runs	920	902	990	1020	1047	1047	1022	1089	1180	1135
Public Works - Streets										
Streets resurfacing (miles)	0.8	1.5	-	1	1	3	1	1	1	1
Potholes repaired	369	168	247	211	356	381	437	455	241	846
Public Works - Water/Wastewater										
New Connections	9	13	1	2	1	4	2	6	8	16
Water main breaks	31	30	19	26	11	13	20	23	26	18
Average daily consumption (thousands of gallons)	654	789	686	877	937	940	978	75	1,100	899
Peak daily consumption (thousands of gallons)	1,048	1,494	1,125	1,415	1,885	1,870	1,901	396	1,600	1,600
Average daily sewer treatment (thousands of gallons)	407	793	546	457	537	540	553	415	800	800
Library										
Volumes collection	37,117	41,701	36,598	37,881	38,123	28,500	27,728	27,346	27,652	29,212
Total volumes borrowed	55,635	37,805	41,980	52,304	59,686	17,820	31,277	27,315	36,728	34,568
Recreation center (1)										
Link Memberships	-	-	-	402	635	615	756	671	904	904
Fitness Only Memberhips	-	-	-	30	39	34	15	26	5	5
Rentals	-	-	-	17	359	393	280	327	758	758

*Water consumption decrease from Ft. Worth Wholesale Water records. City used more well water during FY 2021

Note: The City's recreation center, the LINK, opened in April 2017.

Source: Various City departments

CITY OF RICHLAND HILLS, TEXAS **TABLE 19**
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	11	11	8	8	9	9	9	10	10	9
(1) Un-Marked Units	-	-	-	-	9	9	9	6	6	7
(1) Un-Marked Volunteer Unit	-	-	-	-	1	1	1	-	-	-
(1) Crime Scene Van	-	-	-	-	-	-	-	-	1	1
(1) Speed Trailer	-	-	-	-	1	1	1	1	1	2
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	2	2	2	2	2	2	2	2	2	2
Ambulances	1	1	1	1	1	1	1	2	2	2
Public Works - Streets										
Streets (miles)	43.51	43.51	43.51	43.51	43.51	43.51	43.51	43.51	43.51	43.51
Street lights	462	462	462	462	462	462	462	462	462	462
Traffic signals	9	9	9	9	9	9	9	9	9	9
Public Works - Water/Wastewater										
Water mains (miles)	47	47	47	47	47	47	47	47	47	47
Fire hydrants	350	350	355	355	355	355	355	355	385	385
Storage capacity (thousands of gallons)	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360
Sanitary sewer (miles)	60	60	60	60	60	60	60	60	60	60
Storm sewer (miles)	2.5	2.5	2.5	2.5	3	3	3	3	3	3
Culture and recreation										
Parks	4	4	4	4	5	5	5	5	6	6
Parks acreage	12.1	12.1	12.1	12.1	12.6	12.6	12.6	12.6	13.8	13.8
Community center	1	1	1	-	-	-	-	-	-	-
Playgrounds	3	3	3	4	4	4	4	4	4	6
Recreation center	-	-	-	1	1	1	1	1	1	1

Note: (1) Information available starting in Fiscal Year 2018.
Source: Various City departmental records.

CITY OF RICHLAND HILLS, TEXAS **TABLE 20**
FULL-TIME EQUIVALENT (FTE) CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	FISCAL YEAR									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Function/Program										
General government										
Administration	8	8	8	8	8	8	8	8	8	8
City Secretary	1	1	1	1	1	1	1	1	1	1
Economic development	-	-	-	-	-	-	-	-	-	-
Facilities maintenance	-	-	-	-	2	2	2	2	2	4
Public safety										
Police	25	26	23	22	26	29	29	29	26	26
Fire	17	17	17	17	17	17	17	17	17	17
Municipal court	2	2	2	2	2	2	2	2	2	2
Animal services	2	2	2	2	2	2	2	2	2	3
Public Works - Streets	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Library	7	7	7	7	7	7	7	7	7	5
Parks & Recreation	1	1	1	25	27	33	34	34	34	34
Community development	3	4	4	4	4	4	4	4	4	4
Water and wastewater	10	10	9	9	9	9	9	9	9	9
Drainage utility	3	3	2	2	2	2	2	2	2	2
Total employees	81	83	78	101	109	118	119	119	116	116
Total hours worked	177,204	181,822	188,203	191,910	208,167	182,240	197,377	197,377	197,377	198,408
Total FTE employees (1)	85.2	87.4	90.5	92.3	100.1	87.6	94.9	94.9	94.9	95.5

Note: (1) 1 FTE = 2080 hrs worked in one year.
Source: City records.

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION

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GMS CERTIFIED PUBLIC ACCOUNTANTS
GEORGE | MORGAN | SNEED

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Council
City of Richland Hills, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Richland Hills, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 1, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Richland Hills' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

George, Morgan & Sneed, P.C.

George, Morgan & Sneed, P.C.
Weatherford, Texas
March 1, 2024

GMS CERTIFIED PUBLIC ACCOUNTANTS
GEORGE | MORGAN | SNEED

March 1, 2024

Honorable Mayor and City Council Members
City of Richland Hills, Texas

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Richland Hills, Texas for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 5, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Richland Hills, Texas are described in Note 1 to the financial statements. As described in note 16 to the financial statements, the City changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No 96, *Subscription-Based Information Technology Arrangements*, in 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

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Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely audit adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such audit adjustments. Attached is a list of adjustments detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 1, 2024.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Richland Hills’ auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Crime Control District, Schedule of Changes in Net Pension Liability, Schedule of Contributions and Schedule of Changes in OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining and Individual Fund Statements and Schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Richland Hills, Texas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

George, Morgan & Sneed, P.C.

GEORGE, MORGAN & SNEED, P.C.

Client: CITY OF RICHLAND HILLS
Report: Adjusting JEs

Account	Description	Debit	Credit	Net Income Effect
GMS01				
Adjust beginning fund balance to previous audit.				
006-20206-00-00	DEFERRED REVENUE-SEIZURE FUNDS	22,548.45	0.00	
006-33100-00-00	FUND BALANCE	0.00	22,548.45	
105-20211-00-00	DEFERRED REV-FORFEITURE	7,383.98	0.00	
105-33100-00-00	Fund Balance	0.00	7,383.98	
001-33100-00-00	FUND BALANCE	0.00	2,400,000.00	
001-56177-00-00	Transfer out - Strategic Fund	2,400,000.00	0.00	
Total		**2,429,932.43**	**2,429,932.43**	**(2,400,000.00)**
GMS02				
To adjust CY pension liability				
002-51070-62-00	T.M.R.S.	67,093.00	0.00	
002-51070-66-00	T.M.R.S.	32,630.00	0.00	
002-51070-67-00	T.M.R.S.	35,768.00	0.00	
002-15350-00-00	DEFERRED PENSION OUTFLOW	301,062.00	0.00	
002-22100-00-00	DEFERRED PENSION INFLOW	214,891.00	0.00	
002-21201-00-00	NET PENSION OBILGATION TMRS	0.00	651,444.00	
022-15350-00-00	DEFERRED PENSION OUTFLOW	45,622.00	0.00	
022-22100-00-00	DEFERRED PENSION INFLOW	42,494.00	0.00	
022-21201-00-00	NET PENSION OBILGATION-TMRS	0.00	93,523.00	
022-51070-69-00	T.M.R.S.	5,407.00	0.00	
Total		**744,967.00**	**744,967.00**	**(140,898.00)**
GMS03				
To adjust CY OPEB Liability				
002-15351-00-00	DEFERRED OUTFLOW-TMRS OPEB	0.00	51.00	
002-21203-00-00	DEFERRED INFLOW-TMRS OPEB	0.00	12,041.00	
002-21202-00-00	OPEB LIABILITY - TMRS	3,262.00	0.00	
002-51070-62-00	T.M.R.S.	4,372.00	0.00	
002-51070-66-00	T.M.R.S.	2,127.00	0.00	
002-51070-67-00	T.M.R.S.	2,331.00	0.00	
022-15351-00-00	DEFERRED OUTFLOW-TMRS OPEB	0.00	332.00	
022-21203-00-00	DEFERRED INFLOW-TMRS OPEB	0.00	1,589.00	
022-21202-00-00	OPEB LIABILITY - TMRS	2,648.00	0.00	
022-51070-69-00	T.M.R.S.	0.00	727.00	
Total		**14,740.00**	**14,740.00**	**(8,103.00)**
GMS04				
To adjust court receivable from warrant balance to all citations with balances.				
001-14110-00-00	COURT FINES AND FEES RECEI	136,571.00	0.00	
001-14120-00-00	ALLOW FOR UNCOLLECTIBLE CT	0.00	102,428.00	
001-20263-00-00	DEFERRED CT FINES AND FEES REC	0.00	34,143.00	
Total		**136,571.00**	**136,571.00**	**0.00**
GMS05				
To adjust interest accrual on meter lease from 45 to 60 days.				
002-57040-64-00	PAYMENT OF INTEREST	1,832.38	0.00	
002-20103-00-00	INTEREST PAYABLE	0.00	1,832.38	
Total		**1,832.38**	**1,832.38**	**(1,832.38)**

GMS06

To record governmental activities debt that closed to equity.

080-33100-00-00	FUND BALANCE	18,959,818.16	0.00	
080-20005-00-00	PO EOY CARRYOVER	0.00	129,934.87	
080-30002-00-00	SERIES 2019 TAX NOTES	0.00	405,000.00	
080-30003-00-00	2019 GENERAL OBLIGATION BONDS	0.00	5,225,000.00	
080-30006-00-00	GO BONDS SERIES 2016	0.00	8,085,000.00	
080-30007-00-00	CO BONDS SERIES 2016	0.00	3,665,000.00	
080-30010-00-00	BOND PREMIUMS	0.00	762,710.50	
080-30015-00-00	CAPITAL LEASE PAYABLE	0.00	687,172.79	
Total		**18,959,818.16**	**18,959,818.16**	**0.00**

GMS07

To reclassify construction and debt payments on meter project.

002-20011-00-00	CAP LEASE PAYBLE - WTR METERS	0.00	1,225,258.00	
002-41002-00-00	TRANSFERS IN	1,225,258.00	0.00	
002-57070-64-00	WATER METER FINANCING	0.00	123,499.00	
002-20011-00-00	CAP LEASE PAYBLE - WTR METERS	123,499.00	0.00	
Total		**1,348,757.00**	**1,348,757.00**	**(1,101,759.00)**

GMS08

To balance interfunds.

001-41010-04-00	CURRENT PROPERTY TAX	150,811.20	0.00	
001-41018-04-00	TIF TRANSFER	0.00	150,811.20	
001-41040-04-00	SALES & USE TAX	117,965.00	0.00	
001-56176-00-00	TRANSFER TO TIF-SALES TAX	0.00	117,965.00	
065-41044-60-00	GRANTS & TRANSFERS	12,370.27	0.00	
065-49903-60-00	TRANSFER FROM OTHER FUNDS	0.00	12,370.27	
Total		**281,146.47**	**281,146.47**	**0.00**

GMS09

Adjust lease transactions for GASB 87.

002-11195-00-00	ACCUM AMORT LEASED VEH	0.00	50,166.15
002-18610-00-00	LEASED VEHICLES	182,314.32	0.00
002-22220-00-00	GASB LT LEASE LIABILITY	0.00	130,804.20
002-57040-62-00	Payment of Interest	17,900.58	0.00
002-55999-62-00	DEPRECIATION EXPENSE	50,166.15	0.00
002-59032-00-00	TRNSFR TO VEHICLE REPLCMENT	0.00	58,029.00
002-52040-30-00	OFFICE EQUIP. MAINTENANCE	0.00	11,381.70
030-41044-48-00	GRANTS AND TRANSFERS	58,029.00	0.00
030-56022-00-00	CAPITAL LEASE EXPENSE	0.00	58,029.00
070-18610-00-00	LEASED VEHICLES	1,150,268.66	0.00
070-11090-00-00	ACCUMULATED DEPRECIATION	0.00	175,437.77
070-18900-00-00	INVESTMENT IN GFA	0.00	974,830.89
080-30020-00-00	LEASE FINANCING	0.00	997,541.09
080-33100-00-00	FUND BALANCE	997,541.09	0.00
030-56022-00-00	CAPITAL LEASE EXPENSE	0.00	152,015.93
030-57040-00-00	Payment of Interest	33,884.95	0.00
030-57031-00-00	Payment of Principal	118,130.98	0.00
030-56100-49-00	VEHICLES & HEAVY EQUIP.	495,163.03	0.00
030-41000-00-00	Other Financial Sources	0.00	495,163.03
001-52040-30-00	OFFICE EQUIP. MAINTENANCE	0.00	26,557.30
001-57031-00-00	PAYMENT OF PRINCIPAL	17,796.63	0.00
001-57040-00-00	PAYMENT OF INTEREST	8,760.67	0.00
001-56020-30-00	EQUIPMENT	123,660.37	0.00
001-41000-60-00	OTHER FINANCIAL SOURCES	0.00	123,660.37

065-52186-61-00	MINOR EQUIPMENT	0.00	16,799.96	
065-57031-00-00	Payment of Principal	16,799.96	0.00	
065-56020-61-00	EQUIPMENT	531,445.26	0.00	
065-41000-00-00	Other Financial Sources	0.00	531,445.26	
Total		**3,801,861.65**	**3,801,861.65**	**1,343.97**

GMS10

To adjust CIP and expenses for inventory adjustment amount related to meters from meter project.

002-52290-66-00	WATER SYSTEM SUPPLIES	70,042.00	0.00	
002-19400-00-00	METERS	0.00	70,042.00	
Total		**70,042.00**	**70,042.00**	**(70,042.00)**

GMS11

To adjust franchise tax receivable and deferred account.

001-12300-00-00	FRANCHISE TAXES RECEIVABL	42,147.71	0.00	
001-41080-04-00	TELEPHONE FRANCHISE	1,258.79	0.00	
001-20261-00-00	DEFERRED FRANCHISE TAX REC	0.00	43,406.50	
Total		**43,406.50**	**43,406.50**	**(1,258.79)**

GMS13

To adjust for water system backup power CIP

101-51170-88-88	ENG/DESIGN	0.00	57,522.40	
101-56118-88-88	CONSTRUCTION	0.00	22,830.00	
101-51152-00-00	TRANSFERS OUT	80,352.40	0.00	
002-19910-00-00	CONSTRUCTION IN PROGRESS	80,352.40	0.00	
002-41002-56-00	TRANSFER FROM OTHER FUNDS	0.00	80,352.40	
070-11001-00-00	CONSTRUCTION IN PROGRESS	0.00	80,352.83	
070-18900-00-00	INVESTMENT IN GFA	80,352.83	0.00	
Total		**241,057.63**	**241,057.63**	**80,352.40**

GMS14

Adjust for sale of sewer camera.

002-18600-00-00	EQUIPMENT	0.00	26,585.00	
002-11060-00-00	ACCU. DEPREC. EQUIPMENT	26,585.00	0.00	
Total		**26,585.00**	**26,585.00**	**0.00**

GMS15

Adjust depreciation to the schedule.

002-11140-00-00	ACCU. DEPREC. METERS	3,502.10	0.00	
002-55999-62-00	DEPRECIATION EXPENSE	0.00	3,502.10	
Total		**3,502.10**	**3,502.10**	**3,502.10**

GMS18

Correct beginning balances.

070-18700-00-00	GEN FIXED ASSET STREETS	154,838.59	0.00	
070-18900-00-00	INVESTMENT IN GFA	0.00	154,838.59	
070-11090-00-00	ACCUMULATED DEPRECIATION	0.00	29,985.00	
070-18900-00-00	INVESTMENT IN GFA	29,985.00	0.00	
Total		**184,823.59**	**184,823.59**	**0.00**

GMS20

To record amortization of deferred refunding of 2020 bond.

022-12007-00-00	DEFERRED REFUNDING	0.00	3,357.10
022-57100-69-00	BOND AMORTIZATION	3,357.10	0.00

Total		**3,357.10**	**3,357.10**	**(3,357.10)**
GMS21				
To record depreciation for error in formulas.				
070-18900-00-00	INVESTMENT IN GFA	2,272.00	0.00	
070-11090-00-00	ACCUMULATED DEPRECIATION	0.00	2,272.00	
Total		**2,272.00**	**2,272.00**	**0.00**
GRAND TOTAL		**32,523,458.73**	**32,523,458.73**	**(3,642,051.80)**