

**TOWN OF RICHMOND, RHODE ISLAND**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ending**

**June 30, 2018**



**Prepared by: Finance Department**

**RICHMOND, RHODE ISLAND**

**TOWN OF RICHMOND, RHODE ISLAND**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ending  
June 30, 2018**

**Prepared by: Finance Department  
Kelli M. Russ, Finance Director**

**INTRODUCTORY SECTION**

**THIS SECTION CONTAINS  
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**Certificate of Achievement for Excellence in Financial Reporting**

**TOWN OF RICHMOND, RHODE ISLAND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*For the Fiscal Year Ended June 30, 2018*

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# Town of Richmond, Rhode Island

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## **FINANCE OFFICE**

Richmond Town Hall  
5 Richmond Townhouse Rd  
Wyoming, RI 02898  
401-539-9000 EXT. 8  
treasurer@richmondri.com

June 5, 2019

To: Citizens of Richmond, Rhode Island  
Richmond Town Council  
Richmond Town Administrator

The Comprehensive Annual Financial Report of the Town of Richmond, Rhode Island for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the information as presented, is accurate in all material respects and is presented in a manner designed to fairly present the financial position and results of operations and cash flows of the Town of Richmond; and that all disclosures necessary to enable the readers to gain an adequate understanding of the Town's financial affairs have been included. The reader should see the following Management's Discussion & Analysis section of this report in order to gain a broader understanding of the Town and its activities.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the Town's organizational chart, a list of principal officials and a reproduction of our 2017 GFOA Certificate of Achievement for Excellence in Financial Reporting. The Financial Section includes the Independent Auditors' Report, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and other supplementary information. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

### ***THE TOWN OF RICHMOND***

In May 2007 Richmond voters approved a referendum to create a Home Rule Charter Commission. The Charter Commission subsequently created a Richmond Home Rule Charter, and the Town Council unanimously approved its placement on the November 2008 ballot. Richmond voters approved the Charter by a 70%-30% margin. The Rhode Island General Assembly gave their approval on May 20, 2009, and the Charter took effect on May 28, 2009.

The Charter retains many features of the prior government: the 5-member town council headed by a Council President; an elected Town Clerk; and a Finance Board and an annual Financial Town Meeting. The major changes included the creation of a Town Administrator who reports directly to the Town Council. The Town Council appoints the Town Administrator for an indefinite term. The Town Administrator is head of the administrative branch of the Town government and is responsible to the Town Council for the proper administration of all offices of the Town.

The Town of Richmond’s municipal government provides a full range of services including education through the Chariho Regional School District, police, planning, zoning, construction and maintenance of highways, streets, and infrastructure, social services, parks and recreational activities and cultural activities. Approximately 50 full-time municipal employees provide services to a community of 40.8 square miles and 7,708 residents.

The Town of Richmond was originally part of the territory of Westerly, Rhode Island (1669 to 1747), which remained in dispute for several years between the British colonies of Rhode Island, Connecticut, and Massachusetts.

In 1665 Charles II, the King of England, dissolved the different charters of the three colonies in dispute, assumed governance, and renamed the area King’s County. In May 1669, the General Assembly of Rhode Island and Providence Plantations organized King’s County into the town of Westerly. After this the Town of Westerly organized itself into four separate areas: Westerly, Charlestown, Richmond, and Hopkinton.

Richmond was incorporated as a separate and distinct town in 1747. It is bounded on the north by the Town of Exeter, on the west by the Wood River, on the east by the towns of Exeter and South Kingstown, and on the south by the Pawcatuck River. Richmond is some 35 miles southwest of the state's capital, Providence, Rhode Island. Richmond is mostly forested. It is the site of the Washington County Fair. According to the United States Census Bureau, the town has a total area of 40.8 square miles, of which 40.6 square miles is land and 0.2 square miles is water.

Richmond is a rural area. In fact, a large portion of the town (about 60 percent) is undeveloped woodland. Points of interest in Richmond include Arcadia, a quaint village popular for Arcadia State Park, the state-operated Fish Cultural Station in Arcadia where the primary focus has been to introduce such species as Northern Pike and Atlantic Shad to New England waters, and Shannock Falls.

The Town is easily accessible by car via U.S. Route 95 and R.I. Route 138. T.F. Greene Airport in Warwick, Rhode Island, is 20 miles away and the Westerly Airport is within 10 miles of the Town’s borders. Railroad passenger service is provided by AMTRAK through its station in Kingston, Rhode Island.

***ECONOMIC CONDITIONS***

**General**

The Town of Richmond, comprising 40 square miles of land, is primarily a rural/residential community. The Town is characterized by above average wealth indicators, a stable labor force and a growing retail base.

**Population**

The table below shows the Town’s population and the change in its population relative to the State from 1950 to 2010.

<u>Year</u>	<u>Town</u>	<u>% Change Increase (Decrease)</u>	<u>State</u>	<u>% Change Increase (Decrease)</u>
2010	7,708	6.73%	1,052,567	0.41%
2000	7,222	34.97%	1,048,319	4.47%
1990	5,351	33.18%	1,003,464	5.95%
1980	4,018	53.07%	947,154	(0.27)%
1970	2,625	32.18%	949,723	10.50%
1960	1,986	12.08%	859,488	8.54%
1950	1,772	8.78%	791,896	11.01%

Source: U.S. Bureau of the Census.

## Median Family Income

The following table sets forth median family income for the Town relative to the State and the nation for the years noted.

	1980		1990		2000		2010	
	<u>Amount</u>	<u>% of U.S.</u>	<u>Amount</u>	<u>% of U.S.</u>	<u>Amount</u>	<u>% of U.S.</u>	<u>Amount</u>	<u>% of U.S.</u>
Richmond.....	20,157	101.21%	42,418	120.42%	64,688	129.26%	79,762	159.38%
State of Rhode Island	19,448	97.65%	39,172	111.21%	70,663	141.20%	51,914	103.73%
United States.....	19,917	---	35,225	---	50,046	---	50,046	---

Source: U.S. Bureau of the Census.

## Unemployment

Recent labor market information indicates that annualized unemployment rates for the past seven years are as shown in the following table:

### Average Annual Unemployment Rates 2011 - Present

Year	2017	2016	2015	2014	2013	2012	2011
	Rate	Rate	Rate	Rate	Rate	Rate	Rate
United States	4.4	4.9	5.3	6.2	7.4	8.1	8.9
Rhode Island	4.4	5.2	6	7.7	9.3	10.4	11

The monthly labor force statistics are as shown in the following tables:

Richmond Labor Force Statistics					
<u>Month</u>	<u>Year</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
October	2017	4,253	4,124	129	3.0
September	2017	4,247	4,121	126	3.0
August	2017	4,278	4,131	147	3.4
July	2017	4,269	4,137	132	3.1
June	2017	4,241	4,132	109	2.6
May	2017	4,190	4,082	108	2.6
April	2017	4,172	4,074	98	2.3
March	2017	4,183	4,048	135	3.2
February	2017	4,206	4,042	164	3.9
January	2017	4,194	4,029	165	3.9
Annual Average	2016	4,220	4,063	157	3.7



### Rhode Island Labor Force Statistics

<u>Month</u>	<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
October	2017	554,238	532,360	21,878	3.9
September	2017	554,597	532,235	22,362	4.0
August	2017	558,850	534,153	24,697	4.4
July	2017	561,146	535,006	26,140	4.7
June	2017	556,983	533,959	23,024	4.1
May	2017	548,755	526,839	21,916	4.0
April	2017	547,768	525,700	22,068	4.0
March	2017	548,707	522,286	26,421	4.8
February	2017	549,899	521,515	28,384	5.2
January	2017	549,957	519,941	30,016	5.5
Annual Average	2016	553,418	524,702	28,716	5.2

\*Not Seasonally Adjusted.

Source: Rhode Island Department of Labor and Training.

### Type of Employment

#### Rhode Island Department of Labor Training Quarterly Census of U.I. Covered Employment 2017 Annual

The following table sets forth the annual employment of private industry groups in the Town covered by employment security insurance.

	<u>Number of Units</u>	<u>Average Employment</u>	<u>Total Wages</u>
<b>Total Private &amp; Government</b>	<b>165</b>	<b>2,040</b>	<b>\$85,112,441</b>
<b>Total Private Only</b>	<b>157</b>	<b>1,37</b>	<b>44,995,751</b>
Agriculture, Forestry, Fishing & Hunting	8	51	2,519,522
Mining	1	*	*
Utilities	-	-	-
Construction	24	105	4,864,793
Manufacturing	4	*	*
Wholesale Trade	6	*	*
Retail Trade	22	302	8,560,824
Transportation & Warehousing	3	*	*
Information	2	*	*
Finance & Insurance	6	39	1,748,522
Real Estate & Rental & Leasing	-	-	-
Professional & Technical Services	15	89	4,501,527
Management of Companies & Enterprises	-	-	-

Administrative Support & Waste Mgmt.	13	63	2,360,116
Educational Services	1	*	*
Health Care & Social Assistance	12	62	2,081,875
Arts, Entertainment, & Recreation	7	114	1,741,216
Accommodation & Food Services	19	247	4,002,501
Other services, (except Public Administration)	13	28	608,790
Unclassified Establishments	1	*	*
Government	8	661	40,116,690

\*Some data are not shown due to the possibility of identifying data of a specific employer.  
Source: Rhode Island Department of Labor and Training. Data compiled June 2017, subject to revision.

### Major Employers

Kenyon Industries (finishing plants, manmade) employs 330 employees, located on the Charlestown/Richmond border, is the largest employer in Richmond (RIEDC 2011), followed by grocery retailer The Stop and Shop Supermarket Company LLC which employs 117 employees and School bus transportation company First Student which employs 120 employees.

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A majority of the businesses in Richmond are small and employ fewer than 50 people. According to RIEDC, the number of private businesses in Richmond over the past five years has fluctuated between 138 and 148, with most jobs in the Construction, Retail, and Other Services (excluding Public Administration) industries. Business growth occurred primarily in Professional and Technical Services as well as Other Services (excluding Public Administration). Statewide, RIDLT anticipates trends of future employment to be in Health Care and Social Assistance; Professional, Scientific, and Technical Services; Educational Services; Retail Trade; and Accommodation and Food Services sectors.

Source: Rhode Island Economic Development Corporation as of August 29, 2011 and Richmond Comprehensive Community Plan, adopted March 19, 2013, amended August 12, 2014 by the Richmond Town Council.

### Housing

According to the 2010 U.S. Census, there were a total of 2,952 housing units compared to 2,620 in 2000. This represented an increase of 332 units or 13%. The median selling price of existing single family homes in the town for the first quarter of 2018 was \$259,700.

## **Building Permits**

Below is a schedule of residential building permits issued by the Town's Building Inspector for the years ending 2009 through 2018.

<b>Fiscal Year</b>	<b>Number</b>	<b>Value</b>
2018	54	7,812,968
2017	49	8,617,938
2016	40	6,352,965
2015	18	3,542,416
2014	15	2,802,348
2013	14	2,495,050
2012	6	1,241,325
2011	8	1,619,877
2010	8	1,352,830
2009	10	1,452,784

Source: Town Officials.

## ***INTERNAL CONTROLS***

In developing and evaluating the Town's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization, procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently is designed to provide reasonable assurance that:

Transactions are executed in accordance with management's general or specific authorization.

Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance – related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets.

Access to assets is permitted only in accordance with management's authorization.

The recorded accountability of assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The definition of accounting control presumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits to be derived. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

## ***INDEPENDENT AUDIT***

In accordance with the Town's Charter an audit of the accounts and financial statements has been completed by the Town's independent Certified Public Accountants, Bacon & Company CPAs, LLC and their opinion is included herein.

## ***REPORTING ACHIEVEMENT***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Richmond for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the fourth year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and effectively organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

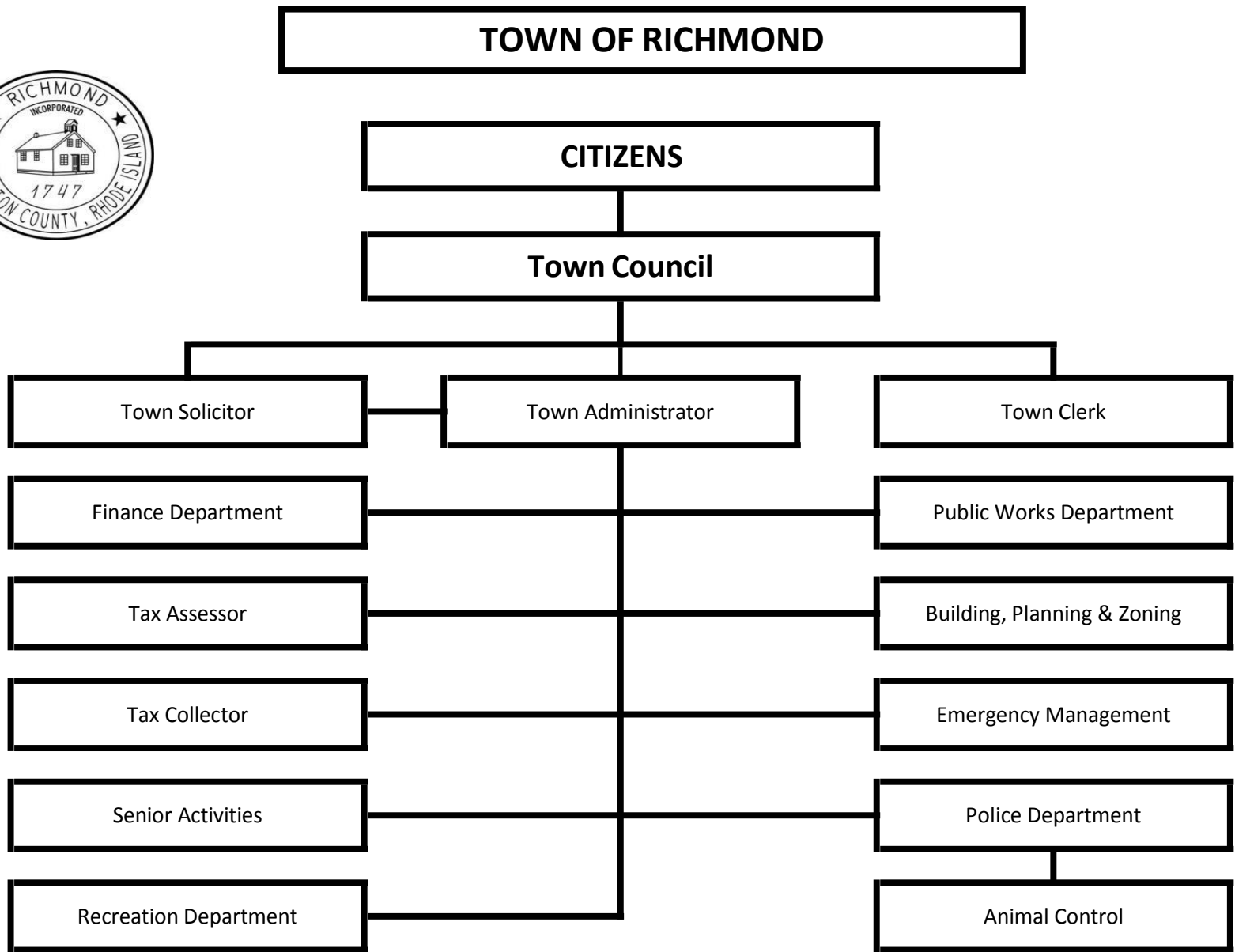
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## ***ACKNOWLEDGMENTS***

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedication and hard work of the Assistant Finance Director, Jennifer Christensen. I also express my appreciation to other personnel from various departments who assisted in its preparation. Furthermore, I appreciate the assistance and dedication of the audit team from Bacon & Company CPAs, LLC. Finally, I would like to thank the Town Administrator and the members of the Town Council for their professionalism and dedication to the Town of Richmond and for their support in planning and conducting the financial operation of the Town.

Respectfully Submitted,

Kelli M. Russ  
Acting Finance Director



# **TOWN OF RICHMOND, RHODE ISLAND**

## **LIST OF TOWN OFFICIALS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

### **TOWN COUNCIL**

Paul H. Michaud, Town Council President  
Mark Trimmer, Town Council Vice President  
Rich Nassaney  
Gary D. Wright  
Ronald D. Newman

### **TOWN ADMINISTRATOR**

Karen Pinch

### **TOWN CLERK**

Sarah Rapose

### **FINANCE DIRECTOR**

Kelli M. Russ



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Richmond**  
**Rhode Island**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

**FINANCIAL SECTION**

**THIS SECTION CONTAINS THE FOLLOWING:**

**Independent Auditor's Report**

**Management Discussion and Analysis**

**Basic Financial Statements**

**Required Supplementary Information**

**Other Supplementary Information**



**Independent Auditor's Report**

To the Honorable President and  
Members of the Town Council  
Town of Richmond, Rhode Island

**Report on the Financial Statements**

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 Town of Richmond, Rhode Island, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Richmond, Rhode Island's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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 Town of Richmond, Rhode Island, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and supplementary pension information on pages 4 through 12 and pages 55 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Richmond, Rhode Island's basic financial statements. The combining General Fund financial statements, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, the Annual Supplemental Transparency Report (MTP2), other supplementary information, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining General Fund financial statements, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, the Annual Supplemental Transparency Report (MTP2), and other supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the combining General Fund financial statements, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, the Annual Supplemental Transparency Report (MTP2), and other supplementary information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2019 on our consideration of the Town of Richmond, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Richmond, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Richmond, Rhode Island's internal control over financial reporting and compliance.

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island  
June 5, 2019

**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**  
**(Un-audited)**

The Town of Richmond's Management Discussion and Analysis (MDA) is designed to assist the reader in focusing on significant issues in the audit report. The financial statements appear in two categories, Government - Wide Financial Statements and Fund Financial Statements. This format focuses on the Town's Finances as a whole including other business activities as well as its government-wide funds. Our discussion and analysis of the Town of Richmond, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2018.

**Financial Highlights**

- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$3,685,159, or 14.79% of the total general fund budgeted expenditures and transfers out for the fiscal year. An unassigned fund balance is available for use or may be specifically set aside for some future action. It is essential for maintaining the Town's cash flow for the first two months of the fiscal year, without issuing tax anticipation notes, because new taxes are not received until September, and approximately 19% of the Town's budget is expended to the Chariho Regional School District by September 1st. The Town's unassigned fund balance can be deemed adequate based on the size of the Town budget, as a healthy fund balance is usually around 10% of General Fund budgeted expenditures, although the Town's policy is to have 15%. Additionally, the nonspendable and committed fund balances amounted to \$62,422 and \$870,517 respectively, which is comprised of nonspendable amounts for prepaid expenditures and amounts committed to be spent on specific purposes in future years.
- ❖ The Town's Government-wide (Governmental and Business-Type Activities) operating expenses were \$26,270,838, a 4.85% increase from the prior year, while revenues were \$25,519,317, a 3.35% increase.
- ❖ The current fiscal year General Fund revenues and transfers exceeded expenditures and transfers by \$7,795.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,244,314. Included in this amount is the general fund unassigned balance of \$3,685,159, restricted fund balances of \$2,566,537, committed fund balance of \$1,923,904, non-spendable fund balances of \$62,422, assigned fund balance of \$13,920, and an unassigned deficit of \$(7,628) in the other governmental funds.
- ❖ The Town's net position decreased \$751,521 or 3.78% as a result of this year's operations. The general revenues and other changes in net position are totaled and added to the net (expense) revenue totals to produce the total change in net position. On a Government-wide basis the assets and deferred outflows of resources of the Town of Richmond exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$19,146,047. Net position of Business-Type Activities decreased by \$123,821, or 4.85%, while net position of Governmental Activities decreased by \$627,700 or 3.62%.

**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**  
**(Un-audited)**

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements consist of three components:

- Government - wide financial statements
- Fund financial statements
- Notes to financial statements

In addition to the basic financial statements, this report also contains other supplementary information. The Town's basic financial statements and other supplementary financial information provide information about all of the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

**Government-wide financial statements** - are designed to provide readers with a broad overview of the Town's finances in a manner, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenses are recognized on the date they occurred rather than on the date they were collected or paid.

The *Statement of Net Position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information which shows how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both government-wide financial statements distinguish functions of the Town, which are supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities).

The Town's Governmental Activities include general government and administration, public safety, public works, development services, cultural and recreational services. The Town's Business-Type Activities include the Water Fund.

The government-wide financial statements are reported on pages 13 through 14.

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

**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**  
**(Un-audited)**

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

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

The Town maintains governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Capital Bond Fund which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

***Proprietary Funds*** - The Town's proprietary funds are used to report the same functions presented as Business-Type Activities in the government-wide financial statements. The Town has one enterprise fund. The Water Fund is considered to be a major fund for financial statement purposes. The basic proprietary fund financial statements are presented on pages 19 through 22.

***Fiduciary Funds*** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 23 and 24.

***Notes to Financial Statements*** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 25 through 54.

***Other Information*** - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary pension information is presented on pages 55-57. A detail budgetary comparison can be found on pages 58 through 68.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 74 through 81.

**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**  
**(Un-audited)**

**Government-wide Financial Analysis**

**Analysis of the Town of Richmond's Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. The Town of Richmond, Governmental Activities assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$16,716,058 as of June 30, 2018. This is a decrease of \$627,700 from the previous year.

Listed below is a comparison of the current and prior fiscal years.

	Net Position					
	June 30, 2018			June 30, 2017		
	<u>Governmental</u> Activities	<u>Business-Type</u> Activities	Total	<u>Governmental</u> Activities	<u>Business-Type</u> Activities	Total
Other Assets	\$ 9,359,049	\$ 288,744	\$ 9,647,793	\$ 7,635,399	\$ 663,375	\$ 8,298,774
Capital Assets Net	\$ 14,065,904	\$ 4,191,109	\$ 18,257,013	\$ 14,186,976	\$ 4,042,525	\$ 18,229,501
Total Assets	<u>\$ 23,424,953</u>	<u>\$ 4,479,853</u>	<u>\$ 27,904,806</u>	<u>\$ 21,822,375</u>	<u>\$ 4,705,900</u>	<u>\$ 26,528,275</u>
Deferred Outflows of resources	\$ 461,300	\$ -	\$ 461,300	\$ 423,643	\$ -	\$ 423,643
Current liabilities	\$ 1,447,774	\$ 82,697	\$ 1,530,471	\$ 1,195,502	\$ 152,813	\$ 1,348,315
Non-Current Liabilities	\$ 5,371,808	\$ 1,967,167	\$ 7,338,975	\$ 3,394,083	\$ 1,999,277	\$ 5,393,360
Total Liabilities	<u>\$ 6,819,582</u>	<u>\$ 2,049,864</u>	<u>\$ 8,869,446</u>	<u>\$ 4,589,585</u>	<u>\$ 2,152,090</u>	<u>\$ 6,741,675</u>
Deferred Inflows of resources	\$ 350,613	\$ -	\$ 350,613	\$ 312,675	\$ -	\$ 312,675
Net investment in capital assets	\$ 11,348,556	\$ 2,191,832	\$ 13,540,388	\$ 12,059,872	\$ 2,012,063	\$ 14,071,935
Restricted	\$ 182,528	\$ -	\$ 182,528	\$ 169,660	\$ -	\$ 169,660
Unrestricted	\$ 5,184,974	\$ 238,157	\$ 5,423,131	\$ 5,114,226	\$ 541,747	\$ 5,655,973
Total Net Position	<u>\$ 16,716,058</u>	<u>\$ 2,429,989</u>	<u>\$ 19,146,047</u>	<u>\$ 17,343,758</u>	<u>\$ 2,553,810</u>	<u>\$ 19,897,568</u>

A portion of the Town's net position, \$11,348,556 consists of its investment in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

As of June 30, 2018 the Town of Richmond reports positive balances in all categories of net position for the government as a whole.

**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
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**(Un-audited)**

**Analysis of the Town of Richmond's Operations**

The analysis on the following page provides a summary of the Town's operations for the year ended June 30, 2018. Governmental activities decreased the Town's net position by \$627,700 for the current period, accounting for a 3.62% decrease in the Town's governmental net position, while business-type activities decreased the Town's net position by \$123,821, accounting for 4.85% decrease in the business-type growth in net position. Overall the Town's net position decrease was \$751,521 which is a 3.78% decrease over the prior year.

In the Statement of Activities, expenditures for capital items are not recorded as expenses but instead are shown in the balance sheet, which would result in an increase net of disposed capital assets of \$1,013,541 for the Statement of Activities, while depreciation expense results in a decrease of \$1,134,613, respectively. Bonds issued in the current year of \$2,501,000 increased long-term debt and decreased net position while the principal payments of \$475,000 were recognized as an increase in net position and a reduction in long-term debt in the Statement of Net Position.

The overall effect was a decrease in the Town's Governmental activities net position by \$627,700. For a more detailed explanation of the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities please see page 18 of this report.

In the fund financial statements, the Town ended the year with a net increase in the General Fund balance of \$7,795 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 17. This increased the cumulative General Fund balance surplus to \$4,632,018, which is 18.59% of the 2017-2018 General Fund revised budgeted expenditures and transfers. Total changes in fund balances for the Town were \$1,700,434 increasing the cumulative Governmental Fund surplus to \$8,244,314, primarily due to the increase in the Capital Bond Fund as a result of the issuance of bonds in the amount of \$2,501,000.



**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
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**(Un-audited)**

Changes in Net Position

	June 30,2018			June 30,2017		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 1,171,082	\$ 128,154	\$ 1,299,236	\$ 902,174	\$ 122,631	\$ 1,024,805
Operating grants	4,828,717	-	4,828,717	5,302,454	-	5,302,454
Capital grants	97,473	41,601	139,074	-	50,702	50,702
<b>General Revenues/transfers</b>						
Property taxes	18,694,052	-	18,694,052	17,975,939	-	17,975,939
Investment earnings	48,849	-	48,849	26,938	-	26,938
State aid	493,359	-	493,359	310,829	-	310,829
Miscellaneous revenue	16,030	-	16,030	-	-	-
Total revenues	<u>\$ 25,349,562</u>	<u>\$ 169,755</u>	<u>\$ 25,519,317</u>	<u>\$ 24,518,334</u>	<u>\$ 173,333</u>	<u>\$ 24,691,667</u>
<b>Expenses</b>						
General government	\$ 1,566,426	-	\$ 1,566,426	\$ 1,598,501	-	\$ 1,598,501
Public safety	2,425,780	-	2,425,780	2,113,299	-	2,113,299
Public works	2,004,272	-	2,004,272	1,831,733	-	1,831,733
Recreation and culture	54,230	-	54,230	51,277	-	51,277
Education	19,352,871	-	19,352,871	18,551,086	-	18,551,086
Transfer Station and Recycling	179,034	-	179,034	162,538	-	162,538
Community services	274,366	-	274,366	381,304	-	381,304
Other	3,016	-	3,016	9,308	-	9,308
Interest	117,267	-	117,267	71,106	-	71,106
Water operations	-	293,576	293,576	-	284,775	284,775
Total expenses	<u>\$ 25,977,262</u>	<u>\$ 293,576</u>	<u>\$ 26,270,838</u>	<u>\$ 24,770,152</u>	<u>\$ 284,775</u>	<u>\$ 25,054,927</u>
Change in net position	\$ (627,700)	\$ (123,821)	\$ (751,521)	\$ (251,818)	\$ (111,442)	\$ (363,260)
<b>Net position - beginning - Restated</b>	<u>\$ 17,343,758</u>	<u>\$ 2,553,810</u>	<u>\$ 19,897,568</u>	<u>\$ 17,595,576</u>	<u>\$ 2,665,252</u>	<u>\$ 20,260,828</u>
<b>Net position - ending</b>	<u>\$ 16,716,058</u>	<u>\$ 2,429,989</u>	<u>\$ 19,146,047</u>	<u>\$ 17,343,758</u>	<u>\$ 2,553,810</u>	<u>\$ 19,897,568</u>

**Financial Analysis of the Town of Richmond's Funds**

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,244,314. Included in this amount is the general fund unassigned balance of \$3,685,159, non-spendable fund balances of \$62,422, restricted fund balance of \$2,566,537 for purposes externally imposed by grantors, contributors or laws and regulations, committed fund balance of \$1,923,904 for capital and other specific purposes, assigned fund balance for the 2019 budget of \$13,920, and an unassigned deficit of \$(7,628).

**Proprietary Funds** - The Town of Richmond's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Total net position of the proprietary funds is \$2,429,989.

**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**  
**(Un-audited)**

**General Fund Budgetary Highlights**

**Revenues:**

General Property - collections were under budget by \$348,690 mostly due to an aggressive stance taken by the Town for the budgeted collection of prior year property tax revenue, which was not realized.

State Aid – revenue state aid exceeded anticipated revenue by \$203,901 largely due to the increase in aid related to the motor vehicle phase-out of \$182,887 due to a late change in legislation governing the levy and state reimbursement of motor vehicles.

Permits & Fees were over budget by \$141,763 due to a better economy resulting in an increase in construction and a significant construction project in process.

User Fees were over budget by \$41,646 due to realty stamp commissions, recording fees, and transfer station fees exceeding the anticipated levels.

Investments – income related to investments exceeded expectations by \$23,849 due to the increase in cash flow resulting from the most recent bond issue.

**Expenditures:**

The General Fund expenditures ended the fiscal year with an unfavorable budgetary variance of \$111,222 as a net result of the following:

General Government - expenditures were under budget by \$26,278 as a result of positive budgetary variances in contingency and legal, offset by unfavorable variances in finance and tax assessor primarily due to changes in personnel.

Public Works - expenditures were over budget by \$19,309 due to overages in accounts related to snow removal.

Public Safety – expenditures were over budget by \$128,249 primarily due to changes in accounting for third party police details which are offset by police detail revenues.

**The Town of Richmond's Capital Assets**

The Town of Richmond's net investment in capital assets for its governmental and business-type activities amounts to \$18,257,013 net of accumulated depreciation at June 30, 2018. Included are land, land improvements, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure.

Additional information on the Town of Richmond's capital assets is located in Note 6 of the Notes to the Financial Statements on page 35.

**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**  
**(Un-audited)**

Capital Assets (Net of Accumulated Depreciation)

	June 30, 2018			June 30, 2017		
	<u>Governmental</u>	<u>Business-Type</u>		<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Land	\$ 3,916,999	\$ 59,254	\$ 3,976,253	\$ 3,904,891	\$ 59,254	\$ 3,964,145
Construction in Progress	\$ -	\$ -	\$ -	\$ 166,167	\$ -	\$ 166,167
Infrastructure	\$ 7,695,425	\$ -	\$ 7,695,425	\$ 7,851,906	\$ -	\$ 7,851,906
Land improvements	\$ 527,508	\$ -	\$ 527,508	\$ 559,491	\$ -	\$ 559,491
Buildings and improvements	\$ 751,616	\$ 192,767	\$ 944,383	\$ 814,668	\$ 215,410	\$ 1,030,078
Furniture and equipment	\$ 171,518	\$ -	\$ 171,518	\$ 185,545	\$ -	\$ 185,545
Motor vehicles	\$ 1,002,838	\$ -	\$ 1,002,838	\$ 870,475	\$ -	\$ 870,475
Main extension	\$ -	\$ 1,333,097	\$ 1,333,097	\$ -	\$ 1,371,185	\$ 1,371,185
Water Tank	\$ -	\$ 2,457,735	\$ 2,457,735	\$ -	\$ 2,074,206	\$ 2,074,206
Equipment and machinery	\$ -	\$ 148,256	\$ 148,256	\$ -	\$ 156,303	\$ 156,303
<b>Total</b>	<b>\$ 14,065,904</b>	<b>\$ 4,191,109</b>	<b>\$ 18,257,013</b>	<b>\$ 14,186,976</b>	<b>\$ 4,042,525</b>	<b>\$ 18,229,501</b>

**The Town of Richmond's Debt Administration**

At the end of the current fiscal year, the Town of Richmond's Governmental Activities had total bonded debt of \$5,006,000 and the Business-Type Activities USDA loans amounted to \$1,999,277. Of the Governmental Activity debt amount, 100% comprises bonded debt backed by the full faith and credit of the government.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2017 is Aa3. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Richmond's limit is \$26,677,891 at year-end. The Town's outstanding general obligation debt is \$7,005,277 at year-end, which is \$19,672,614 under the State imposed limitation.

The following is a summary of the Town's long-term debt.

**TOWN OF RICHMOND, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**  
**(Un-audited)**

June 30, 2018

June 30, 2017

	<u>Governmental</u>			<u>Business-Type</u>		
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
General Obligation Bonds	\$ 5,006,000	\$ -	\$ 5,006,000	\$ 2,980,000	\$ -	\$ 2,980,000
Loans Payable	\$ -	\$ 1,999,277	\$ 1,999,277	\$ -	\$ 2,030,462	\$ 2,030,462
Capital leases	\$ 6,630	\$ -	\$ 6,630	\$ 8,000	\$ -	\$ 8,000
Totals	\$ 5,012,630	\$ 1,999,277	\$ 7,011,907	\$ 2,988,000	\$ 2,030,462	\$ 5,018,462

Additional information on the Town's long-term debt can be found in Note 7 of the Notes to the Financial Statements on pages 36-38.

**Economic Factors and Next Year's Budgets and Rates**

The Town of Richmond's total general fund budget for fiscal year 2019 amounts to \$25,734,055, which reflects an increase of \$821,233 over the fiscal 2018 budget of \$24,912,822. Of the Town's 2019 budget, \$19,628,170, or 76.27% is budgeted for educational purposes and \$6,105,885, or 23.73% is budgeted for all other purposes.

The Town's tax rate for fiscal 2019 is \$21.36/1000 of assessed value while in fiscal 2018 the Town's tax rate was \$20.80. The Town performed a full revaluation in the year ending December 31, 2010 and a statistical update in 2013 and 2017 which reduced the total assessed value for property in the Town.

Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in between. The last full revaluation was performed as of December 31, 2010, which was the basis of the 2011 tax bills collected in the 2012 fiscal year end. The Town also completed a statistical revaluation that was reflected in the 2017 tax bills collected in the 2018 fiscal year end. The Town's tax rates for 2019 and 2018 with their differences are listed below. The tax on Motor Vehicles has been frozen at \$22.64. The tax on Inventory has been phased out. Rates are per \$1,000.

**Tax Rates**

	2019	2018	Increase (Decrease)
Real Property	\$ 21.36	\$ 20.80	\$ 0.56
Motor Vehicles	\$ 22.64	\$ 22.64	\$ -
Tangibles	\$ 21.36	\$ 20.80	\$ 0.56

**Request for Information**

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Treasurer's Office, Town of Richmond, 5 Richmond Townhouse Road, Richmond RI 02898.

Kelli Russ  
Acting Finance Director

## **BASIC FINANCIAL STATEMENTS**

### **THE BASIC FINANCIAL STATEMENTS INCLUDE:**

#### **Government-Wide Financial Statements**

#### **Fund Financial Statements:**

- Governmental Funds**
- Proprietary Funds**
- Fiduciary Funds**

**In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.**

**TOWN OF RICHMOND, RHODE ISLAND**  
*Statement of Net Position*  
June 30, 2018

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 8,519,361	\$ -	\$ 8,519,361
Property taxes, net of allowance for uncollectible accounts	809,674	-	809,674
Accounts receivable - net	54,553	36,999	91,552
Due from federal and state government	164,784	-	164,784
Internal balances	(251,745)	251,745	-
Prepaid expenses	62,422	-	62,422
<b>Total current assets</b>	<u>9,359,049</u>	<u>288,744</u>	<u>9,647,793</u>
<b>Noncurrent assets:</b>			
Capital assets: (Note 6)			
Land and land rights	3,916,999	59,254	3,976,253
Depreciable buildings, equipment and infrastructure, net	10,148,905	4,131,855	14,280,760
<b>Total noncurrent assets</b>	<u>14,065,904</u>	<u>4,191,109</u>	<u>18,257,013</u>
<b>Total assets</b>	<u>23,424,953</u>	<u>4,479,853</u>	<u>27,904,806</u>
<b>Deferred Outflows of Resources</b>			
Deferred pension amounts	461,300	-	461,300
<b>Total deferred outflows of resources</b>	<u>461,300</u>	<u>-</u>	<u>461,300</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	556,252	25,733	581,985
Accrued interest payable	37,441	24,854	62,295
Compensated absences payable	116,514	-	116,514
Long-term debt - due within one year (Note 7)	737,567	32,110	769,677
<b>Total current liabilities</b>	<u>1,447,774</u>	<u>82,697</u>	<u>1,530,471</u>
<b>Noncurrent liabilities:</b>			
Compensated absences payable	49,934	-	49,934
Long-term debt - due in more than one year (Note 7)	4,363,790	1,967,167	6,330,957
Net pension liabilities	958,084	-	958,084
<b>Total noncurrent liabilities</b>	<u>5,371,808</u>	<u>1,967,167</u>	<u>7,338,975</u>
<b>Total liabilities</b>	<u>6,819,582</u>	<u>2,049,864</u>	<u>8,869,446</u>
<b>Deferred Inflows of Resources</b>			
Deferred pension amounts	350,613	-	350,613
<b>Total deferred inflows of resources</b>	<u>350,613</u>	<u>-</u>	<u>350,613</u>
<b>Net position</b>			
Net investment in capital assets	11,348,556	2,191,832	13,540,388
Restricted for:			
Historical records preservation	15,135	-	15,135
Land trust	7,868	-	7,868
Senior activities	29,738	-	29,738
Public safety programs	8,217	-	8,217
Community service programs	20,442	-	20,442
Dog park	4,288	-	4,288
Capital	96,840	-	96,840
Unrestricted	5,184,974	238,157	5,423,131
<b>Total net position</b>	<u>\$ 16,716,058</u>	<u>\$ 2,429,989</u>	<u>\$ 19,146,047</u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2018

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>			<i>Net (Expense) Revenue and Changes in Net Position</i>		
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<b>Governmental Activities:</b>							
General government	\$ 1,566,426	\$ 630,391	\$ 1,475	\$ 97,473	\$ (837,087)	\$ -	\$ (837,087)
Public safety	2,425,780	348,365	18,941	-	(2,058,474)	-	(2,058,474)
Public works	2,004,272	-	-	-	(2,004,272)	-	(2,004,272)
Recreation and culture	54,230	11,950	-	-	(42,280)	-	(42,280)
Education	19,352,871	-	4,676,150	-	(14,676,721)	-	(14,676,721)
Transfer station and recycling	179,034	166,534	-	-	(12,500)	-	(12,500)
Community services	274,366	13,842	132,151	-	(128,373)	-	(128,373)
Canvassing authority	3,016	-	-	-	(3,016)	-	(3,016)
Interest and other charges	117,267	-	-	-	(117,267)	-	(117,267)
<b>Total governmental activities</b>	<b>25,977,262</b>	<b>1,171,082</b>	<b>4,828,717</b>	<b>97,473</b>	<b>(19,879,990)</b>	<b>-</b>	<b>(19,879,990)</b>
<b>Business-Type Activities:</b>							
Water fund	293,576	128,154	-	41,601	-	(123,821)	(123,821)
<b>Total business-type activities</b>	<b>293,576</b>	<b>128,154</b>	<b>-</b>	<b>41,601</b>	<b>-</b>	<b>(123,821)</b>	<b>(123,821)</b>
<b>Total</b>	<b>\$ 26,270,838</b>	<b>\$ 1,299,236</b>	<b>\$ 4,828,717</b>	<b>\$ 139,074</b>	<b>(19,879,990)</b>	<b>(123,821)</b>	<b>(20,003,811)</b>
<b>General Revenues:</b>							
Property taxes					18,694,052	-	18,694,052
State aid and in lieu of taxes, not restricted for a specific purpose					493,359	-	493,359
Investment earnings					48,849	-	48,849
Miscellaneous revenue					16,030	-	16,030
<b>Total general revenues</b>					<b>19,252,290</b>	<b>-</b>	<b>19,252,290</b>
<b>Change in net position</b>					<b>(627,700)</b>	<b>(123,821)</b>	<b>(751,521)</b>
<b>Net position - beginning of year restated</b>					<b>17,343,758</b>	<b>2,553,810</b>	<b>19,897,568</b>
<b>Net position - end of year</b>					<b>\$ 16,716,058</b>	<b>\$ 2,429,989</b>	<b>\$ 19,146,047</b>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**

*Balance Sheet  
Governmental Funds  
June 30, 2018*

	<u>General Fund</u>	<u>Capital Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 8,519,361	\$ -	\$ -	\$ 8,519,361
Property taxes, net of allowance for doubtful accounts of \$237,000	809,674	-	-	809,674
Accounts receivable	54,539	-	-	54,539
Due from federal and state government	96,212	6,310	62,262	164,784
Due from other funds	19,717	2,692,910	914,183	3,626,810
Prepaid items	62,422	-	-	62,422
<b>Total assets</b>	<u>\$ 9,561,925</u>	<u>\$ 2,699,220</u>	<u>\$ 976,445</u>	<u>\$ 13,237,590</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenditures	\$ 197,174	\$ -	\$ 43,666	\$ 240,840
Due to other funds	4,174,250	-	19,703	4,193,953
<b>Total liabilities</b>	<u>4,371,424</u>	<u>-</u>	<u>63,369</u>	<u>4,434,793</u>
<b>Deferred Inflows of Resources</b>				
Deferred property taxes	558,483	-	-	558,483
<b>Total deferred inflows of resources</b>	<u>558,483</u>	<u>-</u>	<u>-</u>	<u>558,483</u>
<b>Fund balances</b>				
Nonspendable:				
Prepaid items	62,422	-	-	62,422
Restricted for:				
Capital projects	-	2,480,849	-	2,480,849
Historical records preservation	-	-	15,135	15,135
Senior activities	-	-	29,738	29,738
Public safety programs	-	-	8,217	8,217
Community service programs	-	-	20,442	20,442
Dog park	-	-	4,288	4,288
Land trust	-	-	7,868	7,868
Committed for:				
Planning and inspections	-	-	79,961	79,961
Public facilities and recreation	-	-	745,025	745,025
Public safety programs	-	-	10,030	10,030
Revaluation	246,084	-	-	246,084
Comprehensive Plan	41,491	-	-	41,491
Capital projects	245,160	218,371	-	463,531
Capital - Alton Water	19,291	-	-	19,291
Capital - Foster Woods recreation	12,794	-	-	12,794
Landscaping projects	675	-	-	675
Landfill	50,000	-	-	50,000
Public works projects	2,671	-	-	2,671
Police programs	4,811	-	-	4,811
Building maintenance	1,000	-	-	1,000
Snow removal	12,740	-	-	12,740
School budget	87,846	-	-	87,846
Legal fees	10,000	-	-	10,000
Future state aid funding shortfalls	135,954	-	-	135,954
Assigned for 2019 budget	13,920	-	-	13,920
Unassigned	3,685,159	-	(7,628)	3,677,531
<b>Total fund balances</b>	<u>4,632,018</u>	<u>2,699,220</u>	<u>913,076</u>	<u>8,244,314</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 9,561,925</u>	<u>\$ 2,699,220</u>	<u>\$ 976,445</u>	<u>\$ 13,237,590</u>

*The accompanying notes are an integral part of the basic financial statements.*



**TOWN OF RICHMOND, RHODE ISLAND**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2018**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 8,244,314</b>
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. (See note 6 to the financial statements)	14,065,904
Long-term liabilities (including bonds payable, capital lease payable, compensated absences and net pension liabilities) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet (see note 7 to the financial statements)	(6,225,889)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(37,441)
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as deferred inflows of resources in Governmental Funds financial statements.	558,483
Deferred pension amounts are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements as follows:	
Deferred outflows of resources	461,300
Deferred inflows of resources	(350,613)
 <b>Net Position - Governmental Activities</b>	 <b><u>\$ 16,716,058</u></b>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
**Governmental Funds**  
*For the Fiscal Year Ended June 30, 2018*

	<i>General Fund</i>	<i>Capital Bond Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
<b>Revenues:</b>				
Property taxes	\$ 18,659,341	\$ -	\$ -	\$ 18,659,341
Intergovernmental revenue	5,169,509	103,783	123,828	5,397,120
License, permits and fees	689,903	-	182,901	872,804
Interest on investments	48,849	-	-	48,849
Other revenues	314,306	-	22,429	336,735
<b>Total revenues</b>	24,881,908	103,783	329,158	25,314,849
<b>Expenditures:</b>				
Current:				
General government	1,419,379	-	10,532	1,429,911
Public safety	2,101,670	-	14,923	2,116,593
Public works	932,637	-	-	932,637
Recreation and culture	54,230	-	-	54,230
Education	19,352,871	-	-	19,352,871
Transfer station and recycling	178,456	-	-	178,456
Community services	161,015	-	113,351	274,366
Canvassing authority	3,016	-	-	3,016
Capital outlay	-	1,363,340	-	1,363,340
Debt service:				
Principal	475,000	-	-	475,000
Interest and other charges	100,422	23,603	-	124,025
<b>Total expenditures</b>	24,778,696	1,386,943	138,806	26,304,445
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	103,212	(1,283,160)	190,352	(989,596)
<b>Other financing sources (uses):</b>				
Sale of land	-	189,030	-	189,030
General obligation bonds issued	-	2,501,000	-	2,501,000
Transfers in	13,500	123,139	6,116	142,755
Transfers out	(108,917)	(6,116)	(27,722)	(142,755)
<b>Total other financing sources (uses)</b>	(95,417)	2,807,053	(21,606)	2,690,030
<b>Net change in fund balances</b>	7,795	1,523,893	168,746	1,700,434
<b>Fund balances - beginning of year -restated</b>	4,624,223	1,175,327	744,330	6,543,880
<b>Fund balances - end of year</b>	\$ 4,632,018	\$ 2,699,220	\$ 913,076	\$ 8,244,314

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in the Fund Balances to Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2018**

**Net Changes in Fund Balances - Total Governmental Funds** \$ 1,700,434

**Amounts reported for Governmental Activities in the Statement of Activities are different because:**

Governmental Funds financial statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount of capital asset additions recorded in the current period. 1,226,969

This is the loss on capital assets disposed of in the current period (213,428)

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds financial statements. (1,134,613)

Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period. 4,782

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Government Funds, but the payment reduces long-term liabilities in the Government-Wide Statement of Net Position.

This amount represents bonds issued during the current period. (2,501,000)

This amount represents bond principal payments during the current period. 475,000

Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year. (5,917)

Capital lease proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of capital lease principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.

This amount represents capital lease principal payments during the current period. 1,370

Revenues in the Government-Wide Statement of Activities that are not measurable and available in Governmental Funds are not reported as revenue in the Governmental Funds. 34,711

Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.

This amount represents premium amortized during the current period. 12,675

Long-term net pension liabilities are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources or are not available to pay for current period expenditures. Therefore, long-term net pension liabilities are not reported as expenditures in Governmental Funds financial statements.

This is the amount of the change in long-term net pension liabilities and related deferred pension amounts in the current period. (228,683)

**Change in Net Position of Governmental Activities** \$ (627,700)

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**  
*Statement of Net Position*  
**Proprietary Funds**  
**June 30, 2018**

	<u>Enterprise Fund</u> <u>Water Fund</u>
<b>Assets</b>	
<b>Current assets:</b>	
Accounts receivable, user fees - net	\$ 12,866
Accrued revenue	15,032
Other receivables	9,101
Due from other funds	251,745
<b>Total current assets</b>	<u>288,744</u>
<b>Noncurrent assets:</b>	
Capital assets:	
Land	59,254
Depreciable buildings, equipment and infrastructure, net	<u>4,131,855</u>
<b>Total noncurrent assets</b>	<u>4,191,109</u>
<b>Total assets</b>	<u>4,479,853</u>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Accounts payable and accrued expenses	25,733
Accrued interest payable	24,854
Long-term debt -due within one year	32,110
<b>Total current liabilities</b>	<u>82,697</u>
<b>Noncurrent liabilities</b>	
Loans payable	<u>1,967,167</u>
<b>Total noncurrent liabilities</b>	<u>1,967,167</u>
<b>Total liabilities</b>	<u>2,049,864</u>
<b>Net position</b>	
Net investment in capital assets	2,191,832
Unrestricted	<u>238,157</u>
<b>Total net position</b>	<u>\$ 2,429,989</u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2018**

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	<u><b>Enterprise Fund</b></u> <u><b>Water Fund</b></u>
<b>Operating revenues</b>	
User fees	\$ 128,154
<b>Total operating revenues</b>	<u>128,154</u>
<b>Operating expenses</b>	
Utilities	15,813
Administrative expenses	13,897
Materials, supplies and operations	63,702
Depreciation	140,302
<b>Total operating expenses</b>	<u>233,714</u>
<b>Operating loss</b>	<u>(105,560)</u>
<b>Nonoperating expenses</b>	
Interest expense	(59,862)
<b>Total nonoperating expenses</b>	<u>(59,862)</u>
<b>Net loss before capital contributions</b>	(165,422)
<b>Capital contributions- Chariho and Hopkinton</b>	41,601
<b>Change in net position</b>	(123,821)
<b>Total net position - beginning of year</b>	<u>2,553,810</u>
<b>Total net position - end of year</b>	<u><u>\$ 2,429,989</u></u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Fiscal Year Ended June 30, 2018

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	<u>Enterprise Fund</u>
	<u>Water Fund</u>
<i>Cash flows from operating activities</i>	
Cash received from customers for user fees	\$ 124,886
Cash paid to suppliers for goods and services	(85,281)
Cash paid to other funds for services	(12,302)
<i>Net cash provided by operating activities</i>	<u>27,303</u>
 <i>Cash flows from non-capital financing activities</i>	
Interfund transactions	337,652
<i>Net cash provided by non-capital financing activities</i>	<u>337,652</u>
 <i>Cash flows from capital and related financing activities</i>	
Acquisition and construction of capital assets	(356,726)
Capital contributions	83,202
Principal payments on loan	(31,185)
Interest payments on loan	(60,246)
<i>Net cash used for capital and related financing activities</i>	<u>(364,955)</u>
 <i>Net increase in cash and cash equivalents</i>	-
 <i>Cash and cash equivalents - beginning of year</i>	<u>-</u>
 <i>Cash and cash equivalents - end of year</i>	<u>\$ -</u>

*(Continued)*

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**  
*Statement of Cash Flows (Continued)*  
**Proprietary Funds**  
*For the Fiscal Year Ended June 30, 2018*

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	<u>Enterprise Fund</u>
	<u>Water Fund</u>
<b><i>Reconciliation of operating loss to net cash provided by operating activities:</i></b>	
Operating loss	\$ (105,560)
<b><i>Adjustments to reconcile operating loss to net cash provided by operating activities:</i></b>	
Depreciation	140,302
Changes in assets and liabilities:	
Increase in accounts receivable and accrued revenue, user fees	(4,622)
Decrease in accounts payable and accrued expenses	<u>(2,817)</u>
<b><i>Net cash provided by operating activities</i></b>	<b><u>\$ 27,303</u></b>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**

*Statement of Fiduciary Net Position*

*Fiduciary Funds*

*June 30, 2018*

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	<i><u>Private-Purpose Trust Funds</u></i>	<i><u>Agency Funds</u></i>
<i>Assets</i>		
Cash and cash equivalents	\$ 6,751	\$ -
Investments	126,728	-
Due from other funds	<u>124,875</u>	<u>190,537</u>
<i>Total assets</i>	<u>258,354</u>	<u>190,537</u>
 <i>Liabilities</i>		
Due to other funds	14	-
Deposits held in custody for others	<u>-</u>	<u>190,537</u>
<i>Total liabilities</i>	<u>14</u>	<u>190,537</u>
 <i>Net Position</i>		
Restricted for other purposes	<u>\$ 258,340</u>	<u>\$ -</u>

*The accompanying notes are an integral part of the basic financial statements.*



**TOWN OF RICHMOND, RHODE ISLAND**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2018**

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	<u>Private-Purpose Trust Funds</u>
<b><i>Additions</i></b>	
Gifts and contributions	\$ 2,618
Investment earnings:	
Net increase (decrease) in fair value of investments	4,311
Interest and dividends	3,444
Net investment earnings	<u>7,755</u>
<b><i>Total additions</i></b>	<u>10,373</u>
<b><i>Deductions</i></b>	
Miscellaneous	<u>10,375</u>
<b><i>Total deductions</i></b>	<u>10,375</u>
<b><i>Change in net position</i></b>	(2)
<b><i>Net position - beginning of year</i></b>	<u>258,342</u>
<b><i>Net position - end of year</i></b>	<u><u>\$ 258,340</u></u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF RICHMOND, RHODE ISLAND**  
*Notes to Financial Statements*  
*June 30, 2018*

The financial statements of the Town of Richmond, Rhode Island, have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Town's financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***A. REPORTING ENTITY***

The Town of Richmond, originally part of the Town of Charlestown, was incorporated August 18, 1747. Located in Washington County, Richmond is approximately twenty-eight miles southwest of Providence, Rhode Island. Bounded on the north by the Town of Exeter, on the east by the Towns of Exeter and South Kingstown, on the south by the Town of Charlestown and on the west by the Town of Hopkinton, the Town encompasses an area of 40.6 square miles, including 0.2 square miles of inland water. The Town operates under a Home Rule Charter adopted by the citizens in 2008 with an elected Town Council and appointed Town Administrator form of government. All powers of the Town, except those vested in the Financial Town Meeting, are vested in a five member council headed by the Council President. The Town Council is responsible for establishing policies, enacting ordinances, and appointing a Town Administrator. The Town Administrator supervises the operation of the municipal government under the authority and direction of the Town Council. The Finance Board of the Town is comprised of 5 residents of the Town who are appointed by the Town Council. All proposed budget requests from town department heads, board chairpersons and community service representatives for the Town's ensuing fiscal year are to be submitted to the Finance Board by December 31 of the prior calendar year. The annual Financial Town Meeting is held on or before June 15<sup>th</sup> each year to adopt the budget.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the Town applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units", GASB Statement No. 61 "Financial Reporting Entity-Omnibus" and GASB Statement No. 80 "Blending Requirements for Certain Component Units". A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or based on the nature and significance of the organization's relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The Town of Richmond does not have any component units.

**TOWN OF RICHMOND, RHODE ISLAND**  
*Notes to Financial Statements*  
*June 30, 2018*

**B. BASIS OF PRESENTATION AND ACCOUNTING**

**Government-Wide Financial Statements**

The Town's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered.

The Statement of Activities presents a comparison between direct expenses and program revenue for the business-type activities and for each function of the Town's governmental activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including property taxes and general state aid, are presented as general revenues.

These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

**Fund Financial Statements**

The Fund Financial Statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific Town functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three categories: governmental, proprietary, and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the Fund Financial Statements.

**TOWN OF RICHMOND, RHODE ISLAND**  
*Notes to Financial Statements*  
**June 30, 2018**

**Governmental Fund Financial Statements**

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally collected 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the Town are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured.

***Major Governmental Funds:***

***General Fund*** – The General Fund is used to account for resources devoted to financing the general services that the Town performs for its citizens and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted or reported in another fund.

***Capital Bond Fund*** – The Capital Bond Fund accounts for debt proceeds and General Fund appropriations used for the acquisition or construction of capital facilities and other capital assets.

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

**TOWN OF RICHMOND, RHODE ISLAND**  
**Notes to Financial Statements**  
**June 30, 2018**

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Town has one Enterprise Fund as follows:

**Water Fund** – The Water Fund is used to account for the water use fees and the expenses associated with providing water services to Town residents.

**Fiduciary Fund Financial Statements**

Fiduciary Fund Financial Statements include a Statement of Net Position and a Statement of Changes in Net Position. The Town’s Fiduciary Funds include the Private Purpose Trust Funds and Agency Funds. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other governments. The Fiduciary Funds are accounted for on a spending or “*economic resources*” measurement focus and the accrual basis of accounting. Agency funds are purely custodial and do not involve measurement of results of operations.

**Private Purpose Trust Funds** – These funds account for funds held by the Town under various trust arrangements for the benefit of individuals and cemetery perpetual care.

**Agency Funds** – These funds account for assets held by the Town for performance bonds and probate.

**C. RECENTLY ISSUED ACCOUNTING STANDARDS**

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the Town’s fiscal year ending June 30, 2018.
- GASB Statement No. 81 – *Irrevocable Split-Interest Agreements*, effective for the Town’s fiscal year ending June 30, 2018.
- GASB Statement No. 85 – *Omnibus 2017*, effective for the Town’s fiscal year ending June 30, 2018.
- GASB Statement No. 86 – *Certain Debt Extinguishment Issues*, effective for the Town’s fiscal year ending June 30, 2018.

The adoption of GASB statements No. 75, 81, 85 and 86 did not have an impact on the Town’s financial position or results of operations.

The Town will adopt the following new accounting pronouncements in future years:

- GASB Statement No. 83 – *Certain Asset Retirement Obligations*, effective for the Town’s fiscal year ending June 30, 2019.

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- GASB Statement No. 84 – *Fiduciary Activities*, effective for the Town’s fiscal year ending June 30, 2020.
- GASB Statement No. 87 – *Leases*, effective for the Town’s fiscal year ending June 30, 2021.
- GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for the Town’s fiscal year ending June 30, 2019.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Town’s fiscal year ending June 30, 2021.
- GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for the Town’s fiscal year ending June 30, 2020.

The impact of these pronouncements on the Town’s financial statements has not been determined.

***D. CASH AND CASH EQUIVALENTS***

The Town considers cash and cash equivalents in the Proprietary Funds to include cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

***E. INVESTMENTS***

The Town reports investments at fair value.

***F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE***

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts. The allowances are calculated based on the age of the individual receivables.

***G. PREPAID ITEMS***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***H. UNBILLED SERVICES – ACCRUED REVENUE***

Water revenue is recorded when earned. Customers are billed quarterly. The estimated value of services provided, but unbilled at year-end has been included in the accompanying financial statements.

***I. CAPITAL ASSETS***

Capital assets are reported in the Government-Wide Statement of Net Position. In the Fund Financial Statements, capital assets used in governmental fund activities are accounted for as capital expenditures. Capital assets used in Proprietary Fund operations are accounted for in the same manner as in the Government-Wide Financial Statements.

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All capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at acquisition value as of the date received.

Capitalized assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Under the provisions of GASB Statement No. 34, the Town retroactively accounted for infrastructure capital assets in fiscal year 2007. Infrastructure assets are defined generally as capital assets that are immovable and of value only to the governmental unit, including roads, bridges, sidewalks and street lighting.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings and improvements	30-40
Motor vehicles	5
Furniture and equipment	5-40
Infrastructure/roadways (principally roads)	25-40
Water tank	30
Main extension	40

**J. DEBT PREMIUMS**

In the Governmental Fund Financial Statements, debt premiums are reported as an “other financing source”. In the Government-Wide Statements, debt premiums are deferred and amortized over the term of the debt. Debt premiums are presented as an addition to the face amount of the debt payable.

**K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

In the Governmental Fund Financial Statements, deferred inflows of resources are reported for receivables recorded in the Governmental Fund Financial Statements for which the revenue is not available or amounts received before the period for which property taxes are levied. In the Government-Wide Financial Statements deferred outflows of resources and deferred inflows of resources are reported for amounts related to the Town’s pension plans that will be amortized as a component of pension expense in future years.

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**L. PROPERTY TAXES**

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 96.8% of the total 2017 levy. The tax levy of the Town is approved by the citizens at the Financial Town Meeting.

The Town's fiscal 2017-2018 property taxes were levied in July 2017 on assessed valuation as of December 31, 2016. Upon levy, taxes are due and payable on September 7 or may be paid quarterly on September 7, December 7, March 7, and June 7. Failure to mail payments by due dates will result in lien on taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at approximately 100% of current market value for real estate and 80% of current market value for motor vehicles.

**M. COMPENSATED ABSENCES**

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service.

Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. The liability is calculated at the rate of pay in effect at June 30, 2018. Sick leave is not paid upon termination or retirement, therefore, no liability is accrued for sick leave.

The entire compensated absence liability is reported on the Government-Wide Financial Statements. For Governmental Fund Financial Statements, the amount of accumulated vacation has been recorded as a current liability to the extent that the amounts are due to employees that have resigned or retired.

**N. ACCRUED LIABILITIES AND LONG-TERM DEBT**

All accrued liabilities and long-term debt are reported in the Government-Wide Financial Statements.

For Governmental Fund Financial Statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the Governmental Fund Financial Statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the Governmental Fund Financial Statements until due.

**O. PENSIONS**

For the purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System plans and the additions to/ deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee



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contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**P. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. LEGAL DEBT MARGIN**

The Town’s legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value, which approximates \$26,677,891. As of June 30, 2018, the Town’s debt subject to the legal debt margin is \$7,005,277 and the Town is under the debt limit by \$19,672,614. The debt subject to the debt limitation is based on the type of debt that is issued.

**B. DEFICIT FUND BALANCES**

The following nonmajor governmental funds had deficit fund balances as of June 30, 2018: MEDS Grant - \$(1,231); Police Grants – \$(6,397).

**NOTE 3 – CASH DEPOSITS**

**DEPOSITS** – are in four financial institutions and are carried at cost. The carrying amount of deposits is separately displayed on the Balance Sheet of the Fund Financial Statements and the Statement of Net Position as “Cash and Cash Equivalents”.

	<b><i>Carrying Amount</i></b>
Total Deposits	\$8,473,892
Add: Petty cash and cash on hand	45,469
Investments classified as cash and cash equivalents	<u>6,751</u>
<b><i>Total Cash and Cash Equivalents Reported in the Financial Statements</i></b>	<b><u><u>\$8,526,112</u></u></b>

**CUSTODIAL CREDIT RISK** – custodial credit risk is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk, but is governed by State laws as described below. As of June 30, 2018, \$4,908,756 of the Town’s bank balance of \$8,576,259 was exposed to custodial credit risk as follows:

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	<b>Bank Balance</b>
Insured (Federal depository insurance funds)	\$3,667,503
Collateralized with securities, held by pledging financial Institution or its agent, in the Town's name	4,150,014
Collateralized with securities held by pledging financial Institution or its agent, but not in the Town's name	758,742
<b>Total</b>	<b>\$8,576,259</b>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2018, the Town's uncollateralized deposits with institutions were \$0.

**NOTE 4 – INVESTMENTS**

At June 30, 2018, the Town's investments were as follows:

<b>Investment</b>	<b>Weighted Average Maturity</b>	<b>Fair Value</b>	<b>Rating</b>
Fidelity Investment Money Market Fund			
- Government Portfolio Funds	N/A	\$ 6,751	N/A
ETFs - Domestic Equity Funds	N/A	53,783	N/A
ETFs - Real Estate Funds	N/A	977	N/A
ETFs - International Equity Funds	N/A	3,046	N/A
ETFs - Domestic Fixed Income	7.93 years	12,546	Average AA
ETFs - Domestic Fixed Income	6.68 years	5,305	Average B
Mutual Funds - Domestic Fixed Income	N/A	4,649	Average B
Mutual Funds - Domestic Fixed Income	6.68 years	5,207	Average B
Mutual Funds - Domestic Fixed Income	7.55 years	34,207	Average BBB
Mutual Funds - Domestic Fixed Income	3 years	7,008	Average BBB
		133,479	
		(6,751)	
Total Investments Reported in the Financial Statements		<b>\$ 126,728</b>	

The money market investments have a maturity of less than one year. The fair value of the money market funds reflects the net asset value reported by the fund administrator which is a stable \$1 per unit. The underlying investments, which are short-term cash equivalent type investments are generally carried at amortized cost which approximates fair value. There are no participant withdrawal limitations.

**TOWN OF RICHMOND, RHODE ISLAND**  
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The Town has an Investment Policy for all idle funds to ensure that capital losses are avoided. The deposit of funds are to be federally insured or collateralized in an amount at least 102% in market value to the amount of the deposit. All investments are to meet the “prudent investor” rule which states “Investments shall be made with judgment and care, under circumstance then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering probable safety of capital as well as probable income to be derived,” which simply means that under varying economic conditions the portfolio will be adjusted to ensure safety of principal.

The Town’s policy permits the following investments for Town funds: U.S. Treasury Bills, short-term obligations of U.S. government agencies, federally insured or collateralized certificates of deposit, repurchase agreements collateralized by U.S. Treasury securities, State investment pools, and money market funds consisting of U.S. government securities. General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State’s General Laws. This law generally allows for short-term investments, such as certificates of deposit, money market funds, obligations guaranteed by the U.S. government, etc. with the goal of seeking reasonable income while preserving capital.

**Interest Rate Risk** – The Town policy limits investment maturities. In order to minimize risk of fair value losses arising from interest rate fluctuations, the Town uses the three-month U.S. Treasury Bill as a performance benchmark.

**Credit Risk** –The Town is governed by State Laws that limit investment choices to short-term investments for its’ public deposits (General Fund) and reserve funds (Capital Projects).

**Concentration of Credit Risk** –The Town does not have any policies that limit the amount that can be invested with one issuer.

**Custodial Credit Risk** – Custodial credit risk for investments is the risk that in the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy governing custodial credit risk.

**NOTE 5 – FAIR VALUE MEASUREMENTS**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2018:

- The following investments are valued using prices quoted in active markets for those investments (Level 1 inputs): Fixed Income - Mutual funds and ETFs \$68,922 and Equity Mutual funds and ETFs \$57,806.

**TOWN OF RICHMOND, RHODE ISLAND**  
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**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June, 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Nondepreciable assets:				
Land	\$ 3,904,891	\$ 204,206	\$ 192,098	\$ 3,916,999
	<u>3,904,891</u>	<u>204,206</u>	<u>192,098</u>	<u>3,916,999</u>
Depreciable assets:				
Infrastructure	35,095,535	646,740	982,328	34,759,947
Land improvements	639,655	-	-	639,655
Buildings and improvements	2,969,474	-	-	2,969,474
Furniture and equipment	694,705	18,205	-	712,910
Motor vehicles	2,329,391	432,818	169,995	2,592,214
	<u>41,728,760</u>	<u>1,097,763</u>	<u>1,152,323</u>	<u>41,674,200</u>
<b>Total capital assets</b>	<u>45,633,651</u>	<u>1,301,969</u>	<u>1,344,421</u>	<u>45,591,199</u>
Less accumulated depreciation for:				
Infrastructure	27,243,629	803,221	982,328	27,064,522
Land improvements	80,164	31,983	-	112,147
Buildings and improvements	2,154,806	63,052	-	2,217,858
Furniture and equipment	509,160	32,232	-	541,392
Motor vehicles	1,458,916	204,125	73,665	1,589,376
	<u>31,446,675</u>	<u>1,134,613</u>	<u>1,055,993</u>	<u>31,525,295</u>
<b>Total accumulated depreciation</b>	<u>31,446,675</u>	<u>1,134,613</u>	<u>1,055,993</u>	<u>31,525,295</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 14,186,976</u>	<u>\$ 167,356</u>	<u>\$ 288,428</u>	<u>\$ 14,065,904</u>
<b>Business-Type Activities</b>				
Nondepreciable assets:				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
Construction in progress	166,167	288,886	455,053	-
	<u>225,421</u>	<u>288,886</u>	<u>455,053</u>	<u>59,254</u>
Depreciable assets:				
Buildings	905,694	-	-	905,694
Main extension	1,523,539	-	-	1,523,539
Water Tank	2,145,730	455,053	-	2,600,783
Equipment and machinery	281,026	-	-	281,026
	<u>4,855,989</u>	<u>455,053</u>	<u>-</u>	<u>5,311,042</u>
<b>Total capital assets</b>	<u>5,081,410</u>	<u>743,939</u>	<u>455,053</u>	<u>5,370,296</u>
Less accumulated depreciation for:				
Buildings	690,284	22,643	-	712,927
Main extension	152,354	38,088	-	190,442
Water Tank	71,524	71,524	-	143,048
Equipment and machinery	124,723	8,047	-	132,770
	<u>1,038,885</u>	<u>140,302</u>	<u>-</u>	<u>1,179,187</u>
<b>Total accumulated depreciation</b>	<u>1,038,885</u>	<u>140,302</u>	<u>-</u>	<u>1,179,187</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 4,042,525</u>	<u>\$ 603,637</u>	<u>\$ 455,053</u>	<u>\$ 4,191,109</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
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Depreciation expense was charged as follows:

Governmental activities:

General government	\$ 74,786
Public safety	73,989
Public works	985,838
<b>Total depreciation expense, governmental activities</b>	<b>\$ 1,134,613</b>

Business-type activities:

Water fund	\$ 140,302
<b>Total depreciation expense, business-type activities</b>	<b>\$ 140,302</b>

**NOTE 7 – LONG-TERM LIABILITIES**

**A. LONG-TERM LIABILITIES:**

Changes in long-term liabilities during the year ended June 30, 2018 were as follows:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements</i>	<i>Ending Balance</i>	<i>Amounts Due Within One Year</i>
<b>Governmental activities:</b>					
<b>Bonds and capital leases payable:</b>					
General obligation bonds payable	\$2,980,000	\$2,501,000	\$ 475,000	\$5,006,000	\$ 736,000
Capital leases	8,000	-	1,370	6,630	1,567
	2,988,000	2,501,000	476,370	5,012,630	737,567
Plus amortized premiums on bonds	101,403	-	12,676	88,727	-
<b>Total bonds and capital leases</b>	<b>3,089,403</b>	<b>2,501,000</b>	<b>489,046</b>	<b>5,101,357</b>	<b>737,567</b>
<b>Other liabilities:</b>					
Accrued compensated absences	171,231	115,079	119,862	166,448	116,514
Net pension liabilities	729,680	228,404	-	958,084	-
<b>Total Governmental Activities</b>	<b>\$3,990,314</b>	<b>\$2,844,483</b>	<b>\$ 608,908</b>	<b>\$6,225,889</b>	<b>\$ 854,081</b>
<b>Business-type activities:</b>					
<b>Loans payable:</b>					
Loans payable	\$2,030,462	\$ -	\$ 31,185	\$1,999,277	\$ 32,110
<b>Total Business-type activities</b>	<b>\$2,030,462</b>	<b>\$ -</b>	<b>\$ 31,185</b>	<b>\$1,999,277</b>	<b>\$ 32,110</b>

All debt of the Government Activities is general obligation debt. The payments on the bonds and capital leases are paid from the General Fund. The payments on the bonds in the Business-type activities are paid from the Water Fund. The compensated absences are paid from the General Fund. The net pension liabilities will be paid from the General Fund.

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**B. BONDS AND LOANS PAYABLE**

Outstanding bonds and loans payable are as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2017</u>	<u>New Issues</u>	<u>Maturities During Year</u>	<u>Outstanding June 30, 2018</u>
<b>Governmental activities:</b>								
<b>Bonds payable</b>								
2007 Capital Improvement Bonds	8/15/2007	4-5.50%	8/15/2017	\$ 1,400,000	\$ 145,000	\$ -	\$ 145,000	\$ -
2010 Capital Improvement Bonds	8/15/2010	1.15-3.00%	8/15/2020	1,150,000	875,000	-	100,000	775,000
2014 Capital Improvement Bonds	8/6/2014	2.00%	8/1/2024	2,410,000	1,960,000	-	230,000	1,730,000
2017 Capital Improvement Bonds	10/17/2017	2.11%	6/30/2028	2,501,000	-	2,501,000	-	2,501,000
<b>Total governmental activities bonds payable</b>				<u>\$ 7,461,000</u>	<u>\$ 2,980,000</u>	<u>\$ 2,501,000</u>	<u>\$ 475,000</u>	<u>\$ 5,006,000</u>
<b>Business type activities:</b>								
<b>Loans payable</b>								
2012 Water capital improvements	2/28/2012	3.75%	2/28/2052	\$ 825,000	\$ 766,877	\$ -	\$ 12,692	\$ 754,185
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	744,000	723,958	-	10,474	713,484
2014 Water capital improvements	1/9/2015	2.75%	1/9/2055	275,000	267,170	-	4,077	263,093
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	280,000	272,457	-	3,942	268,515
<b>Total business-type activities loans payable</b>				<u>\$ 2,124,000</u>	<u>\$ 2,030,462</u>	<u>\$ -</u>	<u>\$ 31,185</u>	<u>\$ 1,999,277</u>

At June 30, 2018 annual debt service requirements to maturity for bonds and loans payable are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>			<u>Business- Type Activities</u>		
	<u>Bonds payable</u>			<u>Loans payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	736,000	110,703	846,703	32,110	59,321	91,431
2020	745,000	97,028	842,028	33,063	58,368	91,431
2021	755,000	76,462	831,462	34,044	57,387	91,431
2022	495,000	61,148	556,148	36,365	56,376	92,741
2023-2027	2,025,000	127,463	2,152,463	191,718	265,437	457,155
2028-2032	250,000	2,633	252,633	221,909	235,246	457,155
2033-2037	-	-	-	256,858	200,297	457,155
2038-3042	-	-	-	297,316	159,840	457,156
2043-2047	-	-	-	344,152	113,004	457,156
2048-2052	-	-	-	397,879	58,783	456,662
2053-2055	-	-	-	153,863	9,032	162,895
	<u>\$ 5,006,000</u>	<u>\$ 475,437</u>	<u>\$ 5,481,437</u>	<u>\$ 1,999,277</u>	<u>\$ 1,273,091</u>	<u>\$ 3,272,368</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
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**C. CAPITAL LEASE OBLIGATIONS**

The Town acquired equipment valued at \$8,574 that were financed with lease-purchase agreements. Amortization of assets acquired under capital leases is included in depreciation expense for the year ended June 30, 2018.

Capital lease obligations currently outstanding are as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2017</u>	<u>New Issues</u>	<u>Retirements During Year</u>	<u>Outstanding June 30, 2018</u>
Savin Copier	1/19/2017	13.49%	1/19/2022	\$ 8,574	\$ 8,000	-	\$ 1,370	\$ 6,630
<b>Total governmental activities capital leases</b>				<u>\$ 8,574</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ 1,370</u>	<u>\$ 6,630</u>

Obligations of governmental activities under capital leases at June 30, 2018 were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Lease Payment Requirements</u>
2019	2,367
2020	2,367
2021	2,367
2022	<u>1,274</u>
Total minimum lease payments	8,375
Less: Amount representing interest cost	<u>(1,745)</u>
Present value of minimum lease payments	<u>\$ 6,630</u>

**D. LINE OF CREDIT**

On January 16, 2018, the Town entered into a loan agreement with the RI Infrastructure Bank for a non restoring line of credit up to \$300,000 to be used for the Community Septic System Loan Program (CSSLP). The loan bears interest of 0% and discharge of the loan is the later of the date on which all loans made by the Town under the CSSLP have been paid back or January 1, 2028. The balance of the line of credit as of June 30, 2018 is \$0.

**TOWN OF RICHMOND, RHODE ISLAND**  
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**NOTE 8 – INTERFUND BALANCES**

The Town reports interfund balances between many of its funds. Interfund balances at June 30, 2018 were as follows:

	<i>Due From:</i>			<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Private Purpose Trust Funds</i>	
<i>Due To:</i>				
General Fund	\$ -	\$ 19,703	\$ 14	\$ 19,717
Capital Bond Fund	2,692,910	-	-	2,692,910
Nonmajor Governmental Funds	914,183	-	-	914,183
Enterprise Fund	251,745	-	-	251,745
Private Purpose Trust	124,875	-	-	124,875
Agency Funds	190,537	-	-	190,537
<b>Total</b>	<b>\$ 4,174,250</b>	<b>\$ 19,703</b>	<b>\$ 14</b>	<b>\$ 4,193,967</b>

The balances primarily result from the time lag between the dates the 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

**NOTE 9 – INTERFUND TRANSFERS**

	<i>Transfer From:</i>			<i>Total</i>
	<i>General Fund</i>	<i>Capital Bond Funds</i>	<i>Other Governmental Funds</i>	
<i>Transfer To:</i>				
General Fund	\$ -	\$ -	\$ 13,500	\$ 13,500
Capital Bond Fund	108,917	-	14,222	123,139
Other Governmental Funds	-	6,116	-	6,116
<b>Total</b>	<b>\$ 108,917</b>	<b>\$ 6,116</b>	<b>\$ 27,722</b>	<b>\$ 142,755</b>

Transfers are used to move revenues from the fund that the budget requires to collect them, to the funds that the budget requires to expend them.

**NOTE 10 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

**A. ACCOUNTS RECEIVABLE**

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year. The real estate and personal property taxes include an allowance for doubtful accounts of \$237,000.



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**Notes to Financial Statements**  
**June 30, 2018**

**B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The accounts payable and accrued liabilities at June 30, 2018, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 114,562	\$ 66,094	\$ 331,930	\$ 512,586
Nonmajor Governmental Funds	43,666	-	-	43,666
<b>Total Governmental Activities</b>	<u>\$ 158,228</u>	<u>\$ 66,094</u>	<u>\$ 331,930</u>	<u>\$ 556,252</u>
Business-Type Activities:				
Water Fund	\$ 21,654	\$ -	\$ 4,079	\$ 25,733
<b>Total Business-Type Activities</b>	<u>\$ 21,654</u>	<u>\$ -</u>	<u>\$ 4,079</u>	<u>\$ 25,733</u>

**NOTE 11 – NET POSITION/FUND BALANCES**

The Government-Wide Financial Statements and Proprietary Fund Statements utilize a net position presentation. Net position is segregated into the following three categories:

**Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category

**Restricted Net Position** – This category represents balances limited to uses specified either externally by creditors, grantors, contributors, laws or regulations of other governments or imposed through constitutional provisions or enabling legislation.

**Unrestricted Net Position** – This category represents the residual component of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

The Town considers restricted resources to have been spent when an expense is incurred for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

**Nonspendable Fund Balance** – This classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash (e.g. inventories, prepaid amounts, and noncurrent receivables).

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***Restricted Fund Balance*** – This classification includes amounts that have constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

***Committed Fund Balance*** – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Town removes or changes the specific use by taking the same type of action it employed to previously commit those amounts.

***Assigned Fund Balance*** – This classification includes amounts constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed.

***Unassigned Fund Balance*** – This classification is the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to another fund and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Committed fund balances are established, modified or rescinded by either of the following formal actions; a resolution approved by the tax payers at a Financial Town Meeting or an ordinance adopted by the Town Council. The committed fund balance can only be removed by the same formal action used to establish the commitment. Both actions are considered equally binding. The Town Council has authorized the Town Administrator or his/her/their designee to assign fund balance. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

The Town’s minimum fund balance policy requires a minimum unassigned fund balance in its General Fund ranging from 15% to 20% of the subsequent year’s budgeted expenditures and outgoing transfers.

**NOTE 12 – CHARIHO REGIONAL SCHOOL DISTRICT**

The Chariho Regional School District (Regional School) was created to include a regional school for the Towns of Hopkinton, Charlestown and Richmond (the Towns), which encompasses grades K-12. The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town’s enrollment, and from State aid to education. As of October 2016, the District had a total enrollment of 3,254 of which 1,216 were students from Richmond. This number was used for calculating the Town’s fiscal year 2017 – 2018 contribution to the District. Financial statements for the Regional School District are issued separately and may be obtained from the Chariho Regional School District, 455A Switch Road, Wood River Junction, Rhode Island 02894.

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**NOTE 13 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town has purchased commercial insurance to insure its risk of loss. Settled claims resulting from these risks have not exceeded the insurance coverage in any of the past three fiscal years.

**NOTE 14 – LITIGATION AND CONTINGENCIES**

**A. LITIGATION:**

During the ordinary course of operations, the Town is a party to various claims, legal actions and complaints. In the opinion of the Town’s management and legal counsel, these matters are not anticipated to have a material financial impact on the Town.

**B. FEDERALLY FUNDED PROGRAMS:**

The Town participates in a number of federally funded programs. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

**NOTE 15 – RESTATEMENTS**

The net position of the Governmental Activities has been restated to correct prior year Due from State.

	<i>Governmental Activities</i>	<i>Other Governmental Funds</i>
Net position June 30, 2017, as previously reported	\$ 17,349,874	\$ 750,446
To correct the prior year Due from State	(6,116)	(6,116)
<b><i>Net position June 30, 2017, as restated</i></b>	<b>\$ 17,343,758</b>	<b>\$ 744,330</b>

**NOTE 16 – TAX ABATEMENTS**

The Town established in 2014 by ordinance a tax stabilization program for qualifying property that is used for renewable energy production pursuant to Section 44-3-9 of Rhode Island General Laws. The purpose of the program is to encourage the development of cost-effective, domestically-produced renewable energy, and to increase the Town’s non-residential tax base, by exempting or stabilizing personal property taxes on facilities that qualify for such an exemption or stabilization. Renewable energy means energy produced by sunlight, wind or geothermal heat.

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The Town Council has the authority to exempt from payment of personal property taxes, in whole or in part, or to stabilize the amount of personal property taxes on property that will be used exclusively for the production of renewable energy. An applicant for the tax exemption or stabilization under this program must submit a written proposal to the Town Clerk describing the property, the proposed use and the exemption or stabilization sought. The Town shall conduct a public hearing on the proposal before being approved. The exemption or stabilization must be established by a resolution approved by the Town Council and shall be effective for a period not to exceed fifteen (15) years.

The Town Council will adopt the resolution only if it finds that adopting the tax exemption or stabilization:

- Will induce or encourage a producer of renewable energy to locate its facility in Richmond, or
- Will increase the manufacturing infrastructure of Richmond, resulting in a long-term benefit to Richmond or the State of Rhode Island, and
- Will benefit the Town by encouraging the renewable energy producer to construct and equip a new facility, representing an investment of not less than \$500,000 in tangible property, and
- Will not give the renewable energy producer an unfair advantage in relation to existing competing businesses in Richmond.

The Town Council has the authority to terminate the tax exemption or stabilization if the owner of the personal property, or real property on which it is located, is delinquent in the payment of any property taxes, or if the real or personal property is no longer used for the purpose for which the exemption or stabilization was approved, or if the facility or the real property on which it is located is sold.

The Town had one taxpayer participating in the tax stabilization program in fiscal year 2018. The tax stabilization agreement is on the tangible property owned by the taxpayer which will be taxed at \$3,750 per year for 12 ½ years starting in fiscal year 2017. The total value of the tax abatement granted under this agreement in fiscal year 2018 was \$29,427.

As the result of a recent change in the Rhode Island General Laws, which changes how cities and towns tax “renewable energy resources and associated equipment” the Town repealed in July 2017 the ordinance establishing the tax stabilization program described above. The one taxpayer that has an agreement with the Town under the repealed ordinance would not be effected by the change and will continue to pay taxes under the existing stabilization agreement.

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**NOTE 17 – PENSION PLANS**

**A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND PLANS**

**Defined Benefit Plans**

**General Information about the Pension Plan**

**Plan Description** - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

**Benefits Provided** – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable. The Town of Richmond has only general employees and police officers that participate in the MERS Plan.

**Salary:** Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

**Service:** Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

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Final Average Compensation (FAC): Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

Subsequent to June 30, 2015, litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, which have been included in the determination of the total pension liability at the June 30, 2017 measurement date and are reflected in the summary of benefit provisions described below.

**General Employees** - Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior retirement date, described below, and the retirement age applicable to members hired after June 30, 2012. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior retirement date. The minimum retirement age is 59.

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior retirement date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012

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through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

**Police and Fire Employees** - Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior retirement date before age 52 may retire at age 52.

Active members on June 30, 2012 may choose to retire at their prior retirement date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012, benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC. The Town of Richmond elected not to participate in the 20-year retirement provision.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described above and one calculated based on a 2.25% multiplier for all years of service.

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**Other Benefit Provisions** - Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

a.) The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b.) Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c.) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

The Town of Richmond has not elected the optional cost-of-living provision for either the general employees or police officers.

**Special Provisions Applying to Specific Units** – Prior to July 1, 2012, some units had specific provisions that apply only to that unit. Per section 45-21.2-5 benefits for members eligible to retire prior to June 30, 2012 are preserved for the calculation of the retirement benefits. For service accrued after July 1, 2012, retirement benefits will be calculated in accordance with section 45-21.2-2 and adjustments to benefits will be provided as set forth in 45-21-52. The following summarized those provisions:



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Richmond Police – Rhode Island General Law §§ 45-21.2-6.3

Under these special provisions, members are eligible to retire after attaining 22 years of service. The retirement benefit for a member with 22 or more years of service was improved to 50.00% x Final Average Compensation (FAC), plus 2.2727% x FAC x Years of Service in excess of 22, with a maximum benefit equal to 75% of FAC.

**Employees Covered by Benefit Terms** - At the June 30, 2016 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries Inactive, Nonretired	13	1
Members	31	4
Active Members	27	13
Total	71	18

**Contributions** - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Police officers are required to contribute 9% of their salaries. The Town of Richmond contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Richmond contributed the following amounts in the year ended June 30, 2018: general employees plan - \$98,796 and police officers plan - \$72,114. The Town’s contributions represented the following percentages of annual covered payroll: general employees plan – 8.37%; police officers plan – 9.55%.

**Net Pension Liability** - The total pension liability was determined by actuarial valuations performed as of June 30, 2016 and rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

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<b>Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2017 Measurement Date (June 30, 2016 valuation rolled forward to June 30, 2017)</b>	
Actuarial Cost Method	Entry Age Normal - The Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions:	
Investment Rate of Return	7.0%
Projected Salary Increases	General Employees - 3.5% to 7.5% ; Police Officers - 4.0% to 14.0%
Inflation	2.5%
Mortality	Variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2016 valuation rolled forward to June 30, 2017 and the calculation of the total pension liability at June 30, 2017 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2017 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

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Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<b>Global Equity</b>		
US Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
Emerging Markets Equity	3.50%	8.91%
<b>Private Growth</b>		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
<b>Income</b>		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
<b>Crisis Protection Class</b>		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
<b>Inflation Protection</b>		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
<b>Volatility Protection</b>		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

The following changes in actuarial assumptions have been made since the prior measurement date: inflation was changed from 2.75% to 2.5%; investment rate of return was changed from 7.5% to 7.0%; and mortality was changed from 115% (males) and 95% (females) of RP-2000 combined healthy with white collar adjustments projected with scale AA from 2000 to variants of the RP-2014 mortality tables with MP-2016 projection scale.

**Discount Rate** - The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The prior measurement date used a discount rate of 7.5%.

**TOWN OF RICHMOND, RHODE ISLAND**  
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**General Employees Plan**  
**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2016	\$2,373,685	\$2,022,457	\$351,228
Changes for the Year:			
Service cost	89,022	-	89,022
Interest on the total pension liability	176,585	-	176,585
Changes in benefits	-	-	-
Difference between expected and actual experience	(81,013)	-	(81,013)
Changes in assumptions	116,324	-	116,324
Employer contributions	-	102,529	(102,529)
Employee contributions	-	23,739	(23,739)
Net investment income	-	234,153	(234,153)
Benefit payments, including employee refunds	(127,446)	(127,446)	-
Administrative expense	-	(2,212)	2,212
Other changes	-	(48,318)	48,318
Net changes	173,472	182,445	(8,973)
<b>Balances as of June 30, 2017</b>	<b>\$2,547,157</b>	<b>\$2,204,902</b>	<b>\$342,255</b>

**Police Officers Plan**  
**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2016	\$2,046,954	\$1,668,502	\$378,452
Changes for the Year:			
Service cost	125,571	-	125,571
Interest on the total pension liability	157,222	-	157,222
Changes in benefits	-	-	-
Difference between expected and actual experience	(43,450)	-	(43,450)
Changes in assumptions	150,620	-	150,620
Employer contributions	-	85,456	(85,456)
Employee contributions	-	70,238	(70,238)
Net investment income	-	190,537	(190,537)
Benefit payments, including employee refunds	(26,892)	(26,892)	-
Administrative expense	-	(1,800)	1,800
Other changes	-	(191,845)	191,845
Net changes	363,071	125,694	237,377
<b>Balances as of June 30, 2017</b>	<b>\$2,410,025</b>	<b>\$1,794,196</b>	<b>\$615,829</b>

**TOWN OF RICHMOND, RHODE ISLAND**  
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**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the employers calculated using the discount rate of 7.0 percent, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<b>Plan</b>	<b>1.00% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1.00 Increase (8.0%)</b>
General Employees	\$636,827	\$342,255	\$122,890
Police Officers	\$883,718	\$615,829	\$416,429

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

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

For the year ended June 30, 2018, the Town recognized pension expense as follows: general employees plan - \$118,537; and police officers plan - \$277,991. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>General Employees Plan</b>	<b>Police Officers Plan</b>
<b>Deferred Outflows of Resources:</b>		
Change in assumptions	\$ 87,893	\$ 136,787
Net difference between projected and actual investment earnings	37,745	27,965
Contributions subsequent to the measurement date	98,796	72,114
<b>Total</b>	<b>\$224,434</b>	<b>\$ 236,866</b>
<b>Deferred Inflows of Resources:</b>		
Change in assumptions	\$ -	\$ 36,130
Difference between expected and actual experience	128,947	185,536
<b>Total</b>	<b>\$128,947</b>	<b>\$221,666</b>

**TOWN OF RICHMOND, RHODE ISLAND**  
*Notes to Financial Statements*  
**June 30, 2018**

The deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Net Deferred Outflows/(Inflows) of Resources</b>	
	<b>General Employees Plan</b>	<b>Police Officers Plan</b>
2019	\$(26,079)	\$(5,503)
2020	16,515	13,922
2021	22,344	(610)
2022	(16,089)	(24,808)
2023	-	(11,241)
Thereafter	-	(28,674)

**Defined Contribution Plan**

***Plan Description***

Certain general employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants.

General employees contribute 5% of their annual covered salary and employers contribute, depending on years of service, 1% to 1.5% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The Town of Richmond recognized pension expense of \$10,507 and employees contributed \$50,147 for the fiscal year ended June 30, 2018.

The System issues an annual financial report that includes financial statements and required supplementary information for plans administered by the System. The reports can be obtained at <http://www.ersri.org>.

**TOWN OF RICHMOND, RHODE ISLAND**  
*Notes to Financial Statements*  
 June 30, 2018

**B. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS**

	<b>Deferred Outflows of Resources – Pension Amounts</b>	<b>Deferred Inflows of Resources – Pension Amounts</b>	<b>Net Pension Liability</b>	<b>Pension Expense</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
General Employees Plan	\$224,434	\$128,947	\$342,255	\$118,537
Police Officers Plan	<u>236,866</u>	<u>221,666</u>	<u>615,829</u>	<u>277,991</u>
Total	<u>\$461,300</u>	<u>\$350,613</u>	<u>\$958,084</u>	<u>\$396,528</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:**

**Schedule of Changes in the Net Pension Liability and Related Ratios**

**Schedule of Town Contributions**

**Budgetary Comparison Schedule - General Fund**

**In addition, the notes to the required supplementary information are included to provide information that is essential to a user's understanding of the required supplementary information.**



**TOWN OF RICHMOND, RHODE ISLAND**  
**Required Supplementary Information**  
**General Employees Pension Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability:</b>				
Service cost	\$ 89,022	\$ 84,243	\$ 78,867	\$ 82,980
Interest	176,585	173,801	169,745	159,161
Changes of benefit terms	-	-	7,172	-
Differences between expected and actual experience	(81,013)	(89,581)	(80,463)	-
Changes of assumptions	116,324	-	-	8,897
Benefits payments, including refunds of member contributions	(127,446)	(140,013)	(107,834)	(107,897)
<b>Net change in total pension liability</b>	<u>173,472</u>	<u>28,450</u>	<u>67,487</u>	<u>143,141</u>
<b>Total pension liability - beginning</b>	<u>2,373,685</u>	<u>2,345,235</u>	<u>2,277,748</u>	<u>2,134,607</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 2,547,157</u>	<u>\$ 2,373,685</u>	<u>\$ 2,345,235</u>	<u>\$ 2,277,748</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 102,529	\$ 105,589	\$ 105,664	\$ 96,455
Contributions - employee	23,739	21,668	10,150	9,770
Net investment income	234,153	(702)	47,756	264,216
Benefits payments, including refunds of member contributions	(127,446)	(140,013)	(107,834)	(107,897)
Administrative expense	(2,212)	(1,888)	(1,701)	(1,655)
Other	(48,318)	(1)	-	60
<b>Net change in plan fiduciary net position</b>	<u>182,445</u>	<u>(15,347)</u>	<u>54,035</u>	<u>260,949</u>
<b>Plan fiduciary net position - beginning</b>	<u>2,022,457</u>	<u>2,037,804</u>	<u>1,983,769</u>	<u>1,722,820</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 2,204,902</u>	<u>\$ 2,022,457</u>	<u>\$ 2,037,804</u>	<u>\$ 1,983,769</u>
<b>Town's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ 342,255</u>	<u>\$ 351,228</u>	<u>\$ 307,431</u>	<u>\$ 293,979</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	86.56%	85.20%	86.89%	87.09%
<b>Covered employee payroll</b>	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021	\$ 972,797
<b>Net pension liability as a percentage of covered employee payroll</b>	30.22%	33.40%	30.29%	30.22%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

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

**TOWN OF RICHMOND, RHODE ISLAND**  
**Required Supplementary Information**  
**Police Officers Pension Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability:</b>				
Service cost	\$ 125,571	\$ 117,007	\$ 110,292	\$ 98,579
Interest	157,222	145,968	130,490	121,078
Changes of benefit terms	-	-	86,007	-
Differences between expected and actual experience	(43,450)	(90,309)	(97,139)	-
Changes of assumptions	150,620	-	-	(54,846)
Benefits payments, including refunds of member contributions	<u>(26,892)</u>	<u>(26,892)</u>	<u>(26,394)</u>	<u>(63,940)</u>
<b>Net change in total pension liability</b>	<u>363,071</u>	<u>145,774</u>	<u>203,256</u>	<u>100,871</u>
<b>Total pension liability - beginning</b>	<u>2,046,954</u>	<u>1,901,180</u>	<u>1,697,924</u>	<u>1,597,053</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 2,410,025</u>	<u>\$ 2,046,954</u>	<u>\$ 1,901,180</u>	<u>\$ 1,697,924</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 85,456	\$ 90,160	\$ 87,587	\$ 57,398
Contributions - employee	70,238	65,623	50,296	60,573
Net investment income	190,537	(579)	36,131	185,875
Benefits payments, including refunds of member contributions	(26,892)	(26,892)	(26,394)	(63,940)
Administrative expense	(1,800)	(1,558)	(1,448)	(1,164)
Other	<u>(191,845)</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
<b>Net change in plan fiduciary net position</b>	<u>125,694</u>	<u>126,753</u>	<u>146,172</u>	<u>238,743</u>
<b>Plan fiduciary net position - beginning</b>	<u>1,668,502</u>	<u>1,541,749</u>	<u>1,395,577</u>	<u>1,156,834</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 1,794,196</u>	<u>\$ 1,668,502</u>	<u>\$ 1,541,749</u>	<u>\$ 1,395,577</u>
<b>Town's net pension liability - ending (a) - (b)</b>	<u>\$ 615,829</u>	<u>\$ 378,452</u>	<u>\$ 359,431</u>	<u>\$ 302,347</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	74.45%	81.51%	81.09%	82.19%
<b>Covered employee payroll</b>	\$ 780,428	\$ 727,204	\$ 718,512	\$ 644,730
<b>Net pension liability as a percentage of covered employee payroll</b>	78.91%	52.04%	50.02%	46.90%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

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

**TOWN OF RICHMOND, RHODE ISLAND**  
**Required Supplementary Information - Pension Plans**  
**Schedule of Town Contributions (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>General Employees Plan</u></b>				
Actuarially determined contribution	\$ 98,796	\$ 102,529	\$ 105,589	\$ 105,664
Contributions in relation to the actuarially determined contribution	98,796	102,529	105,589	105,664
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,180,362	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021
Contributions as a percentage of covered employee payroll	8.37%	9.05%	10.04%	10.41%
<b><u>Police Officers Plan</u></b>				
Actuarially determined contribution	\$ 72,114	\$ 85,456	\$ 90,160	\$ 87,587
Contributions in relation to the actuarially determined contribution	72,114	85,456	90,160	87,587
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512
Contributions as a percentage of covered employee payroll	9.55%	10.95%	12.40%	12.19%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

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

**TOWN OF RICHMOND, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
<b>Taxes</b>				
01 00 4000 Taxes	\$ 18,200,531	\$ 18,200,531	\$ 18,168,749	\$ (31,782)
01 00 4001 Interest & penalty	100,000	100,000	85,998	(14,002)
01 00 4002 Miscellaneous	7,500	7,500	18,743	11,243
01 00 4071 Prior year taxes	700,000	700,000	385,851	(314,149)
<b>Total Taxes</b>	<u>19,008,031</u>	<u>19,008,031</u>	<u>18,659,341</u>	<u>(348,690)</u>
<b>State Aid</b>				
01 00 4006 State aid to education	4,637,363	4,637,363	4,676,150	38,787
01 00 4008 Corporation tax	98,461	98,461	96,149	(2,312)
01 00 4009 Hotel tax	4,803	4,803	4,989	186
01 00 4010 Meals & beverage tax	159,294	159,294	143,647	(15,647)
01 00 4063 Motor vehicle phase-out	65,687	65,687	248,574	182,887
<b>Total State Aid</b>	<u>4,965,608</u>	<u>4,965,608</u>	<u>5,169,509</u>	<u>203,901</u>
<b>Permits &amp; fees</b>				
01 00 4012 Building permit fees	90,000	90,000	231,608	141,608
01 00 4013 Zoning fees	2,000	2,000	3,909	1,909
01 00 4014 Planning fees	20,000	20,000	18,246	(1,754)
<b>Total Permits &amp; Fees</b>	<u>112,000</u>	<u>112,000</u>	<u>253,763</u>	<u>141,763</u>
<b>Licenses &amp; fees</b>				
01 00 4015 Misc. business license & fees	6,500	6,500	8,804	2,304
01 00 4016 Liquor license fees	8,000	8,000	8,600	600
01 00 4017 Dog license	6,800	6,800	6,080	(720)
01 00 4018 Marriage license	300	300	336	36
01 00 4019 Misc. non-business license & fees	2,500	2,500	4,735	2,235
01 00 4020 Hopkinton transfer station stickers	850	850	1,225	375
<b>Total Licenses &amp; Fees</b>	<u>24,950</u>	<u>24,950</u>	<u>29,780</u>	<u>4,830</u>
<b>User Fees</b>				
01 00 4026 Realty stamp commission	25,000	25,000	53,048	28,048
01 00 4027 Copier use fees	8,000	8,000	7,380	(620)
01 00 4028 Recording fees	80,000	80,000	87,839	7,839
01 00 4030 Probate fees	6,000	6,000	6,195	195
01 00 4042 Recreation event fees	17,300	17,300	11,265	(6,035)
01 00 4043 Community ctr revenue	2,000	2,000	685	(1,315)
01 00 4065 Transfer station fees	153,000	153,000	166,534	13,534
<b>Total User Fees</b>	<u>291,300</u>	<u>291,300</u>	<u>332,946</u>	<u>41,646</u>
<b>Fines &amp; Forfeitures</b>				
01 00 4021 Dog fines	1,700	1,700	1,193	(507)
01 00 4022 State traffic fines	35,000	35,000	46,077	11,077
<b>Total Fines &amp; Forfeitures</b>	<u>36,700</u>	<u>36,700</u>	<u>47,270</u>	<u>10,570</u>
<b>Investments</b>				
01 00 4024 Interest income	25,000	25,000	48,849	23,849
<b>Total Interest on Investments</b>	<u>25,000</u>	<u>25,000</u>	<u>48,849</u>	<u>23,849</u>

(Continued)

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

**TOWN OF RICHMOND, RHODE ISLAND**  
*Budgetary Comparison Schedule - General Fund*  
*Schedule of Revenues and Expenditures - Budgetary Basis (Continued)*  
*8For the Fiscal Year Ended June 30, 2018*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
<b>Miscellaneous Income</b>				
01 00 4033 School resource officer reimbursement	72,000	72,000	70,719	(1,281)
01 00 4034 Police VIN inspection fee	5,500	5,500	3,830	(1,670)
01 00 4036 Detail pay revenue	-	-	220,839	220,839
01 00 4050 Misc. revenue	1,000	1,000	16,028	15,028
01 00 4051 Misc. police returns	30,000	30,000	2,890	(27,110)
<b>Total Miscellaneous Income</b>	<u>108,500</u>	<u>108,500</u>	<u>314,306</u>	<u>205,806</u>
<b>Federal aid</b>				
01 00 4035 COPS Grant	22,000	22,000	-	(22,000)
01 00 4452 EMA Grant	5,000	5,000	-	(5,000)
<b>Total Federal Aid</b>	<u>27,000</u>	<u>27,000</u>	<u>-</u>	<u>(27,000)</u>
<b>Senior Activities</b>				
01 00 4076 Senior activities bingo	8,000	8,000	6,500	(1,500)
01 00 4078 Senior activities dues	3,000	3,000	2,369	(631)
01 00 4079 Senior activities program fees	5,000	5,000	4,973	(27)
<b>Total Senior Activities</b>	<u>16,000</u>	<u>16,000</u>	<u>13,842</u>	<u>(2,158)</u>
<b>Transfers and Use of Committed Fund Balance</b>				
01 00 4055 Education Impact fees	9,600	9,600	9,600	-
01 00 4056 Recreation Impact fees	3,900	3,900	3,900	-
01 00 4058 Transfer from Water Fund debt	91,431	91,431	91,431	-
01 00 4059 Transfer from Water Fund Admin	12,302	12,302	12,302	-
01 00 4074 Appropriated Reserve	180,500	180,500	180,500	-
<b>Total Transfers and Use of Committed Fund Balance</b>	<u>297,733</u>	<u>297,733</u>	<u>297,733</u>	<u>-</u>
 <b>Total Revenues</b>	 <u>\$ 24,912,822</u>	 <u>\$ 24,912,822</u>	 <u>\$ 25,167,339</u>	 <u>\$ 254,517</u>

(Continued)

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

**TOWN OF RICHMOND, RHODE ISLAND**  
*Budgetary Comparison Schedule - General Fund*  
*Schedule of Revenues and Expenditures - Budgetary Basis (Continued)*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
<b>Expenditures</b>				
<b>Town Council</b>				
01 10 5000 Council President	1,500	1,500	1,500	-
01 10 5001 Council Members	5,000	5,000	5,000	-
01 10 5100 FICA	497	497	497	-
01 10 5130 Retirement - ER 1452 Town	117	117	105	12
<b>Total Town Council</b>	<u>7,114</u>	<u>7,114</u>	<u>7,102</u>	<u>12</u>
<b>Building / Planning / Zoning</b>				
01 11 5000 Regular Wages	121,933	122,354	113,305	9,049
01 11 5010 Part Time Wages	42,183	43,448	54,995	(11,547)
01 11 5042 Alternate Inspector	-	-	3,658	(3,658)
01 11 5100 FICA	12,555	12,684	13,086	(402)
01 11 5102 Health Insurance	14,949	14,949	13,122	1,827
01 11 5103 Dental Insurance	-	-	456	(456)
01 11 5130 Municipal Retirement -ER 1452	11,425	11,469	10,251	1,218
01 11 5150 Worker's Compensation Insurance	-	-	1,069	(1,069)
01 11 5205 Planning Misc. Supplies	800	715	366	349
01 11 5207 Bldg., misc. supplies / permit forms	200	200	-	200
01 11 5215 Telephone	-	-	270	(270)
01 11 5220 Stenographer fees	3,000	3,000	1,200	1,800
01 11 5226 Advertising	1,200	1,200	-	1,200
01 11 5229 Professional services	1,000	1,000	-	1,000
01 11 5252 Planning, education / training / seminars	150	235	610	(375)
01 11 5262 Planning dues	820	820	205	615
01 11 5263 Bldg. dues	40	40	-	40
01 11 5265 Zoning, travel	900	900	1,114	(214)
01 11 5266 Planning, travel	250	250	690	(440)
01 11 5267 Bldg. travel	1,100	1,100	172	928
01 11 5609 Comp plan update reserve	16,000	16,000	16,000	-
<b>Total Building / Planning / Zoning</b>	<u>228,505</u>	<u>230,364</u>	<u>230,569</u>	<u>(205)</u>
<b>Town Clerk's Department</b>				
01 12 5000 Regular Wages	112,790	116,174	117,736	(1,562)
01 12 5010 Part Time Wages	12,168	12,276	9,049	3,227
01 12 5100 FICA	9,559	9,826	9,482	344
01 12 5102 Health insurance	34,200	34,200	35,588	(1,388)
01 12 5103 Dental Insurance	-	-	1,462	(1,462)
01 12 5130 Municipal Retirement - ER 1452	10,568	10,920	10,989	(69)
01 12 5150 Worker's Compensation Insurance	-	-	169	(169)
01 12 5225 Microfilming & indexing	900	900	1,304	(404)
01 12 5250 Education / training / seminars	2,465	2,465	775	1,690
01 12 5264 Travel	500	500	430	70
<b>Total Town Clerk's Department</b>	<u>183,150</u>	<u>187,261</u>	<u>186,984</u>	<u>277</u>

(Continued)

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

**TOWN OF RICHMOND, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures - Budgetary Basis (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Information Technology</b>				
01 13 5250 Operations improvement	6,000	6,000	600	5,400
01 13 5334 Internet email & web site services	5,000	5,000	5,388	(388)
01 13 5378 Equipment repairs / maintenance & parts	6,000	6,000	13,113	(7,113)
01 13 5384 Software support & maintenance	49,725	49,725	52,120	(2,395)
01 13 5385 COTT land evidence support & maint	19,500	19,500	17,760	1,740
01 13 5386 IT support services	46,750	46,750	45,444	1,306
01 13 5481 Hardware support - fingerprinting	3,735	3,735	-	3,735
01 13 5484 Software support - police	10,500	10,500	10,671	(171)
01 13 5486 GIS support services	28,000	1,344	1,344	-
<b>Total Information Technology</b>	<b>175,210</b>	<b>148,554</b>	<b>146,440</b>	<b>2,114</b>
<b>Legal Services</b>				
01 14 5400 Legal - Labor lawyer	5,000	5,000	975	4,025
01 14 5410 Legal - Town Council	35,000	35,000	33,310	1,690
01 14 5415 Legal - Litigation	12,000	12,000	18,344	(6,344)
01 14 5420 Legal - Criminal prosecution	28,000	28,000	30,775	(2,775)
01 14 5440 Legal - Planning & zoning	24,000	24,000	17,680	6,320
01 14 5750 Legal - Contingency	5,000	5,000	-	5,000
<b>Total Legal Services</b>	<b>109,000</b>	<b>109,000</b>	<b>101,084</b>	<b>7,916</b>
<b>Finance Department</b>				
01 15 5000 Regular Wages	82,431	84,904	95,946	(11,042)
01 15 5100 FICA	6,306	6,495	7,538	(1,043)
01 15 5102 Health insurance	8,630	8,630	5,282	3,348
01 15 5103 Dental Insurance	-	-	114	(114)
01 15 5130 Retirement - ER 1452 Town	7,724	7,981	8,294	(313)
01 15 5150 Worker's Compensation Insurance	-	-	111	(111)
01 15 5200 Office Supplies	1,400	1,400	1,696	(296)
01 15 5250 Education / training / seminars	600	600	668	(68)
01 15 2560 Dues	280	280	280	-
01 15 5264 Travel	650	650	585	65
01 15 5390 Data processing - payroll	15,000	15,000	13,186	1,814
<b>Total Finance Department</b>	<b>123,021</b>	<b>125,940</b>	<b>133,700</b>	<b>(7,760)</b>
<b>Tax Assessor's Department</b>				
01 16 5000 Regular Wages	63,474	65,378	72,392	(7,014)
01 16 5100 FICA	4,856	5,002	5,419	(417)
01 16 5102 Health insurance	15,810	15,810	18,701	(2,891)
01 16 5103 Dental Insurance	-	-	864	(864)
01 16 5130 Retirement - ER 1452 Town	5,948	6,146	6,079	67
01 16 5150 Worker's Compensation Insurance	-	-	87	(87)
01 16 5202 Postage	4,240	4,240	4,272	(32)
01 16 5250 Education / training / seminars	100	100	-	100
01 16 5256 Books / manuals / subscriptions	265	265	275	(10)
01 16 5260 Dues	200	200	215	(15)
01 16 5264 Travel	600	600	141	459
01 16 5321 RI vehicle value commission	110	110	107	3
01 16 5328 Tax bills	6,910	6,910	6,891	19
<b>Total Tax Assessor's Department</b>	<b>102,513</b>	<b>104,761</b>	<b>115,443</b>	<b>(10,682)</b>

(Continued)

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

**TOWN OF RICHMOND, RHODE ISLAND**  
*Budgetary Comparison Schedule - General Fund*  
*Schedule of Revenues and Expenditures - Budgetary Basis (Continued)*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
<b>Tax Collector's Department</b>				
01 17 5000 Regular Wages	30,582	31,499	31,938	(439)
01 17 5010 Part Time Wages	13,082	13,354	12,383	971
01 17 5100 FICA	3,340	3,431	3,628	(197)
01 17 5102 Health insurance	2,880	2,880	3,100	(220)
01 17 5130 Retirement - ER 1452 Town	2,866	2,961	2,989	(28)
01 17 5150 Worker's Compensation Insurance	-	-	63	(63)
01 17 5200 Office supplies	400	400	394	6
01 17 5229 Professional Services	6,500	6,500	4,771	1,729
01 17 5250 Education / training / seminars	200	200	56	144
01 17 5260 Dues	60	60	168	(108)
01 17 5264 Travel	75	75	71	4
<b>Total Tax Collector's Department</b>	<b>59,985</b>	<b>61,360</b>	<b>59,561</b>	<b>1,799</b>
<b>Town Hall / General Government</b>				
01 18 5200 Office supplies	4,000	4,000	3,704	296
01 18 5202 Postage	8,500	8,500	6,665	1,835
01 18 5215 Telephone	11,460	11,460	11,692	(232)
01 18 5217 Electricity	9,000	9,000	10,585	(1,585)
01 18 5226 Advertising	7,000	7,000	3,912	3,088
01 18 5229 Professional services	3,300	3,300	5,105	(1,805)
01 18 5231 Office equip repair	110	110	-	110
01 18 5260 Dues RILC&T	2,875	2,875	2,875	-
01 18 5282 Pest Control	-	-	911	(911)
01 18 5371 Fee for shredding	2,900	2,900	826	2,074
01 18 5399 Miscellaneous expense	2,000	2,000	3,594	(1,594)
<b>Total Town Hall / General Government</b>	<b>51,145</b>	<b>51,145</b>	<b>49,869</b>	<b>1,276</b>
<b>Public Works/Transfer Station</b>				
01 23 5217 Electricity	14,000	14,000	16,579	(2,579)
01 23 5275 Propane	4,000	4,000	986	3,014
01 23 5289 Security system maintenance	1,200	1,200	1,149	51
01 23 5335 Bottled water	200	200	185	15
<b>Total Public Works/Transfer Station</b>	<b>19,400</b>	<b>19,400</b>	<b>18,899</b>	<b>501</b>
<b>Elder Affairs Commission</b>				
01 29 5351 Printing	500	500	151	349
01 29 5370 Operating supplies	150	150	27	123
01 29 5520 Senior citizens meals on wheels	350	350	-	350
<b>Total Elder Affairs Commission</b>	<b>1,000</b>	<b>1,000</b>	<b>178</b>	<b>822</b>
<b>Town Sergeant</b>				
01 31 5001 Town Sergeant	500	500	500	-
01 31 5100 FICA	38	38	38	-
<b>Total Town Sergeant</b>	<b>538</b>	<b>538</b>	<b>538</b>	<b>-</b>
<b>Contingency</b>				
01 36 5750 Contingency - Emergencies	20,000	16,714	9,610	7,104
01 36 5752 Contingency - Town Council	59,926	5,894	-	5,894
01 36 5755 Contingency - Healthcare	18,000	18,000	-	18,000
<b>Total Contingency</b>	<b>97,926</b>	<b>40,608</b>	<b>9,610</b>	<b>30,998</b>
<b>Probate Court</b>				
01 38 5229 Probate judge	3,600	3,600	3,600	-
<b>Total Probate Court</b>	<b>3,600</b>	<b>3,600</b>	<b>3,600</b>	<b>-</b>

(Continued)

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



**TOWN OF RICHMOND, RHODE ISLAND**  
*Budgetary Comparison Schedule - General Fund*  
*Schedule of Revenues and Expenditures - Budgetary Basis (Continued)*  
*For the Fiscal Year Ended June 30, 2018*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Town Administration</b>				
01 44 5000 Regular Wages	78,200	80,400	77,992	2,408
01 44 5100 FICA	5,982	6,150	6,420	(270)
01 44 5102 Health insurance	2,920	2,920	3,101	(181)
01 44 5130 Retirement - ER 1452 Town	7,327	7,556	7,300	256
01 44 5140 Vehicle Allowance	2,500	2,500	3,314	(814)
01 44 5150 Worker's Compensation Insurance	-	-	105	(105)
01 44 5250 Education / training / seminars	400	400	15	385
01 44 5260 Dues	-	-	100	(100)
<b>Total Town Administration</b>	<u>97,329</u>	<u>99,926</u>	<u>98,347</u>	<u>1,579</u>
<b>Land Trust</b>				
01 46 5264 Travel	250	250	-	250
01 46 5336 Contract services	4,000	4,000	1,337	2,663
01 46 5337 Stewardship	1,000	1,000	1,150	(150)
01 46 5370 Operating supplies	600	600	476	124
<b>Total Land Trust</b>	<u>5,850</u>	<u>5,850</u>	<u>2,963</u>	<u>2,887</u>
<b>Conservation Commission</b>				
01 47 5205 Office supplies	250	250	149	101
01 47 5250 Education / training / seminars	200	200	215	(15)
01 47 5260 Dues	200	200	200	-
01 47 5267 Travel	50	50	-	50
01 47 5370 Operating expense	900	900	993	(93)
<b>Total Conservation Commission</b>	<u>1,600</u>	<u>1,600</u>	<u>1,557</u>	<u>43</u>
<b>Other Expenses</b>				
01 49 5150 Worker's compensation	48,000	48,000	45,975	2,025
01 49 5219 Street lighting	18,500	18,500	22,385	(3,885)
01 49 5354 Insurance	110,000	110,000	118,714	(8,714)
01 49 5356 Annual audit fee	25,000	25,000	24,254	746
<b>Total Other Expenditures</b>	<u>201,500</u>	<u>201,500</u>	<u>211,328</u>	<u>(9,828)</u>
<b>Economic Development</b>				
01 28 5229 Professional Services	1,000	1,000	-	1,000
01 28 5252 Education Training	1,000	1,000	-	1,000
01 28 5260 Dues	-	-	600	(600)
01 28 5351 Printing	2,000	2,000	-	2,000
<b>Total Economic Development</b>	<u>4,000</u>	<u>4,000</u>	<u>600</u>	<u>3,400</u>
<b>Building Maintenance Department</b>				
01 24 5000 Regular Wages	32,715	33,696	33,887	(191)
01 24 5100 FICA	2,503	2,578	2,399	179
01 24 5102 Health insurance	13,321	13,321	13,716	(395)
01 24 5103 Dental Insurance	-	-	731	(731)
01 24 5130 Retirement - ER 1452 Town	3,065	3,167	3,153	14
01 24 5150 Worker's Compensation Insurance	-	-	972	(972)
01 24 5201 Custodial / supplies	2,500	2,500	2,036	464
01 24 5264 Travel	600	600	222	378
01 24 5280 Grounds maintenance	2,500	2,500	1,057	1,443
01 24 5282 Pest Control	495	495	-	495
01 24 5285 Building maintenance	10,000	10,000	10,810	(810)
01 24 5286 Heating/fuel oil	8,000	8,000	5,975	2,025
01 24 5289 Security system maintenance	2,000	2,000	970	1,030
01 24 5290 Elevator inspection & maintenance	2,800	2,800	4,800	(2,000)
01 24 5330 Radon Testing	200	200	-	200
<b>Total Building Maintenance Department</b>	<u>80,699</u>	<u>81,857</u>	<u>80,728</u>	<u>1,129</u>
<b>Total General Government</b>	<u>1,553,085</u>	<u>1,485,378</u>	<u>1,459,100</u>	<u>26,278</u>

(Continued)

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

**TOWN OF RICHMOND, RHODE ISLAND**  
*Budgetary Comparison Schedule - General Fund*  
*Schedule of Revenues and Expenditures - Budgetary Basis (Continued)*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
<b>Police Department</b>				
01 20 5000 Regular Wages - Non Sworn Officers	200,556	211,172	214,273	(3,101)
01 20 5001 Regular Wages - Sworn Officers	824,011	824,011	753,520	70,491
01 20 5010 Part Time Wages	30,690	30,690	14,965	15,725
01 20 5060 Overtime	210,000	210,000	259,919	(49,919)
01 20 5062 OT Training/Dispatch/Court	-	-	1,826	(1,826)
01 20 5065 Emergency Overtime	-	-	252	(252)
01 20 5080 Detail Pay	-	-	151,921	(151,921)
01 20 5100 FICA	96,792	97,604	104,323	(6,719)
01 20 5102 Health insurance	239,615	239,615	226,778	12,837
01 20 5103 Dental Insurance	-	-	12,428	(12,428)
01 20 5130 Retirement - ER 1452 Town	18,792	19,896	19,594	302
01 20 5131 Retirement - ER 1454 Police	78,693	78,693	72,219	6,474
01 20 5150 Worker's Compensation Insurance	-	-	1,633	(1,633)
01 20 5200 Office supplies	7,000	7,000	6,035	965
01 20 5202 Postage	450	450	288	162
01 20 5215 Telephone	9,760	9,760	13,662	(3,902)
01 20 5250 Education / training / seminars	15,000	15,000	18,449	(3,449)
01 20 5260 Dues	600	600	610	(10)
01 20 5264 Travel	700	700	783	(83)
01 20 5300 Fuel / State Fleep Ops	55,000	55,000	45,226	9,774
01 20 5323 Vehicle Repairs / Maintenance	30,000	30,000	43,036	(13,036)
01 20 5324 Uniforms	12,000	12,000	18,793	(6,793)
01 20 5353 Body Armor	1,500	1,500	2,415	(915)
01 20 5355 Fingerprinting	3,500	3,500	3,190	310
01 20 5369 Small Equipment Purchases	7,500	7,500	5,437	2,063
01 20 5378 Equip Repairs / Maint & Parts	2,000	2,000	1,414	586
01 20 5379 Emergency Repairs	2,500	2,500	1,700	800
01 20 5399 Misc. Expense	1,000	1,000	618	382
01 20 5400 Legal - Labor Lawyer	5,000	5,000	8,861	(3,861)
01 20 5715 Bryne Grant	-	-	469	(469)
<b>Total Police Department</b>	<u>1,852,659</u>	<u>1,865,191</u>	<u>2,004,637</u>	<u>(139,446)</u>

*(Continued)*

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

**TOWN OF RICHMOND, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures - Budgetary Basis (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Animal Control</b>				
01 21 5000 Regular Wages	40,815	42,039	35,140	6,899
01 21 5010 Part Time wages	5,000	5,000	4,910	90
01 21 5060 Overtime	2,000	2,000	3,837	(1,837)
01 21 5100 FICA	3,658	3,752	3,246	506
01 21 5102 Health insurance	14,105	14,105	14,738	(633)
10 21 5103 Dental Insurance	-	-	731	(731)
01 21 5130 Retirement - ER 1452 Town personnel	3,824	3,951	3,465	486
01 21 5150 Worker's Compensation Insurance	-	-	384	(384)
01 21 5203 Animal control misc. supplies	5,500	5,500	5,972	(472)
01 21 5215 Telephone	550	550	435	115
01 21 5250 Education / training / seminars	600	600	575	25
01 21 5260 Dues	65	65	100	(35)
01 21 5264 Travel	100	100	542	(442)
01 21 5300 Fuel / state fleet ops	2,500	2,500	1,250	1,250
01 21 5323 Vehicle repairs / maintenance & parts	1,000	1,000	426	574
01 21 5325 Clothing allowance	1,200	1,200	784	416
01 21 5340 Veterinarian	3,500	3,500	3,455	45
01 21 5341 Dog tags and licenses	350	350	306	44
01 21 5342 Impoundment / turnover fees	2,300	2,300	2,447	(147)
01 21 5380 Computer upgrades / software	200	200	-	200
<b>Total Animal Control</b>	<b>87,267</b>	<b>88,712</b>	<b>82,743</b>	<b>5,969</b>
<b>Emergency Management</b>				
01 35 5001 EMA director stipend	8,000	8,000	7,998	2
01 35 5002 Deputy Stipends	2,000	2,000	2,000	-
01 35 5003 Volunteer Coordinator	2,000	2,000	-	2,000
01 35 5100 FICA	918	918	765	153
01 35 5150 Worker's Compensation Insurance	-	-	299	(299)
01 35 5202 Miscellaneous supplies	600	600	30	570
01 35 5215 Telephone & internet	3,600	3,600	3,168	432
01 35 5250 Education / Training / Seminars	400	400	30	370
01 35 5369 Communication Equipment Purchases	2,000	2,000	-	2,000
<b>Total Emergency Management</b>	<b>19,518</b>	<b>19,518</b>	<b>14,290</b>	<b>5,228</b>
<b>Total Public Safety</b>	<b>1,959,444</b>	<b>1,973,421</b>	<b>2,101,670</b>	<b>(128,249)</b>

(Continued)

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

**TOWN OF RICHMOND, RHODE ISLAND**  
*Budgetary Comparison Schedule - General Fund*  
*Schedule of Revenues and Expenditures - Budgetary Basis (Continued)*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
<b>Public Works Department</b>				
01 19 5000 Regular Wages	355,271	374,157	357,121	17,036
01 19 5010 Part Time Wages	3,300	3,300	4,219	(919)
01 19 5060 Overtime	40,000	40,000	53,398	(13,398)
01 19 5100 FICA	30,490	31,935	33,200	(1,265)
01 19 5102 Health insurance	78,437	78,437	76,977	1,460
01 19 5103 Dental Insurance	-	-	3,521	(3,521)
01 19 5130 Muncipal Retirement - ER 1452	33,289	35,253	33,584	1,669
01 19 5200 Office supplies	-	-	392	(392)
01 19 5215 Telephone	4,200	4,200	6,809	(2,609)
01 19 5260 Dues	25	25	25	-
01 19 5285 Building Maintenance	1,500	1,500	3,685	(2,185)
01 19 5300 Fuel / state fleet ops	3,000	3,000	6,095	(3,095)
01 19 5310 Emergency Purchases & Supplies	-	-	498	(498)
01 19 5325 Clothing allowance	8,800	8,800	13,163	(4,363)
01 19 5360 Street maintenance - snow removal	45,000	45,000	90,829	(45,829)
01 19 5361 Street maintenance - gravel	6,000	6,000	6,816	(816)
01 19 5362 Street maintenance - drainage	10,000	10,000	10,351	(351)
01 19 5363 Street maintenance - asphalt	20,000	20,000	15,966	4,034
01 19 5364 Street maintenance - signs & posts	5,500	5,500	4,679	821
01 19 5366 Street maintenance - snow contingency	55,000	55,000	30,335	24,665
01 19 5367 Equipment rental	8,000	8,000	10,055	(2,055)
01 19 5368 Engineering	1,500	1,500	3,280	(1,780)
01 19 5370 Operating supplies	5,000	5,000	828	4,172
01 19 5372 Fuel oils & lubricants	33,000	33,000	42,844	(9,844)
01 19 5378 Equipment repairs / maintenance & parts	120,000	120,000	99,172	20,828
01 19 5399 Misc. expenses	-	-	1,074	(1,074)
<b>Total Public Works Department</b>	<b>867,312</b>	<b>889,607</b>	<b>908,916</b>	<b>(19,309)</b>
<b>Total Public Works Department</b>	<b>867,312</b>	<b>889,607</b>	<b>908,916</b>	<b>(19,309)</b>
<b>Recreation</b>				
01 22 5000 Regular Wages	9,850	10,146	10,131	15
01 22 5010 Part Time Wages	16,500	16,500	7,783	8,717
01 22 5100 FICA	2,016	2,039	1,371	668
01 22 5150 Worker's Compensation Insurance	-	-	303	(303)
01 22 5204 Recreation / supplies	500	500	-	500
01 22 5260 Dues	50	50	-	50
01 22 5280 Grounds Maintenance	-	-	1,506	(1,506)
01 22 5285 Building Maintenance	-	-	20	(20)
01 22 5391 Recreation program expenses	3,000	3,000	3,830	(830)
01 22 5394 Recreation other events	2,000	2,000	172	1,828
01 22 5395 Porta jon rental	500	500	299	201
<b>Total Recreation</b>	<b>34,416</b>	<b>34,735</b>	<b>25,415</b>	<b>9,320</b>
<b>Police / Community Center Utilities</b>				
01 30 5215 Telephone	-	-	11	(11)
01 30 5217 Electricity	12,000	12,000	17,469	(5,469)
01 30 5275 Propane	2,000	2,000	2,391	(391)
01 30 5282 Pest control	675	675	500	175
01 30 5285 Building maintenance	5,000	5,000	5,429	(429)
01 30 5289 Security system maintenance	500	500	1,800	(1,300)
01 30 5290 Elevator inspection maintenance	2,500	2,500	1,050	1,450
01 30 5330 Radon Testing	165	165	165	-
<b>Total Police / Community Center Utilities</b>	<b>22,840</b>	<b>22,840</b>	<b>28,815</b>	<b>(5,975)</b>
<b>Total Recreation</b>	<b>57,256</b>	<b>57,575</b>	<b>54,230</b>	<b>3,345</b>

(Continued)

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

**TOWN OF RICHMOND, RHODE ISLAND**  
*Budgetary Comparison Schedule - General Fund*  
*Schedule of Revenues and Expenditures - Budgetary Basis (Continued)*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
<b>Educational Expenditures</b>				
01 40 5800 Chariho Regional School Budget	19,154,991	19,154,991	19,154,991	-
01 40 5801 Chariho Regional School Debt Service	197,880	197,880	197,880	-
<b>Total Educational Expenditures</b>	<u>19,352,871</u>	<u>19,352,871</u>	<u>19,352,871</u>	<u>-</u>
<b>Total Educational Expenditures</b>	<u>19,352,871</u>	<u>19,352,871</u>	<u>19,352,871</u>	<u>-</u>
<b>Transfers / Recycling / Landfill</b>				
01 32 5000 Regular Wages	33,172	34,167	34,790	(623)
01 32 5060 Overtime	500	500	394	106
01 32 5100 FICA	2,538	2,614	2,498	116
01 32 5102 Health Insurance	13,321	13,321	13,716	(395)
01 32 5103 Dental Insurance	-	-	731	(731)
01 32 5130 Muncipal Retirement - ER 1452	3,108	3,211	3,190	21
01 32 5150 Worker's Compensation Insurance	-	-	787	(787)
01 32 5215 Telephone	380	380	375	5
01 32 5319 Tipping fees	40,000	40,000	48,456	(8,456)
01 32 5331 Well water testing	15,000	15,000	15,225	(225)
01 32 5332 Waste Oil Disposal	-	-	380	(380)
01 32 5371 Fee for hauling refuse	56,000	56,000	55,393	607
01 32 5378 Equipment maintenance & parts	1,500	1,500	2,521	(1,021)
<b>Total Transfers / Recycling / Landfill</b>	<u>165,519</u>	<u>166,693</u>	<u>178,456</u>	<u>(11,763)</u>
<b>Total Transfers / Recycling / Landfill</b>	<u>165,519</u>	<u>166,693</u>	<u>178,456</u>	<u>(11,763)</u>
<b>Community Services Support</b>				
01 25 5500 Hope Valley Ambulance	50,000	50,000	50,000	-
01 25 5501 Clark Memorial Library	97,000	97,000	97,000	-
01 25 5506 Domestic Violence Resource Center	750	750	750	-
01 25 5509 American Legion - Downy Weaver	500	500	500	-
01 25 5513 Chariho Cowboys	400	400	400	-
01 25 5515 Southern RI Volunteers	750	750	750	-
01 25 5521 Wood River Health Service	1,500	1,500	1,500	-
01 25 5523 RI Center Assisting Those in Need	1,000	1,000	1,000	-
01 25 5532 Neighbors Helping Neighbors	500	500	500	-
<b>Total Community Services Support</b>	<u>152,400</u>	<u>152,400</u>	<u>152,400</u>	<u>-</u>
<b>Senior Activities</b>				
01 26 5000 Senior Center Dir Stipend	-	-	83	(83)
01 26 5100 FICA	-	-	6	(6)
01 26 5200 Office supplies	200	200	490	(290)
01 26 5205 Misc supplies	500	500	229	271
01 26 5215 Phone/Internet	1,700	1,700	1,936	(236)
01 26 5391 Program Expenses	9,000	9,000	5,871	3,129
<b>Total Senior Activities</b>	<u>11,400</u>	<u>11,400</u>	<u>8,615</u>	<u>2,785</u>
<b>Total Community Service</b>	<u>163,800</u>	<u>163,800</u>	<u>161,015</u>	<u>2,785</u>

(Continued)

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

**TOWN OF RICHMOND, RHODE ISLAND**  
*Budgetary Comparison Schedule - General Fund*  
*Schedule of Revenues and Expenditures - Budgetary Basis (Continued)*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
<b>Canvassing Authority</b>				
01 33 5001 Board / commission / stipend	2,000	2,000	1,574	426
01 33 5003 Election officials	800	800	800	-
01 33 5060 DPW Personnel OT	300	300	-	300
01 33 5100 FICA	-	-	38	(38)
01 33 5200 Office supplies	400	400	340	60
01 33 5264 Travel	200	200	97	103
01 33 5399 Miscellaneous	200	200	167	33
<b>Total canvassing authority</b>	<u>3,900</u>	<u>3,900</u>	<u>3,016</u>	<u>884</u>
<b>Debt Service</b>				
01 39 5772 Pelican lease interest matures 2016	5,000	5,000	-	5,000
01 39 5773 Water main prin matures 2052	12,692	12,692	12,692	-
01 39 5774 Water main interest matures 2052	23,006	23,006	23,006	-
01 39 5775 Water Tank Prin Matures 2055	18,493	18,493	18,493	-
01 39 5776 Water Tank Interest Matures 2055	37,240	37,240	37,240	-
01 39 5782 Paying Agent Fee	2,600	2,600	1,750	850
01 39 5784 GOB SER 2017 Interest Matures 2028	35,000	35,000	26,043	8,957
01 39 5785 GOB SER 2007 principal matures 2018	145,000	145,000	145,000	-
01 39 5786 GOB SER 2007 interest matures 2018	2,991	2,991	2,991	-
01 39 5787 GOB SER 2010 principal matures 2021	100,000	100,000	100,000	-
01 39 5788 GOB SER 2010 interest matures 2021	22,538	22,538	22,538	-
01 39 5789 Principal pmt matures - 2025	230,000	230,000	230,000	-
01 39 5790 GOB SER 2014 interest matures 2024	47,100	47,100	47,100	-
<b>Total Debt Service</b>	<u>681,660</u>	<u>681,660</u>	<u>666,853</u>	<u>14,807</u>
<b>Reval Restricted Account</b>				
01 41 5775 Restricted revaluation account	29,000	29,000	29,000	-
<b>Total Reval Restricted Account</b>	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
<b>Transfers</b>				
01 49 5358 Transfer to Capital fund	78,975	108,917	108,917	-
<b>Total Expenditures</b>	<u>\$ 24,912,822</u>	<u>\$ 24,912,822</u>	<u>\$ 25,024,044</u>	<u>\$ (111,222)</u>

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

**TOWN OF RICHMOND, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2018**

**NOTE 1 – PENSION PLANS**

The actuarial methods and assumptions used to calculate the total pension liability are described in Note 17 to the financial statements.

The net pension liability amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year-end.

The schedules are intended to present ten years of data. Additional years of data will be presented as they become available.

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarized the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

**Actuarially Determined Contributions:**

Actuarially determined contribution rates are calculated as of June 30 of each plan year and effective 2 years after the actuarial valuation. The following actuarial methods and assumptions were used to determine contribution amounts reported in that schedule:

- Actuarial cost method – Entry Age Normal
- Amortization method - Level percentage of payroll, closed
- Remaining amortization period - 20 years
- Asset valuation method – 5-year smoothed market
- Inflation – 2.75%
- Investment return - 7.50%
- Salary increases – 3.5% to 7.5% for general employees; 4% to 14% for police officers
- Retirement age – Experienced-based table of rates that are specific to the type of eligibility condition
- Mortality – Males, General and Police Officers – 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000
- Mortality – Females, General and Police Officers – 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000

Employers participating in the Municipal Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

**TOWN OF RICHMOND, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2018**

**NOTE 2 - BUDGETARY DATA AND BUDGETARY COMPLIANCE**

In accordance with the Richmond Home Rule Charter, the Town has formally established budgetary accounting control for its General Fund. The Town Council presents an annual budget for the General Fund to the citizens of Richmond for adoption at the annual Financial Town meeting based on the recommendation of the Finance Board. The annual operating budget's appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the reappropriation of accumulated surpluses to the extent necessary. The General Fund operating budget is in conformance with the legally enacted budgetary basis, which is not in conformance with generally accepted accounting principles. The accompanying budgetary comparison schedule is reflected on the budgetary basis. The difference between the budgetary basis and generally accepted accounting principles is explained below.

Appropriations in addition to those contained in the annual operating budget require approval by the taxpayers at a Financial Town Meeting. The Town Council, with some restrictions, can transfer budgeted amounts within and among departments and to authorize emergency expenditures. Management cannot make budget transfers without prior Town Council approval.

***Explanation of Differences between Budgetary Revenues and Other Financing Sources and Expenditures and Other Financing Uses and GAAP Revenues and Other Financing Sources and Expenditures and Other Financing Uses***

<u><b>Revenues and Other Financing Sources</b></u>	<u><b>General Fund</b></u>
Actual amounts (budgetary basis)	\$25,167,339
Differences – budget to GAAP:	
Budgeted transfer from the Enterprise Fund is included for budgetary purposes, but is not included for financial reporting purposes.	(91,431)
Budgeted use of committed fund balance is included for budgetary purposes, but is not included for financial reporting purposes.	<u>(180,500)</u>
<b><i>Total revenues and other financing sources as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i></b>	<u><b>\$24,895,408</b></u>



**TOWN OF RICHMOND, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2018**

<u><b>Expenditures and Other Financing Uses</b></u>	<u><b>General Fund</b></u>
Actual amounts (budgetary basis)	\$25,024,044
Differences – budget to GAAP:	
Budgeted payment of debt service for the Enterprise Fund is included for budgetary purposes, but is not included for financial reporting purposes.	(91,431)
Budgeted transfer to Revaluation Restricted and Comprehensive Plan accounts are included for budgetary purposes, but are not included for financial reporting purposes.	(45,000)
<b><i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i></b>	<u><u>\$24,887,613</u></u>

**OTHER SUPPLEMENTARY INFORMATION**

**The information  
provided herein contains  
schedules which the Town deems  
necessary to provide additional disclosures.**

**THIS SECTION CONTAINS THE FOLLOWING:**

**Combining Financial Statements for General Fund**

**Combining Fund Financial Statements for Nonmajor Governmental Funds**

**Combining Fund Financial Statements for Private Purpose Trust Funds**

**Combining Statement of Assets and Liabilities for Agency Funds**

**Other Supplementary Information**

**COMBINING FUND FINANCIAL STATEMENTS –  
NONMAJOR GOVERNMENTAL FUNDS**

**THE FOLLOWING FUNDS OF THE TOWN ARE REPORTED IN THIS SECTION:**

**Special Revenue Funds  
are used to account for  
resources allocated to specific purposes.  
A Special Revenue fund  
continues in existence as long as governmental  
resources are allocated to its specific purposes.**

**Historical Records Trust** – was established to account for monies set aside for the maintenance of Historical Records.

**Police Grants** – was established to account for grant funds for highway safety programs and other Police Grants.

**Legislative Grants** – was established to account for Legislative Grant receipts and disbursements.

**Heritage Trail Grant** – was established to account for grants and local funds to be used for the Heritage Trail project.

**Planning Board** – was established to account for Planning Board reviews and inspections receipts and disbursements.

**Community Development Block Grant** – was established to account for the Community Development Block Grant Program receipts and disbursements.

**Hazard Mitigation** – was established to account for Hazard Mitigation Grant receipts and disbursements.

**Bryne Grant** – was established to account for grants from the US Department of Justice.

**Senior Crafts** – was established to account for donations to be used for Senior crafts costs.

**Impact Fees Education** – was established to account for fees set aside for educational purposes.

**Impact Fees Recreation** – was established to account for fees set aside for recreational purposes.

**Land Trust** – was established to account for donations from citizens to be used for the Land Trust.

**Healthcare Meds Grant** – was established to account for to account for Medical Emergency Distribution System Grant receipts and disbursements.

**Dog Park Donations** – was established to account for donations for the dog park.

**Spay/Neuter Fund**- was established per State law to account for a portion of Animal control fees to be used for expenditures as outlined in the State law.

**ACO Adoptions** – was established to account for revenue received for animal adoptions.

**Animal Control Stray & Homeless** – was established to account for fees collected by Animal Control for expenditures incurred for stray and homeless animals.

**Senior Activities Grant** – was established to account for Senior Activity programs and grants.

**The Capital Projects Funds  
account for all resources used for the acquisition  
and/or construction of capital items by the Town  
except those financed by the Proprietary Fund Types or Trust Funds.**

**Open Space Recreation Capital Project** – was established to account for Open Space Program receipts and disbursements

**TOWN OF RICHMOND, RHODE ISLAND**  
*Combining Balance Sheet*  
**General Fund**  
*June 30, 2018*

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Comprehensive Plan Fund</u>	<u>Elimination Entries</u>	<u>Total General Fund</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 8,519,361	\$ -	\$ -	\$ -	\$ 8,519,361
Property taxes, net of allowance for doubtful accounts of \$237,000	809,674	-	-	-	809,674
Accounts receivable	54,539	-	-	-	54,539
Due from federal and state government	96,212	-	-	-	96,212
Due from other funds	19,717	246,084	41,491	(287,575)	19,717
Prepaid items	62,422	-	-	-	62,422
<b>Total assets</b>	<u>\$ 9,561,925</u>	<u>\$ 246,084</u>	<u>\$ 41,491</u>	<u>\$ (287,575)</u>	<u>\$ 9,561,925</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenditures	\$ 197,174	\$ -	\$ -	\$ -	\$ 197,174
Due to other funds	4,461,825	-	-	(287,575)	4,174,250
<b>Total liabilities</b>	<u>4,658,999</u>	<u>-</u>	<u>-</u>	<u>(287,575)</u>	<u>4,371,424</u>
<b>Deferred Inflows of Resources</b>					
Deferred property taxes	558,483	-	-	-	558,483
<b>Total deferred inflows of resources</b>	<u>558,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>558,483</u>
<b>Fund balances</b>					
Nonspendable:					
Prepaid items	62,422	-	-	-	62,422
Committed for:					
Revaluation	-	246,084	-	-	246,084
Comprehensive Plan	-	-	41,491	-	41,491
Capital projects	245,160	-	-	-	245,160
Capital - Alton Water	19,291	-	-	-	19,291
Capital - Foster Woods recreation	12,794	-	-	-	12,794
Landscaping projects	675	-	-	-	675
Landfill	50,000	-	-	-	50,000
Public works projects	2,671	-	-	-	2,671
Police programs	4,811	-	-	-	4,811
Building maintenance	1,000	-	-	-	1,000
Snow removal	12,740	-	-	-	12,740
School budget	87,846	-	-	-	87,846
Legal fees	10,000	-	-	-	10,000
Future state aid funding shortfalls	135,954	-	-	-	135,954
Assigned for 2019 budget	13,920	-	-	-	13,920
Unassigned	3,685,159	-	-	-	3,685,159
<b>Total fund balances</b>	<u>4,344,443</u>	<u>246,084</u>	<u>41,491</u>	<u>-</u>	<u>4,632,018</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 9,561,925</u>	<u>\$ 246,084</u>	<u>\$ 41,491</u>	<u>\$ (287,575)</u>	<u>\$ 9,561,925</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Comprehensive Plan Fund</u>	<u>Elimination Entries</u>	<u>Total General Fund</u>
<b>Revenues:</b>					
Property taxes	\$ 18,659,341	\$ -	\$ -	\$ -	\$ 18,659,341
Intergovernmental revenue	5,169,509	-	-	-	5,169,509
License, permits and fees	689,903	-	-	-	689,903
Interest on investments	48,849	-	-	-	48,849
Other revenues	314,306	-	-	-	314,306
<b>Total revenues</b>	<u>24,881,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,881,908</u>
<b>Expenditures:</b>					
Current:					
General government	1,419,379	-	-	-	1,419,379
Public safety	2,101,670	-	-	-	2,101,670
Public works	932,637	-	-	-	932,637
Recreation and culture	54,230	-	-	-	54,230
Education	19,352,871	-	-	-	19,352,871
Transfer station and recycling	178,456	-	-	-	178,456
Community services	161,015	-	-	-	161,015
Canvassing authority	3,016	-	-	-	3,016
Debt service:					
Principal	475,000	-	-	-	475,000
Interest and other charges	100,422	-	-	-	100,422
<b>Total expenditures</b>	<u>24,778,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,778,696</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>103,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,212</u>
<b>Other financing sources (uses):</b>					
Transfers in	13,500	29,000	16,000	(45,000)	13,500
Transfers out	(153,917)	-	-	45,000	(108,917)
<b>Total other financing sources (uses)</b>	<u>(140,417)</u>	<u>29,000</u>	<u>16,000</u>	<u>-</u>	<u>(95,417)</u>
<b>Net change in fund balances</b>	(37,205)	29,000	16,000	-	7,795
<b>Fund balances - beginning of year</b>	<u>4,381,648</u>	<u>217,084</u>	<u>25,491</u>	<u>-</u>	<u>4,624,223</u>
<b>Fund balances - end of year</b>	<u>\$ 4,344,443</u>	<u>\$ 246,084</u>	<u>\$ 41,491</u>	<u>\$ -</u>	<u>\$ 4,632,018</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	<b>Special Revenue Funds</b>	<b>Open Space Recreation Capital Project Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Due from federal and state governments	\$ 62,262	\$ -	\$ 62,262
Due from other funds	185,058	729,125	914,183
<b>Total assets</b>	<b>\$ 247,320</b>	<b>\$ 729,125</b>	<b>\$ 976,445</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 43,666	\$ -	\$ 43,666
Due to other funds	19,703	-	19,703
<b>Total liabilities</b>	<b>63,369</b>	<b>-</b>	<b>63,369</b>
 <b>Fund balances</b>			
Restricted for:			
Historical records preservation	15,135	-	15,135
Senior activities	29,738	-	29,738
Public safety programs	8,217	-	8,217
Community service programs	20,442	-	20,442
Dog park	4,288	-	4,288
Land trust	7,868	-	7,868
Committed for:			
Planning inspections	79,961	-	79,961
Public facilities and recreation	15,900	729,125	745,025
Public safety programs	10,030	-	10,030
Unassigned	(7,628)	-	(7,628)
<b>Total fund balances</b>	<b>183,951</b>	<b>729,125</b>	<b>913,076</b>
 <b>Total liabilities and fund balances</b>	 <b>\$ 247,320</b>	 <b>\$ 729,125</b>	 <b>\$ 976,445</b>

**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Special Revenue Funds</u>	<u>Open Space Recreation Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>			
Intergovernmental revenue	\$ 123,828	\$ -	\$ 123,828
License, permits and fees	69,872	113,029	182,901
Other revenues	22,429	-	22,429
<b>Total revenues</b>	<u>216,129</u>	<u>113,029</u>	<u>329,158</u>
<b>Expenditures</b>			
Current:			
General government	10,227	305	10,532
Public safety	14,923	-	14,923
Community services	113,351	-	113,351
<b>Total expenditures</b>	<u>138,501</u>	<u>305</u>	<u>138,806</u>
<b>Excess of revenues over expenditures before other financing sources (uses)</b>	<u>77,628</u>	<u>112,724</u>	<u>190,352</u>
<b>Other financing sources (uses)</b>			
Transfers in	6,116	-	6,116
Transfers out	(27,722)	-	(27,722)
<b>Total other financing sources (uses)</b>	<u>(21,606)</u>	<u>-</u>	<u>(21,606)</u>
<b>Net change in fund balances</b>	56,022	112,724	168,746
<b>Fund balances - beginning of year -restated</b>	<u>127,929</u>	<u>616,401</u>	<u>744,330</u>
<b>Fund balances - end of year</b>	<u>\$ 183,951</u>	<u>\$ 729,125</u>	<u>\$ 913,076</u>



**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Balance Sheet**  
**Special Revenue Funds**  
**June 30, 2018**

	<i>Historical Records Trust</i>	<i>Police Grants</i>	<i>Legislative Senior Center</i>	<i>Legislative Recreation</i>	<i>Heritage Trail</i>	<i>Planning Board</i>
<b>ASSETS</b>						
Due from federal and state governments	\$ -	\$ 825	\$ -	\$ -	\$ -	\$ -
Due from other funds	15,135	-	5,550	31	-	79,961
<b>Total assets</b>	<b>\$ 15,135</b>	<b>\$ 825</b>	<b>\$ 5,550</b>	<b>\$ 31</b>	<b>\$ -</b>	<b>\$ 79,961</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	7,222	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>7,222</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficits)</b>						
Restricted for:						
Historical records preservation	15,135	-	-	-	-	-
Senior activities	-	-	5,550	-	-	-
Public safety programs	-	-	-	-	-	-
Community service programs	-	-	-	31	-	-
Dog park	-	-	-	-	-	-
Land trust	-	-	-	-	-	-
Committed for:						
Planning inspections	-	-	-	-	-	79,961
Public facilities and recreation	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-
Unassigned	-	(6,397)	-	-	-	-
<b>Total fund balances(deficits)</b>	<b>15,135</b>	<b>(6,397)</b>	<b>5,550</b>	<b>31</b>	<b>-</b>	<b>79,961</b>
<b>Total liabilities and fund balances(deficits)</b>	<b>\$ 15,135</b>	<b>\$ 825</b>	<b>\$ 5,550</b>	<b>\$ 31</b>	<b>\$ -</b>	<b>\$ 79,961</b>

(Continued)

**TOWN OF RICHMOND, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
*Special Revenue Funds*  
*June 30, 2018*

	<i>Community Development Block Grant</i>	<i>Hazard Mitigation</i>	<i>Bryne Grant</i>	<i>Senior Crafts</i>	<i>Impact Fees Education</i>	<i>Impact Fees Recreation</i>	<i>Land Trust</i>
<b>ASSETS</b>							
Due from federal and state governments	\$ 50,187	\$ 11,250	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	13,890	-	-	5,009	12,000	3,900	7,868
<b>Total assets</b>	<b>\$ 64,077</b>	<b>\$ 11,250</b>	<b>\$ -</b>	<b>\$ 5,009</b>	<b>\$ 12,000</b>	<b>\$ 3,900</b>	<b>\$ 7,868</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>							
<i>Liabilities</i>							
Accounts payable	\$ 43,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	11,250	-	-	-	-	-
<b>Total liabilities</b>	<b>43,666</b>	<b>11,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Fund balances (deficits)</i>							
Restricted for:							
Historical records preservation	-	-	-	-	-	-	-
Senior activities	-	-	-	5,009	-	-	-
Public safety programs	-	-	-	-	-	-	-
Community service programs	20,411	-	-	-	-	-	-
Dog park	-	-	-	-	-	-	-
Land trust	-	-	-	-	-	-	7,868
Committed							
Planning inspections	-	-	-	-	-	-	-
Public facilities and recreation	-	-	-	-	12,000	3,900	-
Public safety programs	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances(deficits)</b>	<b>20,411</b>	<b>-</b>	<b>-</b>	<b>5,009</b>	<b>12,000</b>	<b>3,900</b>	<b>7,868</b>
<b>Total liabilities and fund balances(deficits)</b>	<b>\$ 64,077</b>	<b>\$ 11,250</b>	<b>\$ -</b>	<b>\$ 5,009</b>	<b>\$ 12,000</b>	<b>\$ 3,900</b>	<b>\$ 7,868</b>

(Continued)

**TOWN OF RICHMOND, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
*Special Revenue Funds*  
*June 30, 2018*

	<i>Healthcare MEDS Grant</i>	<i>Dog Park Donations</i>	<i>Spay/Neuter Fund</i>	<i>ACO Adoptions</i>	<i>Animal Control Stray &amp; Homeless</i>	<i>Senior Activities Grant</i>	<i>Total</i>
<b>ASSETS</b>							
Due from federal and state governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,262
Due from other funds	-	4,288	8,217	8,281	1,749	19,179	185,058
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 4,288</u>	<u>\$ 8,217</u>	<u>\$ 8,281</u>	<u>\$ 1,749</u>	<u>\$ 19,179</u>	<u>\$ 247,320</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>							
<i>Liabilities</i>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,666
Due to other funds	1,231	-	-	-	-	-	19,703
<b>Total liabilities</b>	<u>1,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,369</u>
<i>Fund balances (deficits)</i>							
Restricted for:							
Historical records preservation	-	-	-	-	-	-	15,135
Senior activities	-	-	-	-	-	19,179	29,738
Public safety programs	-	-	8,217	-	-	-	8,217
Community service programs	-	-	-	-	-	-	20,442
Dog park	-	4,288	-	-	-	-	4,288
Land trust	-	-	-	-	-	-	7,868
Committed							
Planning inspections	-	-	-	-	-	-	79,961
Public facilities and recreation	-	-	-	-	-	-	15,900
Public safety programs	-	-	-	8,281	1,749	-	10,030
Unassigned	(1,231)	-	-	-	-	-	(7,628)
<b>Total fund balances(deficits)</b>	<u>(1,231)</u>	<u>4,288</u>	<u>8,217</u>	<u>8,281</u>	<u>1,749</u>	<u>19,179</u>	<u>183,951</u>
<b>Total liabilities and fund balances(deficits)</b>	<u>\$ -</u>	<u>\$ 4,288</u>	<u>\$ 8,217</u>	<u>\$ 8,281</u>	<u>\$ 1,749</u>	<u>\$ 19,179</u>	<u>\$ 247,320</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Historical Records Trust</i>	<i>Police Grants</i>	<i>Legislative Senior Center</i>	<i>Legislative Recreation</i>	<i>Heritage Trail</i>	<i>Planning Board</i>
<b>Revenues</b>						
Intergovernmental revenue	\$ -	\$ 8,149	\$ 6,145	\$ 2,500	\$ -	\$ -
License, permits and fees	1,450	-	-	-	-	65,605
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<u>1,450</u>	<u>8,149</u>	<u>6,145</u>	<u>2,500</u>	<u>-</u>	<u>65,605</u>
<b>Expenditures</b>						
Current:						
General government	1,683	-	-	-	-	8,544
Public safety	-	9,911	-	-	-	-
Community services	-	-	5,625	2,469	-	-
<b>Total expenditures</b>	<u>1,683</u>	<u>9,911</u>	<u>5,625</u>	<u>2,469</u>	<u>-</u>	<u>8,544</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(233)</u>	<u>(1,762)</u>	<u>520</u>	<u>31</u>	<u>-</u>	<u>57,061</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(14,222)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,222)</u>	<u>-</u>
<b>Net change in fund balances</b>	(233)	(1,762)	520	31	(14,222)	57,061
<b>Fund balances (deficits) -beginning of year-restated</b>	<u>15,368</u>	<u>(4,635)</u>	<u>5,030</u>	<u>-</u>	<u>14,222</u>	<u>22,900</u>
<b>Fund balances (deficits)- end of year</b>	<u>\$ 15,135</u>	<u>\$ (6,397)</u>	<u>\$ 5,550</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 79,961</u>

(Continued)

**TOWN OF RICHMOND, RHODE ISLAND**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)*  
*Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Community Development Block Grant</i>	<i>Hazard Mitigation</i>	<i>Bryne Grant</i>	<i>Senior Crafts</i>	<i>Impact Fees Education</i>	<i>Impact Fees Recreation</i>	<i>Land Trust</i>
<b>Revenues</b>							
Intergovernmental revenue	\$ 102,552	\$ 4,482	\$ -	\$ -	\$ -	\$ -	\$ -
License, permits and fees	-	-	-	-	-	-	-
Other revenues	19,219	-	-	800	-	-	1,475
<b>Total revenues</b>	<u>121,771</u>	<u>4,482</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>-</u>	<u>1,475</u>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	4,482	-	-	-	-	-
Community services	102,552	-	-	306	-	-	-
<b>Total expenditures</b>	<u>102,552</u>	<u>4,482</u>	<u>-</u>	<u>306</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>19,219</u>	<u>-</u>	<u>-</u>	<u>494</u>	<u>-</u>	<u>-</u>	<u>1,475</u>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	6,116	-	-	-	-
Transfers out	-	-	-	-	(9,600)	(3,900)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>6,116</u>	<u>-</u>	<u>(9,600)</u>	<u>(3,900)</u>	<u>-</u>
<b>Net change in fund balances</b>	19,219	-	6,116	494	(9,600)	(3,900)	1,475
<b>Fund balances (deficits) -beginning of year-restated</b>	<u>1,192</u>	<u>-</u>	<u>(6,116)</u>	<u>4,515</u>	<u>21,600</u>	<u>7,800</u>	<u>6,393</u>
<b>Fund balances (deficits)- end of year</b>	<u>\$ 20,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,009</u>	<u>\$ 12,000</u>	<u>\$ 3,900</u>	<u>\$ 7,868</u>

(Continued)

**TOWN OF RICHMOND, RHODE ISLAND**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)*  
**Special Revenue Funds**  
*For the Fiscal Year Ended June 30, 2018*

	<i>Healthcare MEDS Grant</i>	<i>Dog Park Donations</i>	<i>Spay/Neuter Fund</i>	<i>ACO Adoptions</i>	<i>Animal Control Stray &amp; Homeless</i>	<i>Senior Activities Grant</i>	<i>Total</i>
<b>Revenues</b>							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,828
License, permits and fees	-	-	932	1,635	250	-	69,872
Other revenues	-	935	-	-	-	-	22,429
<b>Total revenues</b>	<u>-</u>	<u>935</u>	<u>932</u>	<u>1,635</u>	<u>250</u>	<u>-</u>	<u>216,129</u>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	10,227
Public safety	-	-	-	530	-	-	14,923
Community services	-	1,407	-	-	-	992	113,351
<b>Total expenditures</b>	<u>-</u>	<u>1,407</u>	<u>-</u>	<u>530</u>	<u>-</u>	<u>992</u>	<u>138,501</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>-</u>	<u>(472)</u>	<u>932</u>	<u>1,105</u>	<u>250</u>	<u>(992)</u>	<u>77,628</u>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	6,116
Transfers out	-	-	-	-	-	-	(27,722)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,606)</u>
<b>Net change in fund balances</b>	-	(472)	932	1,105	250	(992)	56,022
<b>Fund balances (deficits) -beginning of year-restated</b>	<u>(1,231)</u>	<u>4,760</u>	<u>7,285</u>	<u>7,176</u>	<u>1,499</u>	<u>20,171</u>	<u>127,929</u>
<b>Fund balances (deficits)- end of year</b>	<u>\$ (1,231)</u>	<u>\$ 4,288</u>	<u>\$ 8,217</u>	<u>\$ 8,281</u>	<u>\$ 1,749</u>	<u>\$ 19,179</u>	<u>\$ 183,951</u>

**COMBINING FINANCIAL STATEMENTS  
FOR PRIVATE PURPOSE TRUST FUNDS**

**Private Purpose Trust Funds were established to account for assets held by the Town in a fiduciary capacity for individuals, governmental entities and others. Trust funds are operated by carrying out specific requirements, or other governing regulations.**

**Emily Anthony Fund** – was established to account for monies donated for scholarships to assist worthy and deserving children.

**Edwin Anthony Fund** – was established to account for monies donated to assist in the support and care of the poor.

**Crawley Property Fund** – was established to account for the Land Trust for the Crawley Property.

**Senior Activities Fund** – was established to account for monies donated to the Senior Citizens Activity Committee.

**Cemetery Funds** – was established to account for monies donated for the Town cemetery and for revenue from the sale of cemetery lots.

**Wood River Cemetery Fund** – was established to account for monies donated for the Wood River Cemetery.

**Historical Cemetery Fund** – was established to account for monies donated for historical cemeteries.

**White Brook Cemetery Fund** – was established to account for monies donated for the White Brook Cemetery.

**Town Farm Fund** – was established to account for Town Farm Fund receipts and disbursements.

**Link Cemetery Fund** – was established to account for monies donated for the Link Cemetery.

**Henry D Hoyle Grant** – was established to account for Henry D Hoyle Grant receipts and disbursements.

**Clarke Cemetery Fund** – was established to account for monies donated for the Clarke Cemetery Fund.

**J Crawford Fenner Fund** – was established to account for J Crawford Fenner Fund receipts and disbursements.

**TOWN OF RICHMOND, RHODE ISLAND**  
*Combining Statement of Fiduciary Net Position*  
*Private Purpose Trust Funds*  
*June 30, 2018*

	<i>Emily Anthony Funds</i>	<i>Edwin Anthony Funds</i>	<i>Crawley Property</i>	<i>Senior Activities</i>	<i>Cemetery Funds</i>	<i>Wood River Cemetery Funds</i>
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	55,173	3,873	4,072	109	33,257	8,900
<b>Total assets</b>	<u>55,173</u>	<u>3,873</u>	<u>4,072</u>	<u>109</u>	<u>33,257</u>	<u>8,900</u>
<b>Liabilities</b>						
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>						
Restricted for other purposes	<u>\$ 55,173</u>	<u>\$ 3,873</u>	<u>\$ 4,072</u>	<u>\$ 109</u>	<u>\$ 33,257</u>	<u>\$ 8,900</u>

(Continued)



**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Statement of Fiduciary Net Position (Continued)**  
**Private Purpose Trust Funds**  
**June 30, 2018**

	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Henry D. Hoyle Grant</i>	<i>Clarke Cemetery Fund</i>	<i>J Crawford Fenner Fund</i>	<i>Total</i>
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 6,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,751
Investments	-	126,728	-	-	-	-	-	126,728
Due from other funds	9,656	-	1,260	835	642	3,528	3,570	124,875
		-						
<b>Total assets</b>	<u>9,656</u>	<u>133,479</u>	<u>1,260</u>	<u>835</u>	<u>642</u>	<u>3,528</u>	<u>3,570</u>	<u>258,354</u>
<b>Liabilities</b>								
Due to other funds	-	14	-	-	-	-	-	14
<b>Total liabilities</b>	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>
<b>Net Position</b>								
Restricted for other purposes	<u>\$ 9,656</u>	<u>\$ 133,465</u>	<u>\$ 1,260</u>	<u>\$ 835</u>	<u>\$ 642</u>	<u>\$ 3,528</u>	<u>\$ 3,570</u>	<u>\$ 258,340</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
*Combining Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust Funds*  
*For the Fiscal Year Ended June 30, 2018*

	<i>Emily Anthony Funds</i>	<i>Edwin Anthony Funds</i>	<i>Crawley Property</i>	<i>Senior Activities</i>	<i>Cemetery Funds</i>	<i>Wood River Cemetery Funds</i>
<b><i>Additions</i></b>						
Gifts and contributions	\$ 2,218	\$ -	\$ -	\$ -	\$ 400	\$ -
Investment earnings:						
Net increase (decrease) in fair value of investments	-	-	-	-	-	-
Interest and dividends	220	16	16	-	132	36
Net investment earnings	220	16	16	-	132	36
<b><i>Total additions</i></b>	<b>2,438</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>532</b>	<b>36</b>
<b><i>Deductions</i></b>						
Miscellaneous	3,310	1,703	-	-	2,380	-
<b><i>Total deductions</i></b>	<b>3,310</b>	<b>1,703</b>	<b>-</b>	<b>-</b>	<b>2,380</b>	<b>-</b>
<b><i>Change in net position</i></b>	<b>(872)</b>	<b>(1,687)</b>	<b>16</b>	<b>-</b>	<b>(1,848)</b>	<b>36</b>
<b><i>Net position - beginning of year</i></b>	<b>56,045</b>	<b>5,560</b>	<b>4,056</b>	<b>109</b>	<b>35,105</b>	<b>8,864</b>
<b><i>Net position - end of year</i></b>	<b>\$ 55,173</b>	<b>\$ 3,873</b>	<b>\$ 4,072</b>	<b>\$ 109</b>	<b>\$ 33,257</b>	<b>\$ 8,900</b>

(Continued)

**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Statement of Changes in Fiduciary Net Position (Continued)**  
**Private Purpose Trust Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Henry D. Hoyle Grant</i>	<i>Clarke Cemetery Fund</i>	<i>J Crawford Fenner Fund</i>	<i>Total</i>
<b>Additions</b>								
Gifts and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,618
Investment earnings:								
Net increase (decrease) in fair value of investments	-	4,311	-	-	-	-	-	4,311
Interest and dividends	38	2,947	5	3	3	14	14	3,444
Net investment earnings	38	7,258	5	3	3	14	14	7,755
<b>Total additions</b>	38	7,258	5	3	3	14	14	10,373
<b>Deductions</b>								
Miscellaneous	-	2,982	-	-	-	-	-	10,375
<b>Total deductions</b>	-	2,982	-	-	-	-	-	10,375
<b>Change in net position</b>	38	4,276	5	3	3	14	14	(2)
<b>Net position - beginning of year</b>	9,618	129,189	1,255	832	639	3,514	3,556	258,342
<b>Net position - end of year</b>	\$ 9,656	\$ 133,465	\$ 1,260	\$ 835	\$ 642	\$ 3,528	\$ 3,570	\$ 258,340

## **AGENCY FUNDS**

**Agency Funds account  
for assets held by the Town  
as an agent for individuals,  
organizations or other governmental units.**

**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2018**

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	<u>Landscape Escrows</u>	<u>Curb Cut Bonds</u>	<u>Fairside Drive Bond</u>	<u>Wisteria Lane Bond</u>	<u>Safety Markings</u>	<u>Probate Court</u>	<u>Camelot Performance Bond</u>	<u>Total Agency Funds</u>
<b>Assets</b>								
Due from other funds	\$ 10,299	\$ 4,045	\$ 23,168	\$ 35,141	\$ 2,235	\$ 2,440	\$ 113,209	\$ 190,537
<b>Total assets</b>	<u>\$ 10,299</u>	<u>\$ 4,045</u>	<u>\$ 23,168</u>	<u>\$ 35,141</u>	<u>\$ 2,235</u>	<u>\$ 2,440</u>	<u>\$ 113,209</u>	<u>\$ 190,537</u>
<b>Liabilities</b>								
Deposits held in custody for others	\$ 10,299	\$ 4,045	\$ 23,168	\$ 35,141	\$ 2,235	\$ 2,440	\$ 113,209	\$ 190,537
<b>Total liabilities</b>	<u>\$ 10,299</u>	<u>\$ 4,045</u>	<u>\$ 23,168</u>	<u>\$ 35,141</u>	<u>\$ 2,235</u>	<u>\$ 2,440</u>	<u>\$ 113,209</u>	<u>\$ 190,537</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Landscape Escrows</b>				
<i>Assets</i>				
Due from other funds	\$ 10,258	\$ 41	\$ -	\$ 10,299
<b>Total assets</b>	<u>\$ 10,258</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 10,299</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 10,258	\$ 41	\$ -	\$ 10,299
<b>Total liabilities</b>	<u>\$ 10,258</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 10,299</u>
<b>Curb Cut Bonds</b>				
<i>Assets</i>				
Due from other funds	\$ 3,027	\$ 2,018	\$ 1,000	\$ 4,045
<b>Total assets</b>	<u>\$ 3,027</u>	<u>\$ 2,018</u>	<u>\$ 1,000</u>	<u>\$ 4,045</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 3,027	\$ 2,018	\$ 1,000	\$ 4,045
<b>Total liabilities</b>	<u>\$ 3,027</u>	<u>\$ 2,018</u>	<u>\$ 1,000</u>	<u>\$ 4,045</u>
<b>Fairside Drive Bond</b>				
<i>Assets</i>				
Due from other funds	\$ 23,076	\$ 92	\$ -	\$ 23,168
<b>Total assets</b>	<u>\$ 23,076</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 23,168</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 23,076	\$ 92	\$ -	\$ 23,168
<b>Total liabilities</b>	<u>\$ 23,076</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 23,168</u>
<b>Wisteria Lane Bond</b>				
<i>Assets</i>				
Due from other funds	\$ 35,001	\$ 140	\$ -	\$ 35,141
<b>Total assets</b>	<u>\$ 35,001</u>	<u>\$ 140</u>	<u>\$ -</u>	<u>\$ 35,141</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 35,001	\$ 140	\$ -	\$ 35,141
<b>Total liabilities</b>	<u>\$ 35,001</u>	<u>\$ 140</u>	<u>\$ -</u>	<u>\$ 35,141</u>

(Continued)

**TOWN OF RICHMOND, RHODE ISLAND**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Safety Markings</b>				
<i>Assets</i>				
Due from other funds	\$ 2,226	\$ 9	\$ -	\$ 2,235
<b>Total assets</b>	<u>\$ 2,226</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 2,235</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 2,226	\$ 9	\$ -	\$ 2,235
<b>Total liabilities</b>	<u>\$ 2,226</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 2,235</u>
<b>Probate Court</b>				
<i>Assets</i>				
Due from other funds	\$ 2,430	\$ 10	\$ -	\$ 2,440
<b>Total assets</b>	<u>\$ 2,430</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 2,440</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 2,430	\$ 10	\$ -	\$ 2,440
<b>Total liabilities</b>	<u>\$ 2,430</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 2,440</u>
<b>Camelot Performance Bond</b>				
<i>Assets</i>				
Due from other funds	\$ 115,521	\$ 451	\$ 2,763	\$ 113,209
<b>Total assets</b>	<u>\$ 115,521</u>	<u>\$ 451</u>	<u>\$ 2,763</u>	<u>\$ 113,209</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 115,521	\$ 451	\$ 2,763	\$ 113,209
<b>Total liabilities</b>	<u>\$ 115,521</u>	<u>\$ 451</u>	<u>\$ 2,763</u>	<u>\$ 113,209</u>
<b>Total Agency Funds</b>				
<i>Assets</i>				
Due from other funds	\$ 191,539	\$ 2,761	\$ 3,763	\$ 190,537
<b>Total assets</b>	<u>\$ 191,539</u>	<u>\$ 2,761</u>	<u>\$ 3,763</u>	<u>\$ 190,537</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 191,539	\$ 2,761	\$ 3,763	\$ 190,537
<b>Total liabilities</b>	<u>\$ 191,539</u>	<u>\$ 2,761</u>	<u>\$ 3,763</u>	<u>\$ 190,537</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
*Tax Collector's Annual Report*  
For the Fiscal Year Ended June 30, 2018

<i><b>Fiscal Year</b></i>	<i><b>Balance June 30, 2017</b></i>	<i><b>Current year Assessment</b></i>	<i><b>Additions</b></i>	<i><b>Abatements</b></i>	<i><b>Refunds/ Adjustments</b></i>	<i><b>Amount to be Collected</b></i>	<i><b>Current Year Collections</b></i>	<i><b>Balance June 30, 2018</b></i>
2018	\$ -	\$ 18,594,046	\$ 84,283	\$ (55,223)	\$ (4,247)	\$18,618,859	\$17,995,965	\$ 622,894
2017	599,691		551	(942)	18,636	617,936	521,707	96,229
2016	113,388				(853)	112,535	54,888	57,647
2015	55,798				(700)	55,098	8,136	46,962
2014	51,343				(1,073)	50,270	6,777	43,493
2013	46,764				28	46,792	10,971	35,821
2012	31,638					31,638	2,938	28,700
2011	25,519					25,519	590	24,929
2010	11,964					11,964	47	11,917
2009	17,922				(28)	17,894	16	17,878
2008	16,870					16,870	42	16,828
2007	15,715					15,715	76	15,639
2006	15,233					15,233	162	15,071
2005	12,876					12,876	210	12,666
						-		
	<u>\$ 1,014,721</u>	<u>\$ 18,594,046</u>	<u>\$ 84,834</u>	<u>\$ (56,165)</u>	<u>\$ 11,763</u>	<u>\$ 19,649,199</u>	<u>\$ 18,602,525</u>	<u>\$ 1,046,674</u>
<i>Allowance for Uncollectible Accounts</i>	(208,000)							(237,000)
<i>Net Property Tax Receivable</i>	<u>\$ 806,721</u>							<u>\$ 809,674</u>

***Schedule of Net Assessed Property Value by Category***

<i><b>Description of Property</b></i>	<i><b>Valuations December 31, 2016</b></i>	<i><b>Levy July 1, 2017</b></i>
Real property	\$ 843,802,000	\$ 17,551,082
Motor vehicle	78,128,586	1,768,831
Tangible personal property	20,118,800	418,741
Total	<u>942,049,386</u>	<u>19,738,654</u>
Exemptions	(52,786,361)	(1,144,608)
Net assessed value	<u>\$ 889,263,025</u>	<u>\$ 18,594,046</u>

***Reconciliation of Current Year Property Tax Revenue***

Current Year Collections	\$ 18,602,525
Refunds	(16,166)
July -August 2018 Collections Subject to 60-day FY 18 Accrual	251,291
July -August 2017 Collections Subject to 60-day FY 17 Accrual	(283,050)
Current Year Property Tax Revenue	<u>\$ 18,554,600</u>

*(continued)*



**TOWN OF RICHMOND, RHODE ISLAND**  
*Tax Collector's Annual Report (Continued)*  
For the Fiscal Year Ended June 30, 2018

**Fiscal Year 2018 Cash Collection Summary**

<b><u>Fiscal Year</u></b>	<b><u>July- August 2017 Collections Subject to 60 day FY 17 Accrual</u></b>	<b><u>September- June 2018 Collections</u></b>	<b><u>Total FY 2018 Cash Collections</u></b>	<b><u>July- August 2018 Collections Subject to 60 day FY 18 Accrual</u></b>
2018	\$ -	\$ 17,995,965	\$ 17,995,965	\$ 216,589
2017	231,458	290,249	521,707	27,571
2016	42,401	12,487	54,888	5,006
2015	4,033	4,103	8,136	1,630
2014	2,404	4,373	6,777	330
2013	1,069	9,902	10,971	65
2012	1,685	1,253	2,938	80
2011	-	590	590	-
2010	-	47	47	20
2009	-	16	16	-
2008	-	42	42	-
2007	-	76	76	-
2006	-	162	162	-
2005	-	210	210	-
	<u>\$ 283,050</u>	<u>\$ 18,319,475</u>	<u>\$ 18,602,525</u>	<u>\$ 251,291</u>

**TOWN OF RICHMOND, RHODE ISLAND**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis*  
*For the Fiscal Year Ended June 30, 2018*

	<i>General Fund</i>			<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	
<b>Revenues</b>				
Property taxes	\$ 19,008,031	\$ 19,008,031	\$ 18,659,341	\$ (348,690)
Intergovernmental revenue	4,992,608	4,992,608	5,169,509	176,901
License, permits and fees	480,950	480,950	677,601	196,651
Interest on investments	25,000	25,000	48,849	23,849
Other revenues	108,500	108,500	314,306	205,806
<b>Total Revenues</b>	<u>24,615,089</u>	<u>24,615,089</u>	<u>24,869,606</u>	<u>254,517</u>
<b>Expenditures</b>				
General government	1,553,085	1,485,378	1,459,100	26,278
Public safety	1,959,444	1,973,421	2,101,670	(128,249)
Public works	867,312	889,607	908,916	(19,309)
Recreation and culture	57,256	57,575	54,230	3,345
Education	19,352,871	19,352,871	19,352,871	-
Transfer station and recycling	165,519	166,693	178,456	(11,763)
Community services	163,800	163,800	161,015	2,785
Canvassing authority	3,900	3,900	3,016	884
Debt service				
Principal	506,185	506,185	506,185	-
Interest	172,875	172,875	158,918	13,957
Other	2,600	2,600	1,750	850
<b>Total expenditures</b>	<u>24,804,847</u>	<u>24,774,905</u>	<u>24,886,127</u>	<u>(111,222)</u>
<b>Deficiency of Revenues Under Expenditures Before Other Financing Sources (Uses)</b>				
	<u>(189,758)</u>	<u>(159,816)</u>	<u>(16,521)</u>	<u>143,295</u>
<b>Other financing sources (uses)</b>				
Budgeted use of committed fund balance	180,500	180,500	180,500	-
Transfers in	117,233	117,233	117,233	-
Transfers out	(78,975)	(108,917)	(108,917)	-
Revaluation restricted account	(29,000)	(29,000)	(29,000)	-
<b>Total other financing sources (uses)</b>	<u>189,758</u>	<u>159,816</u>	<u>159,816</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,295</u>	<u>\$ 143,295</u>

## **OTHER SUPPLEMENTARY INFORMATION**

The Annual Supplemental Transparency Report Schedules  
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

Town of Richmond  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2018

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 18,212,554	\$ -
Last Year's Levy Tax Collection	317,820	-
Prior Years Property Tax Collection	40,392	-
Interest & Penalty	88,575	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	282,318	-
Fines and Forfeitures	100,318	-
Investment Income	48,849	-
Departmental	369,513	-
Rescue Run Revenue	-	-
Police & Fire Detail	220,840	-
Other Local Non-Property Tax Revenues	12,302	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	-
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	-
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	-
MV Excise Tax Reimbursement & Phase-out	248,574	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	96,149	-
Meals & Beverage Tax / Hotel Tax	148,636	-
LEA Aid	-	-
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	4,676,150	-
Other Revenue	18,918	-
Local Appropriation for Education	-	-
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
<b>Total Revenue</b>	<b>\$ 24,881,908</b>	<b>\$ -</b>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	13,500	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<b>\$ 13,500</b>	<b>\$ -</b>

Town of Richmond  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2018

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 214,233	\$ 212,659	\$ -	\$ -	\$ 171,957	\$ -	\$ 443,181	\$ 17,914	\$ 768,485
Compensation - Group B	-	-	-	-	-	-	-	-	214,273
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	84,127	-	261,998
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	151,921
Active Medical Insurance - Group A	38,689	27,084	-	-	13,122	-	104,409	-	181,221
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	45,557
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	1,462	979	-	-	456	-	4,983	-	11,008
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	1,420
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	16,482	16,586	-	-	13,086	-	38,097	1,370	104,323
Life Insurance	-	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	1,965	1,610	-	-	1,086	-	3,231	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	2,107
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	3,767	426	-	-	1,769	-	44,345	478	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	3,398
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	16,429	15,753	-	-	9,165	-	36,697	-	72,219
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	17,487
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	125,100	49,207	151	120,713	1,200	-	25,333	4,003	6,705
Materials/Supplies	13,047	6,362	27	13,113	366	-	41,566	-	33,667
Software Licenses	-	2,459	-	12,015	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-
Insurance	118,714	-	-	-	-	-	-	-	-
Maintenance	1,149	-	-	-	-	-	17,015	1,526	5,429
Vehicle Operations	-	-	-	-	-	-	148,111	-	88,262
Utilities	41,778	-	-	-	270	-	13,159	-	33,533
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	22,385	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	90,829	-	-
Trash Removal & Recycling	-	-	-	-	-	-	55,393	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	5,400	-	-	-	-	-	-	-	-
Other Operation Expenditures	18,864	-	-	600	2,791	97,000	60,212	299	32,205
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 617,079</b>	<b>\$ 333,125</b>	<b>\$ 178</b>	<b>\$ 146,441</b>	<b>\$ 215,268</b>	<b>\$ 97,000</b>	<b>\$ 1,233,073</b>	<b>\$ 25,590</b>	<b>\$ 2,035,218</b>

Town of Richmond  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2018

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ -	\$ 50,831	\$ -	\$ -	\$ -	\$ 1,879,260	\$ -
Compensation - Group B	-	-	-	-	-	-	214,273	-
Compensation - Group C	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	3,837	-	-	-	349,962	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	151,921	-
Active Medical Insurance - Group A	-	-	14,738	-	-	-	379,263	-
Active Medical Insurance- Group B	-	-	-	-	-	-	45,557	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	-	-	731	-	-	-	19,619	-
Active Dental Insurance- Group B	-	-	-	-	-	-	1,420	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	4,011	-	-	-	193,955	-
Life Insurance	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	-	-	530	-	-	-	8,422	-
State Defined Contribution - Group B	-	-	-	-	-	-	2,107	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	1,083	-	-	-	51,868	-
Other Benefits- Group B	-	-	-	-	-	-	3,398	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	2,935	-	-	-	153,198	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	17,487	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	-	5,902	-	-	-	338,314	-
Materials/Supplies	-	-	6,308	-	-	-	114,456	-
Software Licenses	-	-	-	-	-	-	14,474	-
Capital Outlays	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	118,714	-
Maintenance	-	-	-	-	-	-	25,119	-
Vehicle Operations	-	-	1,676	-	-	-	238,049	-
Utilities	-	-	3,603	-	-	-	92,343	-
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	22,385	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	90,829	-
Trash Removal & Recycling	-	-	-	-	-	-	55,393	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	5,400	-
Other Operation Expenditures	50,000	-	1,247	-	-	-	263,218	-
Local Appropriation for Education	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	19,352,871	-	-	19,352,871	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	475,000	-	475,000	-
Municipal Debt- Interest	-	-	-	-	100,421	-	100,421	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 97,432</b>	<b>\$ 19,352,871</b>	<b>\$ 575,421</b>	<b>\$ -</b>	<b>\$ 24,778,696</b>	<b>\$ -</b>

Financing Uses: Transfer to Capital Funds	\$ 108,917	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
<b>Total Other Financing Uses</b>	<b>\$ 108,917</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>7,795</b>	<b>-</b>
<b>Fund Balance1- beginning of year</b>	<b>\$4,624,223</b>	<b>\$0</b>
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>4,624,223</b>	<b>-</b>
Rounding	-	-
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 4,632,018</b>	<b>\$ -</b>

<sup>1</sup> and Net Position if Enterprise Fund activity is included in the transparency portal report.

Town of Richmond  
 Combining Schedule of  
 Reportable Government Services with  
 Reconciliation to MTP2  
 Municipal  
 Fiscal Year Ended June 30, 2018

Per Audited Fund Financial Statements	Total	Total Other	Total	Total Other	Net Change	Beginning Fund	Prior Period	Restated Beginning	Ending
Fund Description	Revenue	Financing Sources	Expenditures	Financing Uses	in Fund Balance <sup>1</sup>	Fund Balance <sup>1</sup> (Deficit)	Adjustment	Fund Balance <sup>1</sup> (Deficit)	Fund Balance <sup>1</sup> (Deficit)
General Fund	\$ 24,881,908	\$ 13,500	\$ 24,778,696	\$ 108,917	\$ 7,795	\$ 4,624,223	\$ -	\$ 4,624,223	\$ 4,632,018
<b>Totals per audited financial statements</b>	<b>\$ 24,881,908</b>	<b>\$ 13,500</b>	<b>\$ 24,778,696</b>	<b>\$ 108,917</b>	<b>\$ 7,795</b>	<b>\$ 4,624,223</b>	<b>\$ -</b>	<b>\$ 4,624,223</b>	<b>\$ 4,632,018</b>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<b>\$ 24,881,908</b>	<b>\$ 13,500</b>	<b>\$ 24,778,696</b>	<b>\$ 108,917</b>	<b>\$ 7,795</b>	<b>\$ 4,624,223</b>	<b>\$ -</b>	<b>\$ 4,624,223</b>	<b>\$ 4,632,018</b>

<sup>1</sup> and Net Position if Enterprise Fund activity is included in the transparency portal report.

# **TOWN OF RICHMOND, RHODE ISLAND**

## *Reportable Government Services with*

### *MTP2 Notes*

*Fiscal Year Ended June 30, 2018*

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

#### **NOTE 1 - BASIS OF PRESENTATION**

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the annual financial statements is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the Annual Supplemental Transparency Report (MTP2) was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

#### **NOTE 2 - REPORTABLE GOVERNMENT SERVICES**

Data consistency and comparability are among the key objectives of the State’s Municipal Transparency portal. Consistent with that goal, the State has defined “reportable government services”, RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality’s general fund. The Annual Supplemental Transparency Report (MTP2) includes a reconciliation to the fund level statements.

#### **NOTE 3 - ALLOCATIONS**

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the Town’s budget and accounting system. To report these costs, the Town made allocations of costs to the State’s departmental groupings based on a reasonable basis.

#### **NOTE 4 - EMPLOYEE GROUPS - COMPENSATION AND BENEFIT COSTS**

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees’ compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State’s Municipal Transparency portal website.

Additional guidance and definitions regarding the State’s Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.



## **STATISTICAL SECTION**

**The Statistical Schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Town.**

**TOWN OF RICHMOND, RHODE ISLAND**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(Unaudited)**

**EXHIBIT 1**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities:</b>										
Net investment in capital assets	\$11,348,556	\$12,059,872	\$12,183,492	\$11,362,540	\$11,918,950	\$11,372,800	\$10,117,906	\$10,822,388	\$11,644,019	\$12,700,301
Restricted	182,528	169,660	168,195	125,554	142,346	158,793	-	-	-	-
Unrestricted	5,184,974	5,114,226	5,250,005	4,645,969	4,378,536	5,086,922	5,662,225	6,034,135	6,434,399	5,985,444
Total governmental activities net position	<u>\$16,716,058</u>	<u>\$17,343,758</u>	<u>\$17,601,692</u>	<u>\$16,134,063</u>	<u>\$16,439,832</u>	<u>\$16,618,515</u>	<u>\$15,780,131</u>	<u>\$16,856,523</u>	<u>\$18,078,418</u>	<u>\$18,685,745</u>
<b>Business-type activities:</b>										
Net investment in capital assets	\$2,191,832	\$2,012,063	\$1,966,392	\$1,646,660	\$1,333,901	\$1,250,298	\$1,191,096	\$588,288	\$579,071	\$607,907
Unrestricted	238,157	541,747	698,860	650,559	516,567	562,537	536,798	476,495	468,970	434,513
Total business-type activities net position	<u>\$2,429,989</u>	<u>\$2,553,810</u>	<u>\$2,665,252</u>	<u>\$2,297,219</u>	<u>\$1,850,468</u>	<u>\$1,812,835</u>	<u>\$1,727,894</u>	<u>\$1,064,783</u>	<u>\$1,048,041</u>	<u>\$1,042,420</u>
<b>Primary government:</b>										
Net investment in capital assets	\$13,540,388	\$14,071,935	\$14,149,884	\$13,009,200	\$13,252,851	\$12,623,098	\$11,309,002	\$11,410,676	\$12,223,090	\$13,308,208
Restricted	182,528	169,660	168,195	125,554	142,346	158,793	-	-	-	-
Unrestricted	5,423,131	5,655,973	5,948,865	5,296,528	4,895,103	5,649,459	6,199,023	6,510,630	6,903,369	6,419,957
Total primary government net position	<u>\$19,146,047</u>	<u>\$19,897,568</u>	<u>\$20,266,944</u>	<u>\$18,431,282</u>	<u>\$18,290,300</u>	<u>\$18,431,350</u>	<u>\$17,508,025</u>	<u>\$17,921,306</u>	<u>\$19,126,459</u>	<u>\$19,728,165</u>

Source: Town of Richmond Audited Financial Statements

**TOWN OF RICHMOND, RHODE ISLAND  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Unaudited)**

**EXHIBIT 2**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$1,566,426	\$1,598,501	\$1,446,108	\$1,428,610	\$1,396,108	\$1,386,225	\$1,202,400	\$1,211,012	\$1,112,240	\$1,381,725
Public safety	2,425,780	2,113,299	2,017,079	1,917,635	1,781,017	1,853,424	1,672,730	1,498,832	1,438,854	1,359,604
Public works	2,004,272	1,831,733	1,486,652	1,677,538	2,103,662	1,643,344	2,180,519	2,123,184	2,296,905	2,069,878
General public assistance	-	-	-	-	-	-	769,187	726,279	332,833	426,905
Recreation and culture	54,230	51,277	56,564	56,787	55,117	58,270	52,129	57,159	47,559	83,777
Education	19,352,871	18,551,086	18,201,477	18,329,949	18,300,639	18,086,820	18,098,080	17,072,158	16,564,107	17,187,604
Transfer station/recycling area	179,034	162,538	158,807	160,101	151,885	145,665				
Community services	274,366	381,304	481,724	471,944	277,513	564,606	153,049	143,870	173,810	176,777
Other	3,016	9,308	4,864	6,235	3,921	9,595	71,712	198,390	103,966	353,697
Interest	117,267	71,106	85,234	165,227	54,800	102,443	85,817	82,831	73,311	125,009
<b>Total governmental activities expenses</b>	<b>25,977,262</b>	<b>24,770,152</b>	<b>23,938,509</b>	<b>24,214,026</b>	<b>24,124,662</b>	<b>23,850,392</b>	<b>24,285,623</b>	<b>23,113,715</b>	<b>22,143,585</b>	<b>23,164,976</b>
<b>Business-type activities:</b>										
Water Supply Board	293,576	284,775	206,183	186,857	157,750	65,015	79,645	73,599	93,202	74,475
<b>Total business-type activities expenses</b>	<b>293,576</b>	<b>284,775</b>	<b>206,183</b>	<b>186,857</b>	<b>157,750</b>	<b>65,015</b>	<b>79,645</b>	<b>73,599</b>	<b>93,202</b>	<b>74,475</b>
<b>Total primary government expenses</b>	<b>\$26,270,838</b>	<b>\$25,054,927</b>	<b>\$24,144,692</b>	<b>\$24,400,883</b>	<b>\$24,282,412</b>	<b>\$23,915,407</b>	<b>\$24,365,268</b>	<b>\$23,187,314</b>	<b>\$22,236,787</b>	<b>\$23,239,451</b>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
<i>Charges for services:</i>										
General government	\$630,391	\$441,445	\$481,710	\$323,629	\$319,272	\$216,997	\$270,050	\$309,441	\$338,242	\$236,515
Public safety	348,365	263,069	156,603	129,702	147,545	50,425	86,792	5,987	87,349	67,013
Public works	-	-	-	-	-	-	-	-	-	-
Recreation and culture	11,950	11,025	9,654	11,362	19,203	-	-	-	-	-
Transfer station/recycling area	166,534	169,187	149,090	141,772	137,403	-	-	-	-	-
Education	-	-	-	-	-	70,516	50,138	42,103	71,232	-
Other activities	13,842	17,448	19,171	12,590	16,583	213,032	111,365	106,774	16,358	8,632
Operating grants and contributions	4,828,717	5,302,454	5,508,948	5,703,959	5,604,383	5,962,795	6,099,529	5,546,692	5,495,190	622,113
Capital grants and contributions	97,473		177,303			49,315	559,037	641,878	283,430	
<b>Total governmental activities program revenues</b>	<b>6,097,272</b>	<b>6,204,628</b>	<b>6,502,479</b>	<b>6,323,014</b>	<b>6,244,389</b>	<b>6,563,080</b>	<b>7,176,911</b>	<b>6,652,875</b>	<b>6,291,801</b>	<b>934,273</b>
<b>Business-type activities:</b>										
<i>Charges for services:</i>										
Water Supply Board	128,154	122,631	117,112	123,194	127,537	130,654	117,031	87,050	98,823	98,904
Operating and capital grants and contributions	41,601	50,702	466,186	510,414	74,036	65,000	625,725	-		
<b>Total business-type activities program revenues</b>	<b>169,755</b>	<b>173,333</b>	<b>583,298</b>	<b>633,608</b>	<b>201,573</b>	<b>195,654</b>	<b>742,756</b>	<b>87,050</b>	<b>98,823</b>	<b>98,904</b>
<b>Total primary government program revenues</b>	<b>6,267,027</b>	<b>6,377,961</b>	<b>7,085,777</b>	<b>6,956,622</b>	<b>6,445,962</b>	<b>6,758,734</b>	<b>7,919,667</b>	<b>6,739,925</b>	<b>6,390,624</b>	<b>1,033,177</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities</b>	<b>\$(19,879,990)</b>	<b>\$(18,565,524)</b>	<b>\$(17,436,030)</b>	<b>\$(17,891,012)</b>	<b>\$(17,880,273)</b>	<b>\$(17,287,312)</b>	<b>\$(17,108,712)</b>	<b>\$(16,460,840)</b>	<b>\$(15,851,784)</b>	<b>\$(22,230,703)</b>
<b>Business-type activities</b>	<b>(123,821)</b>	<b>(111,442)</b>	<b>377,115</b>	<b>446,751</b>	<b>43,823</b>	<b>130,639</b>	<b>663,111</b>	<b>13,451</b>	<b>5,621</b>	<b>24,429</b>
<b>Total primary government net expenses</b>	<b>\$(20,003,811)</b>	<b>\$(18,676,966)</b>	<b>\$(17,058,915)</b>	<b>\$(17,444,261)</b>	<b>\$(17,836,450)</b>	<b>\$(17,156,673)</b>	<b>\$(16,445,601)</b>	<b>\$(16,447,389)</b>	<b>\$(15,846,163)</b>	<b>\$(22,206,274)</b>

(Continued)

**TOWN OF RICHMOND, RHODE ISLAND  
CHANGES IN NET POSITION (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Unaudited)**

**EXHIBIT 2**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes and other	\$18,694,052	\$17,975,939	\$17,439,301	\$17,236,054	\$16,717,549	\$16,232,872	\$15,881,815	\$15,166,543	\$14,504,920	\$14,033,839
Unrestricted investment earnings	48,849	26,938	24,938	16,214	8,276	8,009	6,328	14,260	26,392	
State aid	493,359	310,829	349,599	332,054	324,007	-	57,421	58,142	713,145	6,158,139
Other revenues	16,030		924	921	6,261	281,604		-	-	
Transfers	0		10600	-	-	35,698		-		
<b>Total governmental activities</b>	<b>19,252,290</b>	<b>18,313,706</b>	<b>17,825,362</b>	<b>17,585,243</b>	<b>17,056,093</b>	<b>16,558,183</b>	<b>15,945,564</b>	<b>15,238,945</b>	<b>15,244,457</b>	<b>20,191,978</b>
<b>Business-type activities:</b>										
Unrestricted investment earnings	-	-	1,518			-		3,291		4,367
Transfers	-	-	(10,600)			(35,698)		-		
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>(9,082)</b>			<b>(35,698)</b>		<b>3,291</b>		<b>4,367</b>
<b>Total primary government</b>	<b>\$19,252,290</b>	<b>\$18,313,706</b>	<b>\$17,816,280</b>	<b>\$17,585,243</b>	<b>\$17,056,093</b>	<b>\$16,522,485</b>	<b>\$15,945,564</b>	<b>\$15,242,236</b>	<b>\$15,244,457</b>	<b>\$20,196,345</b>
<b>Change in Net Position</b>										
<b>Governmental activities</b>	<b>\$(627,700)</b>	<b>\$(251,818)</b>	<b>\$389,332</b>	<b>\$(305,769)</b>	<b>\$(824,180)</b>	<b>\$(729,129)</b>	<b>\$(1,163,148)</b>	<b>\$(1,221,895)</b>	<b>\$(607,327)</b>	<b>\$(2,038,725)</b>
<b>Business-type activities</b>	<b>\$(123,821)</b>	<b>\$(111,442)</b>	<b>368,033</b>	<b>446,751</b>	<b>43,823</b>	<b>94,941</b>	<b>663,111</b>	<b>16,742</b>	<b>5,621</b>	<b>28,796</b>
<b>Total primary government</b>	<b>\$(751,521)</b>	<b>\$(363,260)</b>	<b>\$757,365</b>	<b>\$140,982</b>	<b>\$(780,357)</b>	<b>\$(634,188)</b>	<b>\$(500,037)</b>	<b>\$(1,205,153)</b>	<b>\$(601,706)</b>	<b>\$(2,009,929)</b>

Source: Town of Richmond Audited Financial Statements

**TOWN OF RICHMOND, RHODE ISLAND  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(Unaudited)**

**EXHIBIT 3**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Fund</b>										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	2,778,282	2,524,045
Nonspendable	62,422	6,384	69,701	21,017	9,556	75	2,663	30,350		
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	870,517	1,006,017	1,054,786	696,046	733,424	728,577	-	-	-	-
Assigned	13,920	-	-	-	-	-	571,144	734,310	-	-
Unassigned	3,685,159	3,611,822	3,441,004	3,373,920	3,214,276	3,126,696	3,178,062	2,957,716	-	-
<b>Total General fund</b>	<b>\$ 4,632,018</b>	<b>\$ 4,624,223</b>	<b>\$ 4,565,491</b>	<b>\$ 4,090,983</b>	<b>\$ 3,957,256</b>	<b>\$ 3,855,348</b>	<b>\$ 3,751,869</b>	<b>\$ 3,722,376</b>	<b>\$ 2,778,282</b>	<b>\$ 2,524,045</b>
<b>Capital Projects Funds</b>										
Restricted	2,480,849	1,059,139	1,699,988	2,424,614	-	-	-	-	-	-
Committed	218,371	116,188	215,224	119,389	-	-	-	-	-	-
<b>Total Capital Projects Fund</b>	<b>\$ 2,699,220</b>	<b>\$ 1,175,327</b>	<b>\$ 1,915,212</b>	<b>\$ 2,544,003</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>All Other Governmental Funds</b>										
Reserved	-	-	-	-	-	-	-	-	2,996,414	2,776,594
Restricted	85,688	72,820	71,355	125,554	147,109	158,793	382,778	539,986	-	-
Committed	835,016	677,376	794,044	695,989	623,705	847,594	688,711	952,018	-	-
Unassigned	(7,628)	(5,866)	(1,411)	(10,525)	(10,826)	(8,329)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 913,076</b>	<b>\$ 744,330</b>	<b>\$ 863,988</b>	<b>\$ 811,018</b>	<b>\$ 759,988</b>	<b>\$ 998,058</b>	<b>\$ 1,071,489</b>	<b>\$ 1,492,004</b>	<b>\$ 2,996,414</b>	<b>\$ 2,776,594</b>
<b>Total governmental funds</b>	<b>\$ 8,244,314</b>	<b>\$ 6,543,880</b>	<b>\$ 7,344,691</b>	<b>\$ 7,446,004</b>	<b>\$ 4,717,244</b>	<b>\$ 4,853,406</b>	<b>\$ 4,823,358</b>	<b>\$ 5,214,380</b>	<b>\$ 5,774,696</b>	<b>\$ 5,300,639</b>

Note: In 2011 the Town implemented GASB No. 54, reserved and unreserved fund balances are no longer used. Fund Balances are now reported as nonspendable, restricted, committed, assigned, and unassigned.

Source: Town of Richmond Audited Financial Statements

**TOWN OF RICHMOND, RHODE ISLAND  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(Unaudited)**

**EXHIBIT 4**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Property tax revenue	\$18,573,343	\$17,915,585	\$17,344,155	\$17,224,428	\$16,722,055	\$16,316,284	\$15,656,682	\$14,845,065	\$14,277,199	\$13,923,630
Interest on late payments	85,998	100,377	94,119	94,877	117,179	144,601	185,525	143,588	158,260	-
Intergovernmental and department revenue	5,397,120	5,607,480	6,013,757	6,027,337	5,901,511	6,375,962	6,771,428	6,227,798	6,314,625	6,747,742
Licenses, fees, and permits	872,804	687,497	701,494	505,728	520,938	384,988	265,661	284,861	312,605	256,401
Investment Income	48,849	26,938	24,938	16,214	8,276	8,009	6,328	14,260	26,392	79,520
Other revenues	336,735	220,480	137,753	122,924	152,208	83,734	197,243	198,358	377,716	88,269
<b>Total revenues</b>	<b>\$25,314,849</b>	<b>\$24,558,357</b>	<b>\$24,316,216</b>	<b>\$23,991,508</b>	<b>\$23,422,167</b>	<b>\$23,313,578</b>	<b>\$23,082,867</b>	<b>\$21,713,930</b>	<b>\$21,466,797</b>	<b>\$21,095,562</b>
<b>Expenditures</b>										
General government	1,429,911	1,554,214	1,623,378	1,389,345	1,293,863	1,102,101	1,114,763	1,097,331	1,111,867	1,154,554
Public safety	2,116,593	2,039,741	1,869,226	1,849,574	1,774,776	1,758,543	1,621,378	1,470,750	1,412,216	1,329,750
Public works	932,637	834,606	681,209	843,301	799,073	715,313	703,440	674,584	853,258	614,233
Grants expenditures and land acquisition	-	-	-	-	-	612,434	769,187	1,308,592	332,833	426,905
Recreation and culture	54,230	51,277	56,564	56,787	55,117	58,270	52,129	57,159	47,559	83,777
Education	19,352,871	18,551,086	18,201,477	18,329,949	18,300,639	18,086,820	18,098,080	17,072,158	16,564,107	17,187,604
Recycling area	178,456	163,542	159,766	160,897	151,885	145,665	55,875	55,128	38,738	39,822
Community services	274,366	381,304	481,724	471,944	277,513	156,182	153,049	143,870	173,810	176,777
Canvassing authority	3,016	9,308	4,864	6,235	3,921	9,595	10,073	6,401	2,125	0
Landfill closure	-	-	-	-	-	-	-	-	-	9,146
Capital outlay	1,363,340	1,192,159	763,440	307,253	473,013	203,450	570,447	1,100,244	60,578	535,344
Program Expenditures										
Debt Service - principal	475,000	495,270	483,950	252,678	371,455	371,642	325,000	325,000	315,355	304,759
Debt Service - interest	124,025	89,119	100,031	141,488	64,453	97,237	85,349	82,174	79,769	92,056
Debt Service - other	-	-	2,500	2,500	1,525	1,975	1,875	30,855	525	525
<b>Total expenditures</b>	<b>\$26,304,445</b>	<b>\$25,361,626</b>	<b>\$24,428,129</b>	<b>\$23,811,951</b>	<b>\$23,567,233</b>	<b>\$23,319,227</b>	<b>\$23,560,645</b>	<b>\$23,424,246</b>	<b>\$20,992,740</b>	<b>\$21,955,252</b>
Excess of revenues over (under) expenditures before other financing sources (uses)	(989,596)	(803,269)	(111,913)	179,557	(145,066)	(5,649)	(477,778)	(1,710,316)	474,057	(859,690)
<b>Other financing sources (uses)</b>										
Sale of land	189,030	-	-	-	-	-	-	-	-	-
Capital lease	-	8,574	-	-	-	-	-	-	-	-
Proceeds from debt issuance	2,501,000	-	-	2,536,753	-	35,698	-	1,150,000	-	-
Transfers from (to) other funds	-	-	10,600	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,690,030</b>	<b>8,574</b>	<b>10,600</b>	<b>2,536,753</b>	<b>-</b>	<b>35,698</b>	<b>-</b>	<b>1,150,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 1,700,434</b>	<b>\$ (794,695)</b>	<b>\$ (101,313)</b>	<b>\$ 2,716,310</b>	<b>\$ (145,066)</b>	<b>\$ 30,049</b>	<b>\$ (477,778)</b>	<b>\$ (560,316)</b>	<b>\$ 474,057</b>	<b>\$ (859,690)</b>
<i>Debt service as a percentage of noncapital expenditures</i>	2.363%	2.395%	2.488%	1.677%	1.854%	2.07%	1.83%	2.00%	1.93%	1.89%

**Note:** This schedule includes revenues and expenditures of the General Fund, Special Revenue Funds, and Capital Project Funds

**Source:** Town of Richmond Audited Financial Statements

**TOWN OF RICHMOND, RHODE ISLAND  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)**

**EXHIBIT 5**

Assessment Date	Real Estate - Residential	Real Estate - Commercial	Personal Property - Motor Vehicle	Personal Property - Tangible	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Taxable Value	Total Assessed Value Before Exemptions
12/31/2016	764,590,400	79,211,600	78,128,586	20,118,800	52,786,361	\$889,263,025	20.80	889,263,025	100%	942,049,386
12/31/2015	691,767,050	77,014,700	86,798,076	19,827,710	49,441,899	\$825,965,637	21.57	825,965,637	100%	875,407,536
12/31/2014	687,478,050	77,113,090	84,666,252	18,224,300	48,518,713	\$818,962,979	21.08	818,962,979	100%	867,481,692
(2) 12/31/2013	683,490,350	77,159,100	83,780,528	19,480,110	47,726,523	\$816,183,565	20.94	884,855,220	100%	863,910,088
12/31/2012	701,234,150	83,199,800	83,144,997	19,115,290	47,868,419	\$838,825,818	19.76	907,480,486	100%	886,694,237
12/31/2011	700,787,050	83,424,000	81,745,590	20,841,340	46,258,219	\$840,539,761	19.02	907,234,378	100%	886,797,980
(1) 12/31/2010	699,650,750	83,426,300	78,391,069	20,982,590	44,000,360	\$838,450,349	18.46	902,048,476	100%	882,450,709
12/31/2009	836,474,450	89,695,800	77,155,733	19,800,400	45,099,929	\$978,026,454	14.99	1,042,415,316	100%	1,023,126,383
12/31/2008	835,178,250	87,721,670	64,106,902	19,248,440	56,293,676	\$949,961,586	14.94	1,022,281,988	100%	1,006,255,262
(2) 12/31/2007	837,393,650	78,935,800	71,672,259	19,308,660	56,484,676	\$950,825,693	14.31	1,025,228,434	100%	1,007,310,369

- (1) Revaluation
- (2) Statistical Revaluation

**Notes: Property is reassessed every nine years with statistical updates every three years at 100%. Tax rates are per \$1,000 of assessed value. Motor vehicles are assessed at 80% and the tax rate is frozen at \$22.64. Estimated actual taxable value is calculated by dividing the taxable assessed value by**

**Source: Tax Assessor's Annual Report to the State of Rhode Island**

**TOWN OF RICHMOND, RHODE ISLAND**  
**DIRECT AND OVERLAPING Property tax rates**  
**(RATE PER \$1,000 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS (1)**  
(Unaudited)

**EXHIBIT 6**

<u>Fiscal Year</u>	<u>General Fund</u>
2018	20.80
2017	21.57
2016	21.08
2015	20.94
2014	19.76
2013	19.02
2012	18.46
2011	14.99
2010	14.94
2009	14.31

Note:

(1) There are no overlapping governments, accordingly the entire tax assessment is applied to the General Fund



**TOWN OF RICHMOND, RHODE ISLAND  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT AND NINE YEARS AGO  
(Unaudited)**

**EXHIBIT 7**

Taxpayer	12/31/2016				12/31/2007			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxes Assessed	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxes Assessed
BRE RC Super SS RI LLC	\$ 6,679,300	1	0.751%	\$ 138,929				
Richmond Country Club II LLC	3,276,100	2	0.368%	\$ 68,143	3,649,000	3	0.384%	\$ 52,217
The Preserve at Boulder Hills LLC	2,892,800	3	0.325%	\$ 60,170			0.000%	\$ -
New Castle Realty Company	2,681,000	4	0.301%	\$ 55,765	3,004,900	5		\$ 43,000
Narragansett Electric Co	4,630,320	5	0.521%	\$ 96,311			0.000%	\$ -
Cox Communications Inc.	2,305,040	6	0.259%	\$ 47,945	4,995,790	2	0.525%	\$ 71,490
Richmond 208 Realty LLC	2,275,400	7	0.256%	\$ 47,328				\$ -
Wawaloam Reservation Inc.	2,267,300	8	0.255%	\$ 47,160	2,299,600	10		\$ 32,907
CVS 8230 RI LLC	2,237,300	9	0.252%	\$ 46,536			0.000%	\$ -
Rolling Greens Corporation	2,163,600	10	0.243%	\$ 45,003	2,603,600	8	0.274%	\$ 37,258
E&A Northeast Ltd. Partnership					6,038,000	1	0.635%	\$ 86,404
Ocean State Golf Investors LLC					3,535,600	4	0.372%	\$ 50,594
Cadlerock Properties LLC					2,947,700	6	0.310%	\$ 42,182
JAG Enterprises Incorporated					2,945,200	7	0.310%	\$ 42,146
Richmond Sand & Gravel Inc.					2,424,200	9	0.255%	\$ 34,690
	<b>\$ 31,408,160</b>		<b>3.53%</b>	<b>\$ 653,290</b>	<b>\$ 34,443,590</b>		<b>3.06%</b>	<b>\$ 492,888</b>
Total Assessed Value	\$ 889,263,025				\$ 950,825,693			
Tax Rate	\$ 20.80				\$ 14.31			

Source: Assessor's Statement of Assessed Values and Tax Levy

**TOWN OF RICHMOND, RHODE ISLAND  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

**EXHIBIT 8**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 18,594,046	\$ 17,995,965	96.8%		17,995,965	96.8%
2017	17,880,304	17,290,235	96.7%	521,707	17,811,942	99.6%
2016	17,354,620	16,750,448	96.5%	538,862	17,289,310	99.6%
2015 <sup>(1)</sup>	17,189,267	16,525,473	96.1%	613,702	17,139,175	99.7%
2014	16,740,540	16,019,946	95.7%	673,545	16,693,491	99.7%
2013	16,192,072	15,568,651	96.1%	586,457	16,155,108	99.8%
2012 <sup>(1)</sup>	15,705,615	14,916,850	95.0%	758,367	15,675,217	99.8%
2011	15,073,977	14,306,567	94.9%	742,283	15,048,850	99.8%
2010	14,376,803	13,753,597	95.7%	612,293	14,365,890	99.9%
2009 <sup>(2)</sup>	13,852,383	13,149,523	94.9%	684,901	13,834,424	99.9%

(1) Statistical Revaluation

(2) Revaluation

**Source: Town of Richmond - Tax Collector**

**TOWN OF RICHMOND, RHODE ISLAND**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

**EXHIBIT 9**

Fiscal Year	Governmental Activities		Business Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Lease	Loans Payable			
2018	5,094,727	6,630	1,999,277	7,100,634	4.45% (c)	921.20 (b)
2017	3,081,403	8,000	2,030,462	5,119,865	3.21% (c)	664.23 (b)
2016	3,554,078	35,270	2,060,748	5,650,096	3.54% (c)	733.02 (b)
2015	4,016,753	69,220	2,090,161	6,176,134	3.87% (c)	801.26 (b)
2014	1,700,000	101,898	802,776	2,604,674	1.63% (c)	337.92 (b)
2013	2,040,000	133,353	814,052	2,987,405	2.03% (b)	387.57 (b)
2012	2,375,000	169,995	825,000	3,369,995	2.29% (b)	437.21 (b)
2011	2,700,000			2,700,000	1.83% (b)	350.29 (b)
2010	1,875,000			1,875,000	1.46% (a)	259.62 (a)
2009	2,190,355			2,190,355	1.70% (a)	303.29 (a)

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

(a) Ratio is calculated using 2000 census year.

(b) Ratio is calculated using 2010 census year.

(c) Ratio is calculated using personal income from U.S. Census Bureau's Ratio2013-3017 American Community Survey (ACS)

**TOWN OF RICHMOND, RHODE ISLAND  
GENERAL OBLIGATION DEBT RATIOS  
LAST TEN YEARS  
(Unaudited)**

**EXHIBIT 10**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Obligation Debt	5,094,727	3,081,403	3,554,078	4,016,753	1,700,000	2,040,000	\$2,375,000	2,700,000	1,875,000	2,190,355
Estimated Value of Taxable Property	889,263,025	825,965,637	818,962,979	884,855,220	907,480,486	907,234,378	\$902,048,476	1,042,415,316	1,022,281,988	1,025,228,434
Estimated value of taxable property as a % of General Obligation Debt	0.57%	0.37%	0.43%	0.45%	0.19%	0.22%	0.26%	0.26%	0.18%	0.21%

**Source: Various Town Departments**

**TOWN OF RICHMOND, RHODE ISLAND**  
**FUND BALANCE RATIOS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

**EXHIBIT 11**

Fiscal Year	Budget			Fund Balance	Ratio	
	End	Municipal	School			Total
2018		5,559,951	19,352,871	24,912,822	4,632,018	18.59%
2017		5,911,795	18,551,086	24,462,881	4,624,223	18.90%
2016		5,260,313	18,539,075	23,799,388	4,565,491	19.18%
2015		5,129,162	18,329,949	23,459,111	4,090,983	17.44%
2014		5,072,828	18,300,639	23,373,467	3,957,256	16.93%
2013		4,778,454	18,086,820	22,865,274	3,855,348	16.86%
2012		4,257,375	18,098,080	22,355,455	3,751,869	16.78%
2011		4,054,432	17,303,309	21,357,741	3,722,376	17.43%
2010		4,190,525	17,443,098	21,633,623	2,778,282	12.84%
2009		4,002,881	17,823,992	21,826,873	2,524,045	11.56%

**Source: Town of Richmond Audited Financial Statements and budgets**

**TOWN OF RICHMOND, RHODE ISLAND**  
**Capital Asset Statistics by Function/Activity**  
**(Unaudited)**  
**Last Ten Fiscal Years**

**EXHIBIT 12**

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
General government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units/Vehicles	22	18	18	18	15	15	15	13	12	12
Animal Control										
Animal Shelters	1	1	1	1	1	1	1	1	1	1
Animal Patrol Unit	1	1	1	1	1	1	1	1	1	1
Public Works										
Building and garage	2	2	2	2	2	2	2	2	2	2
Transfer Station	1	1	1	1	1	1	1	1	1	1
Streets and Highways										
Street (miles)	113	113	113	113	113	113	113	113	113	113
Highways (miles, Town owned)	76	76	76	76	76	76	76	76	76	76
Highways (miles, State owned)	25	25	25	25	25	25	25	25	25	25
Streetlights (Town owned)	117	117	117	117	117	117	117	117	117	117
Streetlights (State owned)	144	144	144	144	144	144	144	144	144	144
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Parks and Recreation										
Playgrounds	1	1	1	1	1	1	1	1	1	1
Parks and Public Squares	1	1	1	1	1	1	1	1	1	1

**Source: various town departments**

**TOWN OF RICHMOND, RHODE ISLAND**  
**Town Government Employees by Function/Activity**  
**(Unaudited)**  
**Last Ten Fiscal Years**

**EXHIBIT 13**

Function/Program	Full-time Equivalent Employees as of June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Central Administration										
Town Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Town Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Town Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Probate Court	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Building/Zoning	2.3	2.3	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Financial Administration										
Treasurer's Office	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Tax Collection	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Tax Assessor	1.7	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6
Public Safety										
Police										
Officers	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Civilians	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Animal Control										
Officers	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Emergency Management	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Highway Driver/Laborer	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Transfer Station	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Maintenance										
Custodial	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Recreation Department										
Director	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Summer Programs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

**Source: Various town departments**



CERTIFIED PUBLIC ACCOUNTANTS

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

***Independent Auditor's Report***

To the Honorable President and  
Members of the Town Council  
Town of Richmond, Rhode Island

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Richmond, Rhode Island's basic financial statements, and have issued our report thereon dated June 5, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Richmond, Rhode Island's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Richmond, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Richmond, Rhode Island's internal control.

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2018-001, 2018-002, 2018-003 and 2018-004 that we consider to be material weaknesses.

### **Compliance and Other Matters**

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

### **Town of Richmond, Rhode Island's Response to Findings**

The Town of Richmond, Rhode Island's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town of Richmond, Rhode Island's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island  
June 5, 2019

**TOWN OF RICHMOND, RHODE ISLAND**  
*Schedule of Findings and Responses*  
*For the Fiscal Year Ended June 30, 2018*

**MATERIAL WEAKNESS**

***2018-001 Segregation of Duties-Tax Collector's Office***

**Criteria:** Segregation of duties is an element of internal control that is designed to prevent, detect and correct misstatements in a timely manner, whether due to fraud or error.

**Condition:** The Tax Collector has job responsibilities that result in a lack of segregation of duties. The Tax Collector is responsible for accepting and recording tax payments, reconciling the daily receipts, preparing the daily deposit, posting abatements and monitoring delinquent accounts.

**Effect:** Misstatements, whether due to fraud or error, could occur and not be prevented, detected and corrected in a timely manner.

**Cause:** There is limited number of staff in the Tax Collector's office.

**Identification of a repeat finding:** This is a repeat finding from previous audits 2014-001, 2015-001, 2016-001 and 2017-001.

**Recommendation-** We recommend that the Town review the current job responsibilities of the Tax Collector to attempt to segregate certain responsibilities. We suggest that internal controls could be improved by having all daily reconciliation procedures completed by two individuals. We also recommend that delinquent accounts and adjustments to the subsidiary ledger be reviewed by another independent individual, in addition to the Tax Collector.

**Views of Responsible Officials and Planned Corrective Action -** We recognize segregation of duties is an integral component of internal controls. Management has determined to add a layer of review and oversight to the Tax Collector's office. This will be achieved by changing the organization of town government such that the Tax Collector will be under the supervision of the Finance Office and internal controls will be implemented to monitor and report the transactions of this department.

***2018-002 Segregation of Duties- Finance Office***

**Criteria:** Segregation of duties is an element of internal control that is designed to prevent, detect and correct misstatements in a timely manner, whether due to fraud or error.

**Condition:** The Assistant Finance Director has job responsibilities that result in a lack of segregation of duties and as a result a weakness in internal controls. The same individual should not have custody of assets and also be responsible for initiating and recording transactions. The Assistant Finance Director's responsibilities include: processing and recording all payroll transactions, including making changes to employee master files; accepting departmental receipts, preparing deposits, making deposits at the bank and recording the cash receipts; processing invoices for payments, preparing checks and recording disbursements; and preparing and recording journal entries. The Assistant Finance Director is an authorized signature on the checking accounts and prepares the monthly bank reconciliation. The Finance

**TOWN OF RICHMOND, RHODE ISLAND**  
**Schedule of Findings and Responses**  
**For the Fiscal Year Ended June 30, 2018**

Director does not review and approve the monthly bank reconciliation and does not review and approve the payroll reports and journal entries or the deposits and cash receipt entries. The disbursements are reviewed and approved by the Finance Director and Town Administrator and all checks require two signatures.

**Effect:** Misstatements, whether due to fraud or error, could occur and not be prevented, detected and corrected in a timely manner.

**Cause:** The Finance Director delegated more responsibilities to Assistant Finance Director over the course of last few years, which resulted in a lack of segregation of duties. The Finance Director was also out on family medical leave during part of 2018, which resulted in additional responsibilities being assigned to the Assistant Finance Director. There is no additional staff in the Finance Office.

**Recommendation-** We recommend that the Town review the current job responsibilities of the Assistant Finance Director to attempt to segregate certain responsibilities to ensure that the same individual is not responsible for the custody of assets, and initiating and recording of transactions. We also suggest that the Finance Director prepare or review and approve the monthly bank reconciliation.

**Views of Responsible Officials and Planned Corrective Action -** The Finance Director's position has transitioned to a full-time position which has recently been filled. We agree with the auditor's recommendation and will fully implement the proposed solution as soon as possible.

**2018-003- Property Tax Receivable Reconciliations**

**Criteria-** An entity's system of internal control should include procedures that include the reconciliation of the subsidiary property tax receivable ledger to the property tax receivable account on the general ledger and the reconciliation procedures should be designed to prevent, detect and correct misstatements in a timely manner.

**Condition-** The Town's process for recording the property tax activity to the property tax receivable accounts on the general ledger, including the tax collections, and the reconciliation to the Tax Collector's subsidiary property tax receivable ledger is not designed to prevent, detect and correct misstatements in a timely manner.

**Effect:** The lack of formal adequate reconciliation procedures could result in material misstatements from not being prevented, detected and corrected in a timely manner.

**Cause:** The Town does not record transactions to the general ledger property tax receivable account, based on the tax levy and abatements provided by the Tax Assessor and the daily tax collections deposited and posted to the general ledger revenue accounts. The tax activity is posted to the general ledger property tax receivable accounts based on the monthly tax subsidiary report provided by the Tax Collector. In addition, in fiscal year 2018 the Town only recorded to the general ledger the July and August 2017 transactions from the monthly tax subsidiary report provided by the Tax Collector, resulting in a material proposed audit adjustment to adjust the property tax receivable and deferred inflow of

**TOWN OF RICHMOND, RHODE ISLAND**  
**Schedule of Findings and Responses**  
**For the Fiscal Year Ended June 30, 2018**

resources balances. As a result, the reconciliation procedures in place are not adequate to prevent, detect and correct misstatements in a timely manner.

**Identification of a repeat finding:** This is a repeat finding from previous audits 2015-002, 2016-002 and 2017-002.

**Recommendation-** We recommend that the Town implement procedures to properly account for the property tax receivable accounts in the general ledger. The Town should record the property tax levy, abatements and adjustments to the property tax receivable account and related deferred inflow of resources account in the general ledger from information provided by the Tax Assessor and not from the monthly report provided by the Tax Collector. In addition to recording the daily tax collections to the revenue and cash accounts the tax collections should also be recorded to the property tax receivable and deferred inflow of resources account as part of the same entry to record the deposit. The Town should then perform a monthly reconciliation between the property tax receivable subsidiary ledger balance maintained by the Tax Collector and the general ledger property tax receivable balance. Any variances should be investigated and resolved.

**Views of Responsible Officials and Planned Corrective Action -** We agree with the auditor's recommendation and will fully implement the proposed solution as soon as possible.

**2018-004 Special Revenue and Trust Fund Reporting**

**Criteria:** Generally accepted accounting principles require all revenues recognized and expenditures incurred be reported to the appropriate revenue and expenditure accounts in the financial statements.

**Condition:** The Town accounts for both the revenues and expenditures for several funds reported in Fund 04 and Fund 05 in separate general ledger liability accounts and does not report the revenues and expenditures in accordance with generally accepted accounting principles. The Town also does not determine if a receivable or payable should be recorded to the fund in conformance with generally accepted accounting principles.

**Effect:** The Town is not preparing financial reports in conformance with generally accepted accounting principles. In addition, some of the funds were reporting deficit balances because the funds were not reporting receivables for funds owed. Also in fiscal year 2018 proposed audit adjustments were made to reclassify revenues recorded to the incorrect funds.

**Cause:** The Town has established separate revenue and expenditure accounts for all the individual funds reported in Funds 04 and 05, but is not consistently recording all transactions to the appropriate revenue and expenditure accounts and continues to record transactions to the liability accounts. The Town is also not properly monitoring the individual funds to determine if the fund is in a deficit and whether a request for reimbursement needs to be requested and reported as a receivable.

**TOWN OF RICHMOND, RHODE ISLAND**  
***Schedule of Findings and Responses***  
***For the Fiscal Year Ended June 30, 2018***

***Identification of a repeat finding:*** This was reported as a significant deficiency in previous audits 2015-003, 2016-003 and 2017-003. Based on the effect of the finding and the proposed audit adjustments in 2018 it is being reported as a material weakness in 2018.

***Recommendation -*** We recommend that the Town account for all transactions to the separate revenue and expenditure accounts for each sub-fund to properly account for the funds in conformance with generally accepted accounting principles. The Town also should monitor these funds to ensure that the funds are not overspent and that all required reimbursement have been requested and recorded and that the transactions have been recorded to the appropriate fund.

***Views of Responsible Officials and Planned Corrective Action -*** We agree with the auditor's recommendation and will fully implement the proposed solution as soon as possible.