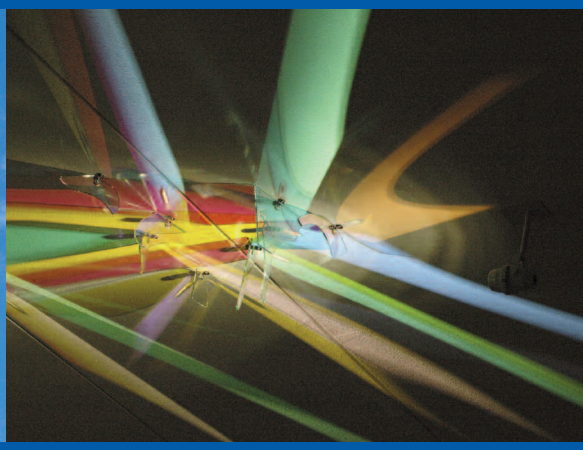

City of Richardson, Texas

Comprehensive Annual Financial Report
For Fiscal Year Ending September 30, 2007

CITY OF RICHARDSON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

Prepared By:

DEPARTMENT OF FINANCE

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CITY OF RICHARDSON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2007

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CITY OF RICHARDSON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2007

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INTRODUCTORY SECTION

City Council
Steve Mitchell
Mayor
Bob Townsend
Mayor Pro Tem
Rhea Allison
John Murphy
Gary A. Slagel
Pris Hayes
Dennis Stewart

Bill Keffler
City Manager

January 11, 2008

Honorable Mayor and City Council,
and to the Citizens of the City of Richardson, Texas:

The Comprehensive Annual Financial Report of the City of Richardson (the "City"), for the fiscal year ended September 30, 2007, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue an annual report on its financial position and activity, and that an independent firm of certified public accountants audit this report.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City Council selected the firm of KPMG LLP, Certified Public Accountants to audit these financial statements. The independent auditor has issued an unqualified ("clean") opinion on the City's financial statements for the year ended September 30, 2007, and the auditor's report is located at the front of the financial section of the Comprehensive Annual Financial Report.

Management provides 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 the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

Profile of the Government

The City is located in North Central Texas and was originally incorporated in 1925, with the first Charter being adopted in 1956 and the latest revision made on November 14, 2007. The City currently has a land area of 28.5 square miles and a estimated population of 97,720. The City is a home rule city and operates under the Council-Manager form of government. Every two years, Richardson voters simultaneously elect seven council members to represent them. All council members are elected at large, with four representing each of the City's four districts. The Mayor is selected from among the Council members by a vote of the Council. Terms of office for all Council positions are for two consecutive years.

The Charter requires that the City Council appoint a City Manager to act as the chief administrative and executive officer of the City. The City Manager is not appointed for a fixed time and may be removed at the will and pleasure of the majority of the City Council. One of the responsibilities of the City Manager is to appoint and remove department heads and conduct the general affairs of the City in accordance with the policies of the City Council.

ENVIRONMENT FRIENDLY

P.O. Box 830309
Richardson, TX
75083-0309
972-744-4100
Fax 972-744-5803
http://www.cor.net

The City provides to its citizens a full range of services including police and fire protection, emergency ambulance service, water and sewer service, solid waste disposal, park and recreational activities, cultural events, and a library. In addition, the City provides planning for future land use, traffic control, building inspection, and neighborhood services and operates two eighteen-hole golf courses. The City also operates the Charles W. Eisemann Center for Performing Arts and Corporate Presentations, which is a multi-venue performing arts and presentation center. Certain parks and recreation services are performed by the Richardson Improvement Corporation, which functions, in essence, as a department of the City of Richardson and therefore has been included as an integral part of the City's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (see Note I.A.)

Activities of the general, debt service, water and sewer, golf, hotel/motel tax, and solid waste funds are included in the annual appropriated budget. The City Council is authorized to transfer budgeted amounts within and among departments and ratifies, through the Budget Ordinance, any transfers and/or amendments made by the City Manager. The legal level of control for each budget is at the fund level, which is to say that total expenditures for each fund should not exceed total budgeted expenditures for that fund.

Purchase orders that exceed appropriated balances are not released until they have been further reviewed and approved by the City Manager or his representative. Departmental appropriations that have not been expended by the departments lapse at the end of the fiscal year. Funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the budget of the ensuing fiscal year.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities. The commitments will be honored during the subsequent year. The City amends the budget at the end of each fiscal year to provide for additional expenditures or expenses and also to provide reductions in other expenditures or expenses, or supplemental revenues to fund such amendments.

Local Economy

The City of Richardson is one of the major employment centers in the Dallas-Fort Worth area, second only to the Central Business District in Dallas. Richardson has historically been known for its concentration of technology-based businesses, but is becoming a center of economic diversity, with high-quality businesses in the financial services and insurance sectors as well, making the area attractive for companies of all backgrounds. Richardson has extensive resources in academia, a highly-skilled labor pool, transportation assets and infrastructure support which will continue to prove beneficial in the recruitment of new businesses.

Richardson and the region are benefiting from the completion of the reconstruction of the I-635/U.S. 75 interchange (known as the High Five) and the completion of the President George Bush Turnpike segment from I-35E to the Dallas-Fort Worth International Airport. New HOV lanes on U.S. 75, which run northward from the High-Five interchange through Richardson, Plano, and Allen, were constructed during the year and opened in December of 2007.

In November 2006, the City Council approved the City's first Tax Increment Financing (TIF) District, an 896-acre zone encompassing the U.S. 75 corridor from Campbell Road south to Spring Valley Road, and extending west from U.S. 75 to Coit Road along Spring Valley. Dallas County has agreed to participate in the TIF district beginning in Fiscal Year 2009 and negotiations are continuing with the Richardson Independent School District for potential participation.

In July 2006, the City Council approved the Eastside development, a $90-million mixed-use project situated at the southeast corner of U.S. 75 and Campbell Road, between the Arapaho Center and Galatyn Park transit stations. Eastside, led by Fobare Commercial, Greenway Investments, and Post Properties, will include 86,000 square feet of retail and restaurant space, 19,000 square feet of new office space (in addition to 210,000 square feet of existing office space), and 436 apartment units, built around a two acre park. Groundbreaking occurred in October of 2006 and the project is expected to be completed by fall of 2008. The development was awarded approximately $4.3 million in funding from the North Central Texas Council of Governments based on meeting air quality and sustainable development criteria.

Richardson is also taking advantage of the opportunity for transit-oriented development in and around the four DART Light Rail Stations. The City entered into an infrastructure, grant, and reimbursement agreement with Centennial Park, Ltd. in September 2007 for the construction of Centennial Park, located on 30 acres adjacent to the DART Spring Valley transit station in the TIF District. The development will replace an aging 337-unit apartment complex and 18 single-family dwellings with a mix of 950 residential units (townhomes, apartments, and condominiums), while providing 44,000 square feet of ground floor retail. The Floyd Branch drainage corridor, which bisects Centennial Park, will be enhanced to not only accommodate storm water protection but serve as an amenity by incorporating trails that will connect with Richardson's city-wide trail network. The development is eligible to receive approximately $9.6 million in reimbursements and grants from the TIF, contingent on availability of funds generated from the project area.

Blue Cross Blue Shield of Texas (BCBSTX) announced in December of 2006 that they would be consolidating their Metroplex operations into a new headquarters campus in the Galatyn Park Urban Center. Groundbreaking occurred in October of 2007 on the 34-acre campus just north of the Charles W. Eisemann Center for the Performing Arts and Corporate Presentations. The $265 million, 1.1 million square foot complex is expected to house up to 3,900 employees when it opens in 2010. As part of the development, the City, in partnership with Collin County, will extend Performance Drive (potentially to be named Routh Creek Parkway) from Lookout Drive to Renner Road, enhancing access to the facility.

MetroPCS, a wireless phone company, announced in June of 2007 its intention to move its corporate headquarters from North Dallas to Richardson. The company has leased approximately 116,000 square feet of space on Lakeside Drive and expects to relocate all of its 400 workers to the site by the end of 2007.

Hall Financial Group purchased 62 acres of undeveloped land at the southwest corner of Custer Road and the President George Bush Turnpike. The development group has announced plans to build over a million square feet of office space in a multi-building office park. The speculative development is the largest in the City's history, and takes advantage of its location near both the President George Bush Turnpike and the campus of the University of Texas at Dallas. The developer intends to break ground on the first building within the office park in 2008.

Galatyn Park Corporation, Galatyn Properties Limited, and Legacy Partners began construction of The Venue, a transit-oriented residential project in the heart of the Galatyn Park Urban Center, in January 2007. The Venue is a $34 million development that will include 283 apartment units and approximately 7,000 square feet of retail space. The Venue is scheduled to begin leasing operations in the spring of 2008 and be completed by the fall of 2008.

The Richardson Regional Medical Center (RRMC) continues to develop and plan for their 20.5 acre satellite medical campus located at the intersection of Renner Road and President George Bush Turnpike. Currently, the campus houses a 5-story, 100,000 square foot medical office building with more than 25 physicians. RRMC broke ground on a $23 million, 50,000 square foot Cancer Center, and an $18 million, 47,000 square foot outpatient hospital in April of 2007. Construction is expected to be completed by fall of 2008. This satellite medical campus is expected to serve east Richardson and the communities of Plano, Garland, Parker, Rowlett, Wylie, Sachse, and Murphy.

Richardson is also experiencing new growth in the retail and hospitality sectors. Magnolia Lodging is constructing a four-story, 125-room Hilton Garden Inn near the intersection of Custer Road and President George Bush Turnpike. This full service hotel is scheduled to open in early 2008. Lowen Hospitality received zoning for the construction of a four-story, 103-room Marriott Springhill Suites near the intersection of Breckenridge Boulevard and President George Bush Turnpike. Several shopping centers throughout the City, including The Shire, Richardson Square Mall, Richardson Heights shopping center, Buckingham Place shopping center, and Dal-Rich Village, are undergoing or have recently completed major renovations, including new facades and other upgrades as well as new tenanting.

Texas Instruments Inc. broke ground in November 2004 on their $3 billion semiconductor manufacturing plant, located at Renner Road and Alma Road in the northwest section of the City. The 1.1 million square foot building was completed in May of 2006. Texas Instruments plans to begin operations at the facility when market demand for additional semiconductor production is needed. The company has elected to begin receiving its 75% real property tax abatement on the facility in fiscal year 2007-2008. Net of the abatement, the City will receive approximately $595 million in tax revenues from this facility. As part of the project, the University of Texas at Dallas (UTD) received public and private investments of $300 million. Part of this investment was used to build the 192,000 square foot Natural Science and Engineering Research Laboratory on UTD's campus. The laboratory was completed in December of 2006 and was formally dedicated in June of 2007.

Long-term Financial Planning

The $14,561,855 unreserved fund balance in the general fund is the equivalent of 60.85 days of expenditures. This falls within the financial policy guidelines set by Council (60 days of fund balance) for budgetary and planning purposes. On an annual basis, the City studies a five-year plan for evaluating tax rates and utility rates as they relate to debt financing for capital needs and the operating costs of providing services to citizens.

Major Initiatives

In July of 2006, the City issued $55 million in General Obligation Bonds which had been overwhelmingly approved by voters. These bonds were designated for street and drainage improvements, improvements to sidewalks and bridges, parks and recreation improvements, and construction and improvements to public buildings. The City is working to complete and implement all of the projects identified in the 2006 bond election while continuing to assess infrastructure needs for future potential bond elections. In April of 2007, the City issued approximately $9.4 million in Certificates of Obligation to meet the City's capital equipment needs and make improvements to the water and sewer system.

Awards and Acknowledgments

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 for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2006. This was the twenty-ninth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a municipality must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied 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 GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the accounting division. Each member of the department has our sincere appreciation

for the contributions made in the preparation of this report. In addition, we would like to thank Dan Johnson, Deputy City Manager, for providing support and guidance.

Special thanks are extended to all members of the City Council for their leadership and support of sound fiscal management.

Sincerely,

Bill Keffler
City Manager

Kent Pfeil
Director of Finance

Patricia Lopeser, CPA
Controller

CITY OF RICHARDSON, TEXAS

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2007

CITY COUNCIL

STEVE MITCHELL, MAYOR

BOB TOWNSEND, MAYOR PRO TEM

RHEA ALLISON

PRIS HAYES

JOHN MURPHY

GARY A. SLAGEL

DENNIS STEWART

CITY MANAGER

BILL KEFFLER

DEPUTY CITY MANAGER

DAN JOHNSON

DIRECTOR OF FINANCE

KENT PFEIL

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Richardson

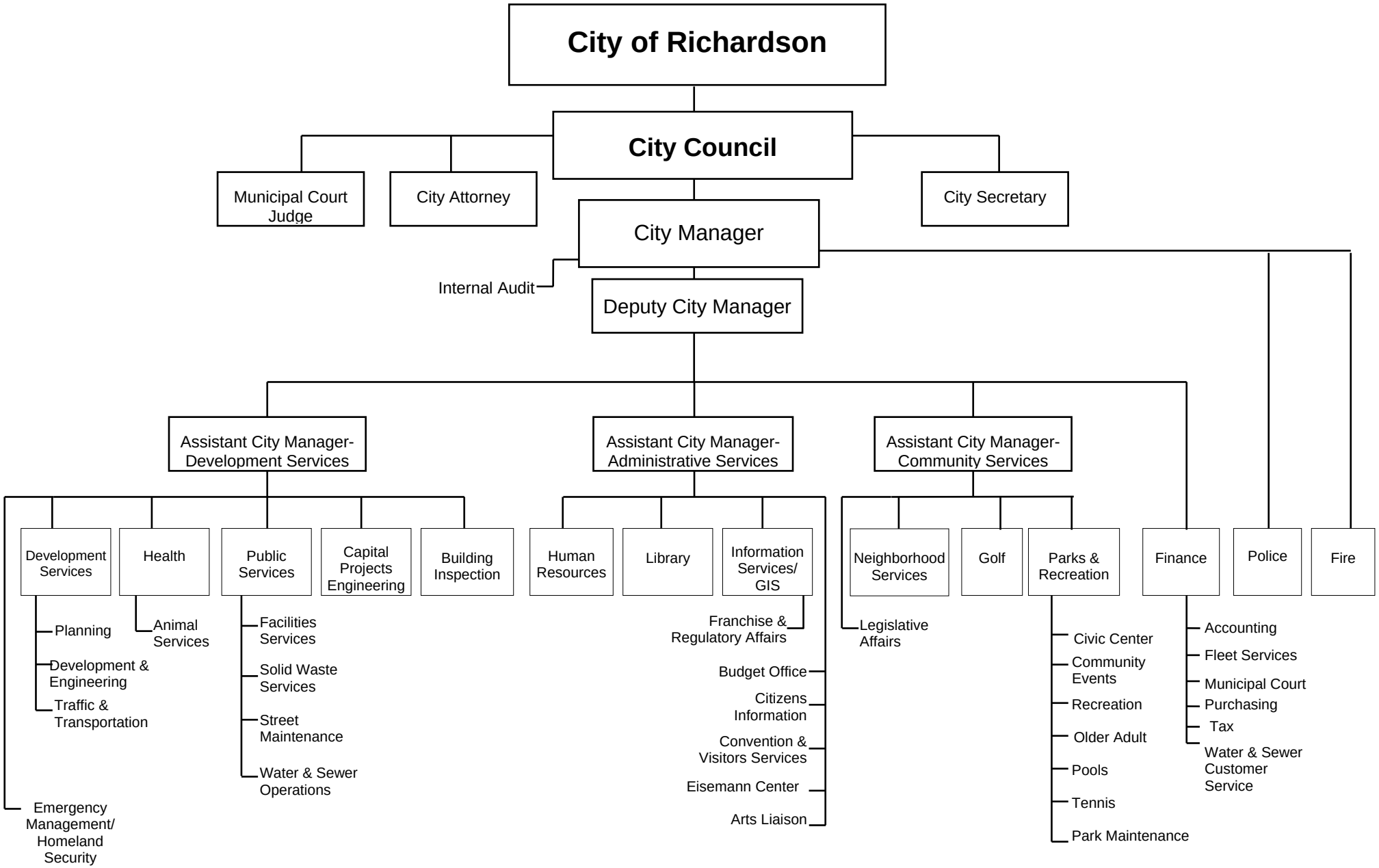
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and fmancial reporting.

President

Executive Director



September 2007

FINANCIAL SECTION

Auditors' Report

KPMG LLP
Suite 3100
717 North Harwood Street
Dallas. TX 75201-6585

Independent Auditors' Report

The Honorable Mayor, City Council, and City Manager,
City of Richardson, Texas:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Richardson, Texas (The City) as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2007, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11,2008 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards*, and should be considered in assessing the results of our audit.

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

The management's discussion and analysis, and the budgetary infonnation and schedules of funding progress on pages II through 19 and pages 59 through 60, 68 through 69, and page 61, respectively, are not a required part of the basic financial statements but are supplementary infonnation required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary infonnation. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

January 11,2008

Management's Discussion and Analysis

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Richardson, Texas, for the fiscal year ended September 30, 2007. It is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages 1 through 5 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at September 30, 2007, by $220,951,487 (net assets). Of this amount, $42,116,186 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net assets increased $5,621,944. The highlights of this increase can be found on pages 13 through 15 of this report.

- At September 30, 2007, the City's governmental funds reported combined ending fund balances of $102,371,371. Approximately 28.8 percent of this amount, $29,498,931, is available for spending at the government's discretion (unreserved fund balance).

- At the end of the current fiscal year, unreserved fund balance for the General Fund was $14,561,855, or 16.5 percent of total General Fund expenditures and transfers.

- The City's total debt decreased by approximately $2,146,000 (-0.8 percent) during the current fiscal year. The highlights of this decrease can be found on page 18 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplemental information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Assets presents information on all of the City's assets and liabilities, including capital assets and long-term obligations. The difference between the two is reported as net assets. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Assets and the Statement of Activities divide the City's activities into two types:

Governmental activities – Most of the City's basic services are reported here, including general government, police and fire protection, emergency ambulance service, planning for future land use, traffic control, building inspection, public health, neighborhood integrity, park and recreational activities, cultural events and library. Property, sales and franchise taxes provide the majority of the financing for these activities.

Business-type activities – Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include water distribution and wastewater collection, solid waste collection and disposal, and the municipal golf course.

Fund Financial Statements. The City of Richardson, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. 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 the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide 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 spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, 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 funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds financial statements.

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, and the Capital Fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City of Richardson maintains two different types of proprietary funds: enterprise funds and internal service funds.

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, solid waste collection and disposal services, and the operations of the municipal golf course, all of which are considered to be major funds. These services are primarily provided to outside, or non-governmental, customers.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its warehouse, mail and records management operations, and for its employee health insurance program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements 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 operations, solid waste collection and disposal and the golf course operations, all of which are considered to be major funds of the City. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, the City of Richardson adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. This report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions.

Government-Wide Financial Analysis

Total assets of the City at September 30, 2007, were $510,162,786, while total liabilities were $289,211,299, resulting in a net asset balance of $220,951,487.

The largest portion of the City's net assets, $163,341,621 (73.9%) reflects its investment in capital assets (land and improvements, buildings, infrastructure, vehicles, machinery and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Assets
(in thousands)

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	$ 118,647	$ 117,928	$ 34,119	$ 35,065	$ 152,766	$ 152,993
Capital assets	252,114	246,683	105,283	102,458	357,397	349,141
Total assets	370,761	364,611	139,402	137,523	510,163	502,134
Long-term liabilities outstanding	220,115	226,204	51,902	47,974	272,017	274,178
Other liabilities	10,866	7,992	6,329	4,635	17,195	12,627
Total liabilities	230,981	234,196	58,231	52,609	289,212	286,805
Net assets:						
Invested in capital assets, net of related debt	101,178	103,650	62,163	61,323	163,341	164,973
Restricted	12,504	5,720	2,990	5,013	15,494	10,733
Unrestricted	26,098	21,045	16,018	18,578	42,116	39,623
Total net assets	$ 139,780	$ 130,415	$ 81,171	$ 84,914	$ 220,951	$ 215,329

An additional portion of the City's net assets, $15,493,680 (7.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, $42,116,186 (19.1%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities: Governmental activities increased the City's net assets by $9,364,603. Key elements of this increase are as follows:

- Charges for Services decreased approximately $3,160,000 during the year. This decrease is largely due to a change in franchise fees from electrical service being converted from an annual payment to a quarterly payment, which resulted in two additional payments to the City in fiscal year 2006.
- Property taxes increased approximately $7,230,000 during the year. The City raised the tax rate by $.05 per $100 valuation to fund repayment of the 2006 bond program.
- Interest earnings increased $2,890,000 due to the increased portfolio balance from the 2006 General Obligation bond proceeds.
- Capital grants and contributions increased approximately $2,000,000. The majority of this increase is related to a parks and recreation grant from the U.S. Department of Transportation for a landscaping and irrigation project and a street project in association with Dallas County.
- Overall governmental expenditures increased approximately $8,400,000. The main elements of this increase are an additional $2,030,000 in interest and fiscal charges paid on outstanding debt, and $2,510,000 in additional public safety expenses for four new civilian positions to assist in crime prevention and investigations, market adjustments for public safety personnel and improvements to the Tri-City Police Academy. The City also had an overall increase in personal service expenditures of approximately $3,400,000 attributed to full year funding of compensation initiatives.

Business-type activities: Business type activities decreased net assets by $3,742,659. Key elements of this decrease are as follows:

- Water and sewer revenues declined by about $9,300,000 from the prior year. This decrease was due to an unusually wet summer which followed higher water sales during drought conditions in the preceding year.
- Total expenses for business-type activities increased approximately $3,690,000. This increase was primarily due to increased general and administrative charges, increased interest and fiscal charges, and an increase in personal service costs.

Table 2
Changes in Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	$ 25,812	$ 28,969	$ 47,656	$ 56,788	$ 73,468	$ 85,757
Operating grants and contributions	576	731	-	-	576	731
Capital grants and contributions	5,810	3,766	1,375	835	7,185	4,601
General revenues:						
Property taxes	53,777	46,550	-	-	53,777	46,550
Sales taxes	23,646	21,923	-	-	23,646	21,923
Mixed bev. & bingo tax	372	353	-	-	372	353
Hotel/motel taxes	3,168	2,949	-	-	3,168	2,949
Interest earnings	6,260	3,370	1,317	871	7,577	4,241
Insurance Recoveries	173	-	30	-	203	-
Gain on sale of assets	1,160	109	133	277	1,293	386
Total revenues	120,754	108,720	50,511	58,771	171,265	167,491
Expenses:						
General Government	25,381	24,339	-	-	25,381	24,339
Public Safety	37,774	35,268	-	-	37,774	35,268
Public Services	20,210	19,117	-	-	20,210	19,117
Library	3,988	3,097	-	-	3,988	3,097
Parks and Recreation	12,576	11,765	-	-	12,576	11,765
Public Health	1,344	1,310	-	-	1,344	1,310
Interest and fiscal charges	10,116	8,088	-	-	10,116	8,088
Water and Sewer	-	-	40,918	37,820	40,918	37,820
Solid Waste	-	-	11,193	10,387	11,193	10,387
Golf	-	-	2,143	2,354	2,143	2,354
Total expenses	111,389	102,984	54,254	50,561	165,643	153,545
Increase (decrease) in net assets	9,365	5,736	(3,743)	8,210	5,622	13,946
Net assets-October 1	130,415	124,679	84,914	76,704	215,329	201,383
Net assets-September 30	$ 139,780	$ 130,415	$ 81,171	$ 84,914	$ 220,951	$ 215,329

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the City of Richardson'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, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of $102,371,371. Approximately 28.8 percent, or $29,498,931, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for encumbrances, inventory and prepaid items ($14,846,750), debt service ($2,116,127), and for capital equipment purchases and projects ($55,909,563).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was $14,561,855. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and total fund balance to total fund expenditures and transfers. Unreserved fund balance represents 16.5 percent of total General Fund expenditures and transfers, while total fund balance represents 17.5 percent of total General Fund expenditures. The General Funds' fund balance increased by $368,556 during the current fiscal year.

The Debt Service Fund has a fund balance of $2,116,127, all of which is reserved for the payment of debt. Fund balance for the Debt Service Fund is maintained at a level which provides prudent reserves. The fund balance in the Capital Fund ended the year at $81,490,048, of which $55,909,563 is reserved for future capital equipment purchases and construction projects, $13,796,857 is reserved for construction commitments, and $11,783,628 is unreserved. The fund balance decreased by $3,842,491 for costs related to the City's ongoing capital improvement program. The Other Governmental Funds fund balance increased by $484,194.

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 assets in the Water and Sewer Fund, the Solid Waste Fund, and the Golf Fund at the end of the year amounted to $12,921,693, $2,486,237, and $231,208, respectively. Total net assets in the Water and Sewer Fund decreased $3,696,816, total net assets in the Solid Waste Fund increased by $72,860, and total net assets in the Golf Fund decreased by $103,820.

General Fund Budgetary Highlights

For the 2006-2007 fiscal year, the City Council increased the property tax rate by $.05 to $.57516 for the debt service associated with the 2006 General Obligation Bond program. Total revenues for the General Fund were projected to be $88.3 million. Property tax and sales tax revenues make up approximately 64 percent of overall General Fund revenues. Assessed property values increased 6.2 percent. This was the second year of increased values after three years of decline in overall valuation. Sales tax revenues for the 2006-2007 fiscal year were budgeted for a 4.5 percent increase over the revised 2005-2006 fiscal year projections. The actual sales tax collections for fiscal year 2006-2007 were approximately 7.3 percent higher than collections for fiscal year 2005-2006. Expenditures for this budget year focused on market and merit based compensation adjustments, full year funding of key positions added during the 2005-2006 fiscal year, and increased staffing for police, parks and recreation, and the library. During the year, total budgeted revenues were revised from $88,329,829 to $88,903,794, an increase of $573,965. Total budgeted expenditures and transfers were revised from $87,881,171 to $88,694,039, an increase of $812,868.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2007, amounts to $357,397,595 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 2.4 percent, with governmental activities increasing 2.2 percent and business-type activities increasing 2.8 percent.

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

- Completion of various renovations for the City's parks and swimming pools added approximately $2,000,000 to capital assets.
- Streets and drainage projects, including improvements to the drainage of the lower portion of Cottonwood Creek, at a cost of approximately $4,300,000 were completed this year.
- The City purchased various fleet vehicles, including two solid waste trucks, a dump truck, a street sweeper, twelve police patrol vehicles and three police operations vehicles, and an ambulance for an approximate cost of $1,480,000.
- The Water and Sewer Fund completed $8,700,000 of projects which enhanced the City's water and sewer system, including approximately $1,500,000 in renovations to the City's storage and pumping system.

Table 3
Capital Assets, net of Accumulated Depreciation
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	$ 40,958	$ 41,181	$ 543	$ 543	$ 41,501	$ 41,724
Buildings	67,814	68,571	4,285	4,485	72,099	73,056
Improvements other than Buildings	13,702	11,839	6,150	6,527	19,852	18,366
Infrastructure	100,394	101,146	87,083	82,548	187,477	183,694
Vehicles, machinery and equipment	10,292	11,104	3,490	4,026	13,782	15,130
Construction in Progress	18,954	12,842	3,732	4,329	22,686	17,171
Total	$ 252,114	$ 246,683	$ 105,283	$ 102,458	$ 357,397	$ 349,141

Additional information on the City's capital assets can be found in note III. D. on pages 44 and 45 of this report.

Long-term Debt. At the end of the current fiscal year, the City of Richardson had total bonded debt outstanding of $254,589,999. Of this amount, $203,992,386 represents tax-supported bonds, $49,672,613 represents self-supported bonds, and $925,000 represents revenue-supported bonds. The other obligations of $5,412,684 in the governmental activities relates to notes payable for computer equipment and other contractual obligations. The other obligations of $142,455 in the business-type activities relates to the financing and purchase of computer equipment.

Table 4
Outstanding Debt
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	$ 167,807	$ 174,630	$ 1,063	$ 1,135	$ 168,870	$ 175,765
Revenue Bonds	-	-	925	990	925	990
Certificates of Obligation	36,185	36,384	48,610	44,826	84,795	81,210
Other Obligations	5,413	4,277	142	49	5,555	4,326
	$ 209,405	$ 215,291	$ 50,740	$ 47,000	$ 260,145	$ 262,291

During 2007, the City issued $9,380,000 Combination Tax and Revenue Certificates of Obligation, of which $3,220,000 is tax-supported and $6,160,000 is self-supported by the Water and Sewer and Solid Waste funds. The City entered into a note payable in the amount of $812,632 for the purchase of computer equipment, a contractual obligation in the amount of $500,000 for upgrades and repairs to the City's shared police academy, and a contractual obligation in the amount of $400,694 for the paving and drainage improvements to Routh Creek Parkway. The City made principal payments of approximately $13,240,000 and the City's total debt activities resulted in a decrease of approximately $2,150,000.

The City of Richardson maintains an "AA+" rating from Standard & Poor's and an "Aa1" rating from Moody's Investor Service for its General Obligation bonds and Certificates of Obligation. The City's revenue bonds have been rated "AA-" by Standard & Poor's and "A1" by Moody's Investor Service. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to the assessed value of all taxable property is 2.21 percent.

Additional information on the City's long-term debt can be found in notes III. H and III. I. on pages 47 through 54 of this report.

Economic Factors and Next Year's Budgets and Rates

General Fund revenues and transfers-in for the 2007-2008 budget are expected to increase by 3.2 percent compared to the fiscal year 2006-2007 revised budget. Certified property tax values increased 3.2 percent from the preceding year and the tax rate was left unchanged at 57.516 cents per $100 of assessed valuation. Revenues from sales and other business taxes make up 27.3 percent of the fiscal year 2007-2008 budget, an increase of 5.7 percent from the fiscal year 2006-2007 revised budget. Expenditures and transfers in the General Fund are budgeted 3.3 percent higher than expenditures and transfers in the fiscal year 2006-2007 revised budget. The majority of this increase is reflected in personal services. Overall, the General Fund is expected to end fiscal year 2007-2008 in compliance with the City's financial policy by maintaining a fund balance equal to 60.27 days of operating expenditures.

Key 2007-2008 budget development objectives are market and merit based compensation and benefit adjustments, full year funding of key positions added to meet service demands, funding an additional School Resources Officer, increased costs for electricity, natural gas, and fuel, and increased costs associated with parks maintenance, facility maintenance, asphalt for streets repairs and public safety uniforms.

Water and Sewer Fund revenues are budgeted to increase 7.9 percent in fiscal year 2007-2008 compared to the fiscal year 2006-2007 revised budget and are based on continued water conservation with more normal rainfall. Fiscal year 2007-2008 expenses and transfers are expected to increase 0.1 percent compared to the fiscal year 2006-2007 revised budget. The Water and Sewer ending fund balance for 2007-2008 is budgeted to be approximately $9,260,000, equivalent to 83.84 days of total expenses and transfers.

The fiscal year 2007-2008 budgeted revenues for the Solid Waste Fund are projected to increase 4.1 percent over revenues in the fiscal year 2006-2007 revised budget. Total expenses and transfers are projected to increase 6.0 percent in fiscal year 2007-2008 in comparison to the fiscal year 2006-2007 revised budget. This increase is primarily related to an increase in personal service costs. The Solid Waste ending fund balance for 2007-2008 is budgeted to be approximately $2,911,000, equal to 90.06 days of total expenses.

The fiscal year 2007-2008 budgeted revenues for the Golf Fund are expected to increase 9.4 percent from revenues in the fiscal year 2006-2007 revised budget. Total expenses and transfers are expected to increase 5.9 percent from the fiscal year 2006-2007 revised budget. The Golf ending fund balance for 2007-2008 is budgeted to be approximately $267,000, equal to 46.24 days of total expenses.

Requests for Information

This financial report is designed to provide a general overview of the City of Richardson's finances. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P. O. Box 830309, Richardson, Texas 75083-0309.

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Basic Financial Statements

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CITY OF RICHARDSON, TEXAS
STATEMENT OF NET ASSETS
September 30, 2007

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Investments	$ 107,370,718	$ 7,046,489	$ 114,417,207
Receivables (net of allowances for uncollectibles)	9,650,849	7,106,068	16,756,917
Inventory of Supplies, at cost	470,115	213,150	683,265
Prepaid Items	279,480	24,020	303,500
Deposits	117,500	-	117,500
Restricted Assets:			
Cash and Investments	-	17,641,312	17,641,312
Receivables (net of allowances for uncollectibles)	-	464,636	464,636
Internal Balances	(1,176,311)	1,176,311	-
Capital Assets:			
Non-depreciable	59,911,566	4,274,913	64,186,479
Depreciable (net)	192,202,771	101,008,345	293,211,116
Deferred Charges	1,933,840	447,014	2,380,854
Total Assets	370,760,528	139,402,258	510,162,786
Liabilities:			
Accounts Payable	5,670,830	2,290,717	7,961,547
Retainage Payable	462,874	35,000	497,874
Accrued Liabilities	2,082,150	426,799	2,508,949
Accrued Interest	1,479,477	309,874	1,789,351
Payable from Restricted Assets:			
Accounts Payable	-	766,643	766,643
Retainage Payable	-	137,369	137,369
Customer Deposits	-	2,252,532	2,252,532
Accrued Liabilities	-	15,510	15,510
Accrued Interest	-	80,683	80,683
Unearned Revenue	549,972	13,083	563,055
Money Held in Escrow	620,050	-	620,050
Non-current Liabilities:			
Due within one year			
Bonds, Leases, and Contractual Obligations	11,894,461	2,922,022	14,816,483
Compensated Absences	977,423	143,056	1,120,479
Workers' Compensation	163,009	117,626	280,635
Unpaid Claims Liability	500,000	-	500,000
Due in more than one year			
Bonds, Leases, and Contractual Obligations	200,039,325	47,762,214	247,801,539
Compensated Absences	6,541,221	957,379	7,498,600
Total Liabilities	230,980,792	58,230,507	289,211,299
Net Assets:			
Invested in capital assets, net of related debt	101,178,325	62,163,296	163,341,621
Restricted for:			
Capital Projects	8,608,780	2,329,957	10,938,737
Debt Service	652,131	660,587	1,312,718
General Government	2,085,357	-	2,085,357
Public Safety	1,041,459	-	1,041,459
Special Purposes	115,409	-	115,409
Unrestricted	26,098,275	16,017,911	42,116,186
Total Net Assets	$ 139,779,736	$ 81,171,751	$ 220,951,487

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

CITY OF RICHARDSON, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2007

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General Government	$ 25,381,591	$ 2,138,215	$ 428,000	$ -	$ (22,815,376)	$ -	$ (22,815,376)
Public Safety	37,774,161	7,312,665	56,708	733,379	(29,671,409)	-	(29,671,409)
Public Services	20,209,778	13,198,767	11,040	3,580,940	(3,419,031)	-	(3,419,031)
Library	3,988,011	169,909	52,523	-	(3,765,579)	-	(3,765,579)
Parks and Recreation	12,576,018	2,796,250	-	1,496,260	(8,283,508)	-	(8,283,508)
Public Health	1,344,180	196,061	27,647	-	(1,120,472)	-	(1,120,472)
Interest and fiscal charges	10,116,030	-	-	-	(10,116,030)	-	(10,116,030)
Total Governmental Activities	111,389,769	25,811,867	575,918	5,810,579	(79,191,405)	-	(79,191,405)
Business-type activities:							
Water and Sewer	40,917,977	34,645,179	-	1,375,261	-	(4,897,537)	(4,897,537)
Solid Waste	11,193,066	10,988,974	-	-	-	(204,092)	(204,092)
Golf	2,142,898	2,022,267	-	-	-	(120,631)	(120,631)
Total Business-type Activities	54,253,941	47,656,420	-	1,375,261	-	(5,222,260)	(5,222,260)
Total	$ 165,643,710	$ 73,468,287	$ 575,918	$ 7,185,840	(79,191,405)	(5,222,260)	(84,413,665)
General Revenues:							
Property Taxes					53,777,492	-	53,777,492
Sales Taxes					23,645,524	-	23,645,524
Mixed Beverage and Bingo Tax					371,624	-	371,624
Hotel/Motel Taxes					3,167,929	-	3,167,929
Unrestricted Interest Earnings					6,259,924	1,316,839	7,576,763
Insurance Recoveries					173,274	30,297	203,571 -
Gain on Sale of Assets					1,160,241	132,465	1,292,706
Total General Revenues					88,556,008	1,479,601	90,035,609
Changes in Net Assets					9,364,603	(3,742,659)	5,621,944
Net Assets-beginning					130,415,133	84,914,410	215,329,543
Net Assets-ending					$ 139,779,736	$ 81,171,751	$ 220,951,487

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

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CITY OF RICHARDSON, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2007

	General	Debt Service	Capital Fund	Other Governmental Funds	Total
ASSETS:					
Cash and Investments	$ 14,425,387	$ 2,139,266	$ 83,833,025	$ 3,341,626	$ 103,739,304
Receivables (net of allowances for uncollectibles of $1,234,896)					
Taxes-Ad Valorem	1,086,460	-	-	-	1,086,460
Taxes-Sales	1,654,799	-	-	-	1,654,799
Taxes-Hotel/Motel	-	-	-	471,076	471,076
Trade Accounts	2,661,009	-	-	140,485	2,801,494
Interest	110,174	-	536,795	1,695	648,664
Intergovernmental	-	-	2,909,673	10,185	2,919,858
Other	-	8,916	31,500	-	40,416
Due from Other Funds	1,602	-	-	10,000	11,602
Inventory of Supplies, at cost	299,020	-	-	-	299,020
Prepaid Items	258,453	-	-	21,027	279,480
Deposits	117,500	-	-	-	117,500
Total Assets	$ 20,614,404	$ 2,148,182	$ 87,310,993	$ 3,996,094	$ 114,069,673
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	$ 1,292,851	$ 16,574	$ 3,858,634	$ 288,089	$ 5,456,148
Developer's Participation Payable	-	-	16,722	-	16,722
Retainage Payable	-	-	462,874	-	462,874
Accrued Liabilities	1,840,757	-	-	38,199	1,878,956
Accrued Interest	-	15,481	-	-	15,481
Due to Other Funds	-	-	807,538	1,602	809,140
Deferred Revenue	1,815,709	-	265,612	357,610	2,438,931
Money Held in Escrow	153,803	-	409,565	56,682	620,050
Total Liabilities	5,103,120	32,055	5,820,945	742,182	11,698,302
Fund Balances:					
Reserved for Inventory	299,020	-	-	-	299,020
Reserved for Prepaid Items	258,453	-	-	21,027	279,480
Reserved for Encumbrances	391,956	-	13,796,857	79,437	14,268,250
Reserved for Debt Service	-	2,116,127	-	-	2,116,127
Reserved for Capital Projects	-	-	55,909,563	-	55,909,563
Unreserved, reported in					
General Fund	14,561,855	-	-	-	14,561,855
Special Revenue Funds	-	-	-	3,153,448	3,153,448
Capital Fund	-	-	11,783,628	-	11,783,628
Total Fund Balances	15,511,284	2,116,127	81,490,048	3,253,912	102,371,371
Total Liabilities and Fund Balances	$ 20,614,404	$ 2,148,182	$ 87,310,993	$ 3,996,094	

Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activites are not financial resources and, therefore, are not reported in the funds.	252,045,473
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,888,959
Internal Service Funds are used by management to charge the costs of central services and insurance to individual funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	2,544,901
Long-term liabilities, including bonds payable, accrued interest, and related deferred charges, are not due and payable in the current period and, therefore, are not reported in the funds. (see Note II. A.)	(219,070,968)
Net assets of governmental activities	$ 139,779,736

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

CITY OF RICHARDSON,TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2007

	General	Debt Service	Capital Fund	Other Governmental Funds	Total
REVENUES:					
General Property Taxes	$ 33,292,079	$ 20,338,615	$ -	$ -	$ 53,630,694
Street Rental Use	11,231,294	-	-	-	11,231,294
Sales Tax	23,645,524	-	-	-	23,645,524
Mixed Beverage and Bingo Tax	371,624	-	-	-	371,624
Hotel/Motel Taxes	-	-	-	3,167,929	3,167,929
911 Revenue	937,973	-	-	378,439	1,316,412
Intergovernmental Revenue	16,464	-	3,628,481	426,241	4,071,186
Licenses and Permits	1,865,356	-	-	-	1,865,356
Fines and Forfeitures	3,379,596	-	-	1,207,425	4,587,021
Interest Revenue	1,171,278	339,776	4,413,114	162,843	6,087,011
Civic Center Use	286,255	-	-	-	286,255
Eisemann Center Revenue	-	-	-	1,421,840	1,421,840
Recreation and Leisure	2,796,250	-	-	-	2,796,250
Rents	12,000	-	-	-	12,000
Public Safety	1,548,735	-	-	-	1,548,735
Contributions	-	-	2,115,531	34,906	2,150,437
Participation	-	-	163,921	-	163,921
Other Revenue	790,061	8,916	34,200	19,479	852,656
General Administration	6,643,199	-	-	-	6,643,199
Total Revenues	87,987,688	20,687,307	10,355,247	6,819,102	125,849,344
EXPENDITURES:					
General Government	22,715,337	-	1,663,854	3,580,642	27,959,833
Public Safety	33,935,720	-	661,441	588,573	35,185,734
Public Services	13,038,927	-	899,338	-	13,938,265
Library	2,785,056	-	569,959	37,985	3,393,000
Parks and Recreation	10,452,266	-	197,668	106,491	10,756,425
Public Health	1,289,738	-	-	21,172	1,310,910
General Administration	-	-	-	291,000	291,000
Capital Outlay	185,820	-	20,093,118	420,088	20,699,026
Debt Service-					
Principal Retirement	-	10,241,068	-	-	10,241,068
Interest and Fiscal Charges	9,798	10,478,681	-	-	10,488,479
Payments for Other Obligations	252,263	203,892	-	-	456,155
Issuance Costs	-	-	29,078	-	29,078
Total Expenditures	84,664,925	20,923,641	24,114,456	5,045,951	134,748,973
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,322,763	(236,334)	(13,759,209)	1,773,151	(8,899,629)
OTHER FINANCING SOURCES (USES):					
Transfers In	556,286	900,000	5,151,487	132,597	6,740,370
Transfers Out	(3,733,487)	-	(132,597)	(2,874,286)	(6,740,370)
Issuance of Certificates of Obligation	-	-	3,220,000	-	3,220,000
Issuance of Other Obligations	-	-	1,591,431	-	1,591,431
Insurance Recoveries	81,866	-	86,397	5,011	173,274
Proceeds from Sale of Capital Assets	141,128	-		1,447,721	1,588,849
Total Other Financing Sources (Uses)	(2,954,207)	900,000	9,916,718	(1,288,957)	6,573,554
NET CHANGE IN FUND BALANCES	368,556	663,666	(3,842,491)	484,194	(2,326,075)
FUND BALANCES-October 1	15,142,728	1,452,461	85,332,539	2,769,718	104,697,446
FUND BALANCES-September 30	$ 15,511,284	$ 2,116,127	$ 81,490,048	$ 3,253,912	$ 102,371,371

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

CITY OF RICHARDSON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2007

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds	$	(2,326,075)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which captial outlays exceeded depreciation expense in the current period. (see Note II. B.)		5,851,947
The net effect of the sales of capital assets is to decrease net assets. (see Note II. B.)		(415,129)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		71,249
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is originally issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (see Note II. B.)		5,885,420
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (see Note II. B.)		197,232
Internal service funds are used by management to charge the costs of central services and insurance to individual funds. The net expense of certain activities of the Internal Service Funds is reported with governmental activities.		99,959
Change in net assets of governmental activities	$	9,364,603

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

CITY OF RICHARDSON, TEXAS
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
September 30, 2007
(continued on following page)

	Business-Type Activities-Enterprise Funds				
	Water and Sewer Fund	Solid Waste Fund	Golf Fund	Total	Governmental Activities- Internal Service Funds
Assets:					
Cash and Investments	$ 4,573,525	$ 2,114,224	$ 358,740	$ 7,046,489	$ 3,631,414
Receivables (net of allowances)					
Trade Accounts	4,182,729	974,009	52,523	5,209,261	-
Other	1,640,054	187,785	-	1,827,839	28,082
Interest	63,587	5,381	-	68,968	-
Inventory of Supplies, at cost	98,075	115,075	-	213,150	171,095
Prepaid Items	11,707	5,700	6,613	24,020	-
Restricted Assets:					
Cash and Investments	15,092,167	2,499,859	49,286	17,641,312	-
Interest Receivable	164,601	32,420	-	197,021	-
Other Receivable	266,767	848	-	267,615	-
Due from Other Funds	797,538	-	-	797,538	-
Total Current Assets	26,890,750	5,935,301	467,162	33,293,213	3,830,591
Capital Assets					
Land	357,950	65,560	119,329	542,839	56,011
Improvements	-	-	8,910,356	8,910,356	23,023
Buildings	7,568,341	-	782,403	8,350,744	259,991
Water and Sewer System	163,139,731	-	-	163,139,731	-
Vehicles, Machinery and Equipment	13,494,042	5,782,155	938,655	20,214,852	284,204
Total Capital Assets	184,560,064	5,847,715	10,750,743	201,158,522	623,229
Less: Accumulated Depreciation	(91,731,005)	(4,057,437)	(3,818,896)	(99,607,338)	(554,365)
Construction in Progress	3,732,074	-	-	3,732,074	-
Net Capital Assets	96,561,133	1,790,278	6,931,847	105,283,258	68,864
Deferred Charges	425,136	17,448	4,430	447,014	-
Total Noncurrent Assets	96,986,269	1,807,726	6,936,277	105,730,272	68,864
Total Assets	$ 123,877,019	$ 7,743,027	$ 7,403,439	$ 139,023,485	$ 3,899,455

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

CITY OF RICHARDSON, TEXAS
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
September 30, 2007
(continuation)

	Business-Type Activities-Enterprise Funds				
	Water and Sewer Fund	Solid Waste Fund	Golf Fund	Total	Governmental Activities- Internal Service Funds
Current Liabilities:					
Accounts Payable	$ 1,907,189	$ 335,535	$ 47,993	$ 2,290,717	$ 197,960
Retainage Payable	35,000	-	-	35,000	-
Accrued Liabilities	255,679	154,535	16,585	426,799	203,194
Accrued Interest	309,874	-	-	309,874	-
Unearned Revenue	13,083	-	-	13,083	-
Unpaid Claims Liabilities	-	-	-	-	500,000
Current Maturities of Bonds, Leases and Contractual Obligations	1,513,614	649,686	300,318	2,463,618	-
Compensated Absences	89,478	42,181	11,397	143,056	9,701
Workers' Compensation Liability	29,341	88,021	264	117,626	-
Current Liabilities Payable from Restricted Assets-					
Accounts Payable	747,956	18,687	-	766,643	-
Retainage Payable	137,369	-	-	137,369	-
Deposits	2,252,532	-	-	2,252,532	-
Accrued Liabilities	15,510	-	-	15,510	-
Accrued Interest	11,272	30,826	38,585	80,683	-
Current Maturities of Bonds, Leases and Contractual Obligations	423,689	24,014	10,701	458,404	-
Total Current Liabilities	7,741,586	1,343,485	425,843	9,510,914	910,855
Noncurrent Liabilities:					
Bonds, Leases and Contractual Obligations	40,019,686	1,871,534	5,870,994	47,762,214	-
Compensated Absences	598,817	282,288	76,274	957,379	64,926
Total Noncurrent Liabilities	40,618,503	2,153,822	5,947,268	48,719,593	64,926
Total Liabilities	48,360,089	3,497,307	6,373,111	58,230,507	975,781
Net Assets:					
Invested in Capital Assets, net of related debt	61,337,142	76,320	749,834	62,163,296	68,864
Restricted for:					
Capital Projects	701,634	1,628,323	-	2,329,957	-
Debt Service	556,461	54,840	49,286	660,587	-
Unrestricted	12,921,693	2,486,237	231,208	15,639,138	2,854,810
Total Net Assets	$ 75,516,930	$ 4,245,720	$ 1,030,328	80,792,978	$ 2,923,674
	Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds			378,773	
	Net assets of business-type activities			$ 81,171,751	

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

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CITY OF RICHARDSON, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
For the Year Ended September 30, 2007

	Business-Type Activities-Enterprise Funds				
	Water and Sewer Fund	Solid Waste Fund	Golf Fund	Total	Governmental Activities-Internal Service Funds
Operating Revenues:					
Water Sales	$ 20,840,880	$ -	$ -	$ 20,840,880	$ -
Sewer Service	12,777,847	-	-	12,777,847	-
Penalties	432,373	-	-	432,373	-
Service Fees-Other	33,496	-	-	33,496	-
Antenna Rentals	180,059	-	-	180,059	-
Meter Fees	48,250	-	-	48,250	-
Solid Waste Fees	-	10,363,412	-	10,363,412	-
Golf Course Fees	-	-	1,982,095	1,982,095	-
Golf Course Restaurant	-	-	38,852	38,852	-
Charges for Services	-	-	-	-	455,559
City and Employee Contributions	-	-	-	-	8,712,298
Intergovernmental Revenue	260,000	-	-	260,000	40,554
Miscellaneous	72,274	625,562	1,320	699,156	5,894
Total Operating Revenue	34,645,179	10,988,974	2,022,267	47,656,420	9,214,305
Operating Expenses:					
Personal Services	5,392,064	3,342,976	858,675	9,593,715	507,293
Premiums	-	-	-	-	595,740
Professional and Technical Services	545,069	672,544	35,000	1,252,613	561,755
Property Services	1,187,288	114,027	68,720	1,370,035	86,905
Other Purchased Services	626,958	290,564	58,442	975,964	105,060
Insurance Claims	-	-	-	-	7,419,350
Purchase of Water	10,284,831	-	-	10,284,831	-
Purchase of Sewage Treatment	8,574,092	-	-	8,574,092	-
Solid Waste Charges	-	3,321,504	-	3,321,504	-
General Administration	4,293,270	1,975,358	83,571	6,352,199	-
In Lieu of Street Rental Use Fee	1,680,893	518,171	-	2,199,064	-
BABIC Program	340,000	-	-	340,000	-
Supplies	1,187,882	220,134	270,642	1,678,658	24,987
Depreciation	5,164,065	637,681	453,625	6,255,371	5,800
Total Operating Expenses	39,276,412	11,092,959	1,828,675	52,198,046	9,306,890
Operating Income (Loss)	(4,631,233)	(103,985)	193,592	(4,541,626)	(92,585)
Nonoperating Revenues (Expenses):					
Interest Revenue	1,102,139	201,749	12,951	1,316,839	172,913
Interest Expense and Fiscal Charges	(1,633,833)	(94,502)	(312,677)	(2,041,012)	-
Insurance Recoveries	30,297	-	-	30,297	-
Gain from Disposal of Capital Assets	60,553	69,598	2,314	132,465	4,748
Total Nonoperating Revenues (Expenses)	(440,844)	176,845	(297,412)	(561,411)	177,661
Income (Loss) before Contributions	(5,072,077)	72,860	(103,820)	(5,103,037)	85,076
Capital Contributions	1,375,261	-	-	1,375,261	-
Change in Net Assets	(3,696,816)	72,860	(103,820)	(3,727,776)	85,076
Total Net Assets-October 1	79,213,746	4,172,860	1,134,148		2,838,598
Total Net Assets-September 30	$ 75,516,930	$ 4,245,720	$ 1,030,328		$ 2,923,674
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(14,883)	
Change in net assets of business type activities				$ (3,742,659)	

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

CITY OF RICHARDSON, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended September 30, 2007
(continued on the following page)

	Business-Type Activities-Enterprise Funds				
	Water and Sewer Fund	Solid Waste Fund	Golf Fund	Total	Governmental Activities-Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	$ 34,866,100	$ 10,917,132	$ 2,030,885	$ 47,814,117	$ -
Cash Received from Service Users	-	-	-	-	455,559
Cash Received from City, Employee and Other Contributions	-	-	-	-	8,755,145
Cash Payments for Goods and Services	(29,195,905)	(7,042,543)	(550,258)	(36,788,706)	(110,846)
Cash Payments to Employees	(5,261,747)	(3,274,608)	(855,583)	(9,391,938)	(519,293)
Cash Payments for Premiums and Other Operating Expenses	-	-	-	-	(1,273,888)
Cash Payments for Claims	-	-	-	-	(7,743,842)
Cash Received from Miscellaneous Revenues	72,274	-	-	72,274	-
Net Cash Provided by (Used for) Operating Activities	480,722	599,981	625,044	1,705,747	(437,165)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash Payments from Other Funds	493,283	-	118,127	611,410	-
Due to Bank Depository	436,471	122,201	40,909	599,581	146,506
Net Cash Provided by Noncapital Financing Activities	929,754	122,201	159,036	1,210,991	146,506
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Sale of Capital Assets	60,553	69,598	2,314	132,465	4,748
Bond Proceeds, Other Obligations, and Accrued Interest	5,144,707	1,165,357	-	6,310,064	-
Acquisition and Construction of Capital Assets	(7,159,946)	(404,933)	-	(7,564,879)	-
Increase in Retainage Payable	32,346	-	-	32,346	-
Principal Paid on Debt	(1,730,520)	(520,000)	(291,355)	(2,541,875)	-
Interest Paid on Debt	(1,724,758)	(78,006)	(313,256)	(2,116,020)	-
Insurance Recoveries	30,297	-	-	30,297	-
Fiscal Charges Paid	(54,196)	(11,589)	(95)	(65,880)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(5,401,517)	220,427	(602,392)	(5,783,482)	4,748
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of Investment Securities	(22,153,955)	(4,112,514)	-	(26,266,469)	(1,912,835)
Proceeds from Sale and Maturities of Investments	16,075,261	1,681,927	-	17,757,188	1,176,074
Interest Received on Investments	694,167	113,225	12,951	820,343	104,249
Net Cash Provided by (Used for) Investing Activities	(5,384,527)	(2,317,362)	12,951	(7,688,938)	(632,512)
NET INCREASE (DECREASE) IN CASH, RESTRICTED CASH, AND CASH EQUIVALENTS	(9,375,568)	(1,374,753)	194,639	(10,555,682)	(918,423)
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, October 1	14,881,221	2,231,834	213,387	17,326,442	2,565,037
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, September 30	$ 5,505,653	$ 857,081	$ 408,026	$ 6,770,760	$ 1,646,614

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

CITY OF RICHARDSON, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended September 30, 2007
(continuation)

	Business-Type Activities-Enterprise Funds				
	Water and Sewer Fund	Solid Waste Fund	Golf Fund	Total	Governmental Activities-Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income (Loss)	$ (4,631,233)	$ (103,985)	$ 193,592	$ (4,541,626)	$ (92,585)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities-					
Depreciation	5,164,065	637,681	453,625	6,255,371	5,800
Provision for Uncollectible Accounts	(1,659)	4,188	-	2,529	-
Changes in Assets and Liabilities-					
(Increase) Decrease in Trade Accounts Receivable (Gross)	425,595	(76,921)	8,620	357,294	-
Increase in Other Receivables	(1,444,244)	(60,874)	-	(1,505,118)	(28,081)
Increase in Inventory of Supplies, at cost	(5,256)	(36,522)	-	(41,778)	(640)
Increase (Decrease) in Prepaid Items	3,373	6,576	(1,733)	8,216	-
Increase (Decrease) in Accounts Payable	687,048	100,027	(32,151)	754,924	(13,356)
Increase in Unearned Revenue	13,083	-	-	13,083	-
Increase in Deposits Payable from Restricted Assets	60,798	-	-	60,798	-
Increase (Decrease) in Compensated Absences	107,691	30,873	2,338	140,902	(12,087)
Increase in Workers Compensation	9,549	37,698	264	47,511	-
Decrease in Unpaid Claims Liability	-	-	-	-	(300,000)
Increase in Accrued Liabilities	91,912	61,240	489	153,641	3,784
Total Adjustments	5,111,955	703,966	431,452	6,247,373	(344,580)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 480,722	$ 599,981	$ 625,044	$ 1,705,747	$ (437,165)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Contributions of capital assets from public	$ 1,375,261	$ -	$ -	$ 1,375,261	$ -

RECONCILIATION OF CASH, RESTRICTED CASH, AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS

	Water and Sewer Fund	Solid Waste Fund	Golf Fund	Total	Governmental Activities-Internal Service Funds
Total Unrestricted Cash and Investments per the Statement of Net Assets	$ 4,573,525	$ 2,114,224	$ 358,740	$ 7,046,489	$ 3,631,414
Total Restricted Cash and Investments per the Statement of Net Assets	15,092,167	2,499,859	49,286	17,641,312	-
Total Cash and Investments Per the Statement of Net Assets	19,665,692	4,614,083	408,026	24,687,801	3,631,414
Less: Investments not Meeting the Definition of Cash Equivalents	(14,160,039)	(3,757,002)	-	(17,917,041)	(1,984,800)
Cash, Restricted Cash and Cash Equivalents at September 30, 2007	$ 5,505,653	$ 857,081	$ 408,026	$ 6,770,760	$ 1,646,614

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Richardson, Texas (the "City") is a municipal corporation governed by an elected seven-member council and a mayor who is selected from among the council members by a vote of the council. As required by accounting principles generally accepted in the United States, these financial statements present the financial condition and results of operations and activities of the City for which it is considered to be financially accountable.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America and applicable to state and local governments. These include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), and the American Institute of Certified Public Accountants as published in *Audits of State and Local Government*s. In addition, the City has elected to apply only those Financial Accounting Standards Board ("FASB") pronouncements issued before November 30, 1989, to its enterprise fund activities, as allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*.

The City's financial statements also include the results of operations of the Richardson Improvement Corporation ("RIC"). Although legally separate from the City, the City Council appoints all the members of its governing board and provides a majority of the funding for RIC. RIC provides parks and recreation functions almost entirely for the City and functions, in essence, as a department of the City and has been blended into the City's financial statements in the Other Governmental Funds category. Complete financial statements for RIC may be obtained by writing City of Richardson, Attn: Finance Director, PO Box 830309, Richardson, TX 75083-0309.

B. Basis of Presentation

1. Government-Wide Statements

The two government-wide financial statements, the Statement of Net Assets and the Statement of Activities, report information on all the activities of the City. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities, which generally rely on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer and solid waste functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the extent to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include charges to customers and applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program. They also include operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported as general revenues.

2. Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to support financial management and to demonstrate legal compliance. Separate statements are prescribed for governmental activities and for proprietary activities. These statements present each major fund as a separate column on the fund financial statements, while all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City has presented the following major governmental funds.

General Fund. The General Fund is the main operating fund of the City. The fund is used to account for all the financial resources that are *not* accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating

expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund. The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Fund. The Capital Fund is used to account for funds expended for capital improvements, including streets and thoroughfares, parks and other recreational facilities, buildings and public facilities, drainage improvements, and for the purchase of capital equipment. Funding sources include the proceeds of general obligation bonds and certificates of obligation issued by the City, as well as intergovernmental revenues and contributions.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flows. All assets and liabilities of the proprietary funds are included in the Statement of Net Assets. The City has presented the following major proprietary funds.

Water and Sewer Fund. The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, billing and collection activities, and the operations, maintenance, and construction of the water and sewer systems. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the system.

Solid Waste Fund. The Solid Waste Fund is used to account for the operations of solid waste collection and disposal and recycling services provided to the residents of the City. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for solid waste debt. All costs are financed through charges to the utility customers.

Golf Fund. The Golf Fund is used to account for the operations and maintenance of the City's golf course. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for golf debt. Revenues are generated through fees charged to users.

The City also reports Internal Service Funds that are used to account for warehouse, mail services, and records management operations provided to City departments, and health insurance provided to employees and dependents.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Enterprise and Internal Service Funds consider all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. Because the City, at its option, can withdraw amounts within a 24-hour period from TexPool, TexSTAR, Federated and AIM Money Market Mutual Funds, these investments are also considered to be cash equivalents.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means

all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets and the operating statement presents increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water, sewer and solid waste collection services. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they are "measurable and available." "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period. The City considers all revenues available if they are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. A thirty-day availability period is used for revenue recognition for all governmental fund type revenues, except fines and forfeitures, which are accrued using a forty-five day availability period, and for grants, which are accrued using a one-year availability period. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, street rental use fees, hotel/motel taxes, sales tax revenues, fines and forfeitures, and interest revenue. Licenses and permits, recreation and leisure fees, public safety, and other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports deferred revenue in its governmental funds. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, revenue is recognized.

Grant revenue is recognized as revenue as soon as all applicable eligibility requirements have been met.

E. Assets, Liabilities and Net Assets

1. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds.

The Legislature for the State of Texas has enacted and regularly amends the Public Funds Investment Act ("Investment Act") that governs items such as investment strategies and policies, training for investment officers, quarterly reporting, and types of investments allowed. The City has developed an Investment Policy that is annually reviewed and approved through resolution by the City Council that is in compliance with the Investment Act. Accordingly, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) obligations of state agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent, and other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas, or the United States, or its instrumentalities; (4) Joint Investment Pools of political subdivisions in the State of Texas which comply with the guidelines stated in the City's investment policy; (5) Certificates of Deposit issued by state or national banks and credit unions domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation or secured by obligations mentioned above; (6) fully collateralized direct repurchase agreements having a defined termination date; and (7) no-load money market mutual funds, regulated by the Securities and Exchange Commission, with a dollar-weighted average stated maturity of 90 days or fewer, and includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

The City is not authorized by its investment policy to invest in banker's acceptances, "bond" mutual funds, collateralized mortgage obligations of any type and commercial paper, with the exception that the City may invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments.

Investment activities are conducted through the depository bank. The City's safekeeping agent holds all securities in the City's name.

For fiscal year 2006-2007, the City invested in U.S. Agencies, TexPool, TexSTAR, Federated and AIM Money Market Funds, Certificates of Deposit, and a flexible repurchase agreement. The City records all interest revenue related to investment activities in the respective funds.

The City accounts for its investments in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." Investments that have a remaining maturity at the time of purchase of over one year are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Investments with a remaining maturity at time of purchase of one year or less are recorded at amortized cost. For these investments, amortized cost is fair value.

TexPool and TexSTAR were created to conform to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The fair value of positions in TexPool or TexSTAR is the same as the value of the pool shares.

For TexPool, the State's Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company ("Trust Company"), which is authorized to operate TexPool. Pursuant to the TexPool participation agreement, administrative and investment services to TexPool are provided by Federated and Lehmann Brothers. The Comptroller maintains oversight of the services provided by TexPool. The TexPool Advisory Board, composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool, acts as advisor on TexPool's Investment Policy.

JPMorgan Fleming Asset Management (USA), Inc. ("JPMFAM") and First Southwest Asset Management, Inc. ("FSAM") serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors (the "Board.") The Board is composed of five members, three are representatives of participants in TexSTAR and the other two members are designated by each of the co-administrators. The Board manages the business and affairs of TexSTAR in accordance with its bylaws.

The flexible repurchase agreement is between the City of Richardson as Buyer and HYPO Public Finance Bank as Seller and is fully collateralized with collateral held by U.S. Bank National Association as custodian. Collateral consists of U.S. Treasuries and U.S. Agencies, and must always be at least 105% of the value of the flexible repurchase agreement. Securities tendered as collateral are monitored by the custodian to verify that the City's security interest is maintained, and weekly reports are provided to the City.

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 either "due to/from other funds" (the current portion of interfund loans) or "advance to/from other funds" (the non-current portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. The City bills and collects its own property taxes. City property tax revenues are recognized in the period for which they are collected. An allowance is established for delinquent taxes to the extent that their collectibility is improbable.

The Statutes of the State of Texas do not prescribe a legal debt limit; however, Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 assessed valuation. The City operates under a Home Rule Charter that also imposes a limit of $2.50 per $100 assessed valuation. For the year ended September 30, 2007, the City had a tax margin of $1.92484 per $100 assessed valuation based upon the maximum rates described above.

3. Inventories and Prepaid Items

Inventory of Supplies

Inventory consists primarily of supplies, valued at cost, which approximates market. Cost is determined using a weighted average method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased. Accordingly, fund balance is reserved for an amount equal to inventory to signify those funds are not available for expenditure.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and are offset by a reservation of fund balance.

4. Restricted Assets

The ordinance authorizing the Waterworks and Sewer System revenue bonds requires that the City establish sinking funds (Revenue Bond Sinking and Reserve Funds) in an amount not less than the maximum annual requirement for the payment of principal and interest on all revenue bonds. At September 30, 2007, the sinking funds balances are sufficient to satisfy such bond ordinance requirements.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements of the Waterworks and Sewer System. The proceeds are maintained as Restricted Assets in a Bond Construction Fund, which is a component of the City's Water and Sewer Fund, until such time as needed to fund the Waterworks and Sewer System construction program.

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

5. Capital Assets

Capital assets, including public domain assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, water and sewer systems, and lighting systems, are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements of the proprietary funds. All assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their estimated fair value at the date of donation. Infrastructure acquired prior to June 30, 1980 has not been reported in the government-wide financial statements. The City capitalizes net interest costs as part of the cost of constructing various water and sewer projects when material. In fiscal year 2006-2007, $140,162 in net interest costs was capitalized in the Water and Sewer Fund. 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, but are recorded as expenditures/expenses as incurred.

Assets are capitalized that have an original cost of $5,000 or more and an estimated useful life of more than one year. Depreciation has been calculated on each class of depreciable property using the straight-line method, with one-half year's depreciation in the year of acquisition. Estimated useful lives are as follows:

Land Improvements	20 Years
Water and Sewer System	25-40 Years
Buildings	40 Years
Other Improvements	10-30 Years
Infrastructure	5-30 Years
Vehicles, Machinery and Equipment	3-20 Years

6. Asset Impairments and Insurance Recoveries

The City records insurance recoveries related to the impairment of capital assets as Other Nonoperating Revenues or Other Financing Sources. For the year ended September 30, 2007, the City received $203,571 in insurance recoveries.

7. Compensated Absences

The City allows employees to accumulate unlimited unused sick leave. Earned vacation time is generally required to be used within one year of accrual, although the City allows employees to carry over up to 20 days of vacation time into the next year. Upon termination, the City pays nonretirees up to 22 days of accumulated sick leave and pays retirees up to 90 days of accumulated sick leave. Sick leave in excess of the 22-day maximum is not paid upon termination to nonretirees and will be paid only upon illness while in the employment of the City. Any accumulated vacation that was not taken due to work-related assignments is paid upon termination, with authorization by the City Manager or his designee.

8. Long-Term Obligations

General Obligation Bonds and other debt issued for the general government capital projects and acquisitions that are to be repaid from tax revenues of the City are recorded in the governmental activities column in the government-wide Statement of Net Assets. Revenue bonds and other debt issued to fund capital projects and acquisitions in the proprietary funds are recorded in the business-type activities column in the government-wide Statement of Net Assets and in the proprietary fund Statement of Net Assets. Bond premiums and discounts as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements and in the proprietary funds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

In the governmental funds, bond premiums, discounts, and issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources, as are any applicable premium or discount. Issuance costs are reported as debt service and capital fund expenditures.

9. **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used for the acquisition, construction or improvements of those assets, net of debt related to any unspent proceeds. The government-wide statement of net assets reports $12,503,136 of restricted net assets for governmental activities, of which $3,141,698 is restricted by enabling legislation.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets

The governmental funds Balance Sheet includes a reconciliation between *fund balances – total governmental funds* and *net assets – governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains the "long-term liabilities, including bonds payable, accrued interest, and related deferred charges, are not due and payable in the current period and therefore are not reported in the funds." The details of this $219,070,968 difference are as follows:

Bonds payable	$203,992,386
Notes payable and other contractual obligations	5,412,684
Less: Issuance discount (to be amortized as interest expense)	(62,415)
Add: Issuance premium (to be amortized as interest expense)	5,467,918
Less: Loss on refunding (to be amortized as interest expense)	(2,876,787)
Less: Deferred charges for issuance cost (to be amortized as fiscal charges)	(1,933,840)
Accrued interest payable	1,463,996
Compensated absences	7,444,017
Workers' compensation liability	163,009
Net adjustment to reduce the *fund balances – total governmental funds* to arrive at *net assets – governmental activities*	$219,070,968

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of this reconciliation explains that the "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $5,851,947 difference are as follows:

Capital outlay	$20,699,026
Depreciation expense	(14,847,079)
Net adjustment to decrease net change in *fund balances – total governmental funds* to arrive at changes in *net assets of governmental activities*	$ 5,851,947

Another element of the reconciliation states "The net effect of the sales of capital assets is to decrease net assets." The details of this $415,129 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold and any sales commissions.	$415,219

A third element of the reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is originally issued, whereas these amounts are deferred and amortized in the Statement of Activities." The details of this $5,885,420 difference are as follows:

Debt issued or incurred:	
General obligations, certificates of obligations, and refunding bonds	$ 3,220,000
Notes payable	1,591,431
Add: Rebates of prior year issuance costs	29,450
Less: Charges incurred at issuance	(29,078)
Principal repayments:	
General obligation bonds	(1,215,000)
Refunded general obligation bonds	(5,607,424)
Certificates of obligation	(3,418,644)
Notes payable	(456,155)
Net adjustment to increase net changes in *fund balances – total governmental funds* to arrive at changes in *net assets of governmental activities*	$(5,885,420)

Another element of the reconciliation states, "Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this $197,232 difference are as follows:

Amortization of bond premium	$ 148,065
Amortization on bond discount	987
Amortization of issuance costs	(46,316)
Amortization of loss on refunding	(82,989)
Accrued interest	352,702
Compensated absences	(255,988)
Workers' compensation expense	80,771
Net adjustment to decrease net changes in *fund balances – total governmental funds* to arrive at changes in *net assets of governmental activities*	$ 197,232

III. DETAILED NOTES

A. Deposits and Investments

Deposits – The City maintained the following deposit balances:

Financial Institution	Bank Balance	Book Balance
Comerica – City	$ 230,705	$ -
Comerica – RIC	11,362	11,362
Petty Cash	-	12,203
Legacy Bank – CD	5,040,031	5,040,031
Viewpoint – CD	8,082,203	8,082,023
Wachovia	19	19
Totals	$13,364,320	$13,145,818

The City's account at Comerica had a book balance of ($2,611,964). This amount has been reclassified as accounts payable on the financial statements.

Investments – The City maintained the following investment balances at year-end:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Agency Discount Notes	$ 5,864,640	0.02
U.S. Agency Bonds	44,884,079	0.14
Flexible Repurchase Agreement	52,129,179	0.79
TexPool	6,650,042	0.01
TexSTAR	6,305,065	0.00
AIM Money Market Fund	1,239,090	0.00
Federated Money Market Fund	1,418,051	0.00
Wachovia	422,555	0.01
Total Fair Value	$118,912,701	
Portfolio Weighted Average Maturity		0.97

Credit Risk – Investments. The City's investment policy requires that joint investment pools maintain a continuous rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating agency, and that obligations of states, agencies, cities, or other political subdivisions of any state be rated no less than A or an equivalent rating by at least one nationally recognized rating agency. The City's investment policy has no other restrictions relating to credit ratings that would limit its investment options. Standard & Poor's has rated investments in U.S. Agencies as AAA as of September 30, 2007. Standard & Poor's has rated investments in TexPool, TexSTAR, AIM Money Market Fund, and Federated Money Market Fund as AAA-m as of September 30, 2007.

Custodial Credit Risk – Deposits. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk at year-end.

Interest Rate Risk – Investments. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to one year or less under normal market conditions, with a three-year maximum weighted average maturity.

Concentration of Credit Risk – Investments. The City's investment policy does not place a limit on the amount the City may invest in a single issuer, except that the City may not invest more than 20 percent in an individual investment pool or money market mutual fund. At September 30, 2007, more than five percent of the City's investments are in the Flexible Repurchase Agreement, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. These investments are 43.8%, 15.1%, 12.5%, and 12.5%, respectively, of the City's total investments.

B. Receivables

Receivables at September 30, 2007, for the government's individual major governmental funds, nonmajor funds, internal service funds in the aggregate, and for individual major business-type funds, including the applicable allowances for uncollectible accounts, consists of the following:

	General	Debt Service	Capital Fund	Nonmajor Funds	Total Governmental Funds
Receivables:					
Taxes-Ad Valorem	$ 1,609,145	$ -	$ -	$ -	$ 1,609,145
Taxes-Sales	1,654,799	-	-	-	1,654,799
Taxes-Hotel/Motel	-	-	-	471,076	471,076
Trade Accounts	3,059,263	-	-	454,442	3,513,705
Other	-	8,916	31,500	-	40,416
Interest	110,174	-	536,795	1,695	648,664
Intergovernmental	-	-	2,909,673	10,185	2,919,858
Gross receivables	6,433,381	8,916	3,477,968	937,398	10,857,663
Less: Allowance for uncollectibles	(920,939)	-	-	(313,957)	(1,234,896)
Net receivables	$ 5,512,442	$ 8,916	$ 3,477,968	$ 623,441	$ 9,622,767

	Water & Sewer	Solid Waste	Golf	Total Business-type Activities	Internal Service
Receivables:					
Trade Accounts	$ 4,266,317	$ 1,011,965	$ 52,523	$ 5,330,805	$ -
Other	1,906,821	188,633	-	2,095,454	28,082
Interest	228,188	37,801	-	265,989	-
Gross receivables	6,401,326	1,238,399	52,523	7,692,248	28,082
Less: Allowance for uncollectibles	(83,588)	(37,956)	-	(121,544)	-
Net receivables	$ 6,317,738	$ 1,200,443	$ 52,523	$ 7,570,704	$ 28,082

The Water and Sewer and Solid Waste trade accounts receivable include unbilled charges for services rendered at September 30, 2007.

C. Restricted Assets

Enterprise Funds

At year-end, the following were the restricted assets in the Enterprise Funds:

	Water & Sewer Fund	Solid Waste Services Fund	Golf Fund	Total
Debt Service - Sinking and Reserve Funds	$ 556,461	$ 54,840	$ 49,286	$ 660,587
Customers' Deposits	2,252,532	-	-	2,252,532
Rate Stabilization	1,762,518	-	-	1,762,518
Capital Project and Equipment Funds	11,749,562	2,478,287	-	14,227,849
Total	$ 16,321,073	$ 2,533,127	$ 49,286	$ 18,903,486

The City is required to maintain certain asset restrictions to meet revenue bond covenants. The amount of assets restricted for revenue bond retirement in the Water and Sewer Fund is detailed as follows:

Restricted Assets – Sinking and Reserve Fund	$ 556,461
Less: Accrued Interest Attributable to Revenue Bonds, Payable from Restricted Assets	(11,272)
Less: Current Maturities of Revenue Bonds, Payable from Restricted Assets	(17,500)
Less: Future Maturities of Revenue Bonds, Payable from Restricted Assets	(121,500)
Restricted Assets Available for Non-Revenue Debt Service	$ 406,189

D. Capital Assets

Capital asset activity for the year ended September 30, 2007, was as follows:

	Beginning Balance October 1, 2006	Increases	Decreases	Ending Balance Sept. 30, 2007
Governmental activities				
Capital assets, not being depreciated				
Land	$ 41,181,248	$ 151,484	$ (374,875)	$ 40,957,857
Construction in progress	12,841,942	18,146,780	(12,035,013)	18,953,709
Total capital assets, not being depreciated	54,023,190	18,298,264	(12,409,888)	59,911,566
Capital assets, being depreciated				
Buildings	98,284,779	2,515,654	-	100,800,433
Improvements other than buildings	33,056,436	3,041,834	-	36,098,270
Vehicles, machinery and equipment	33,856,166	2,165,640	(1,160,091)	34,861,715
Infrastructure	315,908,056	6,712,647	-	322,620,703
Total capital assets, being depreciated	481,105,437	14,435,775	(1,160,091)	494,381,121
Less accumulated depreciation, for				
Buildings	29,713,585	3,272,171	-	32,985,756
Improvements other than buildings	21,217,334	1,178,812	-	22,396,146
Vehicles, machinery and equipment	22,752,220	2,937,251	(1,119,837)	24,569,634
Infrastructure	214,762,169	7,464,645	-	222,226,814
Total accumulated depreciation	288,445,308	14,852,879	(1,119,837)	302,178,350
Total capital assets being depreciated, net	192,660,129	(417,104)	(40,254)	192,202,771
Governmental activities capital assets, net	$ 246,683,319	$ 17,881,160	$ (12,450,142)	$ 252,114,337

	Beginning Balance October 1, 2006	Increases	Decreases	Ending Balance Sept. 30, 2007
Business-type activities				
Capital assets, not being depreciated				
Land	$ 542,839	$ -	$ -	$ 542,839
Construction in progress	4,329,750	6,566,256	(7,163,932)	3,732,074
Total capital assets, not being depreciated	4,872,589	6,566,256	(7,163,932)	4,274,913
Capital assets, being depreciated				
Buildings	8,350,744	-	-	8,350,744
Improvements other than buildings	8,910,356	-	-	8,910,356
Vehicles, machinery and equipment	19,612,422	971,384	(368,954)	20,214,852
Infrastructure	154,433,136	8,706,595	-	163,139,731
Total capital assets, being depreciated	191,306,658	9,677,979	(368,954)	200,615,683
Less accumulated depreciation, for				
Buildings	3,866,209	200,066	-	4,066,275
Improvements other than buildings	2,383,643	376,065	-	2,759,708
Vehicles, machinery and equipment	15,586,841	1,506,812	(368,954)	16,724,699
Infrastructure	71,884,228	4,172,428	-	76,056,656
Total accumulated depreciation	93,720,921	6,255,371	(368,954)	99,607,338
Total capital assets being depreciated, net	97,585,737	3,422,608	-	101,008,345
Business-type activities capital assets, net	$ 102,458,326	$ 9,988,864	$ (7,163,932.00)	$ 105,283,258

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities	
General Government	$ 4,003,541
Public Safety	1,864,851
Public Services	6,734,598
Library	530,391
Parks and Recreation	1,697,338
Health	16,360
Capital assets held by the government's internal service funds and charged to the various functions based on their usage of the assets	5,800
Total depreciation expense - governmental activities	$ 14,852,879
Business-type activities	
Water and Sewer	$ 5,164,065
Solid Waste	637,681
Golf	453,625
Total depreciation expense - business-type activities	$ 6,255,371

E. Construction Commitments

Outstanding commitments at September 30, 2007, under authorized construction contracts for the Capital Fund were $13,796,857. These outstanding commitments are to be financed by proceeds from bond issues and from revenues such as participation revenue from other governments or developers.

F. Interfund Receivables, Payables and Transfers

Due From/To Other Funds balances at September 30, 2007, were as follows:

	Due From		
Due To	Capital Fund	RIC	Total
General Fund	$ -	$1,602	$ 1,602
Water and Sewer Fund	797,538	-	797,538
RIC	10,000	-	10,000
	$807,538	$1,602	$809,140

The interfund loan of $797,538 between the Water and Sewer Fund and the Capital Fund is for the purchase of additional land for parks. This amount has been classified as a restricted asset of the Water and Sewer Fund per council/management direction. Additional interfund balances are caused by the timing of certain transactions between the City and the Richardson Improvement Corporation and it is estimated that these balances will be repaid in one year or less.

Individual fund transfers for fiscal year 2006-2007, were as follows:

	Transfer Out							
Transfer In	General Fund	Capital Fund	Wireless 911 Fund	State Grant Funds	Traffic Safety Fund	RIC	Hotel/Motel Tax Fund	Total
General Fund	$ -	$ -	$300,000	$4,684	$250,000	$ 1,602	$ -	$ 556,286
Debt Service Fund	-	-	-	-	-	-	900,000	900,000
Capital Fund	3,733,487	-	-	-	-	1,418,000	-	5,151,487
RIC	-	132,597	-	-	-	-	-	132,597
	$3,733,487	$132,597	$300,000	$4,684	$250,000	$1,419,602	$900,000	$6,740,370

Transfers from the General Fund to the Capital Fund are used to fund future capital improvements and street rehabilitation. Transfers from the Wireless 911 Fund and Traffic Safety Fund to the General Fund are used in support of the expenses of the 911 call center and the indirect costs of the City's red light cameras. Transfers from the Hotel/Motel Fund to the Debt Service Fund are used for debt service. The transfer of $1,418,000 from RIC to the Capital Fund was for the proceeds of land which was sold by RIC. Other transfers occur as needed.

G. Leasing Activities

The City's leasing activities consist of leasing various land and buildings that were purchased in previous years but are no longer being used. These leases are classified as operating leases.

The following property was leased under operating leases at September 30, 2007:

	Governmental Activities
Land	$ 493,823
Buildings	2,546,558
Less: Depreciation	(466,869)
Book Value	$ 2,573,512

Minimum lease payments under operating leases are based on certain performance measures and cannot be calculated for each year. The City did not receive any payments on these leases during the current fiscal year, but had received cumulative payments of $18,599 over the life of these leases.

H. Long-term Obligations

The following is a summary of long-term debt transactions for the fiscal year ended September 30, 2007:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Governmental-type Activities					
General obligation bonds	$ 174,629,810	$ -	$ (6,822,424)	$ 167,807,386	$ 7,395,961
Certificates of obligation	36,383,644	3,220,000	(3,418,644)	36,185,000	3,915,000
Other obligations	4,277,408	1,591,431	(456,155)	5,412,684	473,742
Deferred amounts					
For bond discounts/premiums/loss	2,594,779	287,556	(353,619)	2,528,716	109,758
Compensated absences	7,274,743	1,446,950	(1,203,049)	7,518,644	977,423
Workers' Compensation	243,780	244,108	(324,879)	163,009	163,009
Unpaid Claims Liability	800,000	-	(300,000)	500,000	500,000
Governmental-type activity long-term debt	$ 226,204,164	$ 6,790,045	$ (12,878,770)	$ 220,115,439	$ 13,534,893
Business-type Activities					
Water and Sewer revenue bonds	$ 990,000	$ -	$ (65,000)	$ 925,000	$ 70,000
General obligation refunding bonds	1,135,190	-	(72,577)	1,062,613	99,039
Certificates of obligation	44,826,355	6,160,000	(2,376,355)	48,610,000	2,695,000
Other obligations	48,503	121,895	(27,943)	142,455	59,721
Deferred amounts					
For bond discounts/premiums/loss	(55,572)	13,901	(14,161)	(55,832)	(1,738)
Compensated absences	959,533	179,070	(38,168)	1,100,435	143,056
Workers' Compensation	70,115	319,463	(271,952)	117,626	117,626
Business-type activity long term debt	$ 47,974,124	$ 6,794,329	$ (2,866,156)	$ 51,902,297	$ 3,182,704

Bonds payable at September 30, 2007, are comprised of the following:

General Government

General Obligation Bonds

$79,440,000 General Obligation Refunding and Improvement Bonds, Series 2006 due in annual principal payments ranging from $435,000 to $6,880,000 through February 15, 2026. Interest rate is variable from 4.50% to 5.25%.	$ 78,040,000
$32,975,000 General Obligation Refunding and Improvement Bonds, Series 2005 due in annual principal payments ranging from $1,435,000 to $2,840,000 through February 15, 2025. Interest rate is variable from 3.00% to 5.25%.	32,975,000
$11,910,000 General Obligation Refunding Bonds, Taxable Series 2004 due in annual principal payments ranging from $100,000 to $1,080,000 through February 15, 2020. Interest rate is variable from 1.50% to 5.40%.	4,740,000
$12,442,581 General Obligation Refunding and Improvement Bonds, Series 2003 due in annual principal payments ranging from $145,000 to $2,387,444 through June 15, 2023. Interest rate is variable and reset on June 16th, currently 2.75%.	10,262,386
$15,275,000 General Obligation Refunding and Improvement Bonds, Series 2002 due in annual principal payments ranging from $255,000 to $4,260,000 through February 15, 2022. Interest rate is variable from 2.50% to 4.875% .	12,940,000
$11,335,000 General Obligation Bonds, Series 2001 due in annual principal payments ranging from $130,000 to $905,000 through February 15, 2021. Interest rate is variable from 4.75% to 5.25%.	9,205,000
$8,125,000 General Obligation Bonds, Series 2000 due in annual principal payments ranging from $30,000 to $685,000 through February 15, 2020. Interest rate is variable from 5.20% to 6.70%.	1,085,000
$10,465,000 General Obligation Bonds, Series 1999 due in annual principal payments ranging from $100,000 to $825,000 through February 15, 2019. Interest rate is variable from 5.20% to 6.70%,	7,640,000
$27,285,000 General Obligation Refunding and Improvement Bonds, Series 1998 due in annual principal payments ranging from $110,00 to $3,8345,000 through February 15, 2018. Interest rate is variable from 3.80% to 6.00%	10,920,000
Total General Obligation Bonds	$ 167,807,386

Taxable Certificates of Obligation

$8,600,000 Taxable Series 2000B due in annual principal installments ranging from $210,000 to $835,000 through February 15, 2020. Interest rate is variable from 7.18% to 8.00%.	$ 7,070,000
Total Taxable Certificate of Obligation	$ 7,070,000

Tax-Exempt Certificates of Obligations

$3,220,000 Series 2007 due in annual principal installments ranging from $95,000 to $765,000 through February 15, 2015. Interest rate is variable from 4.00% to 4.50%	$ 3,220,000
$2,640,000 Series 2006 due in annual principal installments ranging from $85,000 to $620,000 through February 15, 2010. Interest rate is variable from 4.00% to 5.00%	2,125,000
$2,790,000 Series 2005 due in annual principal installments ranging from $155,000 to $1,335,000 through February 15, 2011. Interest rate is variable from 3.15% to 4.00%	2,790,000
$4,600,000 Series 2003 due in annual principal installments ranging from $155,000 to $845,000 through February 15, 2022. Interest rate is variable from 2.00% to 4.65%.	2,045,000
$7,500,000 Series 2002 due in annual principal installments ranging from $275,000 to $955,000 through February 15, 2022. Interest rate is variable from $3.00% to 4.85%.	4,445,000
$12,100,000 Series 2001 due in annual principal installments ranging from $410,000 to $1,110,000 through February 15, 2021. Interest rate is variable from 4.25% to 5.00%.	7,900,000
$3,000,000 Series 2000 due in annual principal installments ranging from $50,000 to $2,055,000 through February 15, 2008. Interest rate is variable from 4.50% to 5.70%.	155,000
$29,640,000 Series 2000A (Hotel Occupancy Tax) due in annual principal installments ranging from $860,000 to $2,400,000 through February 15, 2021. Interest rare is variable from 3.75% to 5.00%	3,670,000
$6,285,000 Series 1999 due in annual principal installments ranging from $175,000 to $900,000 through February 15, 2018. Interest rate is variable from 3.75% to 5.00%	2,765,000
Total Tax-Exempt Certificates of Obligation	29,115,000
Total Certificates of Obligation	36,185000
Add: Unamortized premium	5,467,918
Less: Unamortized discount	(62,415)
Less: Unamortized loss on refunding	(2,876,787)
Total Bonds and Certificates of Obligation Payable at September 30, 2007	$ 206,521,102

As of September 30, 2007, $2,116,127 of fund balance is reserved to service Bonds and Certificates of Obligation Payable.

Business-type activities

Revenue Bonds, General Obligation Refunding Bonds and Certificates of Obligation payable at September 30, 2007, for the Water and Sewer, Solid Waste, and Golf Funds are comprised of the following:

Water and Sewer Revenue Bonds	
$1,500,000 Series 1998 Waterworks and Sewer System Revenue Bonds due in principal installments ranging from $0,000 to $115,000 through July 2017. Interest rate is variable from 4.50% to 7.50%	$ 925,000
Total Water and Sewer Revenue Bonds	925,000
Water and Sewer General Obligation Refunding and Improvement Bonds, Series 2003	
$1,042,419 Serial Bonds due in annual principal installments ranging from $44,739 to $311,185 through June 15, 2016. Interest rate is variable and reset on June 16th, currently 2.75%.	837,613
Water and Sewer Certificates of Obligation	
$5,000,000 Series 2007 due in annual principal installments ranging from $85,000 to $375,000 through February 15, 2027. Interest rate is variable from 4.00% to 4.50%.	5,000,000
$5,000,000 Series 2006 due in annual principal installments ranging from $130,000 to $375,000 through February 15, 2026. Interest rate is variable from 4.00% to 5.00%.	4,870,000
$4,235,000 Series 2005 due in annual principal installments ranging from $85,000 to $315,000 through February 15, 2025. Interest rate is variable from 3.15% to 4.00%.	4,000,000
$3,730,000 Series 2004 due in annual principal installments ranging from $75,000 to $270,000 through February 15, 2024. Interest rate is variable from 3.00% to 4.50%.	3,380,000
$3,750,000 Series 2003 due in annual principal installments ranging from $80,000 to $275,000 through February 15, 2023. Interest rate is variable from 2.00% to 4.65%.	3,240,000
$9,600,000 Series 2002 due in annual principal installments ranging from $345,000 to $695,000 through February 15, 2022. Interest rate is variable from 3.00% to 4.85%.	7,795,000
$6,885,000 Series 2001 due in annual principal installments ranging from $80,000 to $550,000 through February 2021. Interest rate is variable from 4.25% to 5.0%.	5,590,000
$3,600,000 Series 2000 due in annual principal installments ranging from $115,000 to $300,000 through February 2020. Interest rate is variable from 4.50% to 6.0%.	2,840,000
$4,700,000 Series 1999 due in annual principal installments ranging from $50,000 to $370,000 through February 2019. Interest rate is variable from 3.75% to 5.00%.	3,415,000
Total Water and Sewer Certificates of Obligation	$ 40,130,000
Solid Waste Certificates of Obligation	
$1,160,000 Series 2007 due in annual principal installments ranging from $130,000 to $190,000 through February 15, 2014. Interest rate is variable from 4.00% to 4.50%.	$ 1,160,000
$495,000 Series 2006 due in annual principal installments ranging from $155,000 to $175,000 through February 15, 2009. Interest rate is 5.00%.	340,000

$710,000 Series 2005 due in annual principal installments ranging from $225,000 to $245,000 through February 15, 2008. Interest rate is 3.00.	$ 245,000
$470,000 Series 2004 due in annual principal installments ranging from $80,000 to $105,000 through February 15, 2009. Interest rate is variable from 3.00% to 4.00%.	205,000
$750,000 Series 2000 due in annual principal installments ranging from $5,000 to $65,000 through February 15, 2020. Interest rate is variable from 4.50% to 6.00%.	590,000
Total Solid Waste Certificates of Obligation	2,540,000
Golf General Obligation Refunding and Improvement Bonds	
$225,000 General Obligation Refunding and Improvement Bonds, Series 2005 due in annual principal payments ranging from $20,000 to $30,000 through February 15, 2017. Interest rate is variable from 3.00% to 5.25%.	225,000
Golf Certificates of Obligation	
$6,300,000 Series 2001 due in annual principal installments ranging from $35,000 to $605,000 through February 2021. Interest rate is variable from 4.25% to 5.0%.	5,940,000
Total Certificates of Obligation	5,940,000
Add: Unamortized premium	86,610
Less: Deferred Loss on Refunding	(21,673)
Less: Unamortized discount	(120,769)
Total business-type Revenue Bonds, General Obligation Refunding Bonds and Certificates of Obligation Payable at September 30, 2007	$ 50,541,781

Waterworks and Sewer System revenue bonds constitute special obligations of the City secured by a lien on and pledge of the net revenues of the water and sewer system. The bonds are collateralized by revenue of the water and sewer system and the Debt Service Sinking and Reserve Funds that were established by bond ordinances. $1.5 million of bonds were issued in March 1998 and are payable through July 2017. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. The ordinances also contain certain provisions which require the City to maintain pledged revenues, as defined in the ordinances, for each year of at least 1.10 times the maximum annual debt service requirements. The ordinances also contain provisions which, among other items, restrict the issuance of additional revenue bonds unless special reserve requirements are met and the pledged revenues are equal to or greater than 1.25 times the average annual debt service requirements after giving effect to the issuance of additional bonds. For fiscal year 2006-2007, the revenue bond coverage was met. Annual principal and interest payments are expected to require less than one percent of net revenues, based on the current year's net revenues. Total principal and interest remaining to be paid on the bonds is $1,196,949. Principal and interest paid and total customer net revenues for the current year were $113,013 and $1,634,971, respectively.

Debt Service Requirements

Debt service requirements at September 30, 2007 for General Obligation Bonds, Certificates of Obligation, and Revenue Bonds were as follows:

Year Ending	Governmental Activities		Business-type Activities	
September 30	Principal	Interest	Principal	Interest
2008	$ 11,310,961	$ 9,988,614	$ 2,864,039	$ 2,322,907
2009	11,295,435	9,393,491	2,834,565	2,117,938
2010	11,392,042	8,853,533	2,677,958	2,000,905
2011	11,649,731	8,326,335	2,835,269	1,881,485
2012	11,758,703	7,810,868	3,036,297	1,755,650
2013-2017	61,600,514	30,110,447	15,929,485	6,672,863
2018-2022	58,870,000	13,470,391	15,590,000	2,793,253
2023-2027	26,115,000	2,451,146	4,830,000	426,921
Totals	$ 203,992,386	$ 90,404,825	$ 50,597,613	$ 19,971,922

General Obligation Refunding Bonds

As part of the City's debt management practices, the City defeases certain general obligation bonds and certificates of obligation by placing the proceeds of new bonds in an irrevocable trust for all future debt service payments on the old bonds. Accordingly, the related trust assets and liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2007, there was $36,800,000 of defeased bonds outstanding.

Proceeds of General Obligation Bonds are recorded in the Capital Fund and are restricted to the use for which they were approved in the bond elections. The City Charter expressly prohibits the use of bond proceeds to fund operating expenditures.

Certificates of Obligation

On April 15, 2007, the City issued $9,380,000 of Combination Tax and Revenue Certificates of Obligation, Series 2007 with a net interest cost of 4.24 percent. The Water and Sewer fund issued $5,000,000 in Certificates, the Solid Waste fund issued $1,160,000 in Certificates, and $3,220,000 in Certificates were issued for the benefit of the Capital Fund. Proceeds from the sale of the Certificates, net of issuance costs of approximately $84,000, will be used for the purchase of vehicles and equipment for various departments, and improving and extending the water and sewer system.

Compensated Absences, Workers' Compensation, and Arbitrage Rebate Liability

Governmental-type activities record liabilities for compensated absences, workers' compensation claims, and arbitrage rebate liability at the government-wide statement level. Generally, the liabilities for compensated absences and workers' compensation are paid from the General Fund. Arbitrage rebate liabilities are generally paid from the Capital Fund. Liabilities for the Business-type activities are recorded and liquidated in the fund that incurs the liability.

I. Capital Leases and Other Contractual Obligations

The following is a summary of capital leases and other contractual obligation transactions of the City for the fiscal year ended September 30, 2007:

	Governmental Activities						Business-type Activities Water and Sewer
	Computer Hardware	Police Academy	LoanSTAR	Routh Creek Pkwy	RISD Fiber Optic	Total	Computer Hardware
Balance at October 1, 2006	$ 325,431	$1,527,660	$ 447,876	$ -	$1,976,441	$4,2774,08	$ 48,503
Additions/ Adjustments	690,737	500,000	-	400,694	-	1,591,431	121,895
Payments	(270,892)	(133,32)	(52,131)	-	-	(456,155)	(27,943)
Balance at September 30, 2007	$ 745,276	$1,894,528	$ 395,745	$ 400,694	$1,976,441	$5,412,684	$ 142,455

Notes Payable

At September 30, 2007, the City's outstanding notes payable, which were used to finance computer hardware, consisted of the following:

$165,155 Carlyle Financial Services, Inc., five year note due in annual payments of $35,538 through October 2007. Interest rate is 3.72%	$ 34,264
$60,745 DeLage Landen, three year note due in annual payments of $21,862 through October 2008. Interest rate is 4.68%	$ 40,835
$813,632 Banc of America, three year note due in annual payments of $291,221 through October 2009. Interest rate is 3.71%	$ 812,632

The following is a schedule of future debt maturities related to the notes payable as of September 30, 2007:

Fiscal Year Ending	Governmental Activities		Business-type Activities		
September 30	Principal	Interest	Principal	Interest	Total
2008	$255,565	$28,048	$ 59,721	$5,285	$348,619
2009	251,029	18,370	40,614	3,070	313,083
2010	238,682	8,855	42,120	1,563	291,220
Totals	$745,276	$55,273	$142,455	$9,918	$952,922

Other Contractual Obligations

During fiscal year 1990-1991, the City entered into an agreement with the cities of Plano and Garland to develop a police academy to be used as a joint training facility. In 2004, the City of Garland withdrew from the agreement, and a new contract was created between the City of Richardson and the City of Plano. The City's share of additional costs related to the new contract was $607,594. During fiscal year 2007, the City of Plano issued $1,000,000 in debt to provide additional upgrades and repairs to this facility. The City's share for these upgrades and repairs is $500,000.

The following is a schedule of future debt maturities relating to these contractual obligations as of September 30, 2007:

Fiscal Year Ending September 30	Principal	Interest	Total
2008	$ 164,464	$ 139,915	$ 304,379
2009	158,691	79,733	238,424
2010	176,406	70,149	246,555
2011	83,198	59,329	142,527
2012	94,340	56,258	150,598
2013-2017	544,811	216,847	761,658
2018-2022	571,269	93,829	665,098
2023-2025	101,349	6,599	107,948
Totals	$ 1,894,528	$ 722,659	$ 2,617,187

The City agreed to participate with Richardson Independent School District ("RISD") to install fiber optic communication lines throughout the City's network. The network was completed in fiscal year 2004 and the City's share of the installation costs was $1,976,441. Under the terms of the installation agreement, the City will reimburse RISD in fiscal year 2009 for these costs.

During fiscal year 2001-2002, the City entered into an agreement with the State of Texas Energy Conservation Office in which the City borrowed money from the State as part of its LoanSTAR Revolving Loan Program. Proceeds of the loan were used to make improvements to the energy use efficiency of several of the City's public facilities. The projects were completed in fiscal year 2004 for a total cost of $559,627. The following is a schedule of the payments required under the loan agreement as of September 30, 2007:

Fiscal Year Ending September 30	Principal	Interest	Total
2008	$ 53,712	$ 11,272	$ 64,984
2009	55,342	9,642	64,984
2010	57,021	7,963	64,984
2011	58,751	6,223	64,974
2012	60,533	4,440	64,973
2013-2014	110,386	3,357	113,743
Totals	$ 395,745	$ 42,897	$ 438,642

In December, 2006, the City entered into an interlocal agreement with Collin County for the paving and drainage improvements to Routh Creek Parkway. The total for the design and construction is estimated to be $8,200,000. The County has agreed to fund 100% of the total cost up to this estimated amount. The City will reimburse the County 50% of the total project cost up to $4,100,000 and will be responsible for all costs in excess of the $8,200,000 estimate. The City is required to reimburse the County in full by January 1, 2013. Interest will begin accruing on the unpaid balance on January 1, 2008.

IV. OTHER INFORMATION

A. Risk Management

The City maintains a self-insured program for workers' compensation. The City utilizes TRISTAR Risk Management, as the third party administrator for this program. During fiscal year 2006-2007, a total of $77,001 was paid in administrative costs that were recorded as an expenditure/expense in the General Fund and Proprietary Funds. In addition, claims and benefits paid in the amounts of $324,879 and $271,952 have been recorded as expenditures/expenses in the General Fund and the Proprietary Funds, respectively.

The City also maintains a self-insured medical program known as "CORPlan" which is accounted for as an Internal Service Fund. This program provides employee health benefit coverage up to a maximum of $1,000,000 per employee in their lifetime and a maximum of $100,000 per employee per year. The City purchases commercial insurance for claims in excess of the $100,000 coverage mentioned above for each employee. In fiscal year 2006-2007, the City received refunds from the commercial insurance carrier in the amount of approximately $138,944. There were no settlements exceeding insurance coverage in each of the last three years.

All funds of the City participate in the program and make payments to the Insurance and Flexible Spending Plan Internal Service Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. Accounting standards require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The City's consultant estimated the liability to be $500,000 for unpaid claims and claim adjustment expenses at September 30, 2007. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable and material, salvage and subrogation. The City currently does not discount its unpaid claims liabilities.

Reconciliation of Unpaid Claims Liabilities

	2007	2006
Incurred claims and claim adjustment expenses-		
Unpaid claims and claim adjustment expenses at beginning of year	$ 800,000	$ 800,000
Incurred claims and claim adjustment expenses-		
Provision for insured events of the current year	7,419,000	6,818,000
Decrease in prior year provision	(478,000)	(462,000)
Total incurred claims and claim adjustment expenses	7,741,000	7,156,000
Payments-		
Claims and claim adjustment expenses attributable to insured events of the current year	6,919,000	6,018,000
Claims and claim adjustment expenses attributable to insured events of prior years	322,000	338,000
Total payments	7,241,000	6,356,000
Total unpaid claims and claim adjustment expenses at end of year	$ 500,000	$ 800,000

B. Interfund Charges

The City allocates a percentage of the salaries and wages and related costs of personnel who perform general and administrative services for construction and enterprise activities but are paid from the General Fund. During the year ended September 30, 2007, the City allocated $6,643,199 for such services. Certain other services related to repairs and maintenance performed by the Internal Service Fund are billed to the appropriate funds and departments at the time the service is performed.

C. Contingent Liabilities

Litigation

Various claims and lawsuits are pending against the City. In the opinion of City management and the City's attorneys, the potential loss on all claims and lawsuits will not be significant to the City's financial statements.

Grant Audit

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state agencies for expenditures disallowed under the terms and conditions of the grant agreements of the appropriate agency. In the opinion of the City management, such disallowance, if any, will not be significant to the City's financial statements.

D. Other Post Employment Benefits

Retiree Benefits

In addition to the pension benefits described in Note IV. E, the City provides post employment health care benefits, in accordance with City policy, to all employees who retire from the City on or after attaining age 60 with five or more years of service, and also to those employees with 25 or more years of service regardless of age. Currently, 199 retirees meet those eligibility requirements. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. For fiscal year 2006-2007, the City's contribution for retiree health care insurance coverage totaled approximately $795,200.

COBRA Benefits

Under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), the City makes health care benefits available to eligible former employees and eligible dependents. The federal government outlines certain requirements for this coverage. The premium plus a two percent administration fee is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for 18 months after the employee's termination date. The City makes no contribution under this program**.** There were four participants in the program as of September 30, 2007.

E. Pension Plan

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined-benefit plan in the statewide Texas Municipal Retirement System ("TMRS"), one of 821 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the 821 municipalities have an annual, individual actuarial valuation performed. All assumptions for the December 31, 2006, valuations are contained in the 2006 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to TMRS, P. O. Box 149153, Austin, Texas 78714-9153.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant as often as annually, another type of monetary credit referred to as an updated service credit. This is a theoretical amount, which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if (1) the current employee contribution rate and City matching percent had always been in existence, and (2) if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with five or more years of service or with 25 years of service regardless of age. A member is vested after five years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contributions

The contribution rate for each employee is 7% of his/her annual covered salary, and the City matching ratio is currently 2 to 1, as adopted by the City. Under the State law governing TMRS, the actuary annually determines the City's contribution rate. This rate consists of the normal cost contribution and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligations of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e., December 31, 2006, valuation is effective for rates beginning January 2008).

Change in Actuarial Method and Plan Assumptions

In early 2007, TMRS informed each of the member cities that the current actuarial assumptions did not take into account updated services credits or cost of living increases which are granted to retirees. These benefits, which the City adopted on an annually repeating basis beginning in 1992, have been historically funded on a pay-as-you-go basis. This has led to regular increases in member cities' rates and a decrease in the overall funding of the retirement system. TMRS announced that it intended to study the impact of these benefit components and make potential changes in the way benefits are being funded.

After careful deliberation, the TMRS board approved several changes at its November and December meetings to the actuarial methods and plan assumptions. The board changed the actuarial method from unit credit to projected unit credit. Projected unit credit will allow the actuaries to consider the future financial impact of updated service credits and cost of living increases, and these benefits will begin to be pre-funded instead of funded on a pay-as-you-go-basis. To mitigate the impact of this change, the board approved an eight year transition period. During this time, cities will be able to phase in the higher contribution rates instead of being required to fund these new rates immediately. Also, the board changed the amortization period from a 25-year open period to a 30-year closed period. Under a closed amortization period, contribution rates are higher, but a greater percentage of the unfunded balance is paid off each year. Finally, the board approved changes to the investment policy. TMRS has historically invested solely in fixed income investments. The board authorized the selection of an investment advisor to begin shifting a portion of investments into equity securities as a way to diversify the portfolio's holdings and earn higher returns than could be obtained with fixed income investments.

TMRS will inform member cities of the financial impact of these changes in 2008 after completing its annual actuarial study of the plan. The City expects that its contribution rate and unfunded liability will increase accordingly under the new methodology and is developing a budgetary response to the passed implementation. All TMRS data contained in this report is based on the previous actuarial assumptions which did not take into account any of the recent changes.

Schedule of Actuarial Liabilities and Funding Progress

Actuarial Cost Method	Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years - Open Period
Asset Valuation Method	Amortized Cost
Investment Rate of Return	7%
Projected Salary Increases	None
Inflation Rate	3.50%
Cost-of-Living-Adjustments	None

Annual Pension Cost:

	2007	2006	2005
Annual required contribution ("ARC")	$ 8,375,040	$ 7,841,416	$ 7,473,986
Interest on Net Pension Obligation ("NPO")	-	-	-
Adjustment to the ARC	-	-	-
Annual pension Cost	8,375,040	7,841,416	7,473,986
Contributions Made	(8,375,040)	(7,841,416)	(7,473,986)
Increase in NPO	-	-	-
NPO at the end of the period	$ -	$ -	$ -
Percentage of APC Contribution	100%	100%	100%

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RICHARDSON, TEXAS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts					
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES:						
General Property Taxes	$ 34,235,365	$ 33,720,624	$ 33,292,079	$ -	$ 33,292,079	$ (428,545)
Street Rental Use	11,732,023	11,374,061	11,231,294	-	11,231,294	(142,767)
Sales Tax	22,264,825	23,340,560	23,645,524	-	23,645,524	304,964
Mixed Beverage and Bingo Tax	358,478	362,269	371,624	-	371,624	9,355
911 Revenue	956,160	861,589	937,973	-	937,973	76,384
Intergovernmental Revenue	-	-	16,464	-	16,464	16,464
Licenses and Permits	1,168,047	1,911,994	1,865,356	-	1,865,356	(46,638)
Fines and Forfeitures	3,824,133	3,383,382	3,379,596	(20,000)	3,359,596	(23,786)
Interest Revenue	1,141,307	1,148,303	1,171,278	-	1,171,278	22,975
Civic Center Use	237,350	265,908	286,255	-	286,255	20,347
Recreation and Leisure	2,750,488	2,737,479	2,796,250	-	2,796,250	58,771
Rents	-	-	12,000	-	12,000	12,000
Public Safety	1,405,173	1,467,957	1,548,735	-	1,548,735	80,778
Other Revenue	1,061,153	1,136,469	790,061	-	790,061	(346,408)
General Administration	7,195,327	7,193,199	6,643,199	-	6,643,199	(550,000)
Total Revenues	88,329,829	88,903,794	87,987,688	(20,000)	87,967,688	(936,106)
EXPENDITURES:						
Current-						
General Government	23,274,194	23,366,690	22,715,337	171,136	22,886,473	480,217
Public Safety	34,489,594	34,539,173	33,935,720	(9,560)	33,926,160	613,013
Public Services	13,961,192	13,673,101	13,038,927	(16,085)	13,022,842	650,259
Library	2,934,245	2,850,218	2,785,056	3,907	2,788,963	61,255
Parks & Recreation	10,967,712	10,737,215	10,452,266	34,644	10,486,910	250,305
Public Health	1,320,747	1,312,422	1,289,738	(5,341)	1,284,397	28,025
Capital Outlay	-	281,733	185,820	4,401	190,221	91,512
Debt Service-						
Interest and Fiscal Charges	-	-	9,798	(9,798)	-	-
Payments for Other Obligations	-	-	252,263	(252,263)	-	-
Total Expenditures	86,947,684	86,760,552	84,664,925	(78,959)	84,585,966	2,174,586
EXCESS OF REVENUES OVER EXPENDITURES	1,382,145	- 2,143,242	3,322,763	58,959	78,959 3,381,722	1,238,480
OTHER FINANCING SOURCES (USES):						
Transfers In	-	-	556,286	-	556,286	556,286
Transfers Out	(933,487)	(1,933,487)	(3,733,487)	-	(3,733,487)	(1,800,000)
Insurance Recoveries	-	-	81,866	-	81,866	81,866
Sale of Capital Assets	-	-	141,128	-	141,128	141,128
Total Other Financing Sources (Uses)	(933,487)	(1,933,487)	(2,954,207)	-	(2,954,207)	(1,020,720)
NET CHANGE IN FUND BALANCE	448,658	209,755	368,556	58,959	427,515	217,760
FUND BALANCES, October 1	13,998,508	14,782,731	15,142,728	-	15,142,728	(359,997)
FUND BALANCES, September 30	$ 14,447,166	$ 14,992,486	$ 15,511,284	$ 58,959	$ 15,570,243	$ (142,237)

See accompanying independent auditors' report.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

As set forth in the City Charter, the City Council adopts annual budgets for the General Fund, the Debt Service Fund, the Hotel/Motel Tax Special Revenue Fund and the Enterprise Funds. It does not adopt budgets for capital projects funds nor for the remainder of the special revenue funds. The annual budgets for the General Fund, Debt Service Fund, and the Hotel/Motel Tax Special Revenue Fund are prepared in accordance with the basis of accounting utilized by each fund. The budgets for the Enterprise Funds are prepared under a basis consistent with accounting principles generally accepted in the United States, except that depreciation, certain capital expenses, nonoperating income and certain nonoperating expense items are not considered. The legal level of control for each budget is at the fund level, that is to say that total expenditures for each fund should not exceed total budgeted expenditures for that fund. The City Council is authorized to transfer budgeted amounts within and among departments and ratifies, through the Budget Ordinance, any transfers and/or amendments made by the City Manager. Subsequent to year-end, the Budget Department provides the City Council with updated reports that shows additional expenditures/expenses and compares unaudited actual results with the adopted budgets. The Golf, Solid Waste, and Water and Sewer Funds include amounts for operations and debt service.

Fund	Original Budget	Amended Budget
General	$ 87,881,171	$ 88,694,039
Debt Service	21,408,810	21,408,810
Hotel/Motel Tax	4,834,472	4,908,684
Water and Sewer	33,611,179	34,179,819
Solid Waste Services	9,118,003	8,640,661
Golf	2,085,001	1,912,025

B. Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Basis of Budgeting

Excess of revenues and other sources over expenditures and other uses-GAAP basis	$ 368,556
Beginning of year adjustment for encumbrances not recognized as expenditures	470,915
End of year adjustment for encumbrances not recognized as expenditures	(391,956)
Reduction of fines and forfeitures recognized for GAAP basis	(20,000)
Excess of revenues and other sources over expenditures and other uses-budget basis	$ 427,515

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RICHARDSON, TEXAS

SCHEDULE OF TMRS FUNDING PROGRESS
LAST THREE FISCAL YEARS

	(a)	(b)	(c)	(d)	(e)	
Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (a)/(b)	Unfunded AAL (UAAL) (b)-(a)	Annual Covered Payroll (1)	UAAL as a Percentage of Covered Payroll (d)/(e) (1)
2004	$ 148,147,355	$ 192,413,147	76.99	$ 44,265,792	$ 47,057,479	94.07
2005	155,476,548	203,726,194	76.32	48,249,646	50,060,682	96.38
2006	166,224,131	219,709,038	75.66	53,484,907	52,078,971	102.70

(1) Covered annual payroll and UAAL as a percentage of covered payroll are based on the fiscal year. The rest of the information is provided by TMRS on a calendar year basis.

See accompanying independent auditors' report.

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Combining Financial Statements

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used by the City to account for revenues derived from specific intergovernmental grants, taxes, and proceeds that are designated to finance particular functions or activities of the City. The City has the following special revenue funds:

Special Police Funds - These funds are used to account for restricted proceeds received from seizures and confiscations awarded to the City by the judicial system. Funds are to be utilized by the Chief of Police in accordance with State Law.

State Grant Funds – This fund is used to account for restricted proceeds received from the state for various purposes. Funds are to be utilized in accordance with the respective requirements of each program.

Federal Grant Funds - These funds are used to account for restricted proceeds received from federal agencies for various purposes. Funds are to be utilized in accordance with the respective requirements of each program.

Municipal Court Building Security Fund - This fund is used to account for restricted proceeds received from Municipal Court fines for security expenditures as specified by State law.

Library Fund - This fund is used to account for donations received from citizens for library activities.

Traffic Safety Fund – This fund is used to account for restricted revenues generated by the City's red light camera enforcement program. Funds are to be utilized for automated signal enforcement, public traffic or pedestrian safety programs, and traffic enforcement and intersection improvements.

Wireless 911 Fund - This fund is used to account for the wireless 911 revenue that is received from the State. Funds are to be spent in accordance with State law.

Judicial Efficiency Fund – This fund is used to account for special revenue to be used to improve the efficiency of the administration of justice in the City.

Hotel/Motel Tax Fund - This fund is used to account for the hotel-motel room tax and the operations of the Eisemann Center for the Performing Arts and Corporate Presentations. State law requires that hotel-motel room tax revenues be utilized for advertising and promotion of the City and other specified activities.

Technology Fund - This fund is used to account for the Municipal Court technology fee charged to defendants convicted of misdemeanor offenses.

Richardson Improvement Corporation – The Richardson Improvement Corporation is a legally separate entity that acts, in essence, as a department of the City. The Corporation provides certain parks and recreation functions for the City and the City provides a majority of the Corporation's support.

BUDGET TO ACTUAL COMPARISONS

These schedules present the budget to actual comparisons for funds with legally adopted budgets that have not been presented as part of the Required Supplementary Information. Each comparison schedule shows the original budget amounts, the final adopted budget amounts, and the actual financial results as presented in the financial statements. A column is provided to show unusual items or items that are recorded for GAAP purposes which would not be considered for budgetary purposes. In addition, the variance between the final adopted budget amounts and the actual amounts on a budget basis is presented.

CITY OF RICHARDSON, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
September 30, 2007
(continued on following page)

	Special Revenue Funds					
	Special Police Funds	State Grant Funds	Federal Grant Funds	Municipal Ct. Bldg. Security Fund	Library Fund	Traffic Safety Fund
Assets:						
Cash and Investments	$ 538,619	$ 37,377	$ -	$ 14,751	$ 75,556	$ 459,443
Due From Other Funds	-	-	-	-	-	-
Intergovernmental Receivables	-	2,500	7,685	-	-	-
Hotel/Motel Tax Receivable	-	-	-	-	-	-
Interest Receivable	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	107,232
Prepaid Items	-	-	-	-	-	-
Total Assets	$ 538,619	$ 39,877	$ 7,685	$ 14,751	$ 75,556	$ 566,675
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	$ 56	$ 8,794	$ 6,565	$ -	$ 313	$ 20,945
Accrued Liabilities	-	-	1,120	267	-	142
Escrow	56,682	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	-	5,800	-	-	-	73,750
Total Liabilities	56,738	14,594	7,685	267	313	94,837
Fund Balances:						
Reserved for Encumbrances	14,712	16,120	-	-	15,305	24,495
Reserved for Prepaid Items	-	-	-	-	-	-
Unreserved- Undesignated	467,169	9,163	-	14,484	59,938	447,343
Total Fund Balances	481,881	25,283	-	14,484	75,243	471,838
Total Liabilities and Fund Balances	$ 538,619	$ 39,877	$ 7,685	$ 14,751	$ 75,556	$ 566,675

CITY OF RICHARDSON, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
September 30, 2007
(continuation)

	Special Revenue Funds					
	Wireless 911 Fund	Judicial Efficiency Fund	Hotel/Motel Tax Fund	Technology Fund	Richardson Improvement Corporation	Total
Assets:						
Cash and Investments	$ 99,419	$ 57,610	$ 1,190,819	$ 856,670	$ 11,362	$ 3,341,626
Due From Other Funds	-	-	-	-	10,000	10,000
Intergovernmental Receivables	-	-	-	-	-	10,185
Hotel/Motel Tax Receivable	-	-	471,076	-	-	471,076
Interest Receivable	-	-	1,695	-	-	1,695
Trade Receivables	-	-	33,253	-	-	140,485
Prepaid Items	-	-	18,500	-	2,527	21,027
Total Assets	$ 99,419	$ 57,610	$ 1,715,343	$ 856,670	23,889	$ 3,996,094
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	$ -	$ 24	$ 236,039	$ 7,957	$ 7,396	$ 288,089
Accrued Liabilities	-	-	36,537	133	-	38,199
Escrow	-	-	-	-	-	56,682
Due to Other Funds	-	-	-	-	1,602	1,602
Deferred Revenue	-	-	278,060	-	-	357,610
Total Liabilities	-	24	550,636	8,090	8,998	742,182
Fund Balances:						
Reserved for Encumbrances	-	-	8,805	-	-	79,437
Reserved for Prepaid Items	-	-	18,500	-	2,527	21,027
Unreserved- Undesignated	99,419	57,586	1,137,402	848,580	12,364	3,153,448
Total Fund Balances	99,419	57,586	1,164,707	848,580	14,891	3,253,912
Total Liabilities and Fund Balances	$ 99,419	$ 57,610	$ 1,715,343	$ 856,670	$ 23,889	$ 3,996,094

CITY OF RICHARDSON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2007
(continued on next page)

	Special Revenue Funds					
	Special Police Funds	State Grant Funds	Federal Grant Funds	Municipal Ct. Bldg. Security Fund	Library Fund	Traffic Safety Fund
Revenues:						
Hotel/Motel Tax	$ -	$ -	$ -	$ -	$ -	$ -
Eisemann Center Revenue	-	-	-	-	-	-
911 Revenue	-	-	-	-	-	-
Intergovernmental Revenue	11,470	52,924	361,847	-	-	-
Fines and Forfeitures	325,770	-	-	82,856	7,017	674,887
Interest Revenue	23,903	1,935	12	136	3,729	21,940
Contributions	8,277	500	-	-	26,129	-
Other Revenue	2,733	-	-	-	16,746	-
Total Revenues	372,153	55,359	361,859	82,992	53,621	696,827
Expenditures:						
General Government	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Public Health	-	21,172	-	-	-	-
Public Safety	120,704	5,029	40,945	69,725	-	315,091
Library	-	10,274	-	-	27,711	-
General Adminstration	-	-	-	-	-	-
Capital Outlay	65,673	-	325,752	-	5,375	-
Total Expenditures	186,377	36,475	366,697	69,725	33,086	315,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	185,776	18,884	(4,838)	13,267	20,535	381,736
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(4,684)	-	-	-	(250,000)
Insurance Recoveries	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	28,773	-	-	-	-	-
Total Other Financing Sources (Uses)	28,773	(4,684)	-	-	-	(250,000)
Net Change in Fund Balances	214,549	14,200	(4,838)	13,267	20,535	131,736
Fund Balance, October 1	267,332	11,083	4,838	1,217	54,708	340,102
Fund Balance, September 30	$ 481,881	$ 25,283	$ -	$ 14,484	$ 75,243	$ 471,838

CITY OF RICHARDSON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2007
(continuation)

	Special Revenue Funds					
	Wireless 911 Fund	Judicial Efficiency Fund	Hotel/Motel Tax Fund	Technology Fund	Richardson Improvement Corporation	Total
Revenues:						
Hotel/Motel Tax	$ -	$ -	$ 3,167,929	$ -	$ -	$ 3,167,929
Eisemann Center Revenue	-	-	1,421,840	-	-	1,421,840
911 Revenue	378,439	-	-	-	-	378,439
Intergovernmental Revenue	-	-	-	-	-	426,241
Fines and Forfeitures	-	6,423	-	110,472	-	1,207,425
Interest Revenue	4,683	2,980	58,604	44,921	-	162,843
Contributions	-	-	-	-	-	34,906
Other Revenue	-	-	-	-	-	19,479
Total Revenues	383,122	9,403	4,648,373	155,393	-	6,819,102
Expenditures:						
General Government	-	5,106	3,503,998	71,538	-	3,580,642
Parks and Recreation	-	-	-	-	106,491	106,491
Public Health	-	-	-	-	-	21,172
Public Safety	37,079	-	-	-	-	588,573
Library	-	-	-	-	-	37,985
General Adminstration	-	-	291,000	-	-	291,000
Capital Outlay	-	-	-	13,288	10,000	420,088
Total Expenditures	37,079	5,106	3,794,998	84,826	116,491	5,045,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	346,043	4,297	853,375	70,567	(116,491)	1,773,151
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	132,597	132,597
Transfers out	(300,000)	-	(900,000)	-	(1,419,602)	(2,874,286)
Insurance Recoveries	-	-	-	5,011	-	5,011
Proceeds from Sale of Capital Assets	-	-	1,510	-	1,417,438	1,447,721
Total Other Financing Sources (Uses)	(300,000)	-	(898,490)	5,011	130,433	(1,288,957)
Net Change in Fund Balances	46,043	4,297	(45,115)	75,578	13,942	484,194
Fund Balance, October 1	53,376	53,289	1,209,822	773,002	949	2,769,718
Fund Balance, September 30	$ 99,419	$ 57,586	$ 1,164,707	$ 848,580	$ 14,891	$ 3,253,912

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CITY OF RICHARDSON, TEXAS
BUDGETARY COMPARISON SCHEDULE - HOTEL-MOTEL FUND
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts					
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES:						
Hotel/Motel Taxes	$ 3,012,916	$ 3,284,023	$ 3,167,929	$ 57,305	$ 3,225,234	$ (58,789)
Parking Fees	194,000	133,250	151,615	-	151,615	18,365
Eisemann Center Revenues	1,140,000	893,500	871,152	-	871,152	(22,348)
Eisemann Center Presents Revenues	662,550	426,331	399,073	-	399,073	(27,258)
Interest Income	53,736	54,233	58,604	-	58,604	4,371
Total Revenues	5,063,202	4,791,337	4,648,373	57,305	4,705,678	(85,659)
EXPENDITURES:						
General Government -						
Arts	275,000	275,000	275,000	-	275,000	-
Miscellaneous	10,000	10,200	7,710	-	7,710	2,490
Auditorium - Administration	2,364,412	2,402,242	2,311,597	-	2,311,597	90,645
Eisemann Center Presents	519,450	597,707	530,601	-	530,601	67,106
Parking Garage	474,610	432,535	379,090	-	379,090	53,445
Convention & Visitor Services	291,000	291,000	291,000	-	291,000	-
Total Expenditures	3,934,472	4,008,684	3,794,998	-	3,794,998	213,686
EXCESS OF REVENUES OVER EXPENDITURES	1,128,730	782,653	853,375	57,305	910,680	128,027
OTHER FINANCING SOURCES (USES):						
Transfers Out	(900,000)	(900,000)	(900,000)	-	(900,000)	-
Proceeds from Sale of Capital Assets	-	-	1,510	-	1,510	1,510
Total Other Financing Sources (Uses)	(900,000)	(900,000)	(898,490)	-	(898,490)	1,510
NET CHANGE IN FUND BALANCE	228,730	(117,347)	(45,115)	57,305	12,190	129,537
FUND BALANCES, October 1	852,190	847,271	1,209,822	(362,551)	847,271	-
FUND BALANCES, September 30	$ 1,080,920	$ 729,924	$ 1,164,707	$ (305,246)	$ 859,461	$ 129,537

CITY OF RICHARDSON, TEXAS
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts				
	Original	Final	Actual GAAP Basis	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES:					
General Property Taxes	$ 20,208,126	$ 20,208,126	$ 20,338,615	$ 20,338,615	$ 130,489
Interest Revenue	273,997	323,932	339,776	339,776	15,844
Other Revenue	-	-	8,916	8,916	8,916
Total Revenues	20,482,123	20,532,058	20,687,307	20,687,307	155,249
EXPENDITURES:					
Debt Service-					
Principal Retirement	10,426,331	10,426,331	10,241,068	10,241,068	185,263
Interest and Fiscal Charges	10,946,186	10,946,186	10,478,681	10,478,681	467,505
Payments for Other Obligations	36,293	36,293	203,892	203,892	(167,599)
Issuance Costs	-	-	-	-	-
Total Expenditures	21,408,810	21,408,810	20,923,641	20,923,641	485,169
EXCESS OF EXPENDITURES OVER REVENUES	(926,687)	(876,752)	(236,334)	(236,334)	640,418
OTHER FINANCING SOURCES (USES):					
Transfers In	900,000	900,000	900,000	900,000	-
Total Other Financing Sources (Uses)	900,000	900,000	900,000	900,000	-
NET CHANGE IN FUND BALANCE	(26,687)	23,248	663,666	663,666	640,418
FUND BALANCES, October 1	1,823,947	1,896,813	1,452,461	1,452,461	(444,352)
FUND BALANCES, September 30	$ 1,797,260	$ 1,920,061	$ 2,116,127	$ 2,116,127	$ 196,066

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by certain departments to other departments within the City. The City uses two internal service funds:

Central Services Fund - This fund is used to account for warehouse, mail, and records management operations of the City on a cost-reimbursement basis.

Insurance and Flexible Spending Fund - This fund is used to account for the health insurance program provided by the City to its employees and to their dependents on a subsidized cost basis. Additionally, employee contributions to the flexible benefits plan and related expenditures are accounted for within this fund.

CITY OF RICHARDSON, TEXAS
COMBINING STATEMENT OF NET ASSETS - ALL INTERNAL SERVICE FUNDS
September 30, 2007

Assets:	Central Services Fund	Insurance and Flexible Spending Fund	Total
Current Assets			
Cash and Investments	$ 184,223	$ 3,447,191	$ 3,631,414
Accounts Receivable	-	28,082	28,082
Inventory of Supplies, at cost	171,095	-	171,095
Total Current Assets	355,318	3,475,273	3,830,591
Capital Assets:			
Land	56,011	-	56,011
Buildings	259,991	-	259,991
Improvements	23,023	-	23,023
Vehicles, Machinery, and Equipment	284,204	-	284,204
Total Capital Assets	623,229	-	623,229
Less: Accumulated Depreciation	(554,365)	-	(554,365)
Total Capital Assets, net of accumulated depreciation	68,864	-	68,864
Total Assets	$ 424,182	$ 3,475,273	$ 3,899,455
Liabilities:			
Current Liabilities			
Accounts Payable	$ 164,662	$ 33,298	$ 197,960
Accrued Liabilities	-	203,194	203,194
Compensated Absences	6,800	2,901	9,701
Unpaid Claims Liabilities	-	500,000	500,000
Total Current Liabilities	171,462	739,393	910,855
Noncurrent Liabilities			
Compensated Absences	45,509	19,417	64,926
Total Noncurrent Liabilities	45,509	19,417	64,926
Total Liabilities	216,971	758,810	975,781
Net Assets:			
Invested in capital assets, net of related debt	68,864	-	68,864
Unrestricted	138,347	2,716,463	2,854,810
Total Net Assets	$ 207,211	$ 2,716,463	$ 2,923,674

CITY OF RICHARDSON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - ALL INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2007

	Central Services Fund	Insurance and Flexible Spending Fund	Total
Operating Revenues			
Charges for Services	$ 455,559	$ -	$ 455,559
City and Employee Contributions	-	8,712,298	8,712,298
Intergovernmental Revenue	-	40,554	40,554
Miscellaneous	3,600	2,294	5,894
Total Operating Revenues	459,159	8,755,146	9,214,305
Operating Expenses			
Personal Services	320,238	187,055	507,293
Premiums	-	595,740	595,740
Professional and Technical Services	3,015	558,740	561,755
Property Services	86,905	-	86,905
Other Purchased Services	68	104,992	105,060
Insurance Claims	-	7,419,350	7,419,350
Supplies	21,156	3,831	24,987
Depreciation	5,800	-	5,800
Total Operating Expenses	437,182	8,869,708	9,306,890
Operating Income (Loss)	21,977	(114,562)	(92,585)
Nonoperating Revenues			
Interest Revenue	1,384	171,529	172,913
Gain on Sale of Fixed Assets	4,748	-	4,748
Total Nonoperating Revenues	6,132	171,529	177,661
Change in net assets	28,109	56,967	85,076
Net Assets, October 1	179,102	2,659,496	2,838,598
Net Assets, September 30	$ 207,211	$ 2,716,463	$ 2,923,674

CITY OF RICHARDSON, TEXAS
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2007

	Central Services Fund	Insurance and Flexible Spending Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Service Users	$ 455,559	$ -	$ 455,559
Cash Received from City, Employee, and Other Contributions	-	8,755,145	8,755,145
Cash Payments for Goods and Services	(110,846)	-	(110,846)
Cash Payments for Premiums and Other Operating Expenses	-	(1,273,888)	(1,273,888)
Cash Payments to Employees	(334,057)	(185,236)	(519,293)
Cash Payments for Claims	-	(7,743,842)	(7,743,842)
Net Cash Provided by (Used for) Operating Activities	10,656	(447,821)	(437,165)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Due to Bank Depository	144,738	1,768	146,506
Net Cash Provided by Non-Capital Financing Activities	144,738	1,768	146,506
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from Sale of Capital Assets	4,748	-	4,748
Net Cash Used For Capital and Related Financing Activities	4,748	-	4,748
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investment Securities	-	(1,912,835)	(1,912,835)
Proceeds from Sale and Maturities of Investments	-	1,176,074	1,176,074
Interest Received on Investments	1,384	102,865	104,249
Net Cash Provided by (Used for) Investing Activities	1,384	(633,896)	(632,512)
Net Increase (Decrease) in Cash and Cash Equivalents	161,526	(1,079,949)	(918,423)
Cash and Cash Equivalents, October 1	22,697	2,542,340	2,565,037
Cash and Cash Equivalents, September 30	$ 184,223	$ 1,462,391	$ 1,646,614
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$ 21,977	$ (114,562)	$ (92,585)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities-			
Depreciation	5,800	-	5,800
Changes in Assets and Liabilities-			
Increase in Inventory of Supplies, at cost	(640)	-	(640)
Decrease in Other Receivables	-	(28,081)	(28,081)
Decrease in Accounts Payable	(2,773)	(10,583)	(13,356)
Increase in Accrued Liabilites	-	3,784	3,784
Increase (Decrease) in Compensated Absences	(13,708)	1,621	(12,087)
Decrease in Unpaid Claims Liability	-	(300,000)	(300,000)
Total Adjustments	(11,321)	(333,259)	(344,580)
Net Cash Provided by (Used for) Operating Activities	$ 10,656	$ (447,821)	$ (437,165)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets			
Total Cash and Investments per the Statement of Net Assets	$ 184,223	$ 3,447,191	$ 3,631,414
Less: Investments not Meeting the Definition of Cash Equivalents	-	(1,984,800)	(1,984,800)
Cash and Cash Equivalents at September 30, 2007	$ 184,223	$ 1,462,391	$ 1,646,614

STATISTICAL SECTION

STATISTICAL SECTION

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	Pages
Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	77-83
Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	84-87
Debt Capacity – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	88-92
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	93,94
Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	95-97

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 for the year ending September 30, 2002. Schedules presenting government-wide information include information beginning in that year.

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CITY OF RICHARDSON, TEXAS *Table 1*

STATEMENT OF NET ASSETS BY COMPONENT (in Thousands)

Last Six Fiscal Years

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Governmental activities						
Invested in capital assets, net of related debt	$ 113,782	$ 115,163	$ 103,076	$ 107,132	$ 103,650	$ 101,178
Restricted	9,829	5,629	4,575	7,033	5,720	12,504
Unrestricted	6,320	7,956	16,140	10,514	21,045	26,098
Total governmental activities net assets	$ 129,931	$ 128,748	$ 123,791	$ 124,679	$ 130,415	$ 139,780
Business-type activities						
Invested in capital assets, net of related debt	$ 58,469	$ 62,561	$ 62,852	$ 60,072	$ 61,323	$ 62,163
Restricted	13,571	10,275	1,921	2,312	5,013	2,990
Unrestricted	5,501	3,934	12,727	14,320	18,578	16,018
Total business-type activities net assets	$ 77,541	$ 76,770	$ 77,500	$ 76,704	$ 84,914	$ 81,171
Primary government						
Invested in capital assets, net of related debt	$ 172,251	$ 177,724	$ 165,928	$ 167,204	$ 164,973	$ 163,341
Restricted	23,400	15,904	6,496	9,345	10,733	15,494
Unrestricted	11,821	11,890	28,867	24,834	39,623	42,116
Total primary government net assets	$ 207,472	$ 205,518	$ 201,291	$ 201,383	$ 215,329	$ 220,951

CITY OF RICHARDSON, TEXAS *Table 2*
CHANGES IN NET ASSETS (In thousands), LAST SIX FISCAL YEARS
(accrual basis of accounting)

Expenses	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Governmental activities:						
General Government	$ 16,195	$ 22,976	$ 22,253	$ 22,787	$ 24,339	$ 25,381
Public Safety	31,766	30,141	31,777	34,896	35,268	37,774
Public Services	20,761	19,534	19,961	19,257	19,117	20,210
Library	2,909	3,105	3,050	3,060	3,097	3,988
Parks and Recreation	9,501	10,377	10,412	10,936	11,765	12,576
Public Health	1,066	1,139	1,168	1,215	1,310	1,344
Interest and Fiscal Charges	8,623	8,332	7,491	7,519	8,088	10,116
Total governmental activities expenses	$ 90,821	$ 95,604	$ 96,112	$ 99,670	$ 102,984	$ 111,389
Business-type activities:						
Water and Sewer	$ 31,616	$ 32,849	$ 33,643	$ 35,487	$ 37,820	$ 40,918
Solid Waste	9,309	9,012	9,565	9,950	10,387	11,193
Golf	2,187	2,256	2,328	2,456	2,354	2,143
Total business-type activities expenses	43,112	44,117	45,536	47,893	50,561	54,254
Total primary government expenses	$ 133,933	$ 139,721	$ 141,648	$ 147,563	$ 153,545	$ 165,643
Program Revenues						
Governmental activities:						
Charges for services:						
General Government	$ 3,098	$ 3,290	$ 2,294	$ 2,231	$ 2,039	$ 2,138
Public Safety	7,533	7,030	6,500	7,086	7,149	7,313
Public Services	12,492	12,086	11,441	11,960	16,764	13,199
Library	131	137	128	145	149	170
Parks and Recreation	2,174	2,454	2,498	2,563	2,679	2,796
Public Health	190	178	197	186	189	196
Operating grants and contributions	28	99	519	1,221	731	576
Capital grants and contributions	11,936	4,620	2,443	1,245	3,766	5,810
Total governmental activities program revenues	$ 37,582	$ 29,894	$ 26,020	$ 26,637	$ 33,466	$ 32,198

CITY OF RICHARDSON, TEXAS
CHANGES IN NET ASSETS (In thousands), LAST SIX FISCAL YEARS
(accrual basis of accounting)

Table 2
(continued)

Business-type activities:						
Charges for services:						
Water and Sewer	$ 30,359	$ 30,720	$ 32,982	$ 33,921	$ 43,938	$ 34,645
Solid Waste	8,855	9,195	10,116	10,255	10,687	10,989
Golf	2,151	2,090	2,028	1,952	2,163	2,022
Capital grants and contributions	3,860	972	880	301	835	1,375
Total business-type activities program revenues	45,225	42,977	46,006	46,429	57,623	49,031
Total primary government program revenues	$ 82,807	$ 72,871	$ 72,026	$ 73,066	$ 91,089	$ 81,229
Net (Expense) Revenue						
Governmental Activities	$ (53,239)	$ (65,710)	$ (70,092)	$ (73,033)	$ (69,518)	$ (79,191)
Business-type Activities	2,113	(1,140)	470	(1,464)	7,062	(5,223)
Total Primary government net expense	$ (51,126)	$ (66,850)	$ (69,622)	$ (74,497)	$ (62,456)	$ (84,414)
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes						
Property Taxes	$ 39,535	$ 41,967	$ 40,723	$ 44,573	$ 46,550	$ 53,777
Sales Taxes	18,956	19,337	20,170	21,046	21,923	23,646
Other Taxes	2,588	2,554	2,925	2,832	3,302	3,540
Interest Earnings	1,423	669	1,317	1,698	3,370	6,260
Insurance and other Recoveries	-	-	-	2,500	-	173
Gain on sale of assets	-	-	-	1,272	109	1,160
Total Governmental Activities	$ 62,502	$ 64,527	$ 65,135	$ 73,921	$ 75,254	$ 88,556
Business-type Activities:						
Interest Earnings	$ 641	$ 318	$ 199	$ 425	$ 871	$ 1,317
Insurance and other Recoveries	-	-	-	194	-	30
Gain on sale of assets	4	51	61	49	277	133
Total Business-type Activities	645	369	260	668	1,148	1,480
Total Primary Government	$ 63,147	$ 64,896	$ 65,395	$ 74,589	$ 76,402	$ 90,036
Change in Net Assets						
Governmental Activities	$ 9,263	$ (1,183)	$ (4,957)	$ 888	$ 5,736	$ 9,365
Business-type Activities	2,758	(771)	730	(796)	8,210	(3,743)
Total Primary Government	$ 12,021	$ (1,954)	$ (4,227)	$ 92	$ 13,946	$ 5,622

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CITY OF RICHARDSON, TEXAS *Table 3*
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved for Other *	$ 714	$ 966	$ 805	$ 642	$ 637	$ 715	$ 771	$ 954	$ 935	$ 949
Unreserved	9,783	10,024	10,989	11,561	11,520	11,703	12,408	13,062	14,208	14,562
Total general fund	$ 10,497	$ 10,990	$ 11,794	$ 12,203	$ 12,157	$ 12,418	$ 13,179	$ 14,016	$ 15,143	$ 15,511
All Other Governmental Funds										
Reserved for:										
Capital Projects	$ -	$ -	$ 58,123	$ -	$ 4,025	$ 5,323	$ 4,187	$ 26,233	$ 72,217	$ 55,910
Debt Service	2,611	2,714	5,622	2,396	2,210	2,451	1,481	2,010	1,452	2,116
Other *	-	-	-	51	6,812	5,502	1,530	2,719	4,431	13,897
Unreserved, reported in:										
Special revenue funds	2,538	3,116	4,541	6,116	3,830	2,119	2,322	2,051	2,703	3,153
Capital funds	14,689	22,313	-	39,177	4,133	1,334	161	2,670	8,751	11,784
Total all other governmental funds	$ 19,838	$ 28,143	$ 68,286	$ 47,740	$ 21,010	$ 16,729	$ 9,681	$ 35,683	$ 89,554	$ 86,860

*Includes prepaid items, inventory and encumbrances

CITY OF RICHARDSON, TEXAS *Table 4*
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (in Thousands)
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
REVENUES:										
General Property Taxes	$ 27,992	$ 30,178	$ 32,873	$ 35,683	$ 39,625	$ 40,858	$ 41,694	$ 44,615	$ 46,493	$ 53,631
Street Rental Use	9,719	9,199	9,680	10,120	11,244	10,837	10,020	10,353	15,640	11,231
Sales Tax	20,611	22,631	24,995	23,473	18,956	19,337	20,170	21,046	21,923	23,646
Mixed Beverage and Bingo Tax	271	280	291	356	298	301	308	317	353	372
Hotel/Motel Taxes	2,428	2,454	2,778	2,844	2,290	2,254	2,617	2,515	2,949	3,168
911 Revenue	1,109	1,193	1,338	1,440	1,512	1,360	1,332	1,319	1,308	1,316
Intergovernmental Revenue	5,789	5,772	4,191	621	5,371	1,962	1,664	1,458	1,664	4,071
Licenses and Permits	2,096	1,368	1,545	1,612	1,403	1,613	1,426	1,563	1,161	1,865
Fines and Forfeitures	2,665	3,324	3,524	3,706	4,565	4,321	4,546	4,100	4,208	4,587
Interest Revenue	1,857	2,289	4,202	4,366	1,471	662	1,314	1,652	3,221	6,087
Civic Center Use	204	222	238	249	210	236	186	231	237	286
Eisemann Center Revenue (1)	-	-	-	-	348	933	1,207	1,520	1,571	1,422
Recreation and Leisure	2,228	2,433	2,378	2,799	2,149	2,454	2,490	2,563	2,679	2,796
Rents (2)	-	-	-	-	921	1,039	12	16	26	12
Public Safety (2)	-	-	-	-	997	1,311	1,334	1,263	1,480	1,549
Special Assessments	-	-	355	-	-	-	-	-	-	-
Contributions	3,907	6,523	6,552	7,368	7,109	2,222	897	951	2,743	2,150
Participation	102	10	56	493	271	237	39	53	152	164
Other Revenue	1,654	1,588	2,120	2,448	836	1,236	1,124	828	533	853
General Administration	4,293	5,131	4,856	5,503	5,369	5,156	5,589	5,602	5,738	6,643
Total Revenues	$ 86,925	$ 94,595	$ 101,972	$ 103,081	$ 104,945	$ 98,329	$ 97,969	$ 101,965	$ 114,079	$ 125,849
EXPENDITURES:										
General Government	$ 16,511	$ 17,427	$ 18,921	$ 20,079	$ 19,919	$ 24,012	$ 23,957	$ 24,248	$ 26,006	$ 27,960
Public Safety	23,999	25,779	27,157	28,840	29,048	28,021	29,699	32,909	33,002	35,186
Public Services	9,301	9,982	10,582	11,752	12,188	11,568	12,153	12,680	12,875	13,938
Library	2,098	2,147	2,309	2,397	2,511	2,690	2,487	2,533	2,568	3,393
Parks and Recreation	7,063	7,959	8,569	8,988	8,879	9,178	9,202	9,749	10,343	10,756
Public Health	866	959	1,000	1,032	1,043	1,100	1,156	1,202	1,245	1,311
General Administration	-	150	150	545	458	415	430	230	255	291
Capital Outlay	18,286	24,888	34,774	54,653	50,295	19,857	8,696	6,262	14,808	20,699
Debt Service-										
Principal Retirement	8,247	6,287	7,304	7,151	8,626	9,060	9,354	16,588	7,887	10,241
Interest and Fiscal Charges	3,754	6,613	7,156	11,470	11,150	8,150	7,841	7,094	7,849	10,489
Payments for Other Obligations	95	100	106	103	116	351	267	544	615	456
Advance Refunding Escrow	169	-	-	-	-	-	-	-	-	-
Issuance Costs	408	260	1,173	75	311	220	197	527	1,054	29
Total Expenditures	$ 90,797	$ 102,551	$ 119,201	$ 147,085	$ 144,544	$ 114,622	$ 105,439	$ 114,566	$ 118,507	$ 134,749
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (3,872)	$ (7,956)	$ (17,229)	$ (44,004)	$ (39,599)	$ (16,293)	$ (7,470)	$ (12,601)	$ (4,428)	$ (8,900)

CITY OF RICHARDSON, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (in Thousands)
Last Ten Fiscal Years

Table 4
(continued)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
OTHER FINANCING SOURCES (USES):										
Transfers In	$ 1,182	$ 3,351	$ 2,500	$ 1,607	$ 5,180	$ 5,066	$ 3,089	$ 20,840	$ 7,958	$ 6,740
Transfer Out	(1,578)	(3,351)	(3,657)	(1,643)	(5,180)	(5,066)	(3,089)	(20,840)	(7,958)	(6,740)
Issuance of Certificates of Obligation	1,985	6,285	50,870	12,135	7,524	4,600	-	2,790	2,640	3,220
Issuance of General Obligation Bonds	12,530	10,465	8,125	11,335	5,000	3,000	-	22,925	53,775	-
Issuance of Refunding Bonds	18,349	-	-	-	10,762	9,443	11,910	10,050	25,665	-
Issuance of Other Obligations	-	-	-	260	19	4,531	666	197	61	1,592
Premium on Bonds	-	-	-	-	-	50	-	2,604	3,016	-
Discount on Bonds	-	-	-	-	-	(25)	(31)	-	-	-
Payment to Refunded Bond Escrow Agent	(18,030)	-	-	-	(10,622)	(9,384)	(11,682)	(10,620)	(26,397)	-
Lease Payments							183	84		
Insurance and other Recoveries	-	-	-	-	-	-	-	2,500	-	173
Proceeds from Sale of Capital Assets	88	4	335	176	140	58	139	8,910	667	1,589
Total Other Financing Sources (Uses)	14,526	16,754	58,173	23,870	12,823	12,273	1,185	39,440	59,427	6,574
NET CHANGE IN FUND BALANCES	$ 10,654	$ 8,798	$ 40,944	$ (20,134)	$ (26,776)	$ (4,020)	$ (6,285)	$ 26,839	$ 54,999	$ (2,326)
Debt service as a percentage of noncapital expenditures	17.5%	17.1%	18.6%	20.3%	21.4%	18.8%	18.3%	22.9%	16.8%	18.6%

NOTES: (1) The Eisemann Center began operations in fiscal year 2002.
(2) Beginning in fiscal year 2002, rental and public safety revenues were subdivided from fines and forfeitures and other revenues.

CITY OF RICHARDSON, TEXAS *Table 5*

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended Sept. 30,	Residential Property	Commercial Property	Industrial Property	Less: Total Exemptions/ Reductions	Total Taxable Assessed Value	Total Direct Tax Rate
1998	$ 2,719,848,816	$ 3,564,786,325	$ 611,565,515	$ 638,851,845	$ 6,257,348,811	$ 0.44385
1999	$ 2,839,289,335	$ 3,785,429,309	$ 668,355,515	$ 590,024,311	$ 6,703,049,848	$ 0.44385
2000	$ 3,068,519,867	$ 4,219,348,735	$ 734,855,646	$ 683,107,485	$ 7,339,616,763	$ 0.44385
2001	$ 3,448,955,671	$ 4,536,408,166	$ 733,732,355	$ 785,663,173	$ 7,933,433,019	$ 0.44385
2002	$ 3,762,406,441	$ 5,076,809,116	$ 920,979,033	$ 952,271,488	$ 8,807,923,102	$ 0.44385
2003	$ 4,040,398,277	$ 5,224,623,208	$ 481,970,199	$ 932,459,341	$ 8,814,532,343	$ 0.47785
2004	$ 4,372,095,197	$ 4,767,451,627	$ 356,355,489	$ 1,037,448,296	$ 8,458,454,017	$ 0.47785
2005	$ 4,508,605,908	$ 4,651,804,796	$ 216,424,978	$ 1,044,838,822	$ 8,331,996,860	$ 0.52516
2006	$ 4,736,989,728	$ 4,781,193,675	$ 247,435,611	$ 1,061,552,418	$ 8,704,066,596	$ 0.52516
2007	$ 4,887,683,786	$ 5,285,742,003	$ 274,718,569	$ 1,203,508,602	$ 9,244,635,756	$ 0.57516

Source: City Tax Department

CITY OF RICHARDSON, TEXAS *Table 6*

DIRECT AND OVERLAPPING PROPERTY TAX RATES (per $100 of assessed value)

Last Ten Fiscal Years

	City Direct Rates			Overlapping Rates							
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct	Richardson School District	Collin County	Collin County Community College District	Plano Independent School District	Dallas County	Dallas County Hospital District	Dallas County Community College District	Dallas County School Equalization Fund
1998	$ 0.250040	$ 0.193810	$ 0.443850	$ 1.600000	$ 0.260000	$ 0.098550	$ 1.519300	$ 0.200200	$ 0.185770	$ 0.052060	$ 0.006380
1999	$ 0.253500	$ 0.190350	$ 0.443850	$ 1.625700	$ 0.250000	$ 0.098550	$ 1.539500	$ 0.197200	$ 0.179900	$ 0.050000	$ 0.005974
2000	$ 0.249000	$ 0.194850	$ 0.443850	$ 1.648600	$ 0.250000	$ 0.096723	$ 1.579200	$ 0.196000	$ 0.196000	$ 0.050000	$ 0.005699
2001	$ 0.256530	$ 0.187320	$ 0.443850	$ 1.668300	$ 0.250000	$ 0.094049	$ 1.553100	$ 0.196000	$ 0.254000	$ 0.050000	$ 0.005667
2002	$ 0.258570	$ 0.185280	$ 0.443850	$ 1.799300	$ 0.250000	$ 0.092843	$ 1.628500	$ 0.196000	$ 0.254000	$ 0.060000	$ 0.005525
2003	$ 0.304160	$ 0.173690	$ 0.477850	$ 1.808100	$ 0.250000	$ 0.091946	$ 1.703400	$ 0.196000	$ 0.254000	$ 0.060000	$ 0.005500
2004	$ 0.303770	$ 0.174080	$ 0.477850	$ 1.820000	$ 0.250000	$ 0.091932	$ 1.733400	$ 0.203900	$ 0.254000	$ 0.077800	$ 0.005460
2005	$ 0.349340	$ 0.175820	$ 0.525160	$ 1.820000	$ 0.250000	$ 0.090646	$ 1.733400	$ 0.203900	$ 0.254000	$ 0.080300	$ 0.005460
2006	$ 0.358680	$ 0.166480	$ 0.525160	$ 1.820000	$ 0.250000	$ 0.089422	$ 1.733400	$ 0.213900	$ 0.254000	$ 0.081600	$ 0.005300
2007	$ 0.358680	$ 0.216480	$ 0.575160	$ 1.630050	$ 0.245000	$ 0.087683	$ 1.578400	$ 0.213900	$ 0.254000	$ 0.081000	$ 0.005304

Source: Dallas County Appraisal District, Collin County Appraisal District and City records.

Notes: Tax rates are per $100 of assessed value.
2007 Tax Rates for School Districts all decreased substantially due to Legislation passed by the Texas Legislature

CITY OF RICHARDSON, TEXAS *Table 7*
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Ten Years Ago

	2007			1998		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (a)	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (b)
Texas Instruments	$ 304,420,772	1	3.29 %	$ -		-
A T & T	$ 176,109,043	2	1.90 %	$ -		-
Verizon	$ 162,254,838	3	1.76 %	$ -		-
Nortel Networks	$ 143,775,854	4	1.56 %	$ 322,634,630	1	5.16 %
CISCO Systems	$ 89,946,553	5	0.97 %	$ -		-
Fujitsu	$ 61,421,277	6	0.66 %	$ 167,174,643	4	2.67 %
TXU/Texas Utilities Electric	$ 59,559,256	7	0.64 %	-		-
Cingular Wireless	$ 59,467,352	8	0.64 %	-		-
Crescent Real Estate	$ 55,397,086	9	0.60 %	-		-
Bank of America	$ 44,002,726	10	0.48 %	-		-
MCI	-		-	$ 263,989,896	2	4.22 %
Alcatel	-		-	$ 196,052,802	3	3.13 %
Southwestern Bell	-		-	$ 117,675,476	6	1.88 %
Ericsson	-		-	$ 73,335,470	7	1.17 %
Rockwell International	-		-	$ 59,191,749	9	0.95 %
TwinStar/TI	-		-	$ 141,095,870	5	2.25 %
Hewlett Packard	-		-	$ 60,746,320	8	0.97 %
Cyrix Corporation	-		-	$ 48,677,245	10	0.78 %
Total	$ 1,156,354,757		12.51 %	$ 1,450,574,101		23.18 %

Source: Dallas County Appraisal District, Collin County Appraisal District and City records.

Note:
(a) Total Taxable Value October 1, 2006 = $9,244,635,756
(b) Total Taxable Value October 1, 1997 = $6,257,348,811

CITY OF RICHARDSON, TEXAS *Table 8*

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Taxes Levied for the Fiscal Year As of Sept. 30	Collected within the Fiscal Year of the Levy		Collections and or Adjustments in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	$ 27,900,391	$ 27,674,476	99.19 %	$ 184,421	$ 27,858,897	99.85 %
1999	$ 29,995,544	$ 29,736,224	99.14 %	$ 198,168	$ 29,934,392	99.80 %
2000	$ 32,751,351	$ 32,496,666	99.22 %	$ 207,577	$ 32,704,243	99.86 %
2001	$ 35,658,943	$ 35,157,349	98.59 %	$ 374,567	$ 35,531,916	99.64 %
2002	$ 39,314,044	$ 38,854,859	98.83 %	$ 315,706	$ 39,170,565	99.64 %
2003	$ 41,759,918	$ 40,275,196	96.44 %	$ 1,334,347	$ 41,609,543	99.64 %
2004	$ 40,265,451	$ 39,847,436	98.96 %	$ 294,711	$ 40,142,147	99.69 %
2005	$ 44,019,499	$ 43,626,251	99.11 %	$ 264,455	$ 43,890,706	99.71 %
2006	$ 46,151,287	$ 45,714,602	99.05 %	$ 188,855	$ 45,903,457	99.46 %
2007	$ 53,459,507	$ 52,971,881	99.09 %	$ -	$ 52,971,881	99.09 %

Source: City Tax Department

CITY OF RICHARDSON, TEXAS *Table 9*
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Other Obligations	Water and Sewer Revenue Bonds	General Obligation Refunding Bonds	Certificates of Obligation	Other Obligations	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
1998	$ 69,076,324	$ 10,305,751	$ 1,142,564	$ 4,620,000	$ 1,781,606	$ 4,619,250	$ 2,018,703	$ 93,564,198	4.37 %	$ 1,079
1999	$ 75,132,639	$ 14,916,303	$ 838,573	$ 3,855,000	$ 1,628,500	$ 10,717,198	$ 1,731,980	$ 108,820,193	4.77 %	$ 1,220
2000	$ 78,535,897	$ 63,293,467	$ 643,254	$ 3,040,000	$ 1,477,381	$ 11,916,814	$ 1,418,723	$ 160,325,536	6.68 %	$ 1,761
2001	$ 84,944,908	$ 73,234,442	$ 735,280	$ 2,170,000	$ 1,328,252	$ 25,165,558	$ 1,089,709	$ 188,668,149	8.19 %	$ 2,035
2002	$ 84,553,891	$ 77,413,779	$ 599,044	$ 1,250,000	$ 1,181,110	$ 34,121,222	$ 744,146	$ 199,863,192	7.17 %	$ 2,114
2003	$ 83,722,581	$ 76,843,443	$ 4,779,180	$ 1,180,533	$ 1,042,419	$ 36,496,556	$ 381,201	$ 204,445,913	8.07 %	$ 2,137
2004	$ 89,279,810	$ 63,088,762	$ 5,178,049	$ 1,115,544	$ 910,190	$ 38,731,238	$ 150,296	$ 198,453,889	7.58 %	$ 2,067
2005	$ 103,399,810	$ 58,163,679	$ 4,831,287	$ 1,055,000	$ 1,135,190	$ 41,516,320	$ 100,071	$ 210,201,357	7.67 %	$ 2,190
2006	$ 174,629,810	$ 36,383,644	$ 4,277,408	$ 990,000	$ 1,135,190	$ 44,826,355	$ 48,503	$ 262,290,910	8.58 %	$ 2,718
2007	$ 167,807,386	$ 36,185,000	$ 5,412,684	$ 925,000	$ 1,062,613	$ 48,610,000	$ 142,455	$ 260,145,138	8.91 %	$ 2,662

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 14 for personal income and population data.

CITY OF RICHARDSON, TEXAS *Table 10*

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years (dollars in thousands, except per capita)

	General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
1998	$ 69,076	$ 10,306	$ 79,382	1.27 %	$ 916
1999	$ 75,133	$ 14,916	$ 90,049	1.34 %	$ 1,010
2000	$ 78,536	$ 24,023	$ 102,559	1.40 %	$ 1,126
2001	$ 84,945	$ 33,964	$ 118,909	1.50 %	$ 1,283
2002	$ 84,554	$ 67,784	$ 152,338	1.73 %	$ 1,612
2003	$ 83,723	$ 67,478	$ 151,201	1.72 %	$ 1,581
2004	$ 89,280	$ 54,009	$ 143,289	1.69 %	$ 1,493
2005	$ 103,400	$ 58,164	$ 161,564	1.94 %	$ 1,683
2006	$ 174,630	$ 36,384	$ 211,014	2.42 %	$ 2,187
2007	$ 167,807	$ 36,185	$ 203,992	2.21 %	$ 2,088

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements
(1) See Table 5 for property value data.
(2) See Table 14 for population data.

CITY OF RICHARDSON, TEXAS *Table 11*
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2007

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Richardson Independent School District	$ 430,699,988	37.63%	$ 162,072,405
Plano Independent School District	$ 823,793,692	9.34%	76,942,331
Dallas County	$ 186,401,552	3.77%	7,027,339
Dallas County Community College District	$ 93,485,000	3.77%	3,524,385
Dallas County Hospital District	$ -	-	-
Collin County	$ 364,110,000	4.83%	17,586,513
Collin County Community College District	$ 52,745,000	4.83%	2,547,584
Subtotal, overlapping debt			$ 269,700,557
City direct debt			203,992,386
Total direct and overlapping debt			$ 473,692,943

Source: First Southwest Company

CITY OF RICHARDSON, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Table 12

Legal Debt Margin Calculation for Fiscal Year 2007	
Assessed value	$ 9,244,635,756
Debt limit (15% of assessed value)	$ 1,386,695,363
Debt applicable to limit:	
Tax Supported Debt	203,992,386
Legal Debt Margin	$ 1,182,702,977

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	$ 938,602,322	$ 1,005,457,477	$ 1,100,942,514	$ 1,190,014,953	$ 1,321,188,465	$ 1,322,179,851	$ 1,268,768,103	$ 1,249,799,529	$ 1,305,609,989	$ 1,386,695,363
Total Net Debt Applicable to limit	79,382,075	90,048,942	141,829,364	158,179,351	161,967,670	160,566,025	152,368,572	161,563,490	211,013,454	203,992,386
Legal debt margin	$ 859,220,247	$ 915,408,535	$ 959,113,150	$ 1,031,835,602	$ 1,159,220,795	$ 1,161,613,826	$ 1,116,399,531	$ 1,088,236,039	$ 1,094,596,535	$ 1,182,702,977
Total net debt applicable to the limit as a percentage of debt limit	8.46%	8.96%	12.88%	13.29%	12.26%	12.14%	12.01%	12.93%	16.16%	14.71%

CITY OF RICHARDSON, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Table 13

	Water Revenue Bonds						
				Debt Service			
Fiscal Year	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Accreted Value	Coverage
1998	$ 30,774,996	$ 19,626,589	$ 11,148,407	$ 770,000	$ 251,118	$ -	10.53
1999	$ 28,521,734	$ 20,676,794	$ 7,844,940	$ 765,000	$ 266,138	$ -	7.42
2000	$ 31,930,164	$ 25,723,469	$ 6,206,695	$ 815,000	$ 221,813	$ -	5.88
2001	$ 30,238,213	$ 25,241,283	$ 4,996,930	$ 870,000	$ 173,008	$ -	4.73
2002	$ 30,938,820	$ 26,919,553	$ 4,019,267	$ 920,000	$ 120,057	$ -	3.80
2003	$ 31,007,303	$ 27,909,907	$ 3,097,396	$ 69,467	$ 988,770	$ 925,533	2.86
2004	$ 32,935,195	$ 28,465,878	$ 4,469,317	$ 64,989	$ 994,124	$ 935,011	2.24
2005	$ 34,268,319	$ 30,302,699	$ 3,965,620	$ 60,544	$ 129,443	$ 74,455	15.00
2006	$ 44,670,913	$ 32,241,222	$ 12,429,691	$ 65,000	$ 50,937	$ -	107.21
2007	$ 35,747,318	$ 34,112,347	$ 1,634,971	$ 65,000	$ 48,012	$ -	14.47

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expense.

CITY OF RICHARDSON, TEXAS *Table 14*
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Year	Estimated Population (1)	Personal Income (2) *(thousands of dollars)*	Per Capita Personal Income	Median Age (3)	School Enrollment R.I.S.D. (4)	School Enrollment P.I.S.D. (5)	Unemployment Rate (%) (6)
1998	86,700	$ 2,140,372	$ 24,687	35.8	34,278	43,460	2.2 %
1999	89,200	$ 2,283,142	$ 25,596	36.0	34,237	43,514	2.2 %
2000	91,050	$ 2,399,680	$ 26,356	37.0	35,218	46,115	2.3 %
2001	92,697	$ 2,303,180	$ 24,846	35.8	35,500	48,977	5.4 %
2002	94,529	$ 2,786,423	$ 29,477	35.9	35,275	50,632	5.4 %
2003	95,650	$ 2,532,853	$ 26,480	37.6	35,245	51,800	5.5 %
2004	96,000	$ 2,618,353	$ 27,275	37.6	35,436	49,289	4.3 %
2005	96,000	$ 2,740,710	$ 28,549	35.0	34,441	53,203	4.9 %
2006	96,500	$ 3,056,396	$ 31,672	35.8	35,000	52,816	4.1 %
2007	97,720	$ 2,920,264	$ 29,884	39.6	35,000	54,478	3.8 %

Sources: (1) Estimated Population - North Central Texas Council of Governments
(2) Sales & Marketing Management Survey of Buying Power (Effective Buying Income), 1995-2005
U. S. Census Bureau American FactFinder website, 2006
(3) Median Age - Richardson Chamber of Commerce and Economic Development Partnership and U.S. Census Bureau American FactFinder and U.S. Census Bureau American FactFinder website.
(4) School Enrollment - Richardson Independent School District
(5) School Enrollment - Plano Independent School District
(6) Unemployment - Texas Workforce Commission Website

Note: The City of Richardson is located in both Dallas and Collin Counties. School children residing in Dallas County are enrolled in the Richardson Independent School district while those residing in Collin County are enrolled in the Plano Independent School District.

CITY OF RICHARDSON, TEXAS
PRINCIPAL EMPLOYERS,
Current Year and Ten Years Ago

Table 15

	2007			1998		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Richardson ISD	4,900	1	8.45%	3,810	3	6.56%
Nortel Networks	4,300	2	7.41%	7,700	1	13.26%
Countrywide Financial	3,000	3	0.00%	-		-
University of Texas at Dallas	2,830	4	4.88%	1,879	8	3.24%
Blue Cross & Blue Shield of Texas	2,488	5	4.29%	3,000	5	5.17%
Verizon Business	2,256	6	3.89%	-		-
AT & T Inc.	2,140	7	3.69%	-		-
Fujitsu Network Communications	1,500	8	2.59%	2,000	7	3.45%
Cisco Systems	1,200	9	2.07%	-		-
Hewlett Packard Company	1,200	10	2.07%	650	13	1.12%
Elcan/Raytheon E-Systems	1,100	11	1.90%	1,100	9	1.89%
City of Richardson	985	12	1.70%	985	11	1.70%
Rockwell-Collins	811	13	1.40%	1,000	10	1.72%
Fossil	800	14	1.38%	-		-
Samsung Telecom America	725	15	1.25%	-		-
InterVoice, Inc.	-		-	650	12	1.12%
CitiCorp Credit Corp Services	-		-	590	15	1.02%
MCI Network Services	-		-	4,300	2	7.41%
Ericsson North America	-		-	3,700	4	6.37%
Alcatel Network Systems	-		-	2,800	6	4.82%
Richardson Regional Medical Center	-		-	600	14	1.03%
Total	30,235		46.94%	34,764		59.89%

Source: Taken from Economic Development Partnership for 2007 employment.
TWC website provided the total labor force numbers for September 2007 (58,016) and September 1998 (58,049).

CITY OF RICHARDSON, TEXAS *Table 16*

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	116	117	132	138	153	153	144	148	149	153
Public Safety	399	405	412	419	410	391	392	390	393	398
Public Services	153	150	149	155	157	143	139	141	142	144
Library	37	37	37	37	36	34	33	33	33	34
Parks & Recreation	89	88	92	93	101	91	87	82	83	85
Public Health	16	16	16	16	16	15	15	15	15	16
Water	65	60	61	62	62	59	61	58	56	58
Wastewater	11	10	10	10	11	11	11	11	11	11
Solid Waste	47	49	58	59	58	57	57	57	57	61
Golf	17	17	17	17	18	17	16	16	16	16
Total	950	949	984	1,006	1,022	971	955	951	955	976

Source: City Budget Office

CITY OF RICHARDSON, TEXAS *Table 17*
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police										
Number of Employees	261	266	265	265	259	243	244	244	243	248
Number of Violations (Citations)	43,032	35,443	41,930	45,160	52,773	46,772	40,895	42,588	39,972	39,361
Fire										
Number of Employees	138	139	147	154	151	148	148	146	150	150
Public Services										
Street Resurfacing (miles)	1.2	0.5	2.7	0.3	0.2	2.3	1.9	0.3	8.4	2
Asphalt Repairs (tons)	1,948.6	2,223.3	4,462.5	2,734.1	5,280.7	1,664.9	4,217.3	2,373.8	1,252.0	1,403
Parks and Recreation										
Acreage	1,093	1,208	1,278	1,278	1,278	1,278	1,598	1,598	1,598	1,598
Library										
Volumes in Collection	174,507	181,043	187,864	196,188	205,858	221,636	227,328	236,479	247,059	250,035
Water and Sewer										
Number of Water Consumers	30,476	30,591	31,140	31,602	31,146	31,681	32,334	32,499	32,626	32,318
Average Daily Water Consumption (thousands of gallons)	25,195	25,280	26,420	27,800	27,280	24,100	32,280	33,761	31,342	27,401
Number of Sewer Consumers	29,542	30,591	31,245	30,840	31,146	31,681	32,334	31,644	31,675	31,713
Solid Waste										
Refuse Collected (tons/ day)	120.0	129.0	125.0	128.0	133.0	136.0	133.0	175	165	162
Bulky/Brush Pickups (tons/day)	31	35	38	40	34	34	41	54	53	60
Recyclables Collected (tons/day)	16	16	18	19	27	18	17	17	18	18
Golf										
Number of Rounds Played	100,536	122,533	130,381	71,213	97,174	92,751	97,500	91,944	100,750	94,825

Source: City Departments
Notes:
N/A -- data unavailable at time of publication
Golf -- course renovated in 1997 and 2001

CITY OF RICHARDSON, TEXAS *Table 18*
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police Stations	2	2	2	2	2	2	2	2	2	2
Police Units	101	101	33	34	33	40	40	40	40	41
Fire Stations	5	5	5	6	6	6	6	6	6	6
Public Works										
Streets- Paved (miles)	350	408	402	407	415	414	400	400	401	402
Alleys - Paved (miles)	170	200	212	214	215	220	218	221	221	222
Sidewalks (miles)	507	527	527	548	548	569	569	593	593	593
Streetlights	5,560	5,630	5,630	5,630	5,630	5,630	5,640	6,022	6,036	6,036
Parks and Recreation										
Parks	28	28	29	29	30	30	30	30	30	30
Playgrounds	25	25	26	26	26	26	28	28	28	28
Swimming Pools	5	5	5	5	5	5	5	5	5	5
Tennis Courts	28	30	32	32	32	32	32	32	32	32
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Senior Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	435	435	435	435	509	517	531	554	551	555
Fire Hydrants	3,006	3,128	3,128	3,128	3,287	3,385	3,685	3,839	3,893	3,963
Wastewater										
Sanitary Sewers (miles)	478	478	478	478	384	395	406	406	495	495

Source: City Departments

Notes: Data for police units after 1999 are for patrol units only.
Data for sidewalks is updated every two years.

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