

TOWN OF RICHMOND, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ending
June 30, 2019**



Wolf Tree, Bradner Preserve Photo Courtesy of M. Doo



**Prepared by: Finance Department
RICHMOND, RHODE ISLAND**

TOWN OF RICHMOND, RHODE ISLAND

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ending
June 30, 2019**

**Prepared by: Finance Department
Laura Kenyon, Finance Director**

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**TOWN OF RICHMOND, RHODE ISLAND
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 For the Fiscal Year Ended June 30, 2019**

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Town of Richmond, Rhode Island

FINANCE OFFICE

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

December 30, 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, 2019, 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 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. One major change 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							
2012 - Present							
Year	2018	2017	2016	2015	2014	2013	2012
	Rate	Rate	Rate	Rate	Rate	Rate	Rate
United States	3.9	4.4	4.9	5.3	6.2	7.4	8.1
Rhode Island	4.1	4.4	5.2	6	7.7	9.3	10.4

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>Unemployment</u>	
		<u>Employed</u>	<u>Unemployed</u>	<u>Rate</u>	<u>Rate</u>
December	2018	4,261	107	2.5	
November	2018	4,271	106	2.5	
October	2018	4,250	88	2.1	
September	2018	4,250	97	2.3	
August	2018	4,288	129	3.0	
July	2018	4,295	123	2.9	
June	2018	4,264	97	2.3	
May	2018	4,211	90	2.1	
April	2018	4,190	84	2.0	
March	2018	4,209	129	3.1	
February	2018	4,224	150	3.6	
January	2018	4,209	157	3.7	
Annual Average	2017	4,230	131	3.1	

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>
December	2018	556,234	534,053	22,181	4.0
November	2018	556,236	534,073	22,163	4.0
October	2018	556,191	534,139	22,052	4.0
September	2018	555,981	534,101	21,880	3.9
August	2018	555,731	533,973	21,758	3.9
July	2018	555,600	533,809	21,791	3.9
June	2018	555,515	533,483	22,032	4.0
May	2018	555,541	533,094	22,447	4.0
April	2018	555,597	532,649	22,948	4.1
March	2018	555,630	532,158	23,472	4.2
February	2018	555,581	531,631	23,950	4.3
January	2018	555,440	531,144	24,296	4.4
Annual Average	2017	553,643	529,220	24,423	4.4

*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 and Wages

City and Town Report - 2018 Annual

<u>Sector</u>	<u>Richmond</u>		
	<u>Number of Units</u>	<u>Average Employment</u>	<u>Total Wages</u>
Total Private & Government	161	2,023	\$88,179,417
Total Private Only	154	1,379	46,920,419
Agriculture, Forestry, Fishing & Hunting	9	55	2,538,890
Mining	1	*	*
Utilities	0	0	0
Construction	25	109	5,250,972
Manufacturing	4	91	4,334,480
Wholesale Trade	8	62	3,873,246
Retail Trade	22	292	8,565,590
Transportation & Warehousing	3	105	2,406,021
Information	1	*	*
Finance & Insurance	6	47	2,046,126

Real Estate & Rental & Leasing	0	0	0
Professional & Technical Services	16	98	5,223,662
Management of Companies & Enterprises	0	0	0
Administrative Support & Waste Mngmnt.	13	70	2,680,418
Educational Services	0	0	0
Health Care & Social Assistance	11	48	1,716,933
Arts, Entertainment, & Recreation	6	99	1,637,062
Accommodation & Food Services	19	247	3,915,239
Other services, (except Public Administration)	13	30	690,923
Unclassified Establishments	1	*	*
Government	7	644	41,258,998

* Some data are not shown due to the possibility of identifying data of a specific employer.

** Statewide - employment in multiple towns, at unknown locations, or outside RI.

Data compiled May 2019, subject to revision, Updated 11/4/19

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.

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 2019 was \$281,000 according to RI Living realtors association.

Building Permits

Below is a schedule of residential building permits issued by the Town's Building Inspector for the years ending 2010 through 2019. The Town has had 3 new construction projects in recent years. In 2019 there were 49 permits applied for in Fox Run, 22 permits for The Preserve, and 32 permits for Richmond Ridge.

Fiscal Year	Number	Value
2019	122	15,338,893
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

Source: Town Building Officials.

BUDGET PREPARATION AND PLANNING

In developing the annual budget for any fiscal year a capital plan will be reviewed for long-term financial planning. The State of Rhode Island recommends a five-year capital and operating projection at the beginning of each fiscal year and the Town of Richmond abides by this recommendation. The Town of Richmond also has financial policies that are reviewed for compliance. The Town will continue to develop and review policies and procedures for financial stability.

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, 2018. This was the fifth year that the government had 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.

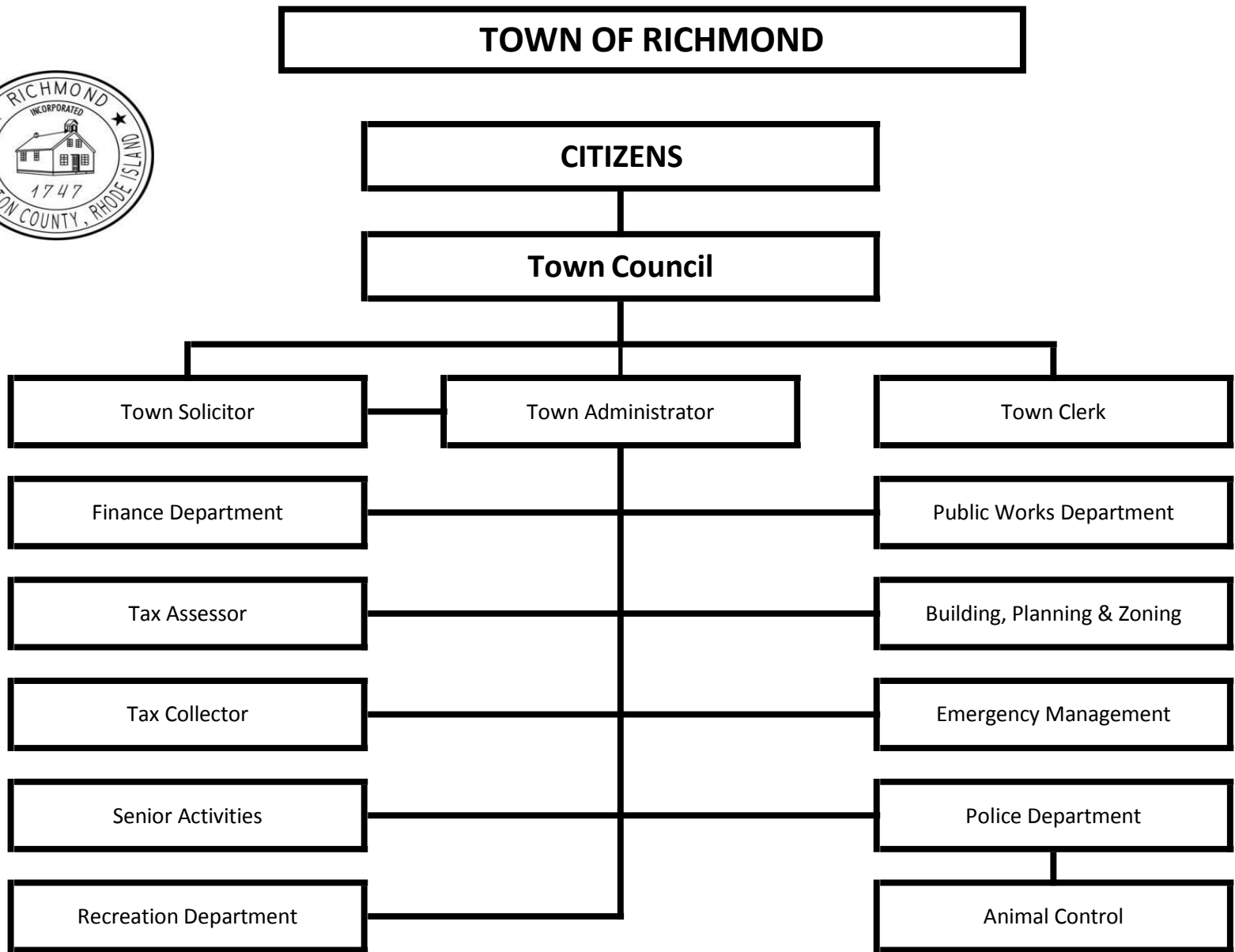
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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, Karen Pinch, 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,

Laura K Kenyon
Finance Director



TOWN OF RICHMOND, RHODE ISLAND

**LIST OF TOWN OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TOWN COUNCIL

Rich Nassaney, Town Council President
Ronald Newman, Town Council Vice President
Nell Carpenter
Paul Michaud
Mark Trimmer

TOWN ADMINISTRATOR

Karen Pinch

TOWN CLERK

Sarah Rapose

FINANCE DIRECTOR

Laura Kenyon



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, 2018

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



CERTIFIED PUBLIC ACCOUNTANTS

875 Centerville Road, Building 3, Unit 10 • Warwick, RI 02886
(401) 586-6565 • Fax (401) 826-1710

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, 2019, 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, 2019, 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 54 through 61 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 December 30, 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
December 30, 2019

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(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, 2019.

Financial Highlights

- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$3,730,816, or 14.5% 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 14% 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 \$49,703 and \$639,056 respectively, which is comprised of non-spendable 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 \$26,479,762, a 0.8% increase from the prior year, while revenues were \$26,030,744, a 2.0% increase.
- ❖ The current fiscal year General Fund expenditures and transfers exceeded revenues and transfers by \$212,443.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,455,327. Included in this amount is the general fund unassigned balance of \$3,730,816, restricted fund balances of \$1,769,885, committed fund balance of \$1,904,923, and non-spendable fund balances of \$49,703.
- ❖ The Town's net position decreased \$449,018 or 2.3% 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 \$18,697,029. Net position of Business-Type Activities decreased by \$113,780, or 4.7%, while net position of Governmental Activities decreased by \$335,238 or 2.0%.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(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

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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.

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 53.

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 54-56. A detail budgetary comparison can be found on pages 57 through 58. The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 64 through 71.

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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 \$16,380,820 as of June 30, 2019. This is a decrease of \$335,238 from the previous year.

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

	Net Position					
	June 30, 2019			June 30, 2018		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Other Assets	\$ 8,724,283	\$ 275,359	\$ 8,999,642	\$ 9,359,049	\$ 288,744	\$ 9,647,793
Capital Assets Net	13,765,215	4,035,640	17,800,855	14,065,904	4,191,109	18,257,013
Total Assets	<u>22,489,498</u>	<u>4,310,999</u>	<u>26,800,497</u>	<u>23,424,953</u>	<u>4,479,853</u>	<u>27,904,806</u>
Deferred Outflows of Resources	538,027	-	538,027	461,300	-	461,300
Current Liabilities	1,482,111	60,686	1,542,797	1,447,774	82,697	1,530,471
Non-Current Liabilities	4,736,361	1,934,104	6,670,465	5,371,808	1,967,167	7,338,975
Total Liabilities	<u>6,218,472</u>	<u>1,994,790</u>	<u>8,213,262</u>	<u>6,819,582</u>	<u>2,049,864</u>	<u>8,869,446</u>
Deferred Inflows of Resources	428,233	-	428,233	350,613	-	350,613
Net Investment in Capital Assets	10,971,031	2,068,473	13,039,504	11,348,556	2,191,832	13,540,388
Restricted	212,954	-	212,954	182,528	-	182,528
Unrestricted	5,196,835	247,736	5,444,571	5,184,974	238,157	5,423,131
Total Net Position	<u>\$ 16,380,820</u>	<u>\$ 2,316,209</u>	<u>\$ 18,697,029</u>	<u>\$ 16,716,058</u>	<u>\$ 2,429,989</u>	<u>\$ 19,146,047</u>

A portion of the Town's net position, \$10,971,031 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, 2019 the Town of Richmond reports positive balances in all categories of net position for the government as a whole.

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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, 2019. Governmental activities decreased the Town's net position by \$335,238 for the current period, accounting for a 2.0 % decrease in the Town's governmental net position, while business-type activities decreased the Town's net position by \$113,780, accounting for 4.7% decrease in the business-type growth in net position. Overall the Town's net position decrease was \$449,018 which is a 2.3% 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 \$780,114 for the Statement of Activities, while depreciation expense results in a decrease of \$1,080,803, respectively. Bonds principal payments of \$736,000 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 \$335,238. 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 decrease in the General Fund balance of \$212,443 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 17. This decreased the cumulative General Fund balance surplus to \$4,419,575, which is 17.2% of the 2018-2019 General Fund revised budgeted expenditures and transfers. Total changes in fund balances for the Town were \$788,987 decreasing the cumulative Governmental Fund surplus to \$7,455,327, primarily due to the decrease in the Capital Bond Fund as a result of the expenditures in the amount of \$922,964.

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Changes in Net Position

	June 30, 2019			June 30, 2018		
	<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>	
Revenues						
Program Revenues						
Charges for services	\$ 925,995	\$ 151,279	\$ 1,077,274	\$ 1,171,082	\$ 128,154	\$ 1,299,236
Operating grants	4,910,385	-	4,910,385	4,828,717	-	4,828,717
Capital grants	-	41,601	41,601	97,473	41,601	139,074
General Revenues						
Property taxes	19,312,424	-	19,312,424	18,694,052	-	18,694,052
Investment earnings	68,801	-	68,801	48,849	-	48,849
State aid	610,565	-	610,565	493,359	-	493,359
Miscellaneous revenue	9,694	-	9,694	16,030	-	16,030
Total revenues	<u>25,837,864</u>	<u>192,880</u>	<u>26,030,744</u>	<u>25,349,562</u>	<u>169,755</u>	<u>25,519,317</u>
Expenses						
General government	1,557,307	-	1,557,307	1,566,426	-	1,566,426
Public safety	2,264,729	-	2,264,729	2,425,780	-	2,425,780
Public works	2,302,854	-	2,302,854	2,183,306	-	2,183,306
Recreation and culture	27,456	-	27,456	54,230	-	54,230
Education	19,497,566	-	19,497,566	19,352,871	-	19,352,871
Community services	422,020	-	422,020	274,366	-	274,366
Other	7,766	-	7,766	3,016	-	3,016
Interest	93,404	-	93,404	117,267	-	117,267
Water operations	-	306,660	306,660	-	293,576	293,576
Total expenses	<u>26,173,102</u>	<u>306,660</u>	<u>26,479,762</u>	<u>25,977,262</u>	<u>293,576</u>	<u>26,270,838</u>
Change in net position	(335,238)	(113,780)	(449,018)	(627,700)	(123,821)	(751,521)
Net position - beginning	<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>
Net position - ending	<u>\$ 16,380,820</u>	<u>\$ 2,316,209</u>	<u>\$ 18,697,029</u>	<u>\$ 16,716,058</u>	<u>\$ 2,429,989</u>	<u>\$ 19,146,047</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 \$7,455,327. Included in this amount is the general fund unassigned balance of \$3,730,816, non-spendable fund balances of \$49,703, restricted fund balance of \$1,769,885 for purposes externally imposed by grantors, contributors or laws and regulations, committed fund balance of \$1,904,923 for capital and other specific purposes.

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 \$2,316,209.

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General Fund Budgetary Highlights

Revenues:

General Miscellaneous Revenue – Revenue expected for the Sale of Property was not realized in the current year as additional property was purchased with the funds. Miscellaneous revenues were under budget by \$257,416.

Permits & Fees were over budget by \$75,567 due to a better economy resulting in an increase in construction and a significant construction project in process.

Investments – income related to investments exceeded expectations by \$23,801 due to the increase in cash flow resulting from the most recent bond issue and increased rates.

Expenditures:

The General Fund expenditures ended the fiscal year with a favorable budgetary variance of \$254,356 as a net result of the following:

General Government - expenditures were under budget by \$101,031 as a result of positive budgetary variance in contingency and building/planning due to a vacant personnel position, offset by unfavorable variances in legal.

Education – expenditures were under budget by \$130,604 as the Regional School District budget was approved for less than anticipated.

Public Works - expenditures were over budget by \$65,616 due to overages in accounts related to road and tree removal.

Public Safety – expenditures were under budget by \$70,324 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 \$17,800,855 net of accumulated depreciation at June 30, 2019. 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.

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Capital Assets (Net of Accumulated Depreciation)

	June 30, 2019			June 30, 2018		
	<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>	
Land	\$ 3,916,999	\$ 59,254	\$ 3,976,253	\$ 3,916,999	\$ 59,254	\$ 3,976,253
Construction in progress	4,057	-	4,057	-	-	-
Infrastructure	7,654,133	-	7,654,133	7,695,425	-	7,695,425
Land improvements	495,525	-	495,525	527,508	-	527,508
Buildings and improvements	688,564	170,125	858,689	751,616	192,767	944,383
Furniture and equipment	141,294	-	141,294	171,518	-	171,518
Motor vehicles	864,643	-	864,643	1,002,838	-	1,002,838
Main extension	-	1,295,009	1,295,009	-	1,333,097	1,333,097
Water tank	-	2,371,042	2,371,042	-	2,457,735	2,457,735
Equipment and machinery	-	140,210	140,210	-	148,256	148,256
Total	\$ 13,765,215	\$ 4,035,640	\$ 17,800,855	\$ 14,065,904	\$ 4,191,109	\$ 18,257,013

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 \$4,270,000 and the Business-Type Activities USDA loans amounted to \$1,967,167. 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 \$26,829,507 at year-end. The Town's outstanding general obligation debt subject to the debt limit is \$6,237,167 at year-end, which is \$20,592,340 under the State imposed limitation.

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

	June 30, 2019			June 30, 2018		
	<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>	
General Obligation Bonds	\$ 4,270,000	\$ -	\$ 4,270,000	\$ 5,006,000	\$ -	\$ 5,006,000
Loans Payable	-	1,967,167	1,967,167	-	1,999,277	1,999,277
Capital Leases	5,063	-	5,063	6,630	-	6,630
Totals	\$ 4,275,063	\$ 1,967,167	\$ 6,242,230	\$ 5,012,630	\$ 1,999,277	\$ 7,011,907

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.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
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Economic Factors and Next Year's Budgets and Rates

The Town of Richmond's total general fund budget for fiscal year 2020 amounts to \$26,387,952, which reflects an increase of \$653,688 over the fiscal 2019 budget of \$25,734,264. Of the Town's 2020 budget, \$19,813,469, or 75.1% is budgeted for educational purposes and \$6,574,483, or 24.9% is budgeted for all other purposes.

The Town's tax rate for fiscal 2020 is \$21.88/1000 of assessed value while in fiscal 2019 the Town's tax rate was \$21.36. 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 2020 and 2019 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			
	2020	2019	Increase (Decrease)
Real Property	\$ 21.88	\$ 21.36	\$ 0.52
Motor Vehicles	\$ 22.64	\$ 22.64	-
Tangibles	\$ 21.88	\$ 21.36	\$ 0.52

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.

Laura K Kenyon
 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, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 7,550,973	\$ -	\$ 7,550,973
Property taxes, net of allowance for uncollectible accounts	917,029	-	917,029
Accounts receivable - net	119,861	50,181	170,042
Due from federal and state government	301,895	-	301,895
Internal balances	(225,178)	225,178	-
Prepaid expenses	49,703	-	49,703
Other assets	10,000	-	10,000
Total current assets	<u>8,724,283</u>	<u>275,359</u>	<u>8,999,642</u>
Noncurrent assets:			
Capital assets: (Note 6)			
Land and land rights	3,916,999	59,254	3,976,253
Construction in progress	4,057	-	4,057
Depreciable buildings, equipment and infrastructure, net	9,844,159	3,976,386	13,820,545
Total noncurrent assets	<u>13,765,215</u>	<u>4,035,640</u>	<u>17,800,855</u>
Total assets	<u>22,489,498</u>	<u>4,310,999</u>	<u>26,800,497</u>
Deferred Outflows of Resources			
Deferred pension amounts	538,027	-	538,027
Total deferred outflows of resources	<u>538,027</u>	<u>-</u>	<u>538,027</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	682,616	3,108	685,724
Accrued interest payable	32,068	24,515	56,583
Compensated absences payable	20,635	-	20,635
Capital lease payable	1,792	-	1,792
Long-term debt - due within one year (Note 7)	745,000	33,063	778,063
Total current liabilities	<u>1,482,111</u>	<u>60,686</u>	<u>1,542,797</u>
Noncurrent liabilities:			
Compensated absences payable	191,279	-	191,279
Capital lease payable	3,271	-	3,271
Long-term debt - due in more than one year (Note 7)	3,601,052	1,934,104	5,535,156
Net pension liabilities	940,759	-	940,759
Total noncurrent liabilities	<u>4,736,361</u>	<u>1,934,104</u>	<u>6,670,465</u>
Total liabilities	<u>6,218,472</u>	<u>1,994,790</u>	<u>8,213,262</u>
Deferred Inflows of Resources			
Deferred pension amounts	428,233	-	428,233
Total deferred inflows of resources	<u>428,233</u>	<u>-</u>	<u>428,233</u>
Net position			
Net investment in capital assets	10,971,031	2,068,473	13,039,504
Restricted for:			
Historical records preservation	24,753	-	24,753
Land trust	9,108	-	9,108
Senior activities	30,427	-	30,427
Public safety programs	13,822	-	13,822
Community service programs	23,912	-	23,912
Dog park	4,092	-	4,092
Capital	96,840	-	96,840
Other	10,000	-	10,000
Unrestricted	5,196,835	247,736	5,444,571
Total net position	<u>\$ 16,380,820</u>	<u>\$ 2,316,209</u>	<u>\$ 18,697,029</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, 2019

<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>
Governmental Activities:							
General government	\$ 1,557,307	\$ 537,994	\$ 11,240	\$ -	\$ (1,008,073)	\$ -	\$ (1,008,073)
Public safety	2,264,729	194,068	38,885	-	(2,031,776)	-	(2,031,776)
Public works	2,302,854	159,005	-	-	(2,143,849)	-	(2,143,849)
Recreation and culture	27,456	17,596	2,500	-	(7,360)	-	(7,360)
Education	19,497,566	-	4,596,330	-	(14,901,236)	-	(14,901,236)
Community services	422,020	17,332	261,430	-	(143,258)	-	(143,258)
Canvassing authority	7,766	-	-	-	(7,766)	-	(7,766)
Interest and other charges	93,404	-	-	-	(93,404)	-	(93,404)
Total governmental activities	26,173,102	925,995	4,910,385	-	(20,336,722)	-	(20,336,722)
Business-Type Activities:							
Water fund	306,660	151,279	-	41,601	-	(113,780)	(113,780)
Total business-type activities	306,660	151,279	-	41,601	-	(113,780)	(113,780)
Total	\$ 26,479,762	\$ 1,077,274	\$ 4,910,385	\$ 41,601	(20,336,722)	(113,780)	(20,450,502)
General Revenues:							
Property taxes					19,312,424	-	19,312,424
State aid and in lieu of taxes, not restricted for a specific purpose					610,565	-	610,565
Investment earnings					68,801	-	68,801
Miscellaneous revenue					9,694	-	9,694
Total general revenues					20,001,484	-	20,001,484
Change in net position							
<i>Net position - beginning of year</i>					(335,238)	(113,780)	(449,018)
<i>Net position - end of year</i>					16,716,058	2,429,989	19,146,047
					\$ 16,380,820	\$ 2,316,209	\$ 18,697,029

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

TOWN OF RICHMOND, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General Fund</u>	<u>Capital Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 7,550,973	\$ -	\$ -	\$ 7,550,973
Property taxes, net of allowance for doubtful accounts of \$237,000	917,029	-	-	917,029
Accounts receivable	119,847	-	-	119,847
Due from federal and state government	95,892	-	206,003	301,895
Due from other funds	7,629	1,766,256	1,257,702	3,031,587
Prepaid items	49,703	-	-	49,703
Other assets	-	10,000	-	10,000
Total assets	<u>\$ 8,741,073</u>	<u>\$ 1,776,256</u>	<u>\$ 1,463,705</u>	<u>\$ 11,981,034</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable and accrued expenditures	\$ 235,577	\$ -	\$ 196,594	\$ 432,171
Due to other funds	3,499,581	-	7,615	3,507,196
Total liabilities	<u>3,735,158</u>	<u>-</u>	<u>204,209</u>	<u>3,939,367</u>
Deferred Inflows of Resources				
Deferred property taxes	586,340	-	-	586,340
Total deferred inflows of resources	<u>586,340</u>	<u>-</u>	<u>-</u>	<u>586,340</u>
Fund balances				
Nonspendable:				
Prepaid items	49,703	-	-	49,703
Restricted for:				
Capital projects	-	1,653,771	-	1,653,771
Historical records preservation	-	-	24,753	24,753
Senior activities	-	-	30,427	30,427
Public safety programs	-	-	13,822	13,822
Community service programs	-	-	23,912	23,912
Dog park	-	-	4,092	4,092
Land trust	-	-	9,108	9,108
Other programs	-	-	10,000	10,000
Committed for:				
Planning and inspections	-	-	73,231	73,231
Public facilities	-	-	1,056,313	1,056,313
Public safety programs	-	-	13,838	13,838
Revaluation	265,146	-	-	265,146
Comprehensive Plan	37,128	-	-	37,128
Capital projects	-	122,485	-	122,485
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
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
Unassigned	3,730,816	-	-	3,730,816
Total fund balances	<u>4,419,575</u>	<u>1,776,256</u>	<u>1,259,496</u>	<u>7,455,327</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,741,073</u>	<u>\$ 1,776,256</u>	<u>\$ 1,463,705</u>	<u>\$ 11,981,034</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, 2019*

Total Fund Balances - Total Governmental Funds	\$ 7,455,327
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
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)	13,765,215
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)	(5,503,788)
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.	(32,068)
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.	586,340
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	538,027
Deferred inflows of resources	(428,233)
Net Position - Governmental Activities	<u>\$ 16,380,820</u>

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, 2019

	<u>General Fund</u>	<u>Capital Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 19,284,567	\$ -	\$ -	\$ 19,284,567
Intergovernmental revenue	5,206,895	-	272,659	5,479,554
License, permits and fees	685,876	-	96,729	782,605
Interest on investments	68,801	-	-	68,801
Other revenues	153,084	-	41,396	194,480
Total revenues	<u>25,399,223</u>	<u>-</u>	<u>410,784</u>	<u>25,810,007</u>
Expenditures:				
Current:				
General government	1,433,431	-	7,953	1,441,384
Public safety	2,113,262	-	34,332	2,147,594
Public works	1,284,791	-	-	1,284,791
Recreation and culture	27,456	-	-	27,456
Education	19,497,566	-	-	19,497,566
Community services	162,053	-	259,967	422,020
Canvassing authority	7,766	-	-	7,766
Capital outlay	-	922,964	-	922,964
Debt service:				
Principal	736,000	-	-	736,000
Interest and other charges	111,453	-	-	111,453
Total expenditures	<u>25,373,778</u>	<u>922,964</u>	<u>302,252</u>	<u>26,598,994</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>25,445</u>	<u>(922,964)</u>	<u>108,532</u>	<u>(788,987)</u>
Other financing sources (uses):				
Transfers in	15,900	-	253,788	269,688
Transfers out	(253,788)	-	(15,900)	(269,688)
Total other financing sources (uses)	<u>(237,888)</u>	<u>-</u>	<u>237,888</u>	<u>-</u>
Net change in fund balances	(212,443)	(922,964)	346,420	(788,987)
Fund balances - beginning of year	<u>4,632,018</u>	<u>2,699,220</u>	<u>913,076</u>	<u>8,244,314</u>
Fund balances - end of year	<u>\$ 4,419,575</u>	<u>\$ 1,776,256</u>	<u>\$ 1,259,496</u>	<u>\$ 7,455,327</u>

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, 2019

Net Changes in Fund Balances - Total Governmental Funds \$ (788,987)

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. 780,114

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. (1,080,803)

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. (45,466)

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 bond principal payments during the current period. 736,000

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. 5,373

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. 1,567

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. 27,857

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. 16,432

Change in Net Position of Governmental Activities \$ (335,238)

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2019

	<u>Enterprise Fund</u> <u>Water Fund</u>
<i>Assets</i>	
<i>Current assets:</i>	
Accounts receivable, user fees - net	\$ 14,486
Accrued revenue	26,594
Other receivables	9,101
Due from other funds	225,178
<i>Total current assets</i>	<u>275,359</u>
 <i>Noncurrent assets:</i>	
Capital assets:	
Land	59,254
Depreciable buildings, equipment and infrastructure, net	3,976,386
<i>Total noncurrent assets</i>	<u>4,035,640</u>
 <i>Total assets</i>	 <u>4,310,999</u>
 <i>Liabilities</i>	
<i>Current liabilities</i>	
Accounts payable and accrued expenses	3,108
Accrued interest payable	24,515
Long-term debt -due within one year	33,063
<i>Total current liabilities</i>	<u>60,686</u>
 <i>Noncurrent liabilities</i>	
Long-term debt -due in more than one year	1,934,104
<i>Total noncurrent liabilities</i>	<u>1,934,104</u>
 <i>Total liabilities</i>	 <u>1,994,790</u>
 <i>Net position</i>	
Net investment in capital assets	2,068,473
Unrestricted	247,736
<i>Total net position</i>	<u>\$ 2,316,209</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, 2019

	<u>Enterprise Fund</u> <u>Water Fund</u>
Operating revenues	
User fees	\$ 151,279
Total operating revenues	<u>151,279</u>
Operating expenses	
Utilities	15,241
Administrative expenses	14,798
Materials, supplies and operations	62,171
Depreciation	155,469
Total operating expenses	<u>247,679</u>
Operating loss	<u>(96,400)</u>
Nonoperating expenses	
Interest expense	(58,981)
Total nonoperating expenses	<u>(58,981)</u>
Net loss before capital contributions	(155,381)
Capital contributions- Chariho and Hopkinton	41,601
Change in net position	(113,780)
Total net position - beginning of year	<u>2,429,989</u>
Total net position - end of year	<u><u>\$ 2,316,209</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, 2019

	<u><i>Enterprise Fund</i></u>
	<u><i>Water Fund</i></u>
<i>Cash flows from operating activities</i>	
Cash received from customers for user fees	\$ 137,127
Cash paid to suppliers for goods and services	(79,586)
Cash paid to other funds for services	(12,624)
<i>Net cash provided by operating activities</i>	<u>44,917</u>
 <i>Cash flows from non-capital financing activities</i>	
Interfund transactions	<u>26,567</u>
<i>Net cash provided by non-capital financing activities</i>	<u>26,567</u>
 <i>Cash flows from capital and related financing activities</i>	
Acquisition and construction of capital assets	(21,655)
Capital contributions	41,601
Principal payments on loan	(32,110)
Interest payments on loan	(59,320)
<i>Net cash used for capital and related financing activities</i>	<u>(71,484)</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>\$ -</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, 2019

	<u>Enterprise Fund</u> <u>Water Fund</u>
<i>Reconciliation of operating loss to net cash provided by operating activities:</i>	
Operating loss	\$ (96,400)
<i>Adjustments to reconcile operating loss to net cash provided by operating activities:</i>	
Depreciation	155,469
Changes in assets and liabilities:	
Increase in accounts receivable and accrued revenue, user fees	(13,182)
Decrease in accounts payable and accrued expenses	<u>(970)</u>
<i>Net cash provided by operating activities</i>	<u><u>\$ 44,917</u></u>

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, 2019

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 8,466	\$ -
Investments	130,097	-
Due from other funds	<u>122,407</u>	<u>128,038</u>
Total assets	<u>260,970</u>	<u>128,038</u>
 Liabilities		
Due to other funds	14	-
Deposits held in custody for others	<u>-</u>	<u>128,038</u>
Total liabilities	<u>14</u>	<u>128,038</u>
 Net Position		
Restricted for other purposes	<u>\$ 260,956</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, 2019

	<u>Private-Purpose Trust Funds</u>
<i>Additions</i>	
Gifts and contributions	\$ 2,648
Investment earnings:	
Net increase (decrease) in fair value of investments	5,084
Interest and dividends	5,263
Net investment earnings	<u>10,347</u>
<i>Total additions</i>	<u>12,995</u>
 <i>Deductions</i>	
Miscellaneous	<u>10,379</u>
<i>Total deductions</i>	<u>10,379</u>
 <i>Change in net position</i>	 2,616
 <i>Net position - beginning of year</i>	 <u>258,340</u>
 <i>Net position - end of year</i>	 <u><u>\$ 260,956</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, 2019

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 15th each year to adopt the budget.

In evaluating the inclusion of potential 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", and GASB Statement No. 61 "Financial Reporting Entity-Omnibus". A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their 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, 2019

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, 2019

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, 2019

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. 83 – *Certain Asset Retirement Obligations*, effective for the Town’s fiscal year ending June 30, 2019.
- 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.

The adoption of GASB Statements No. 83 and 88 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. 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. 89 – *Accounting for Interest Cost Incurred before the End of a*

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

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.
- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the Town's fiscal year ending June 30, 2022.

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, except for money market funds which are reported at net asset value per share (which approximates 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.

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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

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.

L. PROPERTY TAXES

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 96.3% of the total 2018 levy. The tax levy of the Town is approved by the citizens at the Financial Town Meeting.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

The Town's fiscal 2018-2019 property taxes were levied in July 2018 on assessed valuation as of December 31, 2017. 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, 2019. 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 contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

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 \$26,829,507. As of June 30, 2019, the Town’s debt subject to the legal debt margin is \$6,237,167 and the Town is under the debt limit by \$20,592,340. The debt subject to the debt limitation is based on the type of debt that is issued.

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”.

	<u>Carrying Amount</u>
Total Deposits	\$7,544,395
Add: Petty cash and cash on hand	6,578
Investments classified as cash and cash equivalents	8,466
<i>Total Cash and Cash Equivalents Reported in the Financial Statements</i>	\$7,559,439

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, 2019, \$3,954,339 of the Town’s bank balance of \$7,662,210 was exposed to custodial credit risk as follows:

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
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	Bank Balance
Insured (Federal depository insurance funds)	\$3,707,871
Collateralized with securities, held by pledging financial Institution or its agent, in the Town's name	3,175,050
Collateralized with securities held by pledging financial Institution or its agent, but not in the Town's name	777,290
Uncollateralized	1,999
Total	\$7,662,210

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, 2019, the Town's uncollateralized deposits with institutions were \$1,999.

NOTE 4 – INVESTMENTS

At June 30, 2019, the Town's investments were as follows:

Investment	Weighted Average Maturity	Fair Value	Rating
Fidelity Investment Money Market Fund			
- Government Portfolio Funds	24 days	\$ 8,466	AAAm
ETFs - Domestic Equity Funds	N/A	56,520	N/A
ETFs - Real Estate Funds	N/A	1,049	N/A
ETFs - International Equity Funds	N/A	2,984	N/A
ETFs - Domestic Fixed Income	2.24 years	13,139	Average AA
ETFs - Domestic Fixed Income	0.36 years	5,428	Average AAA
Mutual Funds - Domestic Fixed Income	7.69 years	35,921	Average BBB
Mutual Funds - Domestic Fixed Income	2.70 years	15,056	Average A
		138,563	
Investments classified as cash and cash equivalents		(8,466)	
Total Investments Reported in the Financial Statements		\$ 130,097	

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
Notes to Financial Statements
June 30, 2019

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, 2019:

- The following investments are valued using prices quoted in active markets for those investments (Level 1 inputs): Equity ETFs \$59,504, Real Estate ETFs \$1,049 and Fixed Income Mutual Funds and ETFs \$69,544.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June, 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 3,916,999	\$ -	\$ -	\$ 3,916,999
Construction in progress	-	4,057		4,057
	<u>3,916,999</u>	<u>4,057</u>	<u>-</u>	<u>3,921,056</u>
Depreciable assets:				
Infrastructure	34,759,947	663,797	797,378	34,626,366
Land improvements	639,655	-	-	639,655
Buildings and improvements	2,969,474	-	-	2,969,474
Furniture and equipment	712,910	-	-	712,910
Motor vehicles	2,592,214	112,260	-	2,704,474
	<u>41,674,200</u>	<u>776,057</u>	<u>797,378</u>	<u>41,652,879</u>
Total capital assets	<u>45,591,199</u>	<u>780,114</u>	<u>797,378</u>	<u>45,573,935</u>
Less accumulated depreciation for:				
Infrastructure	27,064,522	705,089	797,378	26,972,233
Land improvements	112,147	31,983	-	144,130
Buildings and improvements	2,217,858	63,052	-	2,280,910
Furniture and equipment	541,392	30,224	-	571,616
Motor vehicles	1,589,376	250,455	-	1,839,831
Total accumulated depreciation	<u>31,525,295</u>	<u>1,080,803</u>	<u>797,378</u>	<u>31,808,720</u>
Governmental activities capital assets, net	<u>\$ 14,065,904</u>	<u>\$ (300,689)</u>	<u>\$ -</u>	<u>\$ 13,765,215</u>
Business-Type Activities				
Nondepreciable assets:				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
	<u>59,254</u>	<u>-</u>	<u>-</u>	<u>59,254</u>
Depreciable assets:				
Buildings	905,694	-	-	905,694
Main extension	1,523,539	-	-	1,523,539
Water Tank	2,600,783	-	-	2,600,783
Equipment and machinery	281,026	-	-	281,026
	<u>5,311,042</u>	<u>-</u>	<u>-</u>	<u>5,311,042</u>
Total capital assets	<u>5,370,296</u>	<u>-</u>	<u>-</u>	<u>5,370,296</u>
Less accumulated depreciation for:				
Buildings	712,927	22,642	-	735,569
Main extension	190,442	38,088	-	228,530
Water Tank	143,048	86,693	-	229,741
Equipment and machinery	132,770	8,046	-	140,816
Total accumulated depreciation	<u>1,179,187</u>	<u>155,469</u>	<u>-</u>	<u>1,334,656</u>
Business-type activities capital assets, net	<u>\$ 4,191,109</u>	<u>\$ (155,469)</u>	<u>\$ -</u>	<u>\$ 4,035,640</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

Depreciation expense was charged as follows:

Governmental activities:	
General government	\$ 70,957
Public safety	69,614
Public works	940,232
Total depreciation expense, governmental activities	<u><u>\$ 1,080,803</u></u>
Business-type activities:	
Water fund	\$ 155,469
Total depreciation expense, business-type activities	<u><u>\$ 155,469</u></u>

NOTE 7 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES:

Changes in long-term liabilities during the year ended June 30, 2019 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Bonds payable	\$ 2,505,000	\$ -	\$ 485,000	\$ 2,020,000	\$ 495,000
Bonds from direct placements	2,501,000	-	251,000	2,250,000	250,000
	<u>5,006,000</u>	<u>-</u>	<u>736,000</u>	<u>4,270,000</u>	<u>745,000</u>
Plus amortized premiums on bonds	88,727	-	12,675	76,052	-
Total bonds	<u><u>5,094,727</u></u>	<u><u>-</u></u>	<u><u>748,675</u></u>	<u><u>4,346,052</u></u>	<u><u>745,000</u></u>
Other liabilities:					
Capital leases	6,630	-	1,567	5,063	1,792
Accrued compensated absences	166,448	161,979	116,513	211,914	20,635
Net pension liabilities	958,084	-	17,325	940,759	-
Total Governmental Activities					
Long-Term Liabilities	<u><u>\$ 6,225,889</u></u>	<u><u>\$ 161,979</u></u>	<u><u>\$ 884,080</u></u>	<u><u>\$ 5,503,788</u></u>	<u><u>\$ 767,427</u></u>
Business-type activities:					
Loans payable:					
Loans from direct borrowings	\$ 1,999,277	\$ -	\$ 32,110	\$ 1,967,167	\$ 33,063
Total Business-type activities					
Long-Term Liabilities	<u><u>\$ 1,999,277</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,110</u></u>	<u><u>\$ 1,967,167</u></u>	<u><u>\$ 33,063</u></u>

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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
 June 30, 2019

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, 2018</u>	<u>New Issues</u>	<u>Maturities During Year</u>	<u>Outstanding June 30, 2019</u>
Governmental activities:								
Bonds payable:								
2010 Capital Improvement Bonds	8/15/2010	1.15-3.00%	8/15/2020	\$ 1,150,000	\$ 775,000	\$ -	\$ 250,000	\$ 525,000
2014 Capital Improvement Bonds	8/6/2014	2.00%	8/1/2024	2,410,000	1,730,000	-	235,000	1,495,000
Bonds from direct placements:								
2017 Capital Improvement Bonds	10/17/2017	2.11%	6/30/2028	2,501,000	2,501,000	-	251,000	2,250,000
Total governmental activities bonds payable				<u>\$ 6,061,000</u>	<u>\$ 5,006,000</u>	<u>\$ -</u>	<u>\$ 736,000</u>	<u>\$ 4,270,000</u>
Business type activities:								
Loans from direct borrowings:								
2012 Water capital improvements	2/28/2012	3.75%	2/28/2052	\$ 825,000	\$ 754,185	\$ -	\$ 13,072	\$ 741,113
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	744,000	713,484	-	10,788	702,696
2014 Water capital improvements	1/9/2015	2.75%	1/9/2055	275,000	263,093	-	4,189	258,904
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	280,000	268,515	-	4,061	264,454
Total business-type activities loans payable				<u>\$ 2,124,000</u>	<u>\$ 1,999,277</u>	<u>\$ -</u>	<u>\$ 32,110</u>	<u>\$ 1,967,167</u>

At June 30, 2019 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>Governmental Activities</u>			<u>Business- Type Activities</u>		
	<u>Bonds payable</u>			<u>Bonds from direct placements</u>			<u>Loans from direct borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 495,000	\$ 52,275	\$ 547,275	\$ 250,000	\$ 44,753	\$ 294,753	\$ 33,063	\$ 58,368	\$ 91,431
2021	505,000	36,975	541,975	250,000	39,488	289,488	34,045	57,386	91,431
2022	245,000	26,925	271,925	250,000	34,222	284,222	36,365	56,376	92,741
2023	250,000	19,500	269,500	250,000	28,958	278,958	36,134	55,297	91,431
2024	260,000	11,850	271,850	250,000	23,692	273,692	37,207	54,224	91,431
2025-2029	265,000	3,975	268,975	1,000,000	42,120	1,042,120	203,267	253,888	457,155
2030-2034	-	-	-	-	-	-	235,278	221,877	457,155
2035-2039	-	-	-	-	-	-	272,334	184,821	457,155
2040-2044	-	-	-	-	-	-	315,231	141,924	457,155
2045-2049	-	-	-	-	-	-	364,892	92,263	457,155
2050-2054	-	-	-	-	-	-	349,393	35,873	385,266
2055	-	-	-	-	-	-	49,958	1,471	51,429
	<u>\$ 2,020,000</u>	<u>\$ 151,500</u>	<u>\$ 2,171,500</u>	<u>\$ 2,250,000</u>	<u>\$ 213,233</u>	<u>\$ 2,463,233</u>	<u>\$ 1,967,167</u>	<u>\$ 1,213,768</u>	<u>\$ 3,180,935</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
 June 30, 2019

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, 2019.

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, 2018</u>	<u>New Issues</u>	<u>Retirements During Year</u>	<u>Outstanding June 30, 2019</u>
Savin Copier	1/19/2017	13.49%	1/19/2022	\$ 8,574	\$ 6,630	-	\$ 1,567	\$ 5,063
Total governmental activities capital leases				<u>\$ 8,574</u>	<u>\$ 6,630</u>	<u>\$ -</u>	<u>\$ 1,567</u>	<u>\$ 5,063</u>

Obligations of governmental activities under capital leases at June 30, 2019 were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Lease Payment Requirements</u>
2020	\$ 2,367
2021	2,367
2022	1,274
Total minimum lease payments	6,008
Less: Amount representing interest cost	(945)
Present value of minimum lease payments	<u>\$ 5,063</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, 2019 is \$0.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

NOTE 8 – INTERFUND BALANCES

The Town reports interfund balances between many of its funds. Interfund balances at June 30, 2019 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	\$ -	\$ 7,615	\$ 14	\$ 7,629
Capital Bond Fund	1,766,256	-	-	1,766,256
Nonmajor Governmental Funds	1,257,702	-	-	1,257,702
Enterprise Fund	225,178	-	-	225,178
Private Purpose Trust	122,407	-	-	122,407
Agency Funds	128,038	-	-	128,038
Total	\$ 3,499,581	\$ 7,615	\$ 14	\$ 3,507,210

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>Other Governmental Funds</i>	
<i>Transfer To:</i>			
General Fund	\$ -	\$ 15,900	\$ 15,900
Other Governmental Funds	253,788	-	253,788
Total	\$ 253,788	\$ 15,900	\$ 269,688

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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2019, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 170,029	\$ 64,749	\$ 251,244	\$ 486,022
Nonmajor Governmental Funds	196,594	-	-	196,594
Total Governmental Activities	<u>\$ 366,623</u>	<u>\$ 64,749</u>	<u>\$ 251,244</u>	<u>\$ 682,616</u>
Business-Type Activities:				
Water Fund	\$ -	\$ -	\$ 3,108	\$ 3,108
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,108</u>	<u>\$ 3,108</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).

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

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. The General Fund is the only fund that reports a positive unassigned fund balance amount. It is not appropriate to report a positive unassigned fund balance in other governmental funds. However, in other governmental funds if the expenditures incurred exceed the restricted, committed, or assigned amounts it may be necessary to report a negative unassigned fund balance.

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 2017, the District had a total enrollment

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
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of 3,284 of which 1,179 were students from Richmond. This number was used for calculating the Town's fiscal year 2018 – 2019 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.

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 – 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.

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.

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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 2019. 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 2019 was \$24,790.

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.

NOTE 16 – PENSION PLANS

A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM 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.

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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.

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.

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.

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 as described above. 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.

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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 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.00% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.00% 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.

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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.

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%

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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:

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, 2017 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries Inactive, Nonretired	16	1
Members	30	4
Active Members	26	12
Total	72	17

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, 2019: general employees plan - \$99,792 and police officers plan - \$74,712. The Town’s contributions represented the following

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percentages of annual covered payroll: general employees plan – 7.78%; police officers plan – 9.28%.

Net Pension Liability - The total pension liability was determined by actuarial valuations performed as of June 30, 2017 and rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2018 Measurement Date (June 30, 2017 valuation rolled forward to June 30, 2018)	
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, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 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 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

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Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	4.80%	8.90%
Sub-total	40.00%	
Private Growth		
Private Equity	11.30%	9.08%
Non-Core Real Estate	2.20%	5.03%
Opportunistic Private Credit	1.50%	9.08%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Sub-total	8.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
Sub-total	21.00%	
Total	100.00%	

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.

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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

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, 2017	\$2,547,157	\$2,204,902	\$342,255
Changes for the Year:			
Service cost	96,436	-	96,436
Interest on the total pension liability	177,200	-	177,200
Changes in benefits	-	-	-
Difference between expected and actual experience	223,515	-	223,515
Changes in assumptions	-	-	-
Employer contributions	-	98,796	(98,796)
Employee contributions	-	24,576	(24,576)
Net investment income	-	181,512	(181,512)
Benefit payments, including employee refunds	(127,885)	(127,885)	-
Administrative expense	-	(2,416)	2,416
Other changes	-	46,243	(46,243)
Net changes	369,266	220,826	148,440
Balances as of June 30, 2018	\$2,916,423	\$2,425,728	\$490,695

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, 2017	\$2,410,025	\$1,794,196	\$615,829
Changes for the Year:			
Service cost	135,620	-	135,620
Interest on the total pension liability	172,525	-	172,525
Changes in benefits	-	-	-
Difference between expected and actual experience	(181,743)	-	(181,743)
Changes in assumptions	-	-	-
Employer contributions	-	72,114	(72,114)
Employee contributions	-	67,961	(67,961)
Net investment income	-	154,144	(154,144)
Benefit payments, including employee refunds	(26,392)	(26,392)	-
Administrative expense	-	(2,052)	2,052
Other changes	-	-	-
Net changes	100,010	265,775	(165,765)
Balances as of June 30, 2018	\$2,510,035	\$2,059,971	\$450,064

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 employer 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.

Plan	1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
General Employees	\$825,780	\$490,695	\$241,183
Police Officers	\$728,829	\$450,064	\$242,573

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, 2019, the Town recognized pension expense as follows: general employees plan - \$73,367; and police officers plan - \$84,705. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General Employees Plan	Police Officers Plan
Deferred Outflows of Resources:		
Change in assumptions	\$ 59,462	\$ 122,954
Net difference between projected and actual investment earnings	10,170	2,513
Difference between expected and actual experience	168,424	-
Contributions subsequent to the measurement date	99,792	74,712
Total	\$337,848	\$ 200,179
Deferred Inflows of Resources:		
Change in assumptions	\$ -	\$ 31,451
Difference between expected and actual experience	67,496	329,286
Total	\$67,496	\$360,737

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2019

Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources	
	General Employees Plan	Police Officers Plan
2020	\$66,447	\$(8,605)
2021	72,276	(23,137)
2022	33,843	(47,335)
2023	(2,006)	(33,766)
2024	-	(28,839)
Thereafter	-	(93,588)

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 \$11,186 and employees contributed \$54,771 for the fiscal year ended June 30, 2019.

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
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 June 30, 2019

B. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Liability	Pension Expense
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General Employees Plan	\$337,848	\$67,496	\$490,695	\$73,367
Police Officers Plan	200,179	360,737	450,064	84,705
Total	<u>\$538,027</u>	<u>\$428,233</u>	<u>\$940,759</u>	<u>\$158,072</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:					
Service cost	\$ 96,436	\$ 89,022	\$ 84,243	\$ 78,867	\$ 82,980
Interest	177,200	176,585	173,801	169,745	159,161
Changes of benefit terms	-	-	-	7,172	-
Differences between expected and actual experience	223,515	(81,013)	(89,581)	(80,463)	-
Changes of assumptions	-	116,324	-	-	8,897
Benefits payments, including refunds of member contributions	(127,885)	(127,446)	(140,013)	(107,834)	(107,897)
Net change in total pension liability	<u>369,266</u>	<u>173,472</u>	<u>28,450</u>	<u>67,487</u>	<u>143,141</u>
Total pension liability - beginning	<u>2,547,157</u>	<u>2,373,685</u>	<u>2,345,235</u>	<u>2,277,748</u>	<u>2,134,607</u>
Total pension liability - ending (a)	<u>\$ 2,916,423</u>	<u>\$ 2,547,157</u>	<u>\$ 2,373,685</u>	<u>\$ 2,345,235</u>	<u>\$ 2,277,748</u>
Plan fiduciary net position:					
Contributions - employer	\$ 98,796	\$ 102,529	\$ 105,589	\$ 105,664	\$ 96,455
Contributions - employee	24,576	23,739	21,668	10,150	9,770
Net investment income	181,512	234,153	(702)	47,756	264,216
Benefits payments, including refunds of member contributions	(127,885)	(127,446)	(140,013)	(107,834)	(107,897)
Administrative expense	(2,416)	(2,212)	(1,888)	(1,701)	(1,655)
Other	46,243	(48,318)	(1)	-	60
Net change in plan fiduciary net position	<u>220,826</u>	<u>182,445</u>	<u>(15,347)</u>	<u>54,035</u>	<u>260,949</u>
Plan fiduciary net position - beginning	<u>2,204,902</u>	<u>2,022,457</u>	<u>2,037,804</u>	<u>1,983,769</u>	<u>1,722,820</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,425,728</u>	<u>\$ 2,204,902</u>	<u>\$ 2,022,457</u>	<u>\$ 2,037,804</u>	<u>\$ 1,983,769</u>
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ 490,695</u>	<u>\$ 342,255</u>	<u>\$ 351,228</u>	<u>\$ 307,431</u>	<u>\$ 293,979</u>
Plan fiduciary net position as a percentage of the total pension liability	83.17%	86.56%	85.20%	86.89%	87.09%
Covered employee payroll	\$ 1,180,362	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021	\$ 972,797
Net pension liability as a percentage of covered employee payroll	41.57%	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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:					
Service cost	\$ 135,620	\$ 125,571	\$ 117,007	\$ 110,292	\$ 98,579
Interest	172,525	157,222	145,968	130,490	121,078
Changes of benefit terms	-	-	-	86,007	-
Differences between expected and actual experience	(181,743)	(43,450)	(90,309)	(97,139)	-
Changes of assumptions	-	150,620	-	-	(54,846)
Benefits payments, including refunds of member contributions	(26,392)	(26,892)	(26,892)	(26,394)	(63,940)
Net change in total pension liability	<u>100,010</u>	<u>363,071</u>	<u>145,774</u>	<u>203,256</u>	<u>100,871</u>
Total pension liability - beginning	<u>2,410,025</u>	<u>2,046,954</u>	<u>1,901,180</u>	<u>1,697,924</u>	<u>1,597,053</u>
Total pension liability - ending (a)	<u>\$ 2,510,035</u>	<u>\$ 2,410,025</u>	<u>\$ 2,046,954</u>	<u>\$ 1,901,180</u>	<u>\$ 1,697,924</u>
Plan fiduciary net position:					
Contributions - employer	\$ 72,114	\$ 85,456	\$ 90,160	\$ 87,587	\$ 57,398
Contributions - employee	67,961	70,238	65,623	50,296	60,573
Net investment income	154,144	190,537	(579)	36,131	185,875
Benefits payments, including refunds of member contributions	(26,392)	(26,892)	(26,892)	(26,394)	(63,940)
Administrative expense	(2,052)	(1,800)	(1,558)	(1,448)	(1,164)
Other	-	(191,845)	(1)	-	1
Net change in plan fiduciary net position	<u>265,775</u>	<u>125,694</u>	<u>126,753</u>	<u>146,172</u>	<u>238,743</u>
Plan fiduciary net position - beginning	<u>1,794,196</u>	<u>1,668,502</u>	<u>1,541,749</u>	<u>1,395,577</u>	<u>1,156,834</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,059,971</u>	<u>\$ 1,794,196</u>	<u>\$ 1,668,502</u>	<u>\$ 1,541,749</u>	<u>\$ 1,395,577</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 450,064</u>	<u>\$ 615,829</u>	<u>\$ 378,452</u>	<u>\$ 359,431</u>	<u>\$ 302,347</u>
Plan fiduciary net position as a percentage of the total pension liability	82.07%	74.45%	81.51%	81.09%	82.19%
Covered employee payroll	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512	\$ 644,730
Net pension liability as a percentage of covered employee payroll	59.60%	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.

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

<i>Fiscal Year</i>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>General Employees Plan</u>					
Actuarially determined contribution	\$ 99,792	\$ 98,796	\$ 102,529	\$ 105,589	\$ 105,664
Contributions in relation to the actuarially determined contribution	99,792	98,796	102,529	105,589	105,664
<i>Contribution deficiency (excess)</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,282,665	\$ 1,180,362	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021
Contributions as a percentage of covered employee payroll	7.78%	8.37%	9.05%	10.04%	10.41%
<u>Police Officers Plan</u>					
Actuarially determined contribution	\$ 74,712	\$ 72,114	\$ 85,456	\$ 90,160	\$ 87,587
Contributions in relation to the actuarially determined contribution	74,712	72,114	85,456	90,160	87,587
<i>Contribution deficiency (excess)</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 805,084	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512
Contributions as a percentage of covered employee payroll	9.28%	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.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
General Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 19,297,989	\$ 19,297,989	\$ 19,284,567	\$ (13,422)
State aid	5,240,225	5,240,225	5,206,895	(33,330)
Permits & fees	182,500	182,500	258,067	75,567
Licenses & fees	27,375	27,375	29,804	2,429
User Fees	334,100	334,100	322,231	(11,869)
Fines & forfeitures	46,700	46,700	45,818	(882)
Interest income	45,000	45,000	68,801	23,801
Miscellaneous income	410,500	410,500	153,084	(257,416)
Senior activities	16,000	16,000	17,332	1,332
Appropriated reserve	13,920	13,920	13,920	-
Total revenues	<u>25,614,309</u>	<u>25,614,309</u>	<u>25,400,519</u>	<u>(213,790)</u>
Expenditures				
General government				
Town council	7,114	7,114	7,095	19
Building/planning/zoning	216,613	244,894	220,701	24,193
Town clerk's department	187,507	199,609	201,117	(1,508)
Information technology	148,600	147,600	139,393	8,207
Legal services	109,000	109,000	124,699	(15,699)
Finance department	126,242	164,070	150,969	13,101
Tax assessor's department	112,671	118,919	122,790	(3,871)
Tax collector's department	62,970	69,153	65,745	3,408
Town hall/general government	52,492	52,492	45,756	6,736
Building maintenance department	83,286	84,812	77,192	7,620
Economic development	4,000	4,600	600	4,000
Elder affairs commission	1,000	1,000	-	1,000
Town sergeant	538	538	538	-
Contingency	256,000	38,000	-	38,000
Probate court	3,600	3,600	3,600	-
Town administration	101,260	101,660	101,859	(199)
Land trust	7,850	7,850	6,137	1,713
Conservation commission	3,890	3,890	3,506	384
Other expense	161,360	161,360	147,433	13,927
	<u>1,645,993</u>	<u>1,520,161</u>	<u>1,419,130</u>	<u>101,031</u>
Public safety				
Police department	1,986,852	2,038,791	1,978,333	60,458
Animal control	86,976	89,421	80,213	9,208
Emergency management	24,699	24,699	23,504	1,195
Police/community utilities	30,675	30,675	31,212	(537)
	<u>2,129,202</u>	<u>2,183,586</u>	<u>2,113,262</u>	<u>70,324</u>
Public works				
Public works	959,118	1,020,975	1,063,065	(42,090)
Transfer station and recycling	175,588	177,800	197,548	(19,748)
Public works/transfer station	20,400	20,400	24,178	(3,778)
	<u>1,155,106</u>	<u>1,219,175</u>	<u>1,284,791</u>	<u>(65,616)</u>
Recreation				
	<u>34,513</u>	<u>36,509</u>	<u>27,456</u>	<u>9,053</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
General Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Education	19,628,170	19,628,170	19,497,566	130,604
Community services				
Community services support	154,400	154,400	154,400	-
Senior activities	11,400	16,783	7,653	9,130
	<u>165,800</u>	<u>171,183</u>	<u>162,053</u>	<u>9,130</u>
Canvassing authority	8,346	8,346	7,766	580
Debt service	938,134	938,134	938,884	(750)
Total expenditures	<u>25,705,264</u>	<u>25,705,264</u>	<u>25,450,908</u>	<u>254,356</u>
Deficiency of Revenues Under Expenditures Before Other Financing Sources (Uses)	<u>(90,955)</u>	<u>(90,955)</u>	<u>(50,389)</u>	<u>40,566</u>
Other financing sources (uses)				
Transfers in	119,955	119,955	119,955	-
Transfers out	-	-	(7,628)	(7,628)
Revaluation restricted account	(29,000)	(29,000)	(29,000)	-
Total other financing sources (uses)	<u>90,955</u>	<u>90,955</u>	<u>83,327</u>	<u>(7,628)</u>
Net change in fund balance-budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,938</u>	<u>\$ 32,938</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, 2019

NOTE 1 – PENSION PLANS

The actuarial methods and assumptions used to calculate the total pension liability are described in Note 16 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.

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 - 19 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, 2019

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>Revenues and Other Financing Sources</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$25,520,474
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 fund balance is included for budgetary purposes, but is not included for financial reporting purposes.	<u>(13,920)</u>
<i>Total revenues and other financing sources as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u>\$25,415,123</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2019

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$25,487,536
Differences – budget to GAAP:	
Unbudgeted expenditures and transfer to Capital Fund not included for budgetary purposes, but included for financial reporting purposes.	270,461
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.	<u>(39,000)</u>
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$25,627,566</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

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
General Fund
June 30, 2019

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Comprehensive Plan Fund</u>	<u>Elimination Entries</u>	<u>Total General Fund</u>
Assets					
Cash and cash equivalents	\$ 7,550,973	\$ -	\$ -	\$ -	\$ 7,550,973
Property taxes, net of allowance for doubtful accounts of \$237,000	917,029	-	-	-	917,029
Accounts receivable	119,847	-	-	-	119,847
Due from federal and state government	95,892	-	-	-	95,892
Due from other funds	7,629	270,943	44,063	(315,006)	7,629
Prepaid items	49,703	-	-	-	49,703
Total assets	<u>\$ 8,741,073</u>	<u>\$ 270,943</u>	<u>\$ 44,063</u>	<u>\$ (315,006)</u>	<u>\$ 8,741,073</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable and accrued expenditures	\$ 222,845	\$ 5,797	\$ 6,935	\$ -	\$ 235,577
Due to other funds	3,814,587	-	-	(315,006)	3,499,581
Total liabilities	<u>4,037,432</u>	<u>5,797</u>	<u>6,935</u>	<u>(315,006)</u>	<u>3,735,158</u>
Deferred Inflows of Resources					
Deferred property taxes	586,340	-	-	-	586,340
Total deferred inflows of resources	<u>586,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,340</u>
Fund balances					
Nonspendable:					
Prepaid items	49,703	-	-	-	49,703
Committed for:					
Revaluation	-	265,146	-	-	265,146
Comprehensive Plan	-	-	37,128	-	37,128
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
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
Unassigned	3,730,816	-	-	-	3,730,816
Total fund balances	<u>4,117,301</u>	<u>265,146</u>	<u>37,128</u>	<u>-</u>	<u>4,419,575</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,741,073</u>	<u>\$ 270,943</u>	<u>\$ 44,063</u>	<u>\$ (315,006)</u>	<u>\$ 8,741,073</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, 2019

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Comprehensive Plan Fund</u>	<u>Elimination Entries</u>	<u>Total General Fund</u>
Revenues:					
Property taxes	\$ 19,284,567	\$ -	\$ -	\$ -	\$ 19,284,567
Intergovernmental revenue	5,206,895	-	-	-	5,206,895
License, permits and fees	685,876	-	-	-	685,876
Interest on investments	68,801	-	-	-	68,801
Other revenues	153,084	-	-	-	153,084
Total revenues	<u>25,399,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,399,223</u>
Expenditures:					
Current:					
General government	1,409,130	9,938	14,363	-	1,433,431
Public safety	2,113,262	-	-	-	2,113,262
Public works	1,284,791	-	-	-	1,284,791
Recreation and culture	27,456	-	-	-	27,456
Education	19,497,566	-	-	-	19,497,566
Community services	162,053	-	-	-	162,053
Canvassing authority	7,766	-	-	-	7,766
Debt service:					
Principal	736,000	-	-	-	736,000
Interest and other charges	111,453	-	-	-	111,453
Total expenditures	<u>25,349,477</u>	<u>9,938</u>	<u>14,363</u>	<u>-</u>	<u>25,373,778</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>49,746</u>	<u>(9,938)</u>	<u>(14,363)</u>	<u>-</u>	<u>25,445</u>
Other financing sources (uses):					
Transfers in	15,900	29,000	10,000	(39,000)	15,900
Transfers out	(292,788)	-	-	39,000	(253,788)
Total other financing sources (uses)	<u>(276,888)</u>	<u>29,000</u>	<u>10,000</u>	<u>-</u>	<u>(237,888)</u>
Net change in fund balances	(227,142)	19,062	(4,363)	-	(212,443)
Fund balances - beginning of year	<u>4,344,443</u>	<u>246,084</u>	<u>41,491</u>	<u>-</u>	<u>4,632,018</u>
Fund balances - end of year	<u>\$ 4,117,301</u>	<u>\$ 265,146</u>	<u>\$ 37,128</u>	<u>\$ -</u>	<u>\$ 4,419,575</u>

**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.**

**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**

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	<u>Special Revenue Funds</u>	<u>Public Facilities Construction Fund</u>	<u>Public Facilities Maintenance Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Due from federal and state governments	\$ 206,003	\$ -	\$ -	\$ 206,003
Due from other funds	201,389	810,153	246,160	1,257,702
Total assets	<u>\$ 407,392</u>	<u>\$ 810,153</u>	<u>\$ 246,160</u>	<u>\$ 1,463,705</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 196,594	\$ -	\$ -	\$ 196,594
Due to other funds	7,615	-	-	7,615
Total liabilities	<u>204,209</u>	<u>-</u>	<u>-</u>	<u>204,209</u>
Fund balances				
Restricted for:				
Historical records preservation	24,753	-	-	24,753
Senior activities	30,427	-	-	30,427
Public safety programs	13,822	-	-	13,822
Community service programs	23,912	-	-	23,912
Dog park	4,092	-	-	4,092
Land trust	9,108	-	-	9,108
Other programs	10,000	-	-	10,000
Committed for:				
Planning inspections	73,231	-	-	73,231
Public facilities	-	810,153	246,160	1,056,313
Public safety programs	13,838	-	-	13,838
Total fund balances	<u>203,183</u>	<u>810,153</u>	<u>246,160</u>	<u>1,259,496</u>
Total liabilities and fund balances	<u>\$ 407,392</u>	<u>\$ 810,153</u>	<u>\$ 246,160</u>	<u>\$ 1,463,705</u>

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, 2019

	Special Revenue Funds	Public Facilities Construction Fund	Public Facilities Maintenance Fund	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental revenue	\$ 272,659	\$ -	\$ -	\$ 272,659
License, permits and fees	15,701	81,028	-	96,729
Other revenues	41,396	-	-	41,396
Total revenues	329,756	81,028	-	410,784
Expenditures				
Current:				
General government	7,953	-	-	7,953
Public safety	34,332	-	-	34,332
Community services	259,967	-	-	259,967
Total expenditures	302,252	-	-	302,252
Excess of revenues over expenditures before other financing sources (uses)	27,504	81,028	-	108,532
Other financing sources (uses)				
Transfers in	7,628	-	246,160	253,788
Transfers out	(15,900)	-	-	(15,900)
Total other financing sources (uses)	(8,272)	-	246,160	237,888
Net change in fund balances	19,232	81,028	246,160	346,420
Fund balances - beginning of year	183,951	729,125	-	913,076
Fund balances - end of year	\$ 203,183	\$ 810,153	\$ 246,160	\$ 1,259,496

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Special Revenue Funds
June 30, 2019

	<i>Historical Records Trust</i>	<i>Police Grants</i>	<i>Legislative Senior Center</i>	<i>Legislative Recreation</i>	<i>SNEP Beaver River</i>	<i>Technology Fund</i>	<i>Planning Board</i>
ASSETS							
Due from federal and state governments	\$ -	\$ 164	\$ 4,857	\$ -	\$ -	\$ -	\$ -
Due from other funds	17,401	185	-	31	10,000	7,352	73,231
Total assets	\$ 17,401	\$ 349	\$ 4,857	\$ 31	\$ 10,000	\$ 7,352	\$ 73,231
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 1,140	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	660	-	-	-	-
Total liabilities	-	-	1,800	-	-	-	-
Fund balances							
Restricted for:							
Historical records preservation	17,401	-	-	-	-	7,352	-
Senior activities	-	-	3,057	-	-	-	-
Public safety programs	-	349	-	-	-	-	-
Community service programs	-	-	-	31	-	-	-
Dog park	-	-	-	-	-	-	-
Land trust	-	-	-	-	-	-	-
Other programs	-	-	-	-	10,000	-	-
Committed for:							
Planning inspections	-	-	-	-	-	-	73,231
Public safety programs	-	-	-	-	-	-	-
Total fund balances	17,401	349	3,057	31	10,000	7,352	73,231
Total liabilities and fund balances	\$ 17,401	\$ 349	\$ 4,857	\$ 31	\$ 10,000	\$ 7,352	\$ 73,231

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
 June 30, 2019

	<i>Community Development Block Grant</i>	<i>K-9 Grant</i>	<i>Bryne Grant</i>	<i>Senior Crafts</i>	<i>Impact Fees Education</i>	<i>Impact Fees Recreation</i>	<i>Land Trust</i>
ASSETS							
Due from federal and state governments	\$ 194,027	\$ -	\$ 6,955	\$ -	\$ -	\$ -	\$ -
Due from other funds	21,733	4,449	-	5,598	-	-	9,108
Total assets	\$ 215,760	\$ 4,449	\$ 6,955	\$ 5,598	\$ -	\$ -	\$ 9,108
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 195,379	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	6,955	-	-	-	-
Total liabilities	195,379	75	6,955	-	-	-	-
Fund balances							
Restricted for:							
Historical records preservation	-	-	-	-	-	-	-
Senior activities	-	-	-	5,598	-	-	-
Public safety programs	-	4,374	-	-	-	-	-
Community service programs	20,381	-	-	-	-	-	-
Dog park	-	-	-	-	-	-	-
Land trust	-	-	-	-	-	-	9,108
Other programs	-	-	-	-	-	-	-
Committed							
Planning inspections	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Total fund balances	20,381	4,374	-	5,598	-	-	9,108
Total liabilities and fund balances	\$ 215,760	\$ 4,449	\$ 6,955	\$ 5,598	\$ -	\$ -	\$ 9,108

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
 June 30, 2019

	<i>Healthcare MEDS Grant</i>	<i>Opiod Crisis Grant</i>	<i>Dog Park Donations</i>	<i>Spay/Neuter Fund</i>	<i>ACO Adoptions</i>	<i>Animal Control Stray & Homeless</i>	<i>Senior Activities Grant</i>	<i>Total</i>
ASSETS								
Due from federal and state governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,003
Due from other funds	-	3,500	4,092	9,099	10,133	3,705	21,772	201,389
Total assets	\$ -	\$ 3,500	\$ 4,092	\$ 9,099	\$ 10,133	\$ 3,705	\$ 21,772	\$ 407,392
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,594
Due to other funds	-	-	-	-	-	-	-	7,615
Total liabilities	-	-	-	-	-	-	-	204,209
Fund balances								
Restricted for:								
Historical records preservation	-	-	-	-	-	-	-	24,753
Senior activities	-	-	-	-	-	-	21,772	30,427
Public safety programs	-	-	-	9,099	-	-	-	13,822
Community service programs	-	3,500	-	-	-	-	-	23,912
Dog park	-	-	4,092	-	-	-	-	4,092
Land trust	-	-	-	-	-	-	-	9,108
Other programs	-	-	-	-	-	-	-	10,000
Committed								
Planning inspections	-	-	-	-	-	-	-	73,231
Public safety programs	-	-	-	-	10,133	3,705	-	13,838
Total fund balances	-	3,500	4,092	9,099	10,133	3,705	21,772	203,183
Total liabilities and fund balances	\$ -	\$ 3,500	\$ 4,092	\$ 9,099	\$ 10,133	\$ 3,705	\$ 21,772	\$ 407,392

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, 2019

	<i>Historical Records Trust</i>	<i>Police Grants</i>	<i>Legislative Senior Center</i>	<i>Legislative Recreation</i>	<i>SNEP Beaver River</i>	<i>Technology Fund</i>	<i>Planning Board</i>
Revenues							
Intergovernmental revenue	\$ -	\$ 6,930	\$ 8,857	\$ 2,500	\$ -	\$ -	\$ -
License, permits and fees	3,489	-	-	-	-	7,352	-
Other revenues	-	-	-	-	10,000	-	-
Total revenues	<u>3,489</u>	<u>6,930</u>	<u>8,857</u>	<u>2,500</u>	<u>10,000</u>	<u>7,352</u>	<u>-</u>
Expenditures							
Current:							
General government	1,223	-	-	-	-	-	6,730
Public safety	-	6,581	-	-	-	-	-
Community services	-	-	11,350	2,500	-	-	-
Total expenditures	<u>1,223</u>	<u>6,581</u>	<u>11,350</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>6,730</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>2,266</u>	<u>349</u>	<u>(2,493)</u>	<u>-</u>	<u>10,000</u>	<u>7,352</u>	<u>(6,730)</u>
Other financing sources (uses)							
Transfers from other funds	-	6,397	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>6,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,266	6,746	(2,493)	-	10,000	7,352	(6,730)
Fund balances (deficits) -beginning of year	<u>15,135</u>	<u>(6,397)</u>	<u>5,550</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>79,961</u>
Fund balances - end of year	<u>\$ 17,401</u>	<u>\$ 349</u>	<u>\$ 3,057</u>	<u>\$ 31</u>	<u>\$ 10,000</u>	<u>\$ 7,352</u>	<u>\$ 73,231</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, 2019

	<i>Community Development Block Grant</i>	<i>K-9 Grant</i>	<i>Bryne Grant</i>	<i>Senior Crafts</i>	<i>Impact Fees Education</i>	<i>Impact Fees Recreation</i>	<i>Land Trust</i>
Revenues							
Intergovernmental revenue	\$ 242,417	\$ -	\$ 6,955	\$ -	\$ -	\$ -	\$ -
License, permits and fees	-	-	-	-	-	-	-
Other revenues	-	25,000	-	800	-	-	1,240
Total revenues	<u>242,417</u>	<u>25,000</u>	<u>6,955</u>	<u>800</u>	<u>-</u>	<u>-</u>	<u>1,240</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	20,626	6,955	-	-	-	-
Community services	242,447	-	-	211	-	-	-
Total expenditures	<u>242,447</u>	<u>20,626</u>	<u>6,955</u>	<u>211</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(30)</u>	<u>4,374</u>	<u>-</u>	<u>589</u>	<u>-</u>	<u>-</u>	<u>1,240</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	(12,000)	(3,900)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>(3,900)</u>	<u>-</u>
Net change in fund balances	(30)	4,374	-	589	(12,000)	(3,900)	1,240
Fund balances (deficits) -beginning of year	<u>20,411</u>	<u>-</u>	<u>-</u>	<u>5,009</u>	<u>12,000</u>	<u>3,900</u>	<u>7,868</u>
Fund balances - end of year	<u>\$ 20,381</u>	<u>\$ 4,374</u>	<u>\$ -</u>	<u>\$ 5,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,108</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, 2019

	<i>Healthcare MEDS Grant</i>	<i>Opioid Crisis Grant</i>	<i>Dog Park Donations</i>	<i>Spay/Neuter Fund</i>	<i>ACO Adoptions</i>	<i>Animal Control Stray & Homeless</i>	<i>Senior Activities Grant</i>	<i>Total</i>
Revenues								
Intergovernmental revenue	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272,659
License, permits and fees	-	-	-	977	1,927	1,956	-	15,701
Other revenues	-	-	656	-	-	-	3,700	41,396
Total revenues	<u>-</u>	<u>5,000</u>	<u>656</u>	<u>977</u>	<u>1,927</u>	<u>1,956</u>	<u>3,700</u>	<u>329,756</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	7,953
Public safety	-	-	-	95	75	-	-	34,332
Community services	-	1,500	852	-	-	-	1,107	259,967
Total expenditures	<u>-</u>	<u>1,500</u>	<u>852</u>	<u>95</u>	<u>75</u>	<u>-</u>	<u>1,107</u>	<u>302,252</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>-</u>	<u>3,500</u>	<u>(196)</u>	<u>882</u>	<u>1,852</u>	<u>1,956</u>	<u>2,593</u>	<u>27,504</u>
Other financing sources (uses)								
Transfers from other funds	1,231	-	-	-	-	-	-	7,628
Transfers to other funds	-	-	-	-	-	-	-	(15,900)
Total other financing sources (uses)	<u>1,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,272)</u>
Net change in fund balances	1,231	3,500	(196)	882	1,852	1,956	2,593	19,232
Fund balances (deficits) -beginning of year	<u>(1,231)</u>	<u>-</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>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 4,092</u>	<u>\$ 9,099</u>	<u>\$ 10,133</u>	<u>\$ 3,705</u>	<u>\$ 21,772</u>	<u>\$ 203,183</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.

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2019

	<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>
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	55,945	1,363	4,129	111	32,070	9,025
Total assets	<u>55,945</u>	<u>1,363</u>	<u>4,129</u>	<u>111</u>	<u>32,070</u>	<u>9,025</u>
Liabilities						
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position						
Restricted for other purposes	<u>\$ 55,945</u>	<u>\$ 1,363</u>	<u>\$ 4,129</u>	<u>\$ 111</u>	<u>\$ 32,070</u>	<u>\$ 9,025</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Net Position (Continued)
Private Purpose Trust Funds
June 30, 2019

	<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>
Assets								
Cash and cash equivalents	\$ -	\$ 8,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,466
Investments	-	130,097	-	-	-	-	-	130,097
Due from other funds	9,791	-	1,278	847	651	3,577	3,620	122,407
		-						
Total assets	<u>9,791</u>	<u>138,563</u>	<u>1,278</u>	<u>847</u>	<u>651</u>	<u>3,577</u>	<u>3,620</u>	<u>260,970</u>
Liabilities								
Due to other funds	-	14	-	-	-	-	-	14
Total liabilities	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>
Net Position								
Restricted for other purposes	<u>\$ 9,791</u>	<u>\$ 138,549</u>	<u>\$ 1,278</u>	<u>\$ 847</u>	<u>\$ 651</u>	<u>\$ 3,577</u>	<u>\$ 3,620</u>	<u>\$ 260,956</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, 2019

	<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>
Additions						
Gifts and contributions	\$ 2,248	\$ -	\$ -	\$ -	\$ 400	\$ -
Investment earnings:						
Net increase (decrease) in fair value of investments	-	-	-	-	-	-
Interest and dividends	772	19	57	2	443	125
Net investment earnings	<u>772</u>	<u>19</u>	<u>57</u>	<u>2</u>	<u>443</u>	<u>125</u>
Total additions	<u>3,020</u>	<u>19</u>	<u>57</u>	<u>2</u>	<u>843</u>	<u>125</u>
Deductions						
Miscellaneous	2,248	2,529	-	-	2,030	-
Total deductions	<u>2,248</u>	<u>2,529</u>	<u>-</u>	<u>-</u>	<u>2,030</u>	<u>-</u>
Change in net position	772	(2,510)	57	2	(1,187)	125
Net position - beginning of year	<u>55,173</u>	<u>3,873</u>	<u>4,072</u>	<u>109</u>	<u>33,257</u>	<u>8,900</u>
Net position - end of year	<u>\$ 55,945</u>	<u>\$ 1,363</u>	<u>\$ 4,129</u>	<u>\$ 111</u>	<u>\$ 32,070</u>	<u>\$ 9,025</u>

(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, 2019

	<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>
Additions								
Gifts and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,648
Investment earnings:								
Net increase (decrease) in fair value of investments	-	5,084	-	-	-	-	-	5,084
Interest and dividends	135	3,572	18	12	9	49	50	5,263
Net investment earnings	<u>135</u>	<u>8,656</u>	<u>18</u>	<u>12</u>	<u>9</u>	<u>49</u>	<u>50</u>	<u>10,347</u>
Total additions	<u>135</u>	<u>8,656</u>	<u>18</u>	<u>12</u>	<u>9</u>	<u>49</u>	<u>50</u>	<u>12,995</u>
Deductions								
Miscellaneous	-	3,572	-	-	-	-	-	10,379
Total deductions	<u>-</u>	<u>3,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,379</u>
Change in net position	135	5,084	18	12	9	49	50	2,616
Net position - beginning of year	<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>
Net position - end of year	<u>\$ 9,791</u>	<u>\$ 138,549</u>	<u>\$ 1,278</u>	<u>\$ 847</u>	<u>\$ 651</u>	<u>\$ 3,577</u>	<u>\$ 3,620</u>	<u>\$ 260,956</u>

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, 2019

	<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>Solar Decommission</u>	<u>Total Agency Funds</u>
Assets									
Due from other funds	\$ 10,443	\$ 4,548	\$ 23,493	\$ 5,860	\$ 2,266	\$ 2,474	\$ 62,345	\$ 16,609	\$ 128,038
Total assets	<u>\$ 10,443</u>	<u>\$ 4,548</u>	<u>\$ 23,493</u>	<u>\$ 5,860</u>	<u>\$ 2,266</u>	<u>\$ 2,474</u>	<u>\$ 62,345</u>	<u>\$ 16,609</u>	<u>\$ 128,038</u>
Liabilities									
Deposits held in custody for others	\$ 10,443	\$ 4,548	\$ 23,493	\$ 5,860	\$ 2,266	\$ 2,474	\$ 62,345	\$ 16,609	\$ 128,038
Total liabilities	<u>\$ 10,443</u>	<u>\$ 4,548</u>	<u>\$ 23,493</u>	<u>\$ 5,860</u>	<u>\$ 2,266</u>	<u>\$ 2,474</u>	<u>\$ 62,345</u>	<u>\$ 16,609</u>	<u>\$ 128,038</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Landscape Escrows				
<i>Assets</i>				
Due from other funds	\$ 10,299	\$ 144	\$ -	\$ 10,443
Total assets	<u>\$ 10,299</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ 10,443</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 10,299	\$ 144	\$ -	\$ 10,443
Total liabilities	<u>\$ 10,299</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ 10,443</u>
 Curb Cut Bonds				
<i>Assets</i>				
Due from other funds	\$ 4,045	\$ 6,003	\$ 5,500	\$ 4,548
Total assets	<u>\$ 4,045</u>	<u>\$ 6,003</u>	<u>\$ 5,500</u>	<u>\$ 4,548</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 4,045	\$ 6,003	\$ 5,500	\$ 4,548
Total liabilities	<u>\$ 4,045</u>	<u>\$ 6,003</u>	<u>\$ 5,500</u>	<u>\$ 4,548</u>
 Fairside Drive Bond				
<i>Assets</i>				
Due from other funds	\$ 23,168	\$ 325	\$ -	\$ 23,493
Total assets	<u>\$ 23,168</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 23,493</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 23,168	\$ 325	\$ -	\$ 23,493
Total liabilities	<u>\$ 23,168</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 23,493</u>
 Wisteria Lane Bond				
<i>Assets</i>				
Due from other funds	\$ 35,141	\$ 81	\$ 29,362	\$ 5,860
Total assets	<u>\$ 35,141</u>	<u>\$ 81</u>	<u>\$ 29,362</u>	<u>\$ 5,860</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 35,141	\$ 81	\$ 29,362	\$ 5,860
Total liabilities	<u>\$ 35,141</u>	<u>\$ 81</u>	<u>\$ 29,362</u>	<u>\$ 5,860</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, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Safety Markings				
<i>Assets</i>				
Due from other funds	\$ 2,235	\$ 31	\$ -	\$ 2,266
Total assets	<u>\$ 2,235</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 2,266</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 2,235	\$ 31	\$ -	\$ 2,266
Total liabilities	<u>\$ 2,235</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 2,266</u>
Probate Court				
<i>Assets</i>				
Due from other funds	\$ 2,440	\$ 34	\$ -	\$ 2,474
Total assets	<u>\$ 2,440</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 2,474</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 2,440	\$ 34	\$ -	\$ 2,474
Total liabilities	<u>\$ 2,440</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 2,474</u>
Camelot Performance Bond				
<i>Assets</i>				
Due from other funds	\$ 113,209	\$ 861	\$ 51,725	\$ 62,345
Total assets	<u>\$ 113,209</u>	<u>\$ 861</u>	<u>\$ 51,725</u>	<u>\$ 62,345</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 113,209	\$ 861	\$ 51,725	\$ 62,345
Total liabilities	<u>\$ 113,209</u>	<u>\$ 861</u>	<u>\$ 51,725</u>	<u>\$ 62,345</u>
Solar Decommission				
<i>Assets</i>				
Due from other funds	\$ -	\$ 16,609	\$ -	\$ 16,609
Total assets	<u>\$ -</u>	<u>\$ 16,609</u>	<u>\$ -</u>	<u>\$ 16,609</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ -	\$ 16,609	\$ -	\$ 16,609
Total liabilities	<u>\$ -</u>	<u>\$ 16,609</u>	<u>\$ -</u>	<u>\$ 16,609</u>
Total Agency Funds				
<i>Assets</i>				
Due from other funds	\$ 190,537	\$ 24,088	\$ 86,587	\$ 128,038
Total assets	<u>\$ 190,537</u>	<u>\$ 24,088</u>	<u>\$ 86,587</u>	<u>\$ 128,038</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 190,537	\$ 24,088	\$ 86,587	\$ 128,038
Total liabilities	<u>\$ 190,537</u>	<u>\$ 24,088</u>	<u>\$ 86,587</u>	<u>\$ 128,038</u>

TOWN OF RICHMOND, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2019

<u>Fiscal Year</u>	<u>Balance June 30, 2018</u>	<u>Current year Assessment</u>	<u>Additions</u>	<u>Abatements</u>	<u>Refunds/ Adjustments</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance June 30, 2019</u>
2019	\$ -	\$ 19,163,624	\$ 87,278	\$ (36,068)	\$ (5,214)	\$19,209,620	\$18,512,366	\$ 697,254
2018	622,894	-	-	(564)	15,217	637,547	530,028	107,519
2017	96,229	-	-	(571)	935	96,593	40,614	55,979
2016	57,647	-	-	(1,021)	1,032	57,658	14,905	42,753
2015	46,962	-	-	(499)	516	46,979	9,386	37,593
2014	43,493	-	-	(431)	433	43,495	5,964	37,531
2013	35,821	-	-	-	-	35,821	1,051	34,770
2012	28,700	-	-	-	-	28,700	1,157	27,543
2011	24,929	-	-	-	-	24,929	856	24,073
2010	11,917	-	-	-	-	11,917	645	11,272
2009	17,878	-	-	-	-	17,878	257	17,621
2008	16,828	-	-	-	-	16,828	83	16,745
2007	15,639	-	-	-	-	15,639	-	15,639
2006	15,071	-	-	-	-	15,071	-	15,071
2005	12,666	-	-	-	-	12,666	-	12,666
	<u>1,046,674</u>	<u>\$ 19,163,624</u>	<u>\$ 87,278</u>	<u>\$ (39,154)</u>	<u>\$ 12,919</u>	<u>\$ 20,271,341</u>	<u>\$ 19,117,312</u>	<u>1,154,029</u>
<i>Allowance for Uncollectible Accounts</i>	<u>(237,000)</u>							<u>(237,000)</u>
<i>Net Property Tax Receivable</i>	<u>\$ 809,674</u>							<u>\$ 917,029</u>

Schedule of Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuations December 31, 2017</u>	<u>Levy July 1, 2018</u>
Real property	\$ 855,363,900	\$ 18,270,573
Motor vehicle	74,908,737	1,695,934
Tangible personal property	20,165,910	430,744
Total	<u>950,438,547</u>	<u>20,397,251</u>
Exemptions	<u>(56,121,637)</u>	<u>(1,233,627)</u>
Net assessed value	<u>\$ 894,316,910</u>	<u>\$ 19,163,624</u>

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 19,117,312
Refunds	(13,230)
July -August 2019 Collections Subject to 60-day FY 19 Accrual	330,689
July -August 2018 Collections Subject to 60-day FY 18 Accrual	(251,291)
Current Year Property Tax Revenue	<u>\$ 19,183,480</u>

(continued)

TOWN OF RICHMOND, RHODE ISLAND
Tax Collector's Annual Report (Continued)
For the Fiscal Year Ended June 30, 2019

Fiscal Year 2019 Cash Collection Summary

<u>Fiscal Year</u>	<u>July - August 2018 Collections Subject to 60 day FY 18 Accrual</u>	<u>September 2018 - June 2019 Collections</u>	<u>Total FY 2019 Cash Collections</u>	<u>July - August 2019 Collections Subject to 60 day FY 19 Accrual</u>
2019	\$ -	\$ 18,512,366	\$ 18,512,366	\$ 273,925
2018	216,589	313,439	530,028	53,801
2017	27,571	13,043	40,614	1,086
2016	5,006	9,899	14,905	1,656
2015	1,630	7,756	9,386	14
2014	330	5,634	5,964	43
2013	65	986	1,051	79
2012	80	1,077	1,157	60
2011	-	856	856	25
2010	20	625	645	-
2009	-	257	257	-
2008	-	83	83	-
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
	<u>\$ 251,291</u>	<u>\$ 18,866,021</u>	<u>\$ 19,117,312</u>	<u>\$ 330,689</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, 2019

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 18,791,340	\$ -
Last Year's Levy Tax Collection	348,196	-
Prior Years Property Tax Collection	43,945	-
Interest & Penalty	88,015	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	287,872	-
Fines and Forfeitures	45,818	-
Investment Income	68,801	-
Departmental	365,260	-
Rescue Run Revenue	-	-
Police & Fire Detail	217,221	-
Other Local Non-Property Tax Revenues	84,012	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	-
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	-
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	-
MV Excise Tax Reimbursement	-	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	95,892	-
Meals & Beverage Tax / Hotel Tax	147,764	-
LEA Aid	-	-
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	4,596,330	-
Motor Vehicle Phase Out	366,909	-
Other Revenue	-	-
Local Appropriation for Education	-	-
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 25,547,375	\$ -
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	15,900	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 15,900	\$ -

Town of Richmond
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 268,545	\$ 235,087	\$ -	\$ -	\$ 169,644	\$ -	\$ 491,886	\$ 20,946	\$ 803,720
Compensation - Group B	-	-	-	-	-	-	-	-	279,373
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	185	-	53,115	-	237,791
Overtime - Group B	-	-	-	-	-	-	-	-	36,917
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	148,151
Active Medical Insurance - Group A	53,204	36,612	-	-	9,923	-	87,859	-	190,506
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	46,869
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	1,881	1,051	-	-	383	-	3,437	-	9,224
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	1,556
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	20,132	18,131	-	-	12,896	-	39,659	1,602	111,650
Life Insurance	-	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	2,414	1,886	-	-	980	-	4,503	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	2,560
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	2,701	448	-	-	1,976	-	48,252	906	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
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	18,781	14,673	-	-	7,625	-	35,035	-	75,178
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	19,916
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	2,671
Purchased Services	145,915	58,870	-	111,124	17,712	-	88,338	2,495	5,571
Materials/Supplies	17,814	5,889	-	12,262	718	-	41,401	-	29,102
Software Licenses	-	-	-	13,071	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-
Insurance	117,909	-	-	-	-	-	-	-	-
Maintenance	6,977	-	-	-	-	-	4,132	723	10,349
Vehicle Operations	-	-	-	-	-	-	174,056	-	80,610
Utilities	29,354	-	-	-	540	-	29,454	-	31,720
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	(2,493)	-	-
Revaluation	-	9,938	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	56,888	-	-
Trash Removal & Recycling	-	-	-	-	-	-	58,203	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	14,053	-	-	-	-	-	-	-	-
Other Operation Expenditures	9,509	1,513	-	2,937	2,482	98,000	11,883	784	34,262
Tipping Fees	-	-	-	-	-	-	56,689	-	-
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	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 709,189	\$ 384,098	\$ -	\$ 139,394	\$ 225,064	\$ 98,000	\$ 1,282,297	\$ 27,456	\$ 2,157,696

Town of Richmond
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ -	\$ 55,797	\$ -	\$ -	\$ -	\$ 2,045,625	\$ -
Compensation - Group B	-	-	-	-	-	-	279,373	-
Compensation - Group C	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	2,796	-	-	-	293,887	-
Overtime - Group B	-	-	-	-	-	-	36,917	-
Overtime - Group C	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	148,151	-
Active Medical Insurance - Group A	-	-	14,522	-	-	-	392,626	-
Active Medical Insurance- Group B	-	-	-	-	-	-	46,869	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	-	-	609	-	-	-	16,585	-
Active Dental Insurance- Group B	-	-	-	-	-	-	1,556	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	4,346	-	-	-	208,416	-
Life Insurance	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	-	-	396	-	-	-	10,179	-
State Defined Contribution - Group B	-	-	-	-	-	-	2,560	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	1,423	-	-	-	55,706	-
Other Benefits- Group B	-	-	-	-	-	-	-	-
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	-	-	3,085	-	-	-	154,377	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	19,916	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	2,671	-
Purchased Services	-	-	2,963	-	-	-	432,988	-
Materials/Supplies	-	-	2,610	-	-	-	109,796	-
Software Licenses	-	-	-	-	-	-	13,071	-
Capital Outlays	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	117,909	-
Maintenance	-	-	9,332	-	-	-	31,513	-
Vehicle Operations	-	-	1,964	-	-	-	256,630	-
Utilities	-	-	3,461	-	-	-	94,529	-
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	(2,493)	-
Revaluation	-	-	-	-	-	-	9,938	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	56,888	-
Trash Removal & Recycling	-	-	-	-	-	-	58,203	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	14,053	-
Other Operation Expenditures	50,000	-	413	-	-	-	211,783	-
Tipping Fees	-	-	-	-	-	-	56,689	-
Local Appropriation for Education	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	19,497,566	-	-	19,497,566	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	736,000	-	736,000	-
Municipal Debt- Interest	-	-	-	-	111,453	-	111,453	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 50,000	\$ -	\$ 103,717	\$ 19,497,566	\$ 847,453	\$ -	\$ 25,521,930	\$ -
Financing Uses: Transfer to Capital Funds							\$ 246,160	\$ -
Financing Uses: Transfer to Other Funds							7,628	-
Financing Uses: Payment to Bond Escrow Agent							-	-
Financing Uses: Other							-	-
Total Other Financing Uses							\$ 253,788	\$ -
Net Change in Fund Balance¹							(212,443)	-
Fund Balance1- beginning of year							\$4,632,018	
Funds removed from Reportable Government Services (RGS)							-	-
Funds added to Reportable Government Services (RGS)							-	-
Prior period adjustments							-	-
Misc. Adjustment							-	-
Fund Balance¹ - beginning of year adjusted							4,632,018	-
Rounding								
Fund Balance¹ - end of year							\$ 4,419,575	\$ -

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

Town Of Richmond
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2019

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 4,632,018	-	\$ 4,632,018	
<i>No funds removed from RGS for fiscal 2018</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2018</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2018</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 4,632,018</u>	<u>\$ -</u>	<u>\$ 4,632,018</u>	
General Fund	\$ 25,399,223	\$ 15,900	\$ 25,373,778	\$ 253,788	\$ (212,443)	\$ 4,632,018	\$ -	\$ 4,632,018	\$ 4,419,575
Totals per audited financial statements	<u>\$ 25,399,223</u>	<u>\$ 15,900</u>	<u>\$ 25,373,778</u>	<u>\$ 253,788</u>	<u>\$ (212,443)</u>	<u>\$ 4,632,018</u>	<u>\$ -</u>	<u>\$ 4,632,018</u>	<u>\$ 4,419,575</u>
<u>Reconciliation from financial statements to MTP2</u>									
Police detail reported net in the financial statements and gross in MTP2	\$ 148,152		\$ 148,152						
Rounding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals Per MTP2	<u>\$ 25,547,375</u>	<u>\$ 15,900</u>	<u>\$ 25,521,930</u>	<u>\$ 253,788</u>	<u>\$ (212,443)</u>	<u>\$ 4,632,018</u>	<u>\$ -</u>	<u>\$ 4,632,018</u>	<u>\$ 4,419,575</u>

¹ 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, 2019

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net investment in capital assets	\$10,971,031	\$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
Restricted	212,954	182,528	169,660	168,195	125,554	142,346	158,793	-	-	-
Unrestricted	5,196,835	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
Total governmental activities net position	\$16,380,820	\$16,716,058	\$17,343,758	\$17,601,692	\$16,134,063	\$16,439,832	\$16,618,515	\$15,780,131	\$16,856,523	\$18,078,418
Business-type activities:										
Net investment in capital assets	\$2,068,473	\$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
Unrestricted	247,736	238,157	541,747	698,860	650,559	516,567	562,537	536,798	476,495	468,970
Total business-type activities net position	\$2,316,209	\$2,429,989	\$2,553,810	\$2,665,252	\$2,297,219	\$1,850,468	\$1,812,835	\$1,727,894	\$1,064,783	\$1,048,041
Primary government:										
Net investment in capital assets	\$13,039,504	\$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
Restricted	212,954	182,528	169,660	168,195	125,554	142,346	158,793	-	-	-
Unrestricted	5,444,571	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
Total primary government net position	\$18,697,029	\$19,146,047	\$19,897,568	\$20,266,944	\$18,431,282	\$18,290,300	\$18,431,350	\$17,508,025	\$17,921,306	\$19,126,459

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
General government	\$1,557,307	\$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
Public safety	2,264,729	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
Public works	2,302,854	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
General public assistance	-	-	-	-	-	-	-	769,187	726,279	332,833
Recreation and culture	27,456	54,230	51,277	56,564	56,787	55,117	58,270	52,129	57,159	47,559
Education	19,497,566	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
Transfer station/recycling area	-	179,034	162,538	158,807	160,101	151,885	145,665	-	-	-
Community services	422,020	274,366	381,304	481,724	471,944	277,513	564,606	153,049	143,870	173,810
Other	7,766	3,016	9,308	4,864	6,235	3,921	9,595	71,712	198,390	103,966
Interest	93,404	117,267	71,106	85,234	165,227	54,800	102,443	85,817	82,831	73,311
Total governmental activities expenses	26,173,102	25,977,262	24,770,152	23,938,509	24,214,026	24,124,662	23,850,392	24,285,623	23,113,715	22,143,585
Business-type activities:										
Water Supply Board	306,660	293,576	284,775	206,183	186,857	157,750	65,015	79,645	73,599	93,202
Total business-type activities expenses	306,660	293,576	284,775	206,183	186,857	157,750	65,015	79,645	73,599	93,202
Total primary government expenses	\$26,479,762	\$26,270,838	\$25,054,927	\$24,144,692	\$24,400,883	\$24,282,412	\$23,915,407	\$24,365,268	\$23,187,314	\$22,236,787
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
General government	\$537,994	\$630,391	\$441,445	\$481,710	\$323,629	\$319,272	\$216,997	\$270,050	\$309,441	\$338,242
Public safety	194,068	348,365	263,069	156,603	129,702	147,545	50,425	86,792	5,987	87,349
Public works	159,005	-	-	-	-	-	-	-	-	-
Recreation and culture	17,596	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	17,332	13,842	17,448	19,171	12,590	16,583	213,032	111,365	106,774	16,358
Operating grants and contributions	4,910,385	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
Capital grants and contributions	-	97,473	-	177,303	-	-	49,315	559,037	641,878	283,430
Total governmental activities program revenues	5,836,380	6,097,272	6,204,628	6,502,479	6,323,014	6,244,389	6,563,080	7,176,911	6,652,875	6,291,801
Business-type activities:										
<i>Charges for services:</i>										
Water Supply Board	151,279	128,154	122,631	117,112	123,194	127,537	130,654	117,031	87,050	98,823
Operating and capital grants and contributions	41,601	41,601	50,702	466,186	510,414	74,036	65,000	625,725	-	-
Total business-type activities program revenues	192,880	169,755	173,333	583,298	633,608	201,573	195,654	742,756	87,050	98,823
Total primary government program revenues	6,029,260	6,267,027	6,377,961	7,085,777	6,956,622	6,445,962	6,758,734	7,919,667	6,739,925	6,390,624
Net (Expense)/Revenue										
Governmental activities	\$(20,336,722)	\$(19,879,990)	\$(18,565,524)	\$(17,436,030)	\$(17,891,012)	\$(17,880,273)	\$(17,287,312)	\$(17,108,712)	\$(16,460,840)	\$(15,851,784)
Business-type activities	(113,780)	(123,821)	(111,442)	377,115	446,751	43,823	130,639	663,111	13,451	5,621
Total primary government net expenses	\$(20,450,502)	\$(20,003,811)	\$(18,676,966)	\$(17,058,915)	\$(17,444,261)	\$(17,836,450)	\$(17,156,673)	\$(16,445,601)	\$(16,447,389)	\$(15,846,163)

(Continued)

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

EXHIBIT 2

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes and other	\$19,312,424	\$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
Unrestricted investment earnings	68,801	48,849	26,938	24,938	16,214	8,276	8,009	6,328	14,260	26,392
State aid	610,565	493,359	310,829	349,599	332,054	324,007	-	57,421	58,142	713,145
Other revenues	9,694	16,030	-	924	921	6,261	281,604	-	-	-
Transfers	-	-	-	10600	-	-	35,698	-	-	-
Total governmental activities	20,001,484	19,252,290	18,313,706	17,825,362	17,585,243	17,056,093	16,558,183	15,945,564	15,238,945	15,244,457
Business-type activities:										
Unrestricted investment earnings	-	-	-	1,518	-	-	-	-	3,291	-
Transfers	-	-	-	(10,600)	-	-	(35,698)	-	-	-
Total business-type activities	-	-	-	(9,082)	-	-	(35,698)	-	3,291	-
Total primary government	\$20,001,484	\$19,252,290	\$18,313,706	\$17,816,280	\$17,585,243	\$17,056,093	\$16,522,485	\$15,945,564	\$15,242,236	\$15,244,457
Change in Net Position										
Governmental activities	\$(335,238)	\$(627,700)	\$(251,818)	\$389,332	\$(305,769)	\$(824,180)	\$(729,129)	\$(1,163,148)	\$(1,221,895)	\$(607,327)
Business-type activities	(113,780)	(123,821)	(111,442)	368,033	446,751	43,823	94,941	663,111	16,742	5,621
Total primary government	\$(449,018)	\$(751,521)	\$(363,260)	\$757,365	\$140,982	\$(780,357)	\$(634,188)	\$(500,037)	\$(1,205,153)	\$(601,706)

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	2,778,282
Nonspendable	49,703	62,422	6,384	69,701	21,017	9,556	75	2,663	30,350	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	639,056	870,517	1,006,017	1,054,786	696,046	733,424	728,577	-	-	-
Assigned	-	13,920	-	-	-	-	-	571,144	734,310	-
Unassigned	3,730,816	3,685,159	3,611,822	3,441,004	3,373,920	3,214,276	3,126,696	3,178,062	2,957,716	-
Total General fund	4,419,575	4,632,018	4,624,223	4,565,491	4,090,983	3,957,256	3,855,348	3,751,869	3,722,376	2,778,282
Capital Projects Funds										
Restricted	1,653,771	2,480,849	1,059,139	1,699,988	2,424,614	-	-	-	-	-
Committed	122,485	218,371	116,188	215,224	119,389	-	-	-	-	-
Total Capital Projects Fund	1,776,256	2,699,220	1,175,327	1,915,212	2,544,003	-	-	-	-	-
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	2,996,414
Restricted	116,114	85,688	72,820	71,355	125,554	147,109	158,793	382,778	539,986	-
Committed	1,143,382	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)	-	-	-
Total All Other Governmental Funds	1,259,496	913,076	744,330	863,988	811,018	759,988	998,058	1,071,489	1,492,004	2,996,414
Total governmental funds	\$ 7,455,327	\$ 8,244,314	\$ 6,543,880	\$ 7,344,691	\$ 7,446,004	\$ 4,717,244	\$ 4,853,406	\$ 4,823,358	\$ 5,214,380	\$ 5,774,696

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Property tax revenue	\$19,196,552	\$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
Interest on late payments	88,015	85,998	100,377	94,119	94,877	117,179	144,601	185,525	143,588	158,260
Intergovernmental and department revenue	5,479,554	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
Licenses, fees, and permits	782,605	872,804	687,497	701,494	505,728	520,938	384,988	265,661	284,861	312,605
Investment Income	68,801	48,849	26,938	24,938	16,214	8,276	8,009	6,328	14,260	26,392
Other revenues	194,480	336,735	220,480	137,753	122,924	152,208	83,734	197,243	198,358	377,716
Total revenues	25,810,007	25,314,849	24,558,357	24,316,216	23,991,508	23,422,167	23,313,578	23,082,867	21,713,930	21,466,797
Expenditures										
General government	1,441,384	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
Public safety	2,147,594	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
Public works	1,284,791	932,637	834,606	681,209	843,301	799,073	715,313	703,440	674,584	853,258
Grants expenditures and land acquisition	-	-	-	-	-	-	612,434	769,187	1,308,592	332,833
Recreation and culture	27,456	54,230	51,277	56,564	56,787	55,117	58,270	52,129	57,159	47,559
Education	19,497,566	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
Recycling area	-	178,456	163,542	159,766	160,897	151,885	145,665	55,875	55,128	38,738
Community services	422,020	274,366	381,304	481,724	471,944	277,513	156,182	153,049	143,870	173,810
Canvassing authority	7,766	3,016	9,308	4,864	6,235	3,921	9,595	10,073	6,401	2,125
Capital outlay	922,964	1,363,340	1,192,159	763,440	307,253	473,013	203,450	570,447	1,100,244	60,578
Program Expenditures										
Debt Service - principal	736,000	475,000	495,270	483,950	252,678	371,455	371,642	325,000	325,000	315,355
Debt Service - interest	111,453	124,025	89,119	100,031	141,488	64,453	97,237	85,349	82,174	79,769
Debt Service - other	-	-	-	2,500	2,500	1,525	1,975	1,875	30,855	525
Total expenditures	26,598,994	26,304,445	25,361,626	24,428,129	23,811,951	23,567,233	23,319,227	23,560,645	23,424,246	20,992,740
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(788,987)	(989,596)	(803,269)	(111,913)	179,557	(145,066)	(5,649)	(477,778)	(1,710,316)	474,057
Other financing sources (uses)										
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	-	-	-	-	-	-
Total other financing sources (uses)	-	2,690,030	8,574	10,600	2,536,753	-	35,698	-	1,150,000	-
Net change in fund balances	\$ (788,987)	\$ 1,700,434	\$ (794,695)	\$ (101,313)	\$ 2,716,310	\$ (145,066)	\$ 30,049	\$ (477,778)	\$ (560,316)	\$ 474,057
Debt service as a percentage of noncapital expenditures	3.282%	2.389%	2.395%	2.488%	1.677%	1.854%	2.07%	1.83%	2.00%	1.93%

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
12/31/2017	\$ 775,981,900	\$ 79,382,000	\$ 74,908,737	\$ 20,165,910	\$ 56,121,637	\$ 894,316,910	\$ 21.36	\$ 894,316,910	100%	\$ 950,438,547
(2) 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

(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>
2019	\$21.36
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

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	12/31/2017				12/31/2008			
	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	0.747%	\$ 142,670				
Narragansett Electric Co	4,942,500	2	0.553%	105,572				
Richmond Country Club II LLC	3,276,100	3	0.366%	69,977	\$ 3,649,000	3	0.384%	\$ 54,516
The Preserve at Boulder Hills LLC	2,892,800	4	0.323%	61,790				
New Castle Realty Company	2,681,000	5	0.300%	57,266	3,004,900	5	0.316%	44,893
Richmond 208 Realty LLC	2,275,400	6	0.254%	48,603				
Wawaloam Reservation Inc.	2,267,300	7	0.254%	48,430	2,314,500	10	0.244%	34,579
CVS 8230 RI LLC	2,237,300	8	0.250%	47,789				
Rolling Greens Corporation	2,163,600	9	0.242%	46,214	2,603,600	8	0.274%	38,898
JAG Enterprises Incorporated	2,063,600	10	0.231%	44,078	2,945,200	7	0.310%	44,001
E&A Northeast Ltd. Partnership					6,038,000	1	0.636%	90,208
Ocean State Golf Investors LLC					3,535,600	4	0.372%	52,822
Cadlerock Properties LLC					2,947,700	6	0.310%	44,039
Cox Communications Inc.					4,741,920	2	0.499%	70,844
Richmond Sand & Gravel Inc.					2,424,200	9	0.255%	36,218
	<u>\$ 31,478,900</u>		<u>3.52%</u>	<u>\$ 672,389</u>	<u>\$ 34,204,620</u>		<u>3.60%</u>	<u>\$ 511,017</u>
Total Assessed Value	\$ 894,316,910				\$ 949,961,586			
Tax Rate	\$ 21.36				\$ 14.94			

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 Initial Tax Levy Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2019	\$ 19,163,624	\$ 18,512,366	96.6%	\$ 18,512,366	96.6%
2018	18,594,046	17,995,965	96.8%	18,486,527	99.4%
2017	17,880,304	17,290,235	96.7%	17,824,325	99.7%
2016	17,354,620	16,750,448	96.5%	17,311,867	99.8%
2015 ⁽¹⁾	17,189,267	16,525,473	96.1%	17,151,674	99.8%
2014	16,740,540	16,019,946	95.7%	16,703,009	99.8%
2013	16,192,072	15,568,651	96.1%	16,157,302	99.8%
2012 ⁽¹⁾	15,705,615	14,916,850	95.0%	15,678,072	99.8%
2011	15,073,977	14,306,567	94.9%	15,049,904	99.8%
2010	14,376,803	13,753,597	95.7%	14,365,531	99.9%

(1) Statistical 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			
2019	\$ 4,270,000	\$ 5,063	\$ 1,967,167	\$ 6,242,230	3.91% (c)	\$ 809.84 (b)
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)

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 Ratio2013-2017 American Community Survey (ACS)

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

EXHIBIT 10

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Obligation Debt	\$ 4,346,052	\$ 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
Estimated Value of Taxable Property	\$ 894,316,910	\$ 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
Estimated value of taxable property as a % of General Obligation Debt	0.49%	0.57%	0.37%	0.43%	0.45%	0.19%	0.22%	0.26%	0.26%	0.18%

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		
2019	\$ 6,106,094	\$ 19,628,170	\$ 25,734,264	\$ 4,419,575	17.17%
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%

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	22	18	18	18	15	15	15	13	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 not actual count as of June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Central Administration										
Town Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Town Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Town Clerk	3.6	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	2.0	2.3	2.3	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	2.0	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	1.7	1.5	1.5	1.5	1.5	1.5	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	1.3	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	7.0	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
Senior Department Director	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
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 (seasonal)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	46.4	46.1	44.8	45.3	45.3	45.3	45.3	45.4	45.4	45.4

Source: Various town departments



CERTIFIED PUBLIC ACCOUNTANTS

875 Centerville Road, Building 3, Unit 10 • Warwick, RI 02886
(401) 586-6565 • Fax (401) 826-1710

***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, 2019, 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 December 30, 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 2019-001, 2019-002, and 2019-003 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
December 30, 2019

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2019

MATERIAL WEAKNESSES

2019-001 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, 2017-001 and 2018-001.

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 - The Town recognizes the segregation of duties is integral to internal controls. Procedures have been revised to include the Finance department in the review of reconciliation of daily deposits and trial balance reconciliation of the Tax Collector department.

2019-002 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 Director did not review and approve the monthly bank reconciliation and did not review and approve the payroll reports and journal entries or the deposits and cash receipt entries for most of the 2019 fiscal year.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2019

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. Also, there was turnover in the Finance Director position during fiscal year 2019, which resulted in additional responsibilities being assigned to the Assistant Finance Director. There is no additional staff in the Finance Office.

Identification of a repeat finding: This is a repeat finding from previous audits 2018-002.

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 Town recognizes the segregation of duties is integral to internal controls. Procedures have been revised to include the Finance Director duties to prepare the reconciliation of the bank statements as well as segregating other office duties to limit the custody and recording of transactions by one individual.

2019-003- 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 abatements provided by the Tax Assessor and the daily tax collections deposited and posted to the general ledger revenue accounts. The 2019 fiscal year tax activity was posted to the general ledger property tax receivable accounts at year end based on a cumulative reconciliation to the tax subsidiary report provided by the Tax Collector as of June 30, 2019. As a result, the reconciliation procedures in place are not adequate to prevent, detect and correct misstatements in a timely manner.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2019

Identification of a repeat finding: This is a repeat finding from previous audits 2015-002, 2016-002, 2017-002 and 2018-003.

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 - The Town recognizes the need for the change of the Tax reconciliation process. Procedures have been revised to include the Finance Director as the person responsible for the reconciliation of the tax transactions on a monthly basis.