

TOWN OF RICHMOND, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year Ending
June 30, 2022**



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

TOWN OF RICHMOND, RHODE ISLAND

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ending
June 30, 2022**

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

INTRODUCTORY SECTION

**THIS SECTION CONTAINS
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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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FINANCE OFFICE

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December 22, 2022

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

The Annual Comprehensive Financial Report of the Town of Richmond, Rhode Island for the fiscal year ended June 30, 2022, 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 features a 5-member Town Council headed by a Council President a Town Administrator who reports directly to the Town Council, a Finance Board and an annual Financial Town Meeting. 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 7,741 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 2020.

Year	Town	% Change Increase	State	% Change Increase
2020	7,741	.4%	1,097,379	4.2%
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 Household Income

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

	1990		2000		2010		2020	
	<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.....	42,418	120.42%	64,688	129.26%	79,762	153.60%	95,391	134.00%
State of Rhode Island	39,172	111.21%	70,663	141.20%	51,914	107.70%	71,169	108.30%
United States	35,225		50,046	---	50,046	---	65,712	---

Source: U.S. Bureau of the Census.

Unemployment

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

Average Annual Unemployment Rates								
2014 - Present								
Year	2021	2020	2019	2018	2017	2016	2015	2014
	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
United States	5.3	8.1	3.7	3.9	4.4	4.9	5.3	6.2
Rhode Island	5.6	9.2	3.6	4.0	4.4	5.2	6.0	7.7

Richmond Labor Force Statistics

	Year	Labor Force	Employed	Unemployed	Unemployment Rate
Richmond Annual Average	2021	4,485	4,324	161	3.6
State Rhode Island Annual Average	2021	571,034	538,969	32,065	5.6

Source:
RHODE ISLAND DEPT OF LABOR AND TRAINING www.dlt.ri.gov

**Rhode Island Department of Labor & Training
Quarterly Census of U.I. Covered Employment and Wages
City and Town Quarterly Report 2021 Annual**

City Town County	Industry	Number of Units	Average Employment	Total Wages
Richmond	Total Private & Government	168	1,997	95,074,052
Richmond	Total Private Only	160	1,346	51,296,406
	Agriculture, Forestry, Fishing &			
Richmond	Hunting	7	*	*
Richmond	Mining	1	*	*
Richmond	Utilities	0	0	0
Richmond	Construction	28	148	7,535,926
Richmond	Manufacturing	4	78	3,599,529
Richmond	Wholesale Trade	8	48	3,124,961
Richmond	Retail Trade	24	287	9,640,930
Richmond	Transportation & Warehousing	3	93	2,250,897
Richmond	Information	2	*	*
Richmond	Finance & Insurance	5	50	2,353,602
Richmond	Real Estate & Rental & Leasing	2	*	*
Richmond	Professional & Technical Services	16	47	2,352,567
	Management of Companies &			
Richmond	Enterprises	0	0	0
	Administrative Support & Waste			
Richmond	Mngmnt.	13	71	3,264,809
Richmond	Educational Services	1	*	*
Richmond	Health Care & Social Assistance	14	42	1,858,122
Richmond	Arts, Entertainment, & Recreation	6	81	1,614,752
Richmond	Accommodation & Food Services	17	235	5,065,664
Richmond	Other services (except Public Admin.)	12	31	980,875
Richmond	Unclassified Establishments	0	0	0
Richmond	Government	8	652	43,777,646

* 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 may not add due to rounding variations

Major Employers

Kenyon Industries (finishing plant) employs 225 employees, located on the Charlestown/Richmond border, is the largest employer in Richmond, followed by a grocery retailer The Stop and Shop Supermarket Company LLC which employs around 100 employees and VIBCO Construction Machinery company which employs 100.

A majority of the businesses in Richmond are small and employ fewer than 50 people. According to RIDLT, the number of private businesses in Richmond over the past five years has fluctuated between 148 and 160, with most jobs in the Construction, Retail, and Accommodations and Food (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, draft September 2020.

Housing

According to the 2020 U.S. Census there were a total of 3,173 housing units compared to 2,952 in 2010. This represented an increase of 221 units or 7%. It is estimated that in 2019 the total housing units in Richmond totaled 3,025 and the median selling price of existing single-family homes was \$305,000 according to HousingWorksRI with study completed by Roger Williams University.

Impact of the novel coronavirus (COVID-19)

The Town of Richmond has not been impacted by the virus as much as larger, more urban communities. It could be the rural nature of Richmond that has helped to lessen the impact of the pandemic on the community. There is an increased awareness for mental health services to be provided to the residents. This is a national issue and Richmond is assessing the situation for local service enhancements. The financial impact has been minimal for the Town as our Public Safety and Public Works departments were able to offer the same service to the community during this event as before.

Building Permits

Below is a schedule of residential building permits issued by the Town's Building Inspector for the years ending 2012 through 2022.

Fiscal Year	Number	Value
2022	23	5,543,175
2021	23	3,951,530
2020	43	5,963,878
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

Source :Town Building Official

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the seventh year that the government had achieved this prestigious award. The Town has applied for the Certificate for the fiscal year ended June 30, 2021.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and effectively organized Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive Financial Report could not have been accomplished without the dedication and hard work of the Deputy Finance Director, Jennifer Fournier. 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

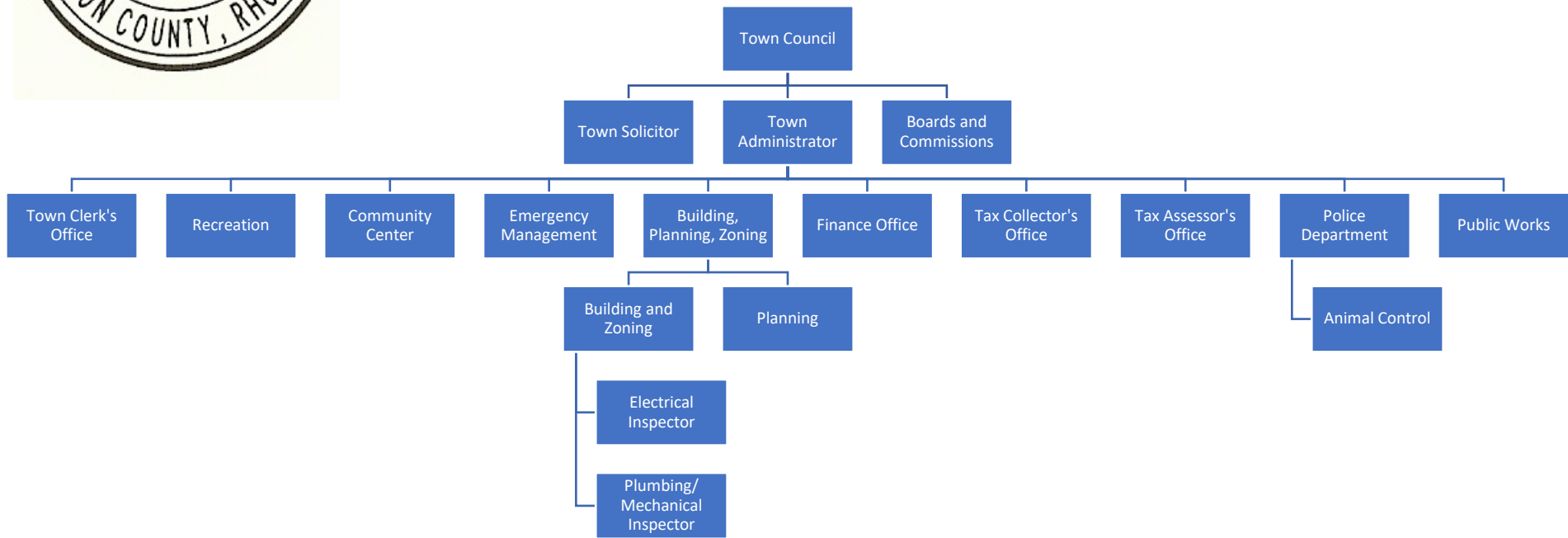
Submitted,



Laura K Kenyon
Finance Director



TOWN OF RICHMOND ORGANIZATIONAL CHART



TOWN OF RICHMOND, RHODE ISLAND

**LIST OF TOWN OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

TOWN COUNCIL

Nell Carpenter, Town Council President
James Palmisciano, Town Council Vice President
Richard Nassaney
Ronald D. Newman
Lauren Cacciola

TOWN ADMINISTRATOR

Karen Pinch

TOWN CLERK

Erin Liese

FINANCE DIRECTOR

Laura Kenyon

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

Independent Auditor's Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island, as of and for the year ended June 30, 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Richmond, Rhode Island and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Richmond, Rhode Island's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Richmond, Rhode Island 's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Richmond, Rhode Island 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and supplementary pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental

Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Richmond, Rhode Island's basic 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 presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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.

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022 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 Town of Richmond, Rhode Island 's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
December 22, 2022

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

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, 2022.

Financial Highlights

- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$4,769,834 or 17.12% 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, the Town's policy is to have 15%. Additionally, the non-spendable and committed fund balances amounted to \$83,423 and \$462,998 respectively, which is comprised of non-spendable amounts for prepaid expenditures and amounts committed to be spent on specific purposes in future years. The current year did not have an assignment of fund balance for the 2023 budget.
- ❖ The Town's Government-wide (Governmental and Business-Type Activities) operating expenses were \$27,593,555, a .7% decrease from the prior year, while revenues were \$28,687,160, a 1.6% increase.
- ❖ The current fiscal year General Fund revenues and transfers exceeded expenditures and transfers by \$367,993.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,412,661. Included in this amount is the general fund unassigned balance of \$4,769,834, restricted fund balances of \$1,140,137, committed fund balance of \$2,416,920, non-spendable fund balances of \$83,423 and assigned fund balance of \$2,347.
- ❖ The Town's net position increased \$1,093,605 or 5.75% 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 \$20,100,544. Net position of Business-Type Activities decreased by \$127,791, or 6%, while net position of Governmental Activities increased by \$1,221,396 or 7.2%.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

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 14 through 15.

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

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

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, American Rescue Plan Act 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 20 through 23.

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 24 and 25.

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 26 through 56.

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 57-59. A detail budgetary comparison can be found on pages 60 through 61.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 68 through 77.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

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 \$18,113,079 as of June 30, 2022. This is an increase of \$1,221,396 from the previous year.

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

	Net Position					
	June 30, 2022			June 30, 2021		
	<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	\$ 11,103,350	\$ 49,728	\$ 11,153,078	\$ 8,609,894	\$ 73,660	\$ 8,683,554
Capital Assets Net	12,149,850	3,869,056	16,018,906	12,672,284	3,966,388	16,638,672
Total Assets	<u>23,253,200</u>	<u>3,918,784</u>	<u>27,171,984</u>	<u>21,282,178</u>	<u>4,040,048</u>	<u>25,322,226</u>
Deferred Outflows of resources	431,300		431,300	600,519		600,519
Current liabilities	2,139,167	102,450	2,241,617	864,173	61,098	925,271
Non-Current Liabilities	2,125,924	1,828,869	3,954,793	3,555,947	1,863,694	5,419,641
Total Liabilities	<u>4,265,091</u>	<u>1,931,319</u>	<u>6,196,410</u>	<u>4,420,120</u>	<u>1,924,792</u>	<u>6,344,912</u>
Deferred Inflows of resources	1,306,330	-	1,306,330	570,894	-	570,894
Net investment in capital assets	10,250,555	2,004,053	12,254,608	10,556,696	2,066,329	12,623,025
Restricted	726,406		726,406	324,193		324,193
Unrestricted	7,136,118	(16,588)	7,119,530	6,010,794	48,927	6,059,721
Total Net Position	<u>\$ 18,113,079</u>	<u>\$ 1,987,465</u>	<u>\$ 20,100,544</u>	<u>\$ 16,891,683</u>	<u>\$ 2,115,256</u>	<u>\$ 19,006,939</u>

A portion of the Town's net position, \$10,250,555 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, 2022 the Town of Richmond reports positive balances in all categories of net position for the government as a whole.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

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, 2022. Governmental activities increased the Town's net position by \$1,221,396 for the current period, accounting for a 7.2% increase in the Town's governmental net position, while business-type activities decreased the Town's net position by \$127,791, accounting for 6.0% decrease in the business-type growth in net position. Overall the Town's net position increase was \$1,093,605 which is a 5.8% increase over the prior year.

In the Statement of Activities, expenditures for capital items are not recorded as expenses but instead are reported as increases to capital assets in the Statement of Net Position, which would result in an increase net position, net of disposed capital assets, of \$464,458 for the Statement of Net Position, while depreciation expense results in a decrease of \$986,892, respectively. Bonds principal payments of \$495,000 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 an increase in the Town's Governmental activities net position by \$1,221,396. 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 19 of this report. The General Funds also contributed to the increase in net position as discussed in the budgetary highlights.

In the fund financial statements, the Town ended the year with a net increase in the General Fund balance of \$367,993 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 18. This increased the cumulative General Fund balance surplus to \$5,316,255, which is 19% of the 2021-2022 General Fund revised budgeted expenditures and transfers. Total changes in fund balances for the Town were \$853,480 increasing the cumulative Governmental Fund surplus to \$8,412,661, primarily due to the increase in the General Fund as a result of Revenues and transfers in excess of expenditures and transfers out in the amount of \$367,993 and grant revenue reported in the Capital fund of \$235,000.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

Changes in Net Position

	June 30,2022			June 30,2021		
	<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	\$ 1,143,309	\$ 172,874	\$ 1,316,183	\$ 988,391	\$ 177,726	\$ 1,166,117
Operating grants	5,227,686		5,227,686	6,028,808		6,028,808
Capital grants	235,000	9,101	244,101		41,601	41,601
General Revenues/transfers						
Property taxes	20,937,736		20,937,736	20,538,141		20,538,141
Investment earnings	9,397		9,397	8,422		8,422
State aid	937,393		937,393	453,461		453,461
Miscellaneous revenue	14,664		14,664	1,512		1,512
Total revenues	<u>28,505,185</u>	<u>181,975</u>	<u>28,687,160</u>	<u>28,018,735</u>	<u>219,327</u>	<u>28,238,062</u>
Expenses						
General government	1,888,270		1,888,270	1,791,998		1,791,998
Public safety	2,198,591		2,198,591	2,239,277		2,239,277
Public works	2,252,001		2,252,001	2,381,126		2,381,126
Recreation and culture	34,158		34,158	22,428		22,428
Education	20,633,430		20,633,430	20,087,840		20,087,840
Community services	223,925		223,925	879,845		879,845
Other	8,077		8,077	8,241		8,241
Interest	45,337		45,337	58,744		58,744
Water operations		309,766	309,766		319,539	319,539
Total expenses	<u>27,283,789</u>	<u>309,766</u>	<u>27,593,555</u>	<u>27,469,499</u>	<u>319,539</u>	<u>27,789,038</u>
Change in net position	1,221,396	(127,791)	1,093,605	549,236	(100,212)	449,024
Net position - beginning restated	<u>16,891,683</u>	<u>2,115,256</u>	<u>19,006,939</u>	<u>16,342,447</u>	<u>2,215,468</u>	<u>18,557,915</u>
Net position - ending	<u>\$ 18,113,079</u>	<u>\$ 1,987,465</u>	<u>\$ 20,100,544</u>	<u>\$ 16,891,683</u>	<u>\$ 2,115,256</u>	<u>\$ 19,006,939</u>

Financial Analysis of the Town of Richmond's Funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,412,661. Included in this amount is the general fund unassigned balance of \$4,769,834, restricted fund balances of \$1,140,137 for purposes externally imposed by grantors, contributors or laws and regulations, committed fund balance of \$2,416,920 for capital and other specific purposes, non-spendable fund balances of \$83,423 and assigned fund balance of \$2,347.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

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 \$1,987,465

General Fund Budgetary Highlights

Revenues:

General Revenue –There was more revenue for the collection of prior year taxes than anticipated. The Hotel tax, which is a passthrough to the Town from the State, was higher than budgeted. The return of tourism to Richmond was not expected to occur as quickly as it apparently did as evidence by this increase in Hotel tax revenue. The real estate transfer fees, as a result of a booming real estate market, contributed to the favorable budgetary variance as well. Revenue of \$47,089 from FEMA for a winter storm to offset the budgetary deficit of the Public Works department was also recognized. The total budgetary revenue surplus in the General Fund totaled \$358,896.

Expenditures:

The General Fund expenditures ended the fiscal year with a favorable budgetary variance of \$225,528 as a net result of the following:

General Government - expenditures were under budget by \$152,911 as a result of positive budgetary variance in contingency and technology due to remote work with less capital purchases.

Public Safety – expenditures were under budget for police patrol budgeted overtime and a dispatcher full time person being vacant during the year totaling a favorable variance of \$47,326.

Recreation activities – expenditures were under budget due to less activities conducted this year totaling \$15,509

Public Works - expenditures were over budget by \$31,257 due to a winter storm requiring overtime, an increase tree removal costs and additional transfer station fees due to an increase of activity at the station. There is an offset to the storm overtime as a revenue reimbursement from FEMA for \$47,089. Which would have a net positive result in the department.

The total budgetary surplus totaled \$584,424 or 2.1% of the total budget. This increase allows for the continued reserve for unanticipated events in the future and/or a contribution to offset any future tax increase for capital projects.

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 \$16,018,906 net of accumulated depreciation at June 30, 2022. 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 37.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

Capital Assets (Net of Accumulated Depreciation)

	June 30,2022			June 30,2021		
	<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	\$ 4,390,750	\$ 59,254	\$ 4,450,004	\$ 4,390,750	\$ 59,254	\$ 4,450,004
Construction in Progress	-	110,316	110,316	-	84,906	84,906
Infrastructure	5,827,641		5,827,641	6,481,526		6,481,526
Land improvements	488,030		488,030	431,559		431,559
Buildings and improvements	499,408	102,199	601,607	562,460	124,841	687,301
Furniture and equipment	172,479		172,479	112,714		112,714
Motor vehicles	771,542		771,542	693,275		693,275
Main extension		1,205,630	1,205,630		1,244,373	1,244,373
Water Tank		2,110,963	2,110,963		2,197,656	2,197,656
Equipment and machinery		280,694	280,694		255,358	255,358
Total	\$ 12,149,850	\$ 3,869,056	\$ 16,018,906	\$ 12,672,284	\$ 3,966,388	\$ 16,638,672

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 \$2,275,000 and the Business-Type Activities USDA loans amounted to \$1,865,003. 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 the annual review 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 \$30,246,807 at year-end. The Town's outstanding general obligation debt subject to the debt limit is \$4,140,003 at year-end, which is \$26,106,804 under the State imposed limitation.

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

	June 30,2022			June 30,2021		
	<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	\$ 2,275,000	\$ -	\$ 2,275,000	\$ 2,770,000	\$ -	\$ 2,770,000
Loans Payable	-	1,865,003	1,865,003	-	1,900,059	1,900,059
Financed Purchase	-	-	-	1,222	-	1,222
Totals	\$ 2,275,000	\$ 1,865,003	\$ 4,140,003	\$ 2,771,222	\$ 1,900,059	\$ 4,671,281

Additional information on the Town's long-term debt can be found in Note 7 of the Notes to the Financial Statements on pages 38-40.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Unaudited)

Economic Factors and Next Year's Budgets and Rates

The Town of Richmond's total general fund budget for fiscal year 2023 amounts to \$28,071,772, which reflects an increase of \$291,336 over the fiscal 2022 original budget of \$27,780,436. Of the Town's 2023 budget, \$20,681,516, or 73.6% is budgeted for educational purposes and \$7,390,256, or 26.4% is budgeted for all other purposes.

The Town's tax rate for fiscal 2023 is \$20.58/1000 of assessed value while in fiscal 2022 the Town's tax rate was \$20.62.

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, 2019, which was the basis of the 2020 tax bills collected in the 2021 fiscal year end. The Town is completing a statistical revaluation that will be reflected in the 2023 tax bills collected for the 2024 fiscal year end. The Town's tax rates for 2022 and 2023 with their differences are listed below. The tax on Motor Vehicles had been frozen at \$22.64 and the tax was eliminated by the State for 2023. The State has increased the revenue to the Town for this phase out elimination. The tax on Inventory has already been phased out. All current Tax Rates are per \$1,000 of assessed valuation.

Tax Rates

	2023	2022	Increase (Decrease)
Real Property	\$ 20.58	\$ 20.62	\$ (0.04)
Motor Vehicles	NA	\$ 22.64	
Tangibles	\$ 20.58	\$ 20.62	\$ (0.04)

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, 2022

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Assets			
Current assets:			
Cash and cash equivalents	\$ 9,532,093	\$ -	\$ 9,532,093
Property taxes, net of allowance for uncollectible accounts	889,768	-	889,768
Accounts receivable - net	84,668	48,866	133,534
Due from federal and state government	149,740	-	149,740
Internal balances	(862)	862	-
Prepaid expenses	83,423	-	83,423
Total current assets	<u>10,738,830</u>	<u>49,728</u>	<u>10,788,558</u>
Noncurrent assets:			
Capital assets: (Note 6)			
Land and land rights	4,390,750	59,254	4,450,004
Construction in progress	-	110,316	110,316
Depreciable buildings, equipment and infrastructure, net	7,759,100	3,699,486	11,458,586
Net pension assets	364,520	-	364,520
Total noncurrent assets	<u>12,514,370</u>	<u>3,869,056</u>	<u>16,383,426</u>
Total assets	<u>23,253,200</u>	<u>3,918,784</u>	<u>27,171,984</u>
Deferred Outflows of Resources			
Deferred pension amounts	431,300	-	431,300
Total deferred outflows of resources	<u>431,300</u>	<u>-</u>	<u>431,300</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	354,356	43,090	397,446
Accrued interest payable	16,183	23,226	39,409
Other liabilities	96,163	-	96,163
Unearned revenue	1,156,919	-	1,156,919
Compensated absences payable	15,546	-	15,546
Long-term debt - due within one year (Note 7)	500,000	36,134	536,134
Total current liabilities	<u>2,139,167</u>	<u>102,450</u>	<u>2,241,617</u>
Noncurrent liabilities:			
Compensated absences payable	276,516	-	276,516
Note payable	36,382	-	36,382
Long-term debt - due in more than one year (Note 7)	1,813,026	1,828,869	3,641,895
Total noncurrent liabilities	<u>2,125,924</u>	<u>1,828,869</u>	<u>3,954,793</u>
Total liabilities	<u>4,265,091</u>	<u>1,931,319</u>	<u>6,196,410</u>
Deferred Inflows of Resources			
Deferred pension amounts	1,306,330	-	1,306,330
Total deferred inflows of resources	<u>1,306,330</u>	<u>-</u>	<u>1,306,330</u>
Net position			
Net investment in capital assets	10,250,555	2,004,053	12,254,608
Restricted for:			
Historical records preservation	39,430	-	39,430
Land trust	17,381	-	17,381
Senior activities	28,041	-	28,041
Public safety programs	11,919	-	11,919
Community service programs	20,345	-	20,345
Dog park	7,925	-	7,925
Scholarships	58,478	-	58,478
Affordable housing	183,183	-	183,183
Other programs	27,864	-	27,864
Capital	331,840	-	331,840
Unrestricted	7,136,118	(16,588)	7,119,530
Total net position	<u>\$ 18,113,079</u>	<u>\$ 1,987,465</u>	<u>\$ 20,100,544</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, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$ 1,888,270	\$ 761,308	\$ 1,190	\$ 235,000	\$ (890,772)	\$ -	\$ (890,772)
Public safety	2,198,591	162,224	48,220	-	(1,988,147)	-	(1,988,147)
Public works	2,252,001	180,552	-	-	(2,071,449)	-	(2,071,449)
Recreation and culture	34,158	33,120	2,000	-	962	-	962
Education	20,633,430	-	5,149,642	-	(15,483,788)	-	(15,483,788)
Community services	223,925	6,105	26,634	-	(191,186)	-	(191,186)
Canvassing authority	8,077	-	-	-	(8,077)	-	(8,077)
Interest and other charges	45,337	-	-	-	(45,337)	-	(45,337)
Total governmental activities	<u>27,283,789</u>	<u>1,143,309</u>	<u>5,227,686</u>	<u>235,000</u>	<u>(20,677,794)</u>	<u>-</u>	<u>(20,677,794)</u>
Business-Type Activities:							
Water fund	309,766	172,874	-	9,101	-	(127,791)	(127,791)
Total business-type activities	<u>309,766</u>	<u>172,874</u>	<u>-</u>	<u>9,101</u>	<u>-</u>	<u>(127,791)</u>	<u>(127,791)</u>
Total	<u>\$ 27,593,555</u>	<u>\$ 1,316,183</u>	<u>\$ 5,227,686</u>	<u>\$ 244,101</u>	<u>(20,677,794)</u>	<u>(127,791)</u>	<u>(20,805,585)</u>
General Revenues:							
Property taxes					20,937,736	-	20,937,736
State aid and in lieu of taxes, not restricted for a specific purpose					937,393	-	937,393
Investment earnings					9,397	-	9,397
Miscellaneous revenue					14,664	-	14,664
Total general revenues					<u>21,899,190</u>	<u>-</u>	<u>21,899,190</u>
Change in net position					1,221,396	(127,791)	1,093,605
Net position - beginning of year					<u>16,891,683</u>	<u>2,115,256</u>	<u>19,006,939</u>
Net position - end of year					<u>\$ 18,113,079</u>	<u>\$ 1,987,465</u>	<u>\$ 20,100,544</u>

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

TOWN OF RICHMOND, RHODE ISLAND

*Balance Sheet
Governmental Funds
June 30, 2022*

	<u>General Fund</u>	<u>American Rescue Plan Act</u>	<u>Capital Bond Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 8,189,644	\$ 1,159,266	\$ -	\$ 183,183	\$ 9,532,093
Property taxes, net of allowance for doubtful accounts of \$300,000	889,768	-	-	-	889,768
Accounts receivable	48,273	-	-	36,382	84,655
Due from federal and state government	147,489	-	-	2,251	149,740
Due from other funds	460	-	1,506,436	1,515,437	3,022,333
Prepaid items	83,423	-	-	-	83,423
Total assets	<u>\$ 9,359,057</u>	<u>\$ 1,159,266</u>	<u>\$ 1,506,436</u>	<u>\$ 1,737,253</u>	<u>\$ 13,762,012</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable and accrued expenditures	\$ 211,746	\$ -	\$ 105,385	\$ 7,416	\$ 324,547
Due to other funds	3,052,544	-	-	447	3,052,991
Other liabilities	96,163	-	-	-	96,163
Unearned revenue	-	1,156,919	-	-	1,156,919
Total liabilities	<u>3,360,453</u>	<u>1,156,919</u>	<u>105,385</u>	<u>7,863</u>	<u>4,630,620</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	682,349	-	-	-	682,349
Other deferred inflows	-	-	-	36,382	36,382
Total deferred inflows of resources	<u>682,349</u>	<u>-</u>	<u>-</u>	<u>36,382</u>	<u>718,731</u>
Fund balances					
Nonspendable:					
Prepaid items	83,423	-	-	-	83,423
Restricted for:					
Capital projects	-	-	745,571	-	745,571
Historical records preservation	-	-	-	39,430	39,430
Senior activities	-	-	-	28,041	28,041
Public safety programs	-	-	-	11,919	11,919
Recreation programs	-	-	-	1,803	1,803
Community service programs	-	-	-	20,345	20,345
Dog park	-	-	-	7,925	7,925
Land trust	-	-	-	17,381	17,381
Education scholarships	-	-	-	58,478	58,478
Affordable housing	-	-	-	183,183	183,183
Friends Cemetery	-	-	-	26,061	26,061
Committed for:					
Planning and inspections	-	-	-	82,505	82,505
Public facilities	-	-	-	1,199,433	1,199,433
Public safety programs	-	-	-	16,504	16,504
Revaluation	193,001	-	-	-	193,001
Comprehensive Plan	6,418	-	-	-	6,418
Capital projects	-	-	655,480	-	655,480
Capital - Alton Water	19,291	-	-	-	19,291
Capital - Foster Woods recreation	12,794	-	-	-	12,794
Landscaping projects	675	-	-	-	675
Landfill	50,000	-	-	-	50,000
COVID relief	69,040	-	-	-	69,040
Future state aid funding shortfalls	111,779	-	-	-	111,779
Assigned for community service projects	-	2,347	-	-	2,347
Unassigned	4,769,834	-	-	-	4,769,834
Total fund balances	<u>5,316,255</u>	<u>2,347</u>	<u>1,401,051</u>	<u>1,693,008</u>	<u>8,412,661</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,359,057</u>	<u>\$ 1,159,266</u>	<u>\$ 1,506,436</u>	<u>\$ 1,737,253</u>	<u>\$ 13,762,012</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, 2022

Total Fund Balances - Total Governmental Funds \$ 8,412,661

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) 12,149,850

Long-term liabilities (including bonds payable, compensated absences, note payable) 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) (2,641,470)

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. (16,183)

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. 682,349

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 431,300

Deferred inflows of resources (1,306,330)

Other accounts receivable and revenues are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the Governmental Funds Financial Statements. 36,382

Net pension assets are not available to pay for current period expenditures and, therefore are not reported in the Governmental Fund financial statements. 364,520

Net Position - Governmental Activities \$ 18,113,079

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, 2022

	<u>General Fund</u>	<u>American Rescue Plan Act</u>	<u>Capital Bond Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 20,935,698	\$ -	\$ -	\$ -	\$ 20,935,698
Intergovernmental revenue	6,134,124	-	235,000	18,356	6,387,480
License, permits and fees	678,111	-	-	336,672	1,014,783
Interest on investments	6,779	2,347	-	271	9,397
Other revenues	143,189	-	-	17,477	160,666
Total revenues	<u>27,897,901</u>	<u>2,347</u>	<u>235,000</u>	<u>372,776</u>	<u>28,508,024</u>
Expenditures:					
Current:					
General government	1,600,717	-	187,500	18,653	1,806,870
Public safety	2,325,405	-	-	3,586	2,328,991
Public works	1,449,052	-	-	-	1,449,052
Recreation and culture	33,711	-	-	447	34,158
Education	20,633,430	-	-	-	20,633,430
Community services	175,925	-	-	48,000	223,925
Canvassing authority	8,077	-	-	-	8,077
Capital outlay	-	-	527,557	80,459	608,016
Debt service:	-	-	-	-	-
Principal	495,000	-	-	4,878	499,878
Interest and other charges	62,147	-	-	-	62,147
Total expenditures	<u>26,783,464</u>	<u>-</u>	<u>715,057</u>	<u>156,023</u>	<u>27,654,544</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>1,114,437</u>	<u>2,347</u>	<u>(480,057)</u>	<u>216,753</u>	<u>853,480</u>
Other financing sources (uses):					
Transfers in	-	-	746,444	-	746,444
Transfers out	(746,444)	-	-	-	(746,444)
Total other financing sources (uses)	<u>(746,444)</u>	<u>-</u>	<u>746,444</u>	<u>-</u>	<u>-</u>
Net change in fund balances	367,993	2,347	266,387	216,753	853,480
Fund balances - beginning of year	<u>4,948,262</u>	<u>-</u>	<u>1,134,664</u>	<u>1,476,255</u>	<u>7,559,181</u>
Fund balances - end of year	<u>\$ 5,316,255</u>	<u>\$ 2,347</u>	<u>\$ 1,401,051</u>	<u>\$ 1,693,008</u>	<u>\$ 8,412,661</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, 2022

Net Changes in Fund Balances - Total Governmental Funds	\$ 853,480
 <i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
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.	464,458
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.	
	(986,892)
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.	
	(38,938)
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 Governmental 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.	495,000
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.	
	4,135
Financed purchases and notes payable 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 financed purchases and notes payable 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 financed purchases and notes principal payments during the current period.	6,100
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.	
	(2,840)
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.	12,676
Long-term net pension liabilities(assets) 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 (assets) are not reported as expenditures in Governmental Funds financial statements.	
This is the amount of the change in long-term net pension liabilities (assets) and related deferred pension amounts in the current period.	414,217
Change in Net Position of Governmental Activities	\$ 1,221,396

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2022

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
Assets	
Current assets:	
Accounts receivable, user fees - net	\$ 15,121
Accrued revenue	24,644
Other receivables	9,101
Due from other funds	862
Total current assets	<u>49,728</u>
Noncurrent assets:	
Capital assets:	
Land	59,254
Construction in progress	110,316
Depreciable buildings, equipment and infrastructure, net	<u>3,699,486</u>
Total noncurrent assets	<u>3,869,056</u>
Total assets	<u>3,918,784</u>
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	43,090
Accrued interest payable	23,226
Long-term debt -due within one year	<u>36,134</u>
Total current liabilities	<u>102,450</u>
Noncurrent liabilities	
Long-term debt -due in more than one year	<u>1,828,869</u>
Total noncurrent liabilities	<u>1,828,869</u>
Total liabilities	<u>1,931,319</u>
Net position	
Net investment in capital assets	2,004,053
Unrestricted	<u>(16,588)</u>
Total net position	<u>\$ 1,987,465</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, 2022

	<u>Enterprise Fund</u> <u>Water Fund</u>
Operating revenues	
User fees	\$ 172,874
Total operating revenues	<u>172,874</u>
Operating expenses	
Utilities	14,177
Administrative expenses	20,927
Materials, supplies and operations	58,240
Depreciation	160,500
Total operating expenses	<u>253,844</u>
Operating loss	<u>(80,970)</u>
Nonoperating expenses	
Interest expense	(55,922)
Total nonoperating expenses	<u>(55,922)</u>
Net loss before capital contributions	(136,892)
Capital contributions - Hopkinton	9,101
Change in net position	(127,791)
Total net position - beginning of year	<u>2,115,256</u>
Total net position - end of year	<u><u>\$ 1,987,465</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, 2022

	<u>Enterprise Fund</u> <u>Water Fund</u>
<i>Cash flows from operating activities</i>	
Receipts from customers for user fees	\$ 168,565
Payments to suppliers for goods and services	(73,051)
Payments to other funds for services provided	(18,700)
<i>Net cash provided by operating activities</i>	<u>76,814</u>
<i>Cash flows from non-capital financing activities</i>	
Interfund transactions	37,218
<i>Net cash provided by non-capital financing activities</i>	<u>37,218</u>
<i>Cash flows from capital and related financing activities</i>	
Acquisition and construction of capital assets	(22,602)
Principal paid on loan	(35,056)
Interest paid on loan	(56,374)
<i>Net cash used for capital and related financing activities</i>	<u>(114,032)</u>
<i>Net increase in cash and cash equivalents</i>	-
<i>Cash and cash equivalents - beginning of year</i>	<u>-</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ -</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	<u>Enterprise Fund</u> <u>Water Fund</u>
<i>Reconciliation of operating loss to net cash provided by operating activities:</i>	
Operating loss	\$ (80,970)
<i>Adjustments to reconcile operating loss to net cash provided by operating activities:</i>	
Depreciation	160,500
Changes in assets and liabilities:	
Increase in accounts receivable and accrued revenue, user fees	(4,186)
Decrease in accounts payable and accrued expenses	<u>1,470</u>
<i>Net cash provided by operating activities</i>	<u><u>\$ 76,814</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, 2022

	<i>Private-Purpose Trust Funds</i>
<i>Assets</i>	
Cash and cash equivalents	\$ 2,911
Investments	144,831
Due from other funds	29,809
<i>Total assets</i>	<u>177,551</u>
<i>Liabilities</i>	
Due to other funds	<u>13</u>
<i>Total liabilities</i>	<u>13</u>
<i>Net Position</i>	
Restricted for individuals and other organizations	<u><u>\$ 177,538</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, 2022

	<u><i>Private-Purpose Trust Funds</i></u>
<i>Additions</i>	
Investment earnings:	
Net increase (decrease) in fair value of investments	\$ (23,443)
Interest and dividends	<u>2,954</u>
Total investment earnings	(20,489)
Less investment expenses	<u>2,274</u>
Net investment earnings	<u>(22,763)</u>
 <i>Total additions</i>	 <u>(22,763)</u>
<i>Deductions</i>	
Miscellaneous	<u>1,105</u>
<i>Total deductions</i>	<u>1,105</u>
 <i>Change in net position</i>	 (23,868)
 <i>Net position - beginning of year</i>	 <u>201,406</u>
 <i>Net position - end of year</i>	 <u><u>\$ 177,538</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, 2022

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, 2022

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, 2022

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.

American Rescue Plan Act Fund – The American Rescue Plan Act Fund (ARPA) accounts for the funds received under the ARPA and related expenditure of those funds.

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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

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. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as a custodian 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.

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

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 87 – *Leases*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the Town’s fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3 which were effective upon issuance.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, paragraphs 11b, 13 and 14, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for the Town’s fiscal year ending June 30, 2022, except for paragraphs 4 and 5 which were effective upon issuance.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 99 – *Omnibus 2022*, effective upon issuance, except for requirements related to leases, PPPs and SBITAs which are effective for the Town’s fiscal year ending June 30, 2023 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 which are effective for the Town’s fiscal year ending June 30, 2024.

The adoption of GASB Statement Numbers 87, 89 and 98 and portions of GASB Statement Numbers 92, 93, 97 and 99 applicable in fiscal year 2022 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. 91 – *Conduit Debt Obligations*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 99 – *Omnibus 2022*, requirements related to leases, PPPs and SBITAs which are effective for the Town’s fiscal year ending June 30, 2023, and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 which are effective for the Town’s fiscal year ending June 30, 2024.
- GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective for the Town’s fiscal year ending June 30, 2024.
- GASB Statement No. 101 – *Compensated Absences*, effective for the Town’s fiscal year ending June 30, 2025.

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).

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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. 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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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 assets 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 assets 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 96.7% of the total 2021 levy. The tax levy of the Town is approved by the citizens at the Financial Town Meeting.

The Town's fiscal 2021-2022 property taxes were levied in July 2021 on assessed valuation as of December 31, 2020. 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 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, 2022. 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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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.

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 \$30,246,807. As of June 30, 2022, the Town's debt subject to the legal debt margin is \$4,140,003 and the Town is under the debt limit by \$26,106,804. The debt subject to the debt limitation is based on the type of debt that is issued.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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</u>
	<u>Amount</u>
Total Deposits	\$9,530,683
Add: Petty cash	1,410
Investments classified as cash and cash equivalents	<u>2,911</u>
Total Cash and Cash Equivalents	
Reported in the Financial Statements	<u><u>\$9,535,004</u></u>

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, 2022, \$5,110,735 of the Town’s bank balance of \$9,501,262 was exposed to custodial credit risk as follows:

	<u>Bank</u>
	<u>Balance</u>
Insured (Federal depository insurance funds)	<u>\$4,390,527</u>
Collateralized with securities, held by pledging financial Institution or its agent, in the Town’s name	5,105,002
Uninsured and uncollateralized	<u>5,733</u>
Total	<u><u>\$9,501,262</u></u>

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, 2022, the uninsured and uncollateralized deposits with institutions were \$5,733. These deposits are not time deposits with maturities greater than 60 days and are held by an institution that meets the minimum capital standards prescribed by federal regulators.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 4 – INVESTMENTS

At June 30, 2022, the Town’s investments were as follows:

<u><i>Investment</i></u>	<u><i>Weighted Average Maturity</i></u>	<u><i>Fair Value</i></u>	<u><i>Rating</i></u>
Fidelity Investment Money Market Fund			
- Government Portfolio Funds	22 days	\$ 2,911	AAAm
ETFs - Domestic Equity Funds	N/A	62,691	Not Rated
ETFs - Real Estate Funds	N/A	911	Not Rated
ETFs - International Equity Funds	N/A	2,256	Not Rated
ETFs - Domestic Fixed Income	average- not available	11,998	AA (average)
ETFs - Domestic Fixed Income	average- not available	7,916	AA (average)
ETFs - Domestic Fixed Income	7.38 years	1,953	AAA (average)
Mutual Funds - Domestic Fixed Income	average- not available	3,460	B- (average)
Mutual Funds - Domestic Fixed Income	7.64 years	3,792	A+(average)
Mutual Funds - Domestic Fixed Income	8.51 years	31,439	A+(average)
Mutual Funds - Domestic Fixed Income	4.83 years	4,244	A- (average)
Mutual Funds - Domestic Fixed Income	2.90 years	14,171	A- (average)
		<u>147,742</u>	
Investments classified as cash and cash equivalents		<u>(2,911)</u>	
<i>Total Investments Reported in the Financial Statements</i>		<u><u>\$ 144,831</u></u>	

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.

The Town has an investment policy that applies to all financial assets of the Town’s governmental and enterprise funds. The investment policy seeks to ensure that capital losses are avoided either from security defaults or erosion of market value. 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.

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.

Capital Project funds (Reserve Funds) are governed by Title 45, Chapter 11, Section 1 of the State’s General Laws. This law permits, with advice from the Town Council, savings accounts, certificate

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

of deposits, obligations of the U.S. government or its agencies or in any other short-term investment, as would be made by prudent persons of discretion and intelligence.

The Town’s policy permits the following investments: 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. The certificate of deposits and repurchase agreements are to be federally insured or collateralized in an amount at least 102% in market value to the amount of the deposit.

Interest Rate Risk – The Town policy limits investment maturities based on projected cash flow needs for each fund. 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). The investment choices are also limited as described above.

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.

Foreign Currency Risk – The Town does not have a policy governing foreign currency risk. The Town’s exposure to foreign currency risk is as follows:

	<u>Currency</u>	<u>Maturity</u>	<u>Fair Value</u>
International Equity Fund	N/A	N/A	\$2,256

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, 2022:

- The following investments are valued using prices quoted in active markets for those investments (Level 1 inputs): Equity ETFs \$64,947, Real Estate ETFs \$911 and Fixed Income Mutual Funds and ETFs \$78,973.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June, 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 4,390,750	\$ -	\$ -	\$ 4,390,750
	<u>4,390,750</u>	<u>-</u>	<u>-</u>	<u>4,390,750</u>
Depreciable assets:				
Infrastructure	34,573,346	-	-	34,573,346
Land improvements	639,655	88,454	-	728,109
Buildings and improvements	2,969,474	-	-	2,969,474
Furniture and equipment	381,381	84,462	12,230	453,613
Motor vehicles	3,053,997	291,542	100,315	3,245,224
	<u>41,617,853</u>	<u>464,458</u>	<u>112,545</u>	<u>41,969,766</u>
Total capital assets	<u>46,008,603</u>	<u>464,458</u>	<u>112,545</u>	<u>46,360,516</u>
Less accumulated depreciation for:				
Infrastructure	28,091,820	653,885	-	28,745,705
Land improvements	208,096	31,983	-	240,079
Buildings and improvements	2,407,014	63,052	-	2,470,066
Furniture and equipment	268,667	24,697	12,230	281,134
Motor vehicles	2,360,722	213,275	100,315	2,473,682
	<u>33,336,319</u>	<u>986,892</u>	<u>112,545</u>	<u>34,210,666</u>
Total accumulated depreciation	<u>33,336,319</u>	<u>986,892</u>	<u>112,545</u>	<u>34,210,666</u>
Governmental activities capital assets, net	<u>\$ 12,672,284</u>	<u>\$ (522,434)</u>	<u>\$ -</u>	<u>\$ 12,149,850</u>
Business-Type Activities				
Nondepreciable assets:				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
Construction in progress	84,906	25,410	-	110,316
	<u>144,160</u>	<u>25,410</u>	<u>-</u>	<u>169,570</u>
Depreciable assets:				
Buildings	905,694	-	-	905,694
Main extension	1,549,734	-	-	1,549,734
Water Tank	2,600,783	-	-	2,600,783
Equipment and machinery	412,268	37,758	-	450,026
	<u>5,468,479</u>	<u>37,758</u>	<u>-</u>	<u>5,506,237</u>
Total capital assets	<u>5,612,639</u>	<u>63,168</u>	<u>-</u>	<u>5,675,807</u>
Less accumulated depreciation for:				
Buildings	780,853	22,642	-	803,495
Main extension	305,361	38,743	-	344,104
Water Tank	403,127	86,693	-	489,820
Equipment and machinery	156,910	12,422	-	169,332
	<u>1,646,251</u>	<u>160,500</u>	<u>-</u>	<u>1,806,751</u>
Total accumulated depreciation	<u>1,646,251</u>	<u>160,500</u>	<u>-</u>	<u>1,806,751</u>
Business-type activities capital assets, net	<u>\$ 3,966,388</u>	<u>\$ (97,332)</u>	<u>\$ -</u>	<u>\$ 3,869,056</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

Depreciation expense was charged as follows:

Governmental activities:	
General government	\$ 75,604
Public safety	78,766
Public works	832,522
Total depreciation expense, governmental activities	\$ 986,892
Business-type activities:	
Water fund	\$ 160,500
Total depreciation expense, business-type activities	\$ 160,500

NOTE 7 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES:

Changes in long-term liabilities during the year ended June 30, 2022 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	\$ 1,020,000	\$ -	\$ 245,000	\$ 775,000	\$ 250,000
Bonds from direct placements	1,750,000	-	250,000	1,500,000	250,000
	2,770,000	-	495,000	2,275,000	500,000
Plus amortized premiums on bonds	50,702	-	12,676	38,026	-
Total bonds	2,820,702	-	507,676	2,313,026	500,000
Other liabilities:					
Financed purchase	1,222	-	1,222	-	-
Accrued compensated absences	253,124	57,429	18,491	292,062	15,546
Notes payable	41,260	-	4,878	36,382	-
Net pension liabilities	954,352	-	954,352	-	-
Total Governmental Activities					
Long-Term Liabilities	\$ 4,070,660	\$ 57,429	\$1,486,619	\$2,641,470	\$ 515,546
Business- type activities:					
Loans payable:					
Loans from direct borrowings	\$ 1,900,059	\$ -	\$ 35,056	\$ 1,865,003	\$ 36,134
Total Business- type activities					
Long-Term Liabilities	\$ 1,900,059	\$ -	\$ 35,056	\$1,865,003	\$ 36,134

All debt of the Government Activities is general obligation debt. The payments on the bonds is paid from the General Fund. The compensated absences, financed purchase and net pension liabilities are paid from the General Fund. The payments on the bonds in the Business-type activities are paid from the Water Fund. The note payable is paid from the Community Septic Loan Fund.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
 June 30, 2022

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, 2021</u>	<u>New Issues</u>	<u>Maturities During Year</u>	<u>Outstanding June 30, 2022</u>
Governmental activities:								
Bonds payable:								
2014 Capital Improvement Bonds	8/6/2014	2.00%	8/1/2024	\$ 2,410,000	\$ 1,020,000	\$ -	\$ 245,000	\$ 775,000
Bonds from direct placements:								
2017 Capital Improvement Bonds	10/17/2017	2.11%	6/30/2028	2,501,000	1,750,000	-	250,000	1,500,000
Total governmental activities bonds payable				\$ 4,911,000	\$ 2,770,000	\$ -	\$ 495,000	\$ 2,275,000
Business type activities:								
Loans from direct borrowings:								
2012 Water capital improvements	2/28/2012	3.75%	2/28/2052	\$ 825,000	\$ 713,779	\$ -	\$ 14,285	\$ 699,494
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	744,000	680,138	-	11,790	668,348
2014 Water capital improvements	1/9/2015	2.75%	1/9/2055	275,000	250,178	-	4,544	245,634
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	280,000	255,964	-	4,437	251,527
Total business-type activities loans payable				\$ 2,124,000	\$ 1,900,059	\$ -	\$ 35,056	\$ 1,865,003

At June 30, 2022 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>
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	23,693	273,693	37,207	54,224	91,431
2025	265,000	3,975	268,975	250,000	18,428	268,428	38,311	53,120	91,431
2026	-	-	-	250,000	13,163	263,163	39,448	51,983	91,431
2027	-	-	-	250,000	7,898	257,898	40,619	50,812	91,431
2028-2032	-	-	-	250,000	2,633	252,633	221,909	235,246	457,155
2033-2037	-	-	-	-	-	-	256,858	200,297	457,155
2038-2042	-	-	-	-	-	-	297,315	159,840	457,155
2043-2047	-	-	-	-	-	-	344,151	113,004	457,155
2048-2052	-	-	-	-	-	-	397,879	58,783	456,662
2053-2055	-	-	-	-	-	-	155,172	9,032	164,204
	\$ 775,000	\$ 35,325	\$ 810,325	\$ 1,500,000	\$ 94,773	\$ 1,594,773	\$ 1,865,003	\$ 1,041,638	\$ 2,906,641

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
 June 30, 2022

C. FINANCED PURCHASE PAYABLE

The Town acquired equipment valued at \$8,574 through a financed purchase.

Financed purchases currently outstanding are as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Outstanding June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding June 30, 2022</u>
Savin Copier	1/19/2017	13.49%	1/19/2022	\$ 1,222	-	\$ 1,222	\$ -
<i>Total governmental activities financed purchase payable</i>				<u>\$ 1,222</u>	<u>\$ -</u>	<u>\$ 1,222</u>	<u>\$ -</u>

D. NOTE PAYABLE

On January 16, 2018, the Town entered into a loan agreement with the RI Infrastructure Bank for \$300,000 to be used to finance the Community Septic System Loan Program (CSSLP). The \$300,000 loan is evidenced by a non-restoring line of credit promissory note. 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 loan as of June 30, 2022 is \$36,382 and the balance available to be drawdown is \$252,300.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 8 – INTERFUND BALANCES

The Town reports interfund balances between many of its funds. Interfund balances at June 30, 2022 were as follows:

	<i>Due From:</i>			
<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Private Purpose Trust Funds</i>	<i>Total</i>	
<i>Due To:</i>				
General Fund	\$ -	\$ 447	\$ 13	\$ 460
Capital Bond Fund	1,506,436	-	-	1,506,436
Nonmajor Governmental Funds	1,515,437	-	-	1,515,437
Enterprise Fund	862	-	-	862
Private Purpose Trust	29,809	-	-	29,809
<i>Total</i>	\$ 3,052,544	\$ 447	\$ 13	\$3,053,004

The interfund balances result from the Town accounting for the general operating cash account in the General Fund, which is also used to process cash receipts and cash disbursements for the other Town Funds. The transactions are recorded to the General Fund cash account and the appropriate fund's interfund account. The interfund balances reported are the cumulative balance of these cash transactions.

NOTE 9 – INTERFUND TRANSFERS

	<i>Transfer From:</i>	
<i>General Fund</i>		<i>Total</i>
<i>Transfer To:</i>		
Capital Bond Fund	\$ 746,444	\$ 746,444
<i>Total</i>	\$ 746,444	\$ 746,444

The General Fund's approved operating budget includes a transfer to the Capital Bond Fund to fund current and future capital expenditures.

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, except for the community septic loans, which are due in accordance with the individual loan amortization schedules. The real estate and personal property taxes include an allowance for doubtful accounts of \$300,000.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2022, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 99,042	\$ 112,704	\$ 29,809	\$ 241,555
Capital Bond Fund	105,385	-	-	105,385
Other Nonmajor Governmental Funds	7,416	-	-	7,416
Total Governmental Activities	<u>\$ 211,843</u>	<u>\$ 112,704</u>	<u>\$ 29,809</u>	<u>\$ 354,356</u>
Business-Type Activities:				
Water Fund				
Total Business-Type Activities	<u>\$ 43,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,090</u>
	<u>\$ 43,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,090</u>

NOTE 11 – NET POSITION/FUND BALANCES

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

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

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

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

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

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

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

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

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

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

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

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enrollment, and from State aid to education. As of October 2020, the District had a total enrollment of 3,254 of which 1,157 were students from Richmond. This number was used for calculating the Town's fiscal year 2021 – 2022 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. The potential liability to the Town, if any, or an evaluation of the outcome of these matters cannot be made at the present time.

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 2022. 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 2022 was \$18,939.

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 affected 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 Pension 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, 2020 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries Inactive, Nonretired	20	1
Members	28	4
Active Members	27	13
Total	75	18

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Police officers are required to contribute 9% of their salaries. The Town of Richmond contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements.

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The Town of Richmond contributed the following amounts in the year ended June 30, 2022: general employees plan - \$124,500 and police officers plan - \$98,067. The Town's contributions represented the following percentages of annual covered payroll: general employees plan – 8.61%; police officers plan – 10.40%.

Net Pension Liability (Asset) - The total pension liability (asset) was determined by actuarial valuations performed as of June 30, 2020 and rolled forward to June 30, 2021, 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 (Asset) at the June 30, 2021 Measurement Date (June 30, 2020 valuation rolled forward to June 30, 2021)	
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 - 3.25% to 7.25% ; Police Officers - 4.0% to 14.0%
Inflation	2.5%
Mortality	Mortality-Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP 16.
Cost of Living Adjustments	A 2.1% COLA is assumed for all MERS units with the COLA provision

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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 39 sources.

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The June 30, 2021 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
<i>Sub-total</i>	40.00%	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
<i>Sub-total</i>	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
<i>Sub-total</i>	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<i>Sub-total</i>	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
<i>Sub-total</i>	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<i>Sub-total</i>	15.00%	
Total	100.00%	

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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 (asset) 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 (asset).

General Employees Plan
Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$3,233,837	\$2,620,997	\$612,840
Changes for the Year:			
Service cost	90,881	-	90,881
Interest on the total pension liability	223,442	-	223,442
Changes in benefits	-	-	-
Difference between expected and actual experience	14,914	-	14,914
Changes in assumptions	-	-	-
Employer contributions	-	117,144	(117,144)
Employee contributions	-	27,891	(27,891)
Net investment income	-	763,959	(763,959)
Benefit payments, including employee refunds	(174,499)	(174,499)	-
Administrative expense	-	(2,911)	2,911
Other changes	-	179,588	(179,588)
Net changes	154,738	911,172	(756,434)
Balances as of June 30, 2021	\$3,388,575	\$3,532,169	\$(143,594)

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Police Officers Plan
Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$2,893,291	\$2,551,779	\$341,512
Changes for the Year:			
Service cost	157,058	-	157,058
Interest on the total pension liability	207,104	-	207,104
Changes in benefits	-	-	-
Difference between expected and actual experience	7,464	-	7,464
Changes in assumptions	-	-	-
Employer contributions	-	108,507	(108,507)
Employee contributions	-	80,177	(80,177)
Net investment income	-	748,231	(748,231)
Benefit payments, including employee refunds	(26,392)	(26,392)	-
Administrative expense	-	(2,851)	2,851
Other changes	-	-	-
Net changes	345,234	907,672	(562,438)
Balances as of June 30, 2021	\$3,238,525	\$3,459,451	\$(220,926)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability (asset) of the employer calculated using the discount rate of 7.0 percent, as well as what the employer's net pension liability (asset) 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	\$149,680	\$(143,594)	\$(517,854)
Police Officers	\$47,136	\$(220,926)	\$(563,017)

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

TOWN OF RICHMOND, RHODE ISLAND
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Town recognized pension expense as follows: general employees plan - \$(127,653); and police officers plan - \$(64,560).

The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>General Employees Plan</u>	<u>Police Officers Plan</u>
Deferred Outflows of Resources:		
Change in assumptions	\$ -	\$ 126,300
Difference between expected and actual experience	75,710	6,723
Contributions subsequent to the measurement date	124,500	98,067
Total	\$ 200,210	\$ 231,090
 Deferred Inflows of Resources:		
Change in assumptions	\$ 16,949	\$ 17,414
Difference between expected and actual experience	8,741	441,173
Net difference between projected and actual investment income	412,109	409,944
Total	\$ 437,799	\$ 868,531

\$222,567 reported as deferred outflows of resources related to pensions resulting from the Town of Richmond contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

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Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources	
	General Employees Plan	Police Officers Plan
2023	\$(84,635)	\$(153,622)
2024	(78,733)	(148,697)
2025	(85,626)	(149,682)
2026	(113,095)	(163,125)
2027	-	(41,337)
Thereafter	-	(79,045)

Defined Contribution Pension 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 \$13,715 for the fiscal year ended June 30, 2022.

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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B. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Asset	Pension Expense
General Employees Plan	\$ 200,210	\$ 437,799	\$ 143,594	\$ (127,653)
Police Officers Plan	231,090	868,531	220,926	(64,560)
Total	<u>\$ 431,300</u>	<u>\$ 1,306,330</u>	<u>\$ 364,520</u>	<u>\$ (192,213)</u>

C. TOWN OF RICHMOND 401(a) PLAN

Plan Description

The Town contributes to the Town of Richmond 401(a) Plan, a defined contribution plan, for eligible employees covered by the Collective Bargaining Agreement between the Town of Richmond and Local 425, International Brotherhood of Police Officers. The defined contribution plan is established under IRS section 401(a) and is administered by Great-West Trust Company, LLC. Employees may choose among various investment options available to plan participants. Benefit terms and contributions are established and amended by the collective bargaining agreement through negotiations between the Town and the union.

The Town contributes to the plan annually \$500 for each eligible employee. Employees do not contribute to the plan. Employer contributions and any investment earnings thereon are vested 50% after five years of contributory service and 100% after ten years of contributory service. Non-vested Town contributions are forfeited upon termination.

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 \$6,500 for the fiscal year ended June 30, 2022.

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 Ended :</i>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<i>Measurement Date:</i>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability:								
Service cost	\$ 90,881	\$ 88,054	\$ 93,121	\$ 96,436	\$ 89,022	\$ 84,243	\$ 78,867	\$ 82,980
Interest	223,442	208,990	201,829	177,200	176,585	173,801	169,745	159,161
Changes of benefit terms	-	-	-	-	-	-	7,172	-
Differences between expected and actual experience	14,914	108,008	(27,698)	223,515	(81,013)	(89,581)	(80,463)	-
Changes of assumptions	-	(30,069)	-	-	116,324	-	-	8,897
Benefits payments, including refunds of member contributions	(174,499)	(165,384)	(159,437)	(127,885)	(127,446)	(140,013)	(107,834)	(107,897)
Net change in total pension liability	<u>154,738</u>	<u>209,599</u>	<u>107,815</u>	<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>3,233,837</u>	<u>3,024,238</u>	<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>	<u>2,134,607</u>
Total pension liability - ending (a)	<u>\$ 3,388,575</u>	<u>\$ 3,233,837</u>	<u>\$ 3,024,238</u>	<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	\$ 117,144	\$ 131,748	\$ 99,782	\$ 98,796	\$ 102,529	\$ 105,589	\$ 105,664	\$ 96,455
Contributions - employee	27,891	26,878	26,464	24,576	23,739	21,668	10,150	9,770
Net investment income	763,959	95,687	156,940	181,512	234,153	(702)	47,756	264,216
Benefits payments, including refunds of member contributions	(174,499)	(165,384)	(159,437)	(127,885)	(127,446)	(140,013)	(107,834)	(107,897)
Administrative expense	(2,911)	(2,636)	(2,453)	(2,416)	(2,212)	(1,888)	(1,701)	(1,655)
Other	179,588	78	(12,398)	46,243	(48,318)	(1)	-	60
Net change in plan fiduciary net position	<u>911,172</u>	<u>86,371</u>	<u>108,898</u>	<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>2,620,997</u>	<u>2,534,626</u>	<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>	<u>1,722,820</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,532,169</u>	<u>\$ 2,620,997</u>	<u>\$ 2,534,626</u>	<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>\$ (143,594)</u>	<u>\$ 612,840</u>	<u>\$ 489,612</u>	<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	104.24%	81.05%	83.81%	83.17%	86.56%	85.20%	86.89%	87.09%
Covered payroll	\$ 1,368,684	\$ 1,336,182	\$ 1,282,665	\$ 1,180,362	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021	\$ 972,797
Net pension liability as a percentage of covered payroll	-10.49%	45.87%	38.17%	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 Ended :</i>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<i>Measurement Date:</i>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability:								
Service cost	\$ 157,058	\$ 155,734	\$ 145,157	\$ 135,620	\$ 125,571	\$ 117,007	\$ 110,292	\$ 98,579
Interest	207,104	198,412	179,442	172,525	157,222	145,968	130,490	121,078
Changes of benefit terms	-	-	-	-	-	-	86,007	-
Differences between expected and actual experience	7,464	(260,561)	(26,545)	(181,743)	(43,450)	(90,309)	(97,139)	-
Changes of assumptions	-	56,313	-	-	150,620	-	-	(54,846)
Benefits payments, including refunds of member contributions	(26,392)	(26,392)	(38,304)	(26,392)	(26,892)	(26,892)	(26,394)	(63,940)
Net change in total pension liability	345,234	123,506	259,750	100,010	363,071	145,774	203,256	100,871
Total pension liability - beginning	2,893,291	2,769,785	2,510,035	2,410,025	2,046,954	1,901,180	1,697,924	1,597,053
Total pension liability - ending (a)	\$ 3,238,525	\$ 2,893,291	\$ 2,769,785	\$ 2,510,035	\$ 2,410,025	\$ 2,046,954	\$ 1,901,180	\$ 1,697,924
Plan fiduciary net position:								
Contributions - employer	\$ 108,507	\$ 100,404	\$ 74,712	\$ 72,114	\$ 85,456	\$ 90,160	\$ 87,587	\$ 57,398
Contributions - employee	80,177	77,565	72,458	67,961	70,238	65,623	50,296	60,573
Net investment income	748,231	93,160	143,007	154,144	190,537	(579)	36,131	185,875
Benefits payments, including refunds of member contributions	(26,392)	(26,392)	(38,304)	(26,392)	(26,892)	(26,892)	(26,394)	(63,940)
Administrative expense	(2,851)	(2,567)	(2,235)	(2,052)	(1,800)	(1,558)	(1,448)	(1,164)
Other	-	1	(1)	-	(191,845)	(1)	-	1
Net change in plan fiduciary net position	907,672	242,171	249,637	265,775	125,694	126,753	146,172	238,743
Plan fiduciary net position - beginning	2,551,779	2,309,608	2,059,971	1,794,196	1,668,502	1,541,749	1,395,577	1,156,834
Plan fiduciary net position - ending (b)	\$ 3,459,451	\$ 2,551,779	\$ 2,309,608	\$ 2,059,971	\$ 1,794,196	\$ 1,668,502	\$ 1,541,749	\$ 1,395,577
Town's net pension liability (asset) - ending (a) - (b)	\$ (220,926)	\$ 341,512	\$ 460,177	\$ 450,064	\$ 615,829	\$ 378,452	\$ 359,431	\$ 302,347
Plan fiduciary net position as a percentage of the total pension liability	106.82%	88.20%	83.39%	82.07%	74.45%	81.51%	81.09%	82.19%
Covered payroll	\$ 890,858	\$ 861,838	\$ 805,085	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512	\$ 644,730
Net pension liability as a percentage of covered payroll	-24.80%	39.63%	57.16%	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.

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

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

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>General Employees Plan</i>								
Actuarially determined contribution	\$ 124,500	\$ 117,144	\$ 131,748	\$ 99,782	\$ 98,796	\$ 102,529	\$ 105,589	\$ 105,664
Contributions in relation to the actuarially determined contribution	124,500	117,144	131,748	99,782	98,796	102,529	105,589	105,664
<i>Contribution deficiency (excess)</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 1,445,993	\$ 1,368,684	\$ 1,336,182	\$ 1,282,665	\$ 1,180,362	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021
Contributions as a percentage of covered payroll	8.61%	8.56%	9.86%	7.78%	8.37%	9.05%	10.04%	10.41%
<i>Police Officers Plan</i>								
Actuarially determined contribution	\$ 98,067	\$ 108,507	\$ 100,404	\$ 74,712	\$ 72,114	\$ 85,456	\$ 90,160	\$ 87,587
Contributions in relation to the actuarially determined contribution	98,067	108,507	100,404	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>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 942,953	\$ 890,858	\$ 861,838	\$ 805,085	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512
Contributions as a percentage of covered payroll	10.40%	12.18%	11.65%	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.

The 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, 2022

	<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	\$ 20,681,976	\$ 20,681,976	\$ 20,935,698	\$ 253,722
State aid	6,008,179	6,008,179	6,087,035	78,856
Permits & fees	222,500	222,500	198,139	(24,361)
Licenses & fees	27,250	27,250	29,576	2,326
User Fees	340,700	340,700	395,398	54,698
Fines & forfeitures	42,700	42,700	30,193	(12,507)
Interest income	52,000	52,000	6,779	(45,221)
Miscellaneous income	132,500	132,500	143,189	10,689
Federal aid	-	-	47,089	47,089
Senior activities	12,500	12,500	6,105	(6,395)
Appropriated reserves	150,000	227,126	227,126	-
Total revenues	<u>27,670,305</u>	<u>27,747,431</u>	<u>28,106,327</u>	<u>358,896</u>
Expenditures				
General government				
Town council	6,997	6,997	6,994	3
Building/planning/zoning	280,241	280,241	265,331	14,910
Town clerk's department	243,015	243,015	228,359	14,656
Information technology	169,800	169,800	138,249	31,551
Legal services	127,000	127,000	136,175	(9,175)
Finance department	186,010	186,010	184,876	1,134
Tax assessor's department	128,616	128,616	137,333	(8,717)
Tax collector's department	75,246	75,246	63,601	11,645
Town hall/general government	59,080	59,080	52,065	7,015
Building maintenance department	97,415	97,415	77,771	19,644
Economic development	1,600	1,600	600	1,000
Elder affairs commission	350	350	-	350
Town sergeant	538	538	-	538
Contingency	73,000	73,000	-	73,000
Probate court	3,600	3,600	3,600	-
Town administration	114,175	114,175	113,307	868
Land trust	3,750	3,750	3,815	(65)
Conservation commission	1,890	1,890	2,315	(425)
Other expense	172,000	172,000	177,021	(5,021)
	<u>1,744,323</u>	<u>1,744,323</u>	<u>1,591,412</u>	<u>152,911</u>
Public safety				
Public safety administration	104,500	104,500	106,487	(1,987)
Public safety officers	1,832,806	1,832,806	1,809,694	23,112
Public safety dispatch	262,080	262,080	237,866	24,214
Animal control	105,194	105,194	91,388	13,806
Emergency management	17,715	55,296	50,724	4,572
Police/community utilities	36,175	36,175	29,246	6,929
	<u>2,358,470</u>	<u>2,396,051</u>	<u>2,325,405</u>	<u>70,646</u>
Public works				
Public works	1,178,960	1,178,960	1,194,054	(15,094)
Transfer station and recycling	212,785	212,785	228,796	(16,011)
Public works/transfer station	26,050	26,050	26,202	(152)
	<u>1,417,795</u>	<u>1,417,795</u>	<u>1,449,052</u>	<u>(31,257)</u>
Recreation				
	<u>49,220</u>	<u>49,220</u>	<u>33,711</u>	<u>15,509</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 (Continued)
General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Education	20,633,430	20,633,430	20,633,430	-
Community services				
Community services support	159,750	159,750	159,750	-
Senior activities	17,110	17,110	16,175	935
	<u>176,860</u>	<u>176,860</u>	<u>175,925</u>	<u>935</u>
Canvassing authority	22,800	22,800	8,077	14,723
Debt service	650,639	650,639	648,578	2,061
Total expenditures	<u>27,053,537</u>	<u>27,091,118</u>	<u>26,865,590</u>	<u>225,528</u>
Excess of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>616,768</u>	<u>656,313</u>	<u>1,240,737</u>	<u>584,424</u>
Other financing sources (uses)				
Transfers in	110,131	110,131	110,131	-
Transfers out	(706,899)	(746,444)	(746,444)	-
Revaluation restricted account	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>(616,768)</u>	<u>(656,313)</u>	<u>(656,313)</u>	<u>-</u>
Net change in fund balance-budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 584,424</u>	<u>\$ 584,424</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, 2022

NOTE 1 – PENSION PLANS

The net pension liability amounts presented as of the June 30, 2022 was determined as part of the actuarial valuation performed as of June 30, 2020 and rolled forward to June 30, 2021, the measurement date. Additional information, including actuarial methods and assumptions, are presented 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 following summarizes the more significant changes in assumptions and benefit and were reflected in the determination of the net pension liability as of the:

June 30, 2021 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

June 30, 2020 measurement date –

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based PUB (10) tables.
- Increased slightly the probabilities of turnover.
- Decreased slightly the probabilities of retirement.
- Modified slightly the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not.

June 30, 2017 measurement date –

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

June 30, 2015 measurement date –

The net pension liability for the ERS and MERS plans reflects changes in benefit resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

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.

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022

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)	\$28,216,458
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>(227,126)</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>\$27,897,901</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$27,632,034
Differences – budget to GAAP:	
Unbudgeted expenditure for Revaluation Fund and Comprehensive Plan Fund not included for budgetary purpose, but include for financial reporting purposes.	9,305
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 Fund is included for budgetary purposes, but is not included for financial reporting purposes.	<u>(20,000)</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>\$27,529,908</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

Other Supplementary Information

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
General Fund
June 30, 2022

	<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	\$ 8,189,644	\$ -	\$ -	\$ -	\$ 8,189,644
Property taxes, net of allowance for doubtful accounts of \$300,000	889,768	-	-	-	889,768
Accounts receivable	48,273	-	-	-	48,273
Due from federal and state government	147,489	-	-	-	147,489
Due from other funds	460	195,634	6,418	(202,052)	460
Prepaid items	83,423	-	-	-	83,423
	<u>83,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,423</u>
Total assets	<u>\$ 9,359,057</u>	<u>\$ 195,634</u>	<u>\$ 6,418</u>	<u>\$ (202,052)</u>	<u>\$ 9,359,057</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable and accrued expenditures	\$ 209,113	\$ 2,633	\$ -	\$ -	\$ 211,746
Due to other funds	3,254,596	-	-	(202,052)	3,052,544
Other liabilities	96,163	-	-	-	96,163
Total liabilities	<u>3,559,872</u>	<u>2,633</u>	<u>-</u>	<u>(202,052)</u>	<u>3,360,453</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	682,349	-	-	-	682,349
Total deferred inflows of resources	<u>682,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,349</u>
Fund balances					
Nonspendable:					
Prepaid items	83,423	-	-	-	83,423
Committed for:					
Revaluation	-	193,001	-	-	193,001
Comprehensive Plan	-	-	6,418	-	6,418
Capital - Alton Water	19,291	-	-	-	19,291
Capital - Foster Woods recreation	12,794	-	-	-	12,794
Landscaping projects	675	-	-	-	675
Landfill	50,000	-	-	-	50,000
COVID relief	69,040	-	-	-	69,040
Future state aid funding shortfalls	111,779	-	-	-	111,779
Unassigned	4,769,834	-	-	-	4,769,834
Total fund balances	<u>5,116,836</u>	<u>193,001</u>	<u>6,418</u>	<u>-</u>	<u>5,316,255</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,359,057</u>	<u>\$ 195,634</u>	<u>\$ 6,418</u>	<u>\$ (202,052)</u>	<u>\$ 9,359,057</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, 2022

	<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	\$ 20,935,698	\$ -	\$ -	\$ -	\$ 20,935,698
Intergovernmental revenue	6,134,124	-	-	-	6,134,124
License, permits and fees	678,111	-	-	-	678,111
Interest on investments	6,779	-	-	-	6,779
Other revenues	143,189	-	-	-	143,189
Total revenues	<u>27,897,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,897,901</u>
Expenditures:					
Current:					
General government	1,591,412	2,633	6,672	-	1,600,717
Public safety	2,325,405	-	-	-	2,325,405
Public works	1,449,052	-	-	-	1,449,052
Recreation and culture	33,711	-	-	-	33,711
Education	20,633,430	-	-	-	20,633,430
Community services	175,925	-	-	-	175,925
Canvassing authority	8,077	-	-	-	8,077
Debt service:					
Principal	495,000	-	-	-	495,000
Interest and other charges	62,147	-	-	-	62,147
Total expenditures	<u>26,774,159</u>	<u>2,633</u>	<u>6,672</u>	<u>-</u>	<u>26,783,464</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>1,123,742</u>	<u>(2,633)</u>	<u>(6,672)</u>	<u>-</u>	<u>1,114,437</u>
Other financing sources (uses):					
Transfers in	-	20,000	-	(20,000)	-
Transfers out	(766,444)	-	-	20,000	(746,444)
Total other financing sources (uses)	<u>(766,444)</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>(746,444)</u>
Net change in fund balances	357,298	17,367	(6,672)	-	367,993
Fund balances - beginning of year	<u>4,759,538</u>	<u>175,634</u>	<u>13,090</u>	<u>-</u>	<u>4,948,262</u>
Fund balances - end of year	<u>\$ 5,116,836</u>	<u>\$ 193,001</u>	<u>\$ 6,418</u>	<u>\$ -</u>	<u>\$ 5,316,255</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, 2022

	<u>Capital Project Funds</u>			
	<u>Special</u>	<u>Public</u>	<u>Public</u>	<u>Total</u>
	<u>Revenue</u>	<u>Facilities</u>	<u>Facilities</u>	<u>Nonmajor</u>
	<u>Funds</u>	<u>Construction</u>	<u>Maintenance</u>	<u>Governmental</u>
	<u>Funds</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS				
Cash	\$ 183,183	\$ -	\$ -	\$ 183,183
Accounts receivables	36,382	-	-	36,382
Due from federal and state government	2,251	-	-	2,251
Due from other funds	316,004	1,101,212	98,221	1,515,437
	<u>\$ 537,820</u>	<u>\$ 1,101,212</u>	<u>\$ 98,221</u>	<u>\$ 1,737,253</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7,416	-	-	\$ 7,416
Due to other funds	447	-	-	447
Total liabilities	<u>7,863</u>	<u>-</u>	<u>-</u>	<u>7,863</u>
 Deferred Inflows of Resources				
Other deferred inflows	36,382	-	-	36,382
Total deferred inflows of resources	<u>36,382</u>	<u>-</u>	<u>-</u>	<u>36,382</u>
 Fund balances				
Restricted for:				
Historical records preservation	39,430	-	-	39,430
Senior activities	28,041	-	-	28,041
Public safety programs	11,919	-	-	11,919
Recreation programs	1,803	-	-	1,803
Community service programs	20,345	-	-	20,345
Dog park	7,925	-	-	7,925
Land trust	17,381	-	-	17,381
Education scholarships	58,478	-	-	58,478
Affordable housing	183,183	-	-	183,183
Friends Cemetery	26,061	-	-	26,061
Committed for:				
Planning inspections	82,505	-	-	82,505
Public facilities	-	1,101,212	98,221	1,199,433
Public safety programs	16,504	-	-	16,504
Total fund balances	<u>493,575</u>	<u>1,101,212</u>	<u>98,221</u>	<u>1,693,008</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 537,820</u>	<u>\$ 1,101,212</u>	<u>\$ 98,221</u>	<u>\$ 1,737,253</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, 2022

	<u>Capital Project Funds</u>			Total Nonmajor Governmental Funds
	Special Revenue Funds	Public Facilities Construction Fund	Public Facilities Maintenance Fund	
Revenues				
Intergovernmental revenue	\$ 18,356	\$ -	\$ -	\$ 18,356
License, permits and fees	225,305	111,367	-	336,672
Interest on investments	271	-	-	271
Other revenues	17,477	-	-	17,477
Total revenues	<u>261,409</u>	<u>111,367</u>	<u>-</u>	<u>372,776</u>
Expenditures				
Current:				
General government	18,653	-	-	18,653
Public safety	3,586	-	-	3,586
Recreation	447	-	-	447
Community services	48,000	-	-	48,000
Capital outlay	-	-	80,459	80,459
Debt service	4,878	-	-	4,878
Total expenditures	<u>75,564</u>	<u>-</u>	<u>80,459</u>	<u>156,023</u>
 Net change in fund balances	 185,845	 111,367	 (80,459)	 216,753
Fund balances - beginning of year	<u>307,730</u>	<u>989,845</u>	<u>178,680</u>	<u>1,476,255</u>
Fund balances - end of year	<u>\$ 493,575</u>	<u>\$ 1,101,212</u>	<u>\$ 98,221</u>	<u>\$ 1,693,008</u>

TOWN OF RICHMOND, RHODE ISLAND

Combining Balance Sheet

Special Revenue Funds

June 30, 2022

	<i>Historical Records Trust</i>	<i>Police Grants</i>	<i>Legislative Senior Center</i>	<i>Legislative Recreation</i>	<i>Opioid Crisis Grant</i>	<i>Technology Fund</i>
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivables	-	-	-	-	-	-
Due from federal and state government	-	251	-	2,000	-	-
Due from other funds	20,288	754	5,346	-	3,500	23,910
Total assets	<u>\$ 20,288</u>	<u>\$ 1,005</u>	<u>\$ 5,346</u>	<u>\$ 2,000</u>	<u>\$ 3,500</u>	<u>\$ 23,910</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 4,768	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	447	-	-
Total liabilities	<u>4,768</u>	<u>-</u>	<u>-</u>	<u>447</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Other deferred inflows	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted for:						
Historical records preservation	15,520	-	-	-	-	23,910
Senior activities	-	-	5,346	-	-	-
Public safety programs	-	1,005	-	-	-	-
Recreation programs	-	-	-	1,553	-	-
Community service programs	-	-	-	-	3,500	-
Dog park	-	-	-	-	-	-
Land trust	-	-	-	-	-	-
Education scholarships	-	-	-	-	-	-
Affordable housing	-	-	-	-	-	-
Friends Cemetery	-	-	-	-	-	-
Committed for:						
Planning inspections	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-
Total fund balances	<u>15,520</u>	<u>1,005</u>	<u>5,346</u>	<u>1,553</u>	<u>3,500</u>	<u>23,910</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,288</u>	<u>\$ 1,005</u>	<u>\$ 5,346</u>	<u>\$ 2,000</u>	<u>\$ 3,500</u>	<u>\$ 23,910</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
June 30, 2022

	<i>Community Development Block Grant</i>	<i>K-9 Grant</i>	<i>Senior Crafts</i>	<i>Senior Activities Grant</i>	<i>Community Septic Loan Program</i>	<i>Affordable Housing</i>
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,183
Accounts receivables	-	-	-	-	36,382	-
Due from federal and state government	-	-	-	-	-	-
Due from other funds	11,460	-	8,202	14,535	-	-
<i>Total assets</i>	<u>\$ 11,460</u>	<u>\$ -</u>	<u>\$ 8,202</u>	<u>\$ 14,535</u>	<u>\$ 36,382</u>	<u>\$ 183,183</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
<i>Liabilities</i>						
Accounts payable	\$ -	\$ -	\$ -	\$ 42	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42</u>	<u>-</u>	<u>-</u>
<i>Deferred Inflows of Resources</i>						
Other deferred inflows	-	-	-	-	36,382	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,382</u>	<u>-</u>
<i>Fund balances</i>						
Restricted for:						
Historical records preservation	-	-	-	-	-	-
Senior activities	-	-	8,202	14,493	-	-
Public safety programs	-	-	-	-	-	-
Recreation programs	-	-	-	-	-	-
Community service programs	11,460	-	-	-	-	-
Dog park	-	-	-	-	-	-
Land trust	-	-	-	-	-	-
Education scholarships	-	-	-	-	-	-
Affordable housing	-	-	-	-	-	183,183
Friends Cemetery	-	-	-	-	-	-
Committed for:						
Planning inspections	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-
<i>Total fund balances</i>	<u>11,460</u>	<u>-</u>	<u>8,202</u>	<u>14,493</u>	<u>-</u>	<u>183,183</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 11,460</u>	<u>\$ -</u>	<u>\$ 8,202</u>	<u>\$ 14,535</u>	<u>\$ -</u>	<u>\$ 183,183</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
June 30, 2022

	<i>Recreation Donation</i>	<i>Crawley Property</i>	<i>Friends Cemetery</i>	<i>Emily Anthony</i>	<i>Planning Board</i>	<i>Land Trust</i>
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivables	-	-	-	-	-	-
Due from federal and state government	-	-	-	-	-	-
Due from other funds	250	4,198	26,061	59,279	82,505	13,183
Total assets	<u>\$ 250</u>	<u>\$ 4,198</u>	<u>\$ 26,061</u>	<u>\$ 59,279</u>	<u>\$ 82,505</u>	<u>\$ 13,183</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 801	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>801</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Other deferred inflows	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted for:						
Historical records preservation	-	-	-	-	-	-
Senior activities	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-
Recreation programs	250	-	-	-	-	-
Community service programs	-	-	-	-	-	-
Dog park	-	-	-	-	-	-
Land trust	-	4,198	-	-	-	13,183
Education scholarships	-	-	-	58,478	-	-
Affordable housing	-	-	-	-	-	-
Friends Cemetery	-	-	26,061	-	-	-
Committed for:						
Planning inspections	-	-	-	-	82,505	-
Public safety programs	-	-	-	-	-	-
Total fund balances	<u>250</u>	<u>4,198</u>	<u>26,061</u>	<u>58,478</u>	<u>82,505</u>	<u>13,183</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 250</u>	<u>\$ 4,198</u>	<u>\$ 26,061</u>	<u>\$ 59,279</u>	<u>\$ 82,505</u>	<u>\$ 13,183</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
June 30, 2022

	<i>Healthcare MEDS Grant</i>	<i>Dog Park Donations</i>	<i>Spay/Neuter Fund</i>	<i>ACO Adoptions</i>	<i>Animal Control Stray & Homeless</i>	<i>Total</i>
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,183
Accounts receivables	-	-	-	-	-	36,382
Due from federal and state government	-	-	-	-	-	2,251
Due from other funds	7,190	7,925	10,914	12,953	3,551	316,004
Total assets	\$ 7,190	\$ 7,925	\$ 10,914	\$ 12,953	\$ 3,551	\$ 537,820
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1,805	\$ -	\$ -	\$ -	\$ -	\$ 7,416
Due to other funds	-	-	-	-	-	447
Total liabilities	1,805	-	-	-	-	7,863
Deferred Inflows of Resources						
Other deferred inflows	-	-	-	-	-	36,382
Total deferred inflows of resources	-	-	-	-	-	36,382
Fund balances						
Restricted for:						
Historical records preservation	-	-	-	-	-	39,430
Senior activities	-	-	-	-	-	28,041
Public safety programs	-	-	10,914	-	-	11,919
Recreation programs	-	-	-	-	-	1,803
Community service programs	5,385	-	-	-	-	20,345
Dog park	-	7,925	-	-	-	7,925
Land trust	-	-	-	-	-	17,381
Education scholarships	-	-	-	-	-	58,478
Affordable housing	-	-	-	-	-	183,183
Friends Cemetery	-	-	-	-	-	26,061
Committed for:						
Planning inspections	-	-	-	-	-	82,505
Public safety programs	-	-	-	12,953	3,551	16,504
Total fund balances	5,385	7,925	10,914	12,953	3,551	493,575
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,190	\$ 7,925	\$ 10,914	\$ 12,953	\$ 3,551	\$ 537,820

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, 2022

	<i>Historical Records Trust</i>	<i>Police Grants</i>	<i>Legislative Senior Center</i>	<i>Legislative Recreation</i>	<i>Opioid Crisis Grant</i>	<i>Technology Fund</i>
Revenues						
Intergovernmental revenue	\$ -	\$ 1,131	\$ 7,725	\$ 2,000	\$ -	\$ -
License, permits and fees	1,580	-	-	-	-	9,240
Interest on investments	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>1,580</u>	<u>1,131</u>	<u>7,725</u>	<u>2,000</u>	<u>-</u>	<u>9,240</u>
Expenditures						
Current:						
General government	6,372	-	-	-	-	-
Public safety	-	1,511	-	-	-	-
Recreation	-	-	-	447	-	-
Community services	-	-	9,061	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>6,372</u>	<u>1,511</u>	<u>9,061</u>	<u>447</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,792)	(380)	(1,336)	1,553	-	9,240
Fund balances - beginning of year	<u>20,312</u>	<u>1,385</u>	<u>6,682</u>	<u>-</u>	<u>3,500</u>	<u>14,670</u>
Fund balances - end of year	<u>\$ 15,520</u>	<u>\$ 1,005</u>	<u>\$ 5,346</u>	<u>\$ 1,553</u>	<u>\$ 3,500</u>	<u>\$ 23,910</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, 2022

	<i>Community Development Block Grant</i>	<i>K-9 Grant</i>	<i>Senior Crafts</i>	<i>Senior Activities Grant</i>	<i>Community Septic Loan Program</i>	<i>Affordable Housing</i>
Revenues						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License, permits and fees	-	-	-	-	-	183,000
Interest on investments	-	-	-	-	-	183
Other revenues	-	-	1,300	2,500	4,878	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,300</u>	<u>2,500</u>	<u>4,878</u>	<u>183,183</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	239	-	-	-	-
Recreation	-	-	-	-	-	-
Community services	-	-	339	9,665	-	-
Debt service	-	-	-	-	4,878	-
Total expenditures	<u>-</u>	<u>239</u>	<u>339</u>	<u>9,665</u>	<u>4,878</u>	<u>-</u>
Net change in fund balances	-	(239)	961	(7,165)	-	183,183
Fund balances - beginning of year	<u>11,460</u>	<u>239</u>	<u>7,241</u>	<u>21,658</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ 11,460</u>	<u>\$ -</u>	<u>\$ 8,202</u>	<u>\$ 14,493</u>	<u>\$ -</u>	<u>\$ 183,183</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, 2022

	<u>Recreation Donation</u>	<u>Crawley Property</u>	<u>Friends Cemetery</u>	<u>Emily Anthony</u>	<u>Planning Board</u>	<u>Land Trust</u>
Revenues						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License, permits and fees	-	-	200	-	27,779	-
Interest on investments	-	4	26	58	-	-
Other revenues	-	-	-	2,403	-	1,190
Total revenues	<u>-</u>	<u>4</u>	<u>226</u>	<u>2,461</u>	<u>27,779</u>	<u>1,190</u>
Expenditures						
Current:						
General government	-	-	1,920	-	10,361	-
Public safety	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community services	-	-	-	3,110	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,920</u>	<u>3,110</u>	<u>10,361</u>	<u>-</u>
Net change in fund balances	-	4	(1,694)	(649)	17,418	1,190
Fund balances - beginning of year	<u>250</u>	<u>4,194</u>	<u>27,755</u>	<u>59,127</u>	<u>65,087</u>	<u>11,993</u>
Fund balances - end of year	<u>\$ 250</u>	<u>\$ 4,198</u>	<u>\$ 26,061</u>	<u>\$ 58,478</u>	<u>\$ 82,505</u>	<u>\$ 13,183</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, 2022

	<i>Healthcare MEDS Grant</i>	<i>Dog Park Donations</i>	<i>Spay/Neuter Fund</i>	<i>ACO Adoptions</i>	<i>Animal Control Stray & Homeless</i>	<i>Total</i>
Revenues						
Intergovernmental revenue	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 18,356
License, permits and fees	-	-	656	2,780	70	225,305
Interest on investments	-	-	-	-	-	271
Other revenues	-	5,206	-	-	-	17,477
Total revenues	<u>7,500</u>	<u>5,206</u>	<u>656</u>	<u>2,780</u>	<u>70</u>	<u>261,409</u>
Expenditures						
Current:						
General government	-	-	-	-	-	18,653
Public safety	-	-	200	1,636	-	3,586
Recreation	-	-	-	-	-	447
Community services	24,743	1,082	-	-	-	48,000
Debt service	-	-	-	-	-	4,878
Total expenditures	<u>24,743</u>	<u>1,082</u>	<u>200</u>	<u>1,636</u>	<u>-</u>	<u>75,564</u>
Net change in fund balances	(17,243)	4,124	456	1,144	70	185,845
Fund balances - beginning of year	<u>22,628</u>	<u>3,801</u>	<u>10,458</u>	<u>11,809</u>	<u>3,481</u>	<u>307,730</u>
Fund balances - end of year	<u>\$ 5,385</u>	<u>\$ 7,925</u>	<u>\$ 10,914</u>	<u>\$ 12,953</u>	<u>\$ 3,551</u>	<u>\$ 493,575</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, 2022

	<i>Wood River Cemetery Funds</i>	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Clarke Cemetery Fund</i>	<i>J Crawford Fenner Fund</i>	<i>Matt Lindman Fund</i>	<i>Total</i>
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ 2,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,911
Investments	-	-	144,831	-	-	-	-	-	144,831
Due from other funds	9,174	9,954	-	1,299	861	3,637	3,680	1,204	29,809
Total assets	9,174	9,954	147,742	1,299	861	3,637	3,680	1,204	177,551
Liabilities									
Due to other funds	-	-	13	-	-	-	-	-	13
Total liabilities	-	-	13	-	-	-	-	-	13
Net Position									
Restricted for individuals and other organizations	<u>\$ 9,174</u>	<u>\$ 9,954</u>	<u>\$ 147,729</u>	<u>\$ 1,299</u>	<u>\$ 861</u>	<u>\$ 3,637</u>	<u>\$ 3,680</u>	<u>\$ 1,204</u>	<u>\$ 177,538</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, 2022

	<u>Wood River Cemetery Funds</u>	<u>Historical Cemetery Fund</u>	<u>White Brook Cemetery Fund</u>	<u>Town Farm Fund</u>	<u>Link Cemetery Fund</u>	<u>Clarke Cemetery Fund</u>	<u>J Crawford Fenner Fund</u>	<u>Matt Lindman Fund</u>	<u>Total</u>
Additions									
Investment earnings:									
Net increase (decrease) in fair value of investments	\$ -	\$ -	\$ (23,443)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (23,443)
Interest and dividends	9	10	2,924	1	1	4	4	1	2,954
Total investment earnings	9	10	(20,519)	1	1	4	4	1	(20,489)
Less investment expenses	-	-	2,274	-	-	-	-	-	2,274
Net investment earnings	9	10	(22,793)	1	1	4	4	1	(22,763)
Total additions	9	10	(22,793)	1	1	4	4	1	(22,763)
Deductions									
Miscellaneous	-	-	1,105	-	-	-	-	-	1,105
Total deductions	-	-	1,105	-	-	-	-	-	1,105
Change in net position	9	10	(23,898)	1	1	4	4	1	(23,868)
Net position - beginning of year	9,165	9,944	171,627	1,298	860	3,633	3,676	1,203	201,406
Net position - end of year	<u>\$ 9,174</u>	<u>\$ 9,954</u>	<u>\$ 147,729</u>	<u>\$ 1,299</u>	<u>\$ 861</u>	<u>\$ 3,637</u>	<u>\$ 3,680</u>	<u>\$ 1,204</u>	<u>\$ 177,538</u>

TOWN OF RICHMOND, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2022

<u>Fiscal Year</u>	<u>Balance June 30, 2021</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, 2022</u>
2022	\$ -	\$ 20,862,003	\$ 202,590	\$ (198,622)	\$ (25,697)	\$20,840,274	\$ 20,153,090	\$ 687,184
2021	701,207	-	24,159	(49,046)	51,449	727,769	652,694	75,075
2020	70,360	-	-	-	(437)	69,923	26,990	42,933
2019	35,257	-	-	-	1,015	36,272	1,524	34,748
2018	38,399	-	-	-	(156)	38,243	1,358	36,885
2017	42,538	-	-	-	-	42,538	1,781	40,757
2016	36,384	-	-	-	-	36,384	2,025	34,359
2015	35,723	-	-	-	(26)	35,697	1,136	34,561
2014	35,827	-	-	-	-	35,827	1,543	34,284
2013	33,993	-	-	-	-	33,993	660	33,333
2012	26,684	-	-	-	-	26,684	198	26,486
2011	23,157	-	-	-	-	23,157	586	22,571
2010	11,109	-	-	-	-	11,109	651	10,458
2009	17,609	-	-	-	-	17,609	866	16,743
2008	16,745	-	-	-	-	16,745	700	16,045
2007	15,639	-	-	-	-	15,639	-	15,639
2006	15,071	-	-	-	-	15,071	5	15,066
2005	12,666	-	-	-	-	12,666	25	12,641
	<u>1,168,368</u>	<u>20,862,003</u>	<u>226,749</u>	<u>(247,668)</u>	<u>26,148</u>	<u>22,035,600</u>	<u>20,845,832</u>	<u>1,189,768</u>
<i>Allowance for Uncollectible Accounts</i>	<u>(300,000)</u>							<u>(300,000)</u>
<i>Net Property Tax Receivable</i>	<u>\$ 868,368</u>							<u>\$ 889,768</u>

Schedule of Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuations December 31, 2020</u>	<u>Levy July 1, 2021</u>
Real property	\$ 985,881,730	\$ 20,328,881
Motor vehicle	75,489,481	1,709,082
Tangible personal property	26,235,600	540,978
Total	<u>1,087,606,811</u>	<u>22,578,941</u>
Exemptions	(79,379,910)	(1,716,938)
Net assessed value	<u>\$ 1,008,226,901</u>	<u>\$ 20,862,003</u>

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 20,845,832
Refunds	(26,784)
July -August 2022 Collections Subject to 60-day FY 22 Accrual	207,420
July -August 2021 Collections Subject to 60-day FY 21 Accrual	(188,057)
Current Year Property Tax Revenue	<u>\$ 20,838,411</u>

(continued)

TOWN OF RICHMOND, RHODE ISLAND
Tax Collector's Annual Report (Continued)
For the Fiscal Year Ended June 30, 2022

Fiscal Year 2022 Cash Collection Summary

<u>Fiscal Year</u>	<u>July - August 2021 Collections Subject to 60 day FY 21 Accrual</u>	<u>September 2021 - June 2022 Collections</u>	<u>Total FY 2022 Cash Collections</u>	<u>July - August 2022 Collections Subject to 60 day FY 22 Accrual</u>
2022	\$ -	\$ 20,153,090	\$ 20,153,090	\$ 178,896
2021	170,582	482,112	652,694	24,889
2020	14,793	12,197	26,990	3,430
2019	53	1,471	1,524	9
2018	45	1,313	1,358	8
2017	39	1,742	1,781	-
2016	21	2,004	2,025	109
2015	-	1,136	1,136	10
2014	107	1,436	1,543	-
2013	450	210	660	-
2012	-	198	198	15
2011	303	283	586	54
2010	369	282	651	-
2009	595	271	866	-
2008	700	-	700	-
2007	-	-	-	-
2006	-	5	5	-
2005	-	25	25	-
	<u>\$ 188,057</u>	<u>\$ 20,657,775</u>	<u>\$ 20,845,832</u>	<u>\$ 207,420</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, 2022

<u>REVENUE</u>	<u>Municipal</u>
Current Year Levy Tax Collection	\$ 20,357,663
Last Year's Levy Tax Collection	454,540
Prior Years Property Tax Collection	26,208
Interest & Penalty	89,387
PILOT & Tax Treaty (excluded from levy) Collection	-
Other Local Property Taxes	7,900
Licenses and Permits	227,715
Fines and Forfeitures	30,193
Investment Income	9,126
Departmental	420,203
Rescue Run Revenue	-
Police & Fire Detail	245,972
Other Local Non-Property Tax Revenues	87,831
Tuition	-
Impact Aid	-
Medicaid	-
Federal Stabilization Funds	-
Federal Food Service Reimbursement	-
CDBG	-
COPS Grants	-
SAFER Grants	-
Other Federal Aid Funds	47,089
COVID - ESSER	-
COVID - CRF	-
COVID - CDBG	-
COVID - FEMA	-
COVID - Other	-
COVID - ARPA	-
MV Excise Tax Reimbursement	66,710
State PILOT Program	-
Distressed Community Relief Fund	-
Library Resource Aid	-
Library Construction Aid	-
Public Service Corporation Tax	95,675
Meals & Beverage Tax / Hotel Tax	207,044
LEA Aid	-
Group Home	-
Housing Aid Capital Projects	-
Housing Aid Bonded Debt	-
State Food Service Revenue	-
Incentive Aid	-
Property Revaluation Reimbursement	-
Other State Revenue	5,149,642
Motor Vehicle Phase Out	567,964
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	\$ 28,090,862
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	-
Financing Sources: Debt Proceeds	-
Financing Sources: Other	-
Rounding	-
Total Other Financing Sources	\$ -

Town of Richmond
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 299,848	\$ 274,749	\$ -	\$ -	\$ 152,032	\$ -	\$ 539,358	\$ 25,315	\$ 1,098,247
Compensation - Group B	-	-	-	-	-	-	-	-	192,877
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	184	2,135	-	-	6,335	-	54,895	-	165,828
Overtime - Group B	-	-	-	-	-	-	-	-	38,090
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	190,614
Active Medical Insurance - Group A	62,106	27,325	-	-	26,123	-	111,342	-	177,080
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	40,794
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	1,372	506	-	-	511	-	2,245	-	5,525
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	911
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	22,191	21,213	-	-	11,754	-	44,229	1,937	119,887
Life Insurance	-	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	2,794	2,596	-	-	1,060	-	9,132	-	823
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	1,537
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	(4,931)	2,631	-	-	1,573	-	37,792	837	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	414
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	24,796	20,243	-	-	8,982	-	41,191	-	107,209
State Defined Benefit Pension- Group B	-	-	-	-	-	-	-	-	12,686
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	154,190	58,064	-	115,499	56,551	-	79,548	4,665	24,659
Materials/Supplies	21,752	6,405	-	6,618	582	-	214,827	957	21,310
Software Licenses	-	-	-	16,132	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-
Insurance	143,597	-	-	-	-	-	-	-	-
Maintenance	3,690	-	-	-	-	-	4,656	-	-
Vehicle Operations	-	-	-	-	-	-	54,682	-	112,297
Utilities	36,001	-	-	-	540	-	33,417	-	33,428
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	8,738	-	-
Revaluation	-	2,633	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	72,674	-	-
Trash Removal & Recycling	-	-	-	-	-	-	86,987	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	16,970	-	-	-	-	-	-	-	-
Other Operation Expenditures	7,893	2,775	-	-	5,961	100,000	1,758	-	29,691
Tipping Fees	-	-	-	-	-	-	60,319	-	-
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	\$ 792,453	\$ 421,275	\$ -	\$ 138,249	\$ 272,004	\$ 100,000	\$ 1,457,790	\$ 33,711	\$ 2,373,907

Town of Richmond
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal
Compensation- Group A	\$ -	\$ -	\$ 65,448	\$ -	\$ -	\$ -	\$ 2,454,997
Compensation - Group B	-	-	-	-	-	-	192,877
Compensation - Group C	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-
Overtime- Group A	-	-	2,862	-	-	-	232,239
Overtime - Group B	-	-	-	-	-	-	38,090
Overtime - Group C	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	190,614
Active Medical Insurance - Group A	-	-	14,877	-	-	-	418,853
Active Medical Insurance- Group B	-	-	-	-	-	-	40,794
Active Medical Insurance- Group C	-	-	-	-	-	-	-
Active Dental insurance- Group A	-	-	405	-	-	-	10,564
Active Dental Insurance- Group B	-	-	-	-	-	-	911
Active Dental Insurance- Group C	-	-	-	-	-	-	-
Payroll Taxes	-	-	5,095	-	-	-	226,306
Life Insurance	-	-	-	-	-	-	-
State Defined Contribution- Group A	-	-	758	-	-	-	17,163
State Defined Contribution - Group B	-	-	-	-	-	-	1,537
State Defined Contribution - Group C	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	716	-	-	-	38,618
Other Benefits- Group B	-	-	-	-	-	-	414
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	-	-	4,377	-	-	-	206,798
State Defined Benefit Pension - Group B	-	-	-	-	-	-	12,686
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-
Purchased Services	-	-	1,655	-	-	-	494,831
Materials/Supplies	-	-	38,275	-	-	-	310,726
Software Licenses	-	-	-	-	-	-	16,132
Capital Outlays	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	143,597
Maintenance	-	-	-	-	-	-	8,346
Vehicle Operations	-	-	4,127	-	-	-	171,106
Utilities	-	-	2,305	-	-	-	105,691
Contingency	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	8,738
Revaluation	-	-	-	-	-	-	2,633
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	72,674
Trash Removal & Recycling	-	-	-	-	-	-	86,987
Claims & Settlements	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	16,970
Other Operation Expenditures	52,000	-	1,212	-	-	-	201,290
Tipping Fees	-	-	-	-	-	-	60,319
Local Appropriation for Education	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	20,633,430	-	-	20,633,430
Supplemental Appropriation for Education	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	495,000	-	495,000
Municipal Debt- Interest	-	-	-	-	62,147	-	62,147
School Debt- Principal	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-
Total Expenditures	\$ 52,000	\$ -	\$ 142,112	\$ 20,633,430	\$ 557,147	\$ -	\$ 26,974,078

Financing Uses: Transfer to Capital Funds	\$ 746,444
Financing Uses: Transfer to Other Funds	-
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
Total Other Financing Uses	<u>\$ 746,444</u>
Net Change in Fund Balance¹	370,340
Fund Balance1- beginning of year	\$4,948,262
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	<u>4,948,262</u>
Rounding	-
Fund Balance¹ - end of year	<u>\$ 5,318,602</u>

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, 2022

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, 2022						\$ 4,948,262	-	\$ 4,948,262	
<i>No funds removed from RGS for fiscal 2021</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2021</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2021</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 4,948,262</u>	<u>-</u>	<u>\$ 4,948,262</u>	
General Fund	\$ 27,897,901	\$ -	\$ 26,783,464	\$ 746,444	\$ 367,993	\$ 4,948,262	\$ -	\$ 4,948,262	\$ 5,316,255
American Rescue Plan	2,347	-	-	-	2,347	-	-	-	2,347
Totals per audited financial statements	<u>\$ 27,900,248</u>	<u>\$ -</u>	<u>\$ 26,783,464</u>	<u>\$ 746,444</u>	<u>\$ 370,340</u>	<u>\$ 4,948,262</u>	<u>\$ -</u>	<u>\$ 4,948,262</u>	<u>\$ 5,318,602</u>
<u>Reconciliation from financial statements to MTP2</u>									
Police Detail payroll to expense	\$ 190,614.00	\$ -	\$ 190,614.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 28,090,862</u>	<u>\$ -</u>	<u>\$ 26,974,078</u>	<u>\$ 746,444</u>	<u>\$ 370,340</u>	<u>\$ 4,948,262</u>	<u>\$ -</u>	<u>\$ 4,948,262</u>	<u>\$ 5,318,602</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, 2022

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.

Statistical Section

This part of the Town of Richmond's annual financial statements presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial position has changed over time.	87-91,98
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the Town's ability to generate its most significant local revenue sources, the real and personal property tax.	92-95
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	96-97
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	99-100

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial statements for the relevant year.

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

EXHIBIT 1

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net investment in capital assets	\$10,250,555	\$10,556,696	\$10,870,550	\$10,971,031	\$11,348,556	\$12,059,872	\$12,183,492	\$11,362,540	\$11,918,950	\$11,372,800
Restricted	726,406	324,193	318,858	303,889	182,528	169,660	168,195	125,554	142,346	158,793
Unrestricted	7,136,118	6,010,794	5,153,039	5,196,835	5,184,974	5,114,226	5,250,005	4,645,969	4,378,536	5,086,922
Total governmental activities net position	\$18,113,079	\$16,891,683	\$16,342,447	\$16,471,755	\$16,716,058	\$17,343,758	\$17,601,692	\$16,134,063	\$16,439,832	\$16,618,515
Business-type activities:										
Net investment in capital assets	\$2,004,053	\$2,066,329	\$2,026,038	\$2,068,473	\$2,191,832	\$2,012,063	\$1,966,392	\$1,646,660	\$1,333,901	\$1,250,298
Unrestricted	(16,588)	48,927	189,430	247,736	238,157	541,747	698,860	650,559	516,567	562,537
Total business-type activities net position	\$1,987,465	\$2,115,256	\$2,215,468	\$2,316,209	\$2,429,989	\$2,553,810	\$2,665,252	\$2,297,219	\$1,850,468	\$1,812,835
Primary government:										
Net investment in capital assets	\$12,254,608	\$12,623,025	\$12,896,588	\$13,039,504	\$13,540,388	\$14,071,935	\$14,149,884	\$13,009,200	\$13,252,851	\$12,623,098
Restricted	726,406	324,193	318,858	303,889	182,528	169,660	168,195	125,554	142,346	158,793
Unrestricted	7,119,530	6,059,721	5,342,469	5,444,571	5,423,131	5,655,973	5,948,865	5,296,528	4,895,103	5,649,459
Total primary government net position	\$20,100,544	\$19,006,939	\$18,557,915	\$18,787,964	\$19,146,047	\$19,897,568	\$20,266,944	\$18,431,282	\$18,290,300	\$18,431,350

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$1,888,270	\$1,791,998	\$1,792,493	\$1,557,307	\$1,566,426	\$1,598,501	\$1,446,108	\$1,428,610	\$1,396,108	\$1,386,225
Public safety	2,198,591	2,239,277	2,289,278	2,264,729	2,425,780	2,113,299	2,017,079	1,917,635	1,781,017	1,853,424
Public works	2,252,001	2,381,126	2,220,286	2,302,854	2,004,272	1,831,733	1,486,652	1,677,538	2,103,662	1,643,344
Recreation and culture	34,158	22,428	26,981	27,456	54,230	51,277	56,564	56,787	55,117	58,270
Education	20,633,430	20,087,840	19,813,469	19,497,566	19,352,871	18,551,086	18,201,477	18,329,949	18,300,639	18,086,820
Transfer station/recycling area	-	-	-	-	179,034	162,538	158,807	160,101	151,885	145,665
Community services	223,925	879,845	581,336	422,020	274,366	381,304	481,724	471,944	277,513	564,606
Other	8,077	8,241	3,906	7,766	3,016	9,308	4,864	6,235	3,921	9,595
Interest	45,337	58,744	77,398	93,404	117,267	71,106	85,234	165,227	54,800	102,443
Total governmental activities expenses	27,283,789	27,469,499	26,805,147	26,173,102	25,977,262	24,770,152	23,938,509	24,214,026	24,124,662	23,850,392
Business-type activities:										
Water Supply Board	309,766	319,539	307,484	306,660	293,576	284,775	206,183	186,857	157,750	65,015
Total business-type activities expenses	309,766	319,539	307,484	306,660	293,576	284,775	206,183	186,857	157,750	65,015
Total primary government expenses	\$27,593,555	\$27,789,038	\$27,112,631	\$26,479,762	\$26,270,838	\$25,054,927	\$24,144,692	\$24,400,883	\$24,282,412	\$23,915,407
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
General government	\$761,308	\$578,055	\$508,161	\$537,994	\$630,391	\$441,445	\$481,710	\$323,629	\$319,272	\$216,997
Public safety	162,224	193,971	248,182	194,068	348,365	263,069	156,603	129,702	147,545	50,425
Public works	180,552	190,162	186,968	159,005	-	-	-	-	-	-
Recreation and culture	33,120	22,130	2,320	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
Other activities	6,105	4,073	10,128	17,332	13,842	17,448	19,171	12,590	16,583	213,032
Operating grants and contributions	5,227,686	6,028,808	5,077,105	4,910,385	4,828,717	5,302,454	5,508,948	5,703,959	5,604,383	5,962,795
Capital grants and contributions	235,000	-	-	-	97,473	-	177,303	-	-	49,315
Total governmental activities program revenues	6,605,995	7,017,199	6,032,864	5,836,380	6,097,272	6,204,628	6,502,479	6,323,014	6,244,389	6,563,080
Business-type activities:										
<i>Charges for services:</i>										
Water Supply Board	172,874	177,726	165,142	151,279	128,154	122,631	117,112	123,194	127,537	130,654
Operating and capital grants and contributions	9,101	41,601	41,601	41,601	41,601	50,702	466,186	510,414	74,036	65,000
Total business-type activities program revenues	181,975	219,327	206,743	192,880	169,755	173,333	583,298	633,608	201,573	195,654
Total primary government program revenues	6,787,970	7,236,526	6,239,607	6,029,260	6,267,027	6,377,961	7,085,777	6,956,622	6,445,962	6,758,734
Net (Expense)/Revenue										
Governmental activities	\$(20,677,794)	\$(20,452,300)	\$(20,772,283)	\$(20,336,722)	\$(19,879,990)	\$(18,565,524)	\$(17,436,030)	\$(17,891,012)	\$(17,880,273)	\$(17,287,312)
Business-type activities	(127,791)	(100,212)	(100,741)	(113,780)	(123,821)	(111,442)	377,115	446,751	43,823	130,639
Total primary government net expenses	\$(20,805,585)	\$(20,552,512)	\$(20,873,024)	\$(20,450,502)	\$(20,003,811)	\$(18,676,966)	\$(17,058,915)	\$(17,444,261)	\$(17,836,450)	\$(17,156,673)

(Continued)

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

EXHIBIT 2

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes and other	\$20,937,736	\$20,538,141	\$19,859,345	\$19,312,424	\$18,694,052	\$17,975,939	\$17,439,301	\$17,236,054	\$16,717,549	\$16,232,872
Unrestricted investment earnings	9,397	8,422	50,249	68,801	48,849	26,938	24,938	16,214	8,276	8,009
State aid	937,393	453,461	720,978	610,565	493,359	310,829	349,599	332,054	324,007	-
Other revenues	14,664	1,512	12,403	9,694	16,030	-	924	921	6,261	281,604
Transfers	-	-	-	-	-	-	10,600	-	-	35,698
Total governmental activities	21,899,190	21,001,536	20,642,975	20,001,484	19,252,290	18,313,706	17,825,362	17,585,243	17,056,093	16,558,183
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	1,518	-	-	-
Transfers	-	-	-	-	-	-	(10,600)	-	-	(35,698)
Total business-type activities	-	-	-	-	-	-	(9,082)	-	-	(35,698)
Total primary government	\$21,899,190	\$21,001,536	\$20,642,975	\$20,001,484	\$19,252,290	\$18,313,706	\$17,816,280	\$17,585,243	\$17,056,093	\$16,522,485
Change in Net Position										
Governmental activities	\$1,221,396	\$549,236	\$(129,308)	\$(335,238)	\$(627,700)	\$(251,818)	\$389,332	\$(305,769)	\$(824,180)	\$(729,129)
Business-type activities	\$(127,791)	\$(100,212)	\$(100,741)	\$(113,780)	\$(123,821)	\$(111,442)	368,033	446,751	43,823	94,941
Total primary government	\$1,093,605	\$449,024	\$(230,049)	\$(449,018)	\$(751,521)	\$(363,260)	\$757,365	\$140,982	\$(780,357)	\$(634,188)

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 83,423	\$ 31,396	\$ 49,909	\$ 49,703	\$ 62,422	\$ 6,384	\$ 69,701	\$ 21,017	\$ 9,556	\$ 75
Committed	462,998	529,429	454,161	639,056	870,517	1,006,017	1,054,786	696,046	733,424	728,577
Assigned	-	150,000	165,987	-	13,920	-	-	-	-	-
Unassigned	4,769,834	4,237,437	3,691,769	3,730,816	3,685,159	3,611,822	3,441,004	3,373,920	3,214,276	3,126,696
Total General fund	\$ 5,316,255	\$ 4,948,262	\$ 4,361,826	\$ 4,419,575	\$ 4,632,018	\$ 4,624,223	\$ 4,565,491	\$ 4,090,983	\$ 3,957,256	\$ 3,855,348
American Rescue Plan										
Assigned	2,347	-	-	-	-	-	-	-	-	-
Total American Rescue Plan Fund	\$ 2,347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds										
Restricted	745,571	803,176	886,973	1,653,771	2,480,849	1,059,139	1,699,988	2,424,614	-	-
Committed	655,480	331,488	121,854	122,485	218,371	116,188	215,224	119,389	-	-
Total Capital Projects Fund	\$ 1,401,051	\$ 1,134,664	\$ 1,008,827	\$ 1,776,256	\$ 2,699,220	\$ 1,175,327	\$ 1,915,212	\$ 2,544,003	\$ -	\$ -
All Other Governmental Funds										
Restricted	394,566	227,353	222,018	116,114	85,688	72,820	71,355	125,554	147,109	158,793
Committed	1,298,442	1,248,902	1,181,459	1,143,382	835,016	677,376	794,044	695,989	623,705	847,594
Unassigned	-	-	(4,314)	-	(7,628)	(5,866)	(1,411)	(10,525)	(10,826)	(8,329)
Total All Other Governmental Funds	\$ 1,693,008	\$ 1,476,255	\$ 1,399,163	\$ 1,259,496	\$ 913,076	\$ 744,330	\$ 863,988	\$ 811,018	\$ 759,988	\$ 998,058
Total governmental funds	\$ 8,412,661	\$ 7,559,181	\$ 6,769,816	\$ 7,455,327	\$ 8,244,314	\$ 6,543,880	\$ 7,344,691	\$ 7,446,004	\$ 4,717,244	\$ 4,853,406

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Property tax revenue	\$20,935,698	\$20,508,147	\$19,795,368	\$19,284,567	\$18,659,341	\$18,015,962	\$17,438,274	\$17,319,305	\$16,839,234	\$16,460,885
Intergovernmental and department revenue	6,387,480	6,474,175	5,784,908	5,479,554	5,397,120	5,607,480	6,013,757	6,027,337	5,901,511	6,375,962
Licenses, fees, and permits	1,014,783	829,585	749,101	782,605	872,804	687,497	701,494	505,728	520,938	384,988
Investment Income	9,397	8,422	50,249	68,801	48,849	26,938	24,938	16,214	8,276	8,009
Other revenues	160,666	172,318	234,768	194,480	336,735	220,480	137,753	122,924	152,208	83,734
Total revenues	\$ 28,508,024	\$ 27,992,647	\$ 26,614,394	\$ 25,810,007	\$ 25,314,849	\$ 24,558,357	\$ 24,316,216	\$ 23,991,508	\$ 23,422,167	\$ 23,313,578
Expenditures										
General government	1,806,870	1,633,374	1,660,283	1,441,384	1,429,911	1,554,214	1,623,378	1,389,345	1,293,863	1,102,101
Public safety	2,328,991	2,174,773	2,182,082	2,147,594	2,116,593	2,039,741	1,869,226	1,849,574	1,774,776	1,758,543
Public works	1,449,052	1,379,476	1,243,328	1,284,791	932,637	834,606	681,209	843,301	799,073	715,313
Grants expenditures and land acquisition	0	-	-	-	-	-	-	-	-	612,434
Recreation and culture	34,158	22,428	26,981	27,456	54,230	51,277	56,564	56,787	55,117	58,270
Education	20,633,430	20,087,840	19,813,469	19,497,566	19,352,871	18,551,086	18,201,477	18,329,949	18,300,639	18,086,820
Recycling area	-	-	-	-	178,456	163,542	159,766	160,897	151,885	145,665
Community services	223,925	879,845	581,336	422,020	274,366	381,304	481,724	471,944	277,513	156,182
Canvassing authority	8,077	8,241	3,906	7,766	3,016	9,308	4,864	6,235	3,921	9,595
Capital outlay	608,016	198,933	1,065,845	922,964	1,363,340	1,192,159	763,440	307,253	473,013	203,450
Debt Service - principal	499,878	758,909	747,532	736,000	475,000	495,270	483,950	252,678	371,455	371,642
Debt Service - interest	62,147	77,463	95,778	111,453	124,025	89,119	100,031	141,488	64,453	97,237
Debt Service - other	-	-	-	-	-	-	2,500	2,500	1,525	1,975
Total expenditures	\$ 27,654,544	\$ 27,221,282	\$ 27,420,540	\$ 26,598,994	\$ 26,304,445	\$ 25,361,626	\$ 24,428,129	\$ 23,811,951	\$ 23,567,233	\$ 23,319,227
Excess of revenues over (under) expenditures before other financing sources (uses)	853,480	771,365	(806,146)	(788,987)	(989,596)	(803,269)	(111,913)	179,557	(145,066)	(5,649)
Other financing sources (uses)										
Sale of land	-	-	-	-	189,030	-	-	-	-	-
Capital lease	-	-	-	-	-	8,574	-	-	-	-
Proceeds from debt issuance	-	18,000	29,700	-	2,501,000	-	-	2,536,753	-	35,698
Transfers from (to) other funds	-	-	-	-	-	-	10,600	-	-	-
Total other financing sources (uses)	-	18,000	29,700	-	2,690,030	8,574	10,600	2,536,753	-	35,698
Net change in fund balances	\$ 853,480	\$ 789,365	\$ (776,446)	\$ (788,987)	\$ 1,700,434	\$ (794,695)	\$ (101,313)	\$ 2,716,310	\$ (145,066)	\$ 30,049
Debt service as a percentage of expenditures (exclude capital)	2.067%	3.074%	3.195%	3.301%	2.402%	2.418%	2.468%	1.677%	1.888%	2.028%

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
	\$ 889,474,530	\$ 96,407,200	\$ 75,489,481	\$ 26,235,600	\$79,379,910	\$ 1,008,226,901	\$ 20.69	\$ 1,008,226,901	100%	\$ 1,087,606,811
(1) 12/31/2020	879,941,280	93,591,300	70,778,903	24,646,940	73,332,390	\$995,626,033	20.46	995,626,033	100%	1,068,958,423
12/31/2019	793,056,800	81,013,700	73,910,681	25,341,640	70,956,541	\$902,366,280	21.92	902,366,280	100%	973,322,821
12/31/2018	775,981,900	79,382,000	74,908,737	20,165,910	56,121,637	\$894,316,910	21.43	894,316,910	100%	950,438,547
12/31/2017	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
(2) 12/31/2016	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
12/31/2015	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
12/31/2014	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
(2) 12/31/2013	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
12/31/2012	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
12/31/2011										

(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 those percentages.

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
(Unaudited)

EXHIBIT 6

<u>Fiscal Year</u>	<u>General Fund</u>
2022	\$ 20.62
2021	20.38
2020	21.88
2019	21.36
2018	20.80
2017	21.57
2016	21.08
2015	20.94
2014	19.76
2013	19.02

Note:
no overlapping

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

EXHIBIT 7

Taxpayer	12/31/2020				12/31/2011			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxes Assessed	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxes Assessed
Agree Richmond RI LLC	\$ 6,941,500	1	0.688%	\$ 143,134				
Narragansett Electric Co	5,583,000	2	0.554%	\$ 115,121	4,731,760	2	0.563%	\$ 89,998
Richmond Country Club II LLC	3,381,900	3	0.335%	\$ 69,735	3,405,400	4	0.405%	\$ 64,771
Richmond 208 Realty LLC	3,136,700	4	0.311%	\$ 64,679				
GX3 LLC	2,892,000	5	0.287%	\$ 59,633				
Cox Communications Inc.	2,769,600	6	0.275%	\$ 57,109	3,735,500	3	0.444%	\$ 71,049
The Preserve at Boulder Hills II LLC	2,619,200	7	0.260%	\$ 54,008				
CVS 8320 RI LLC	2,373,900	8	0.235%	\$ 48,950				
Wawaloam Reservation Inc	2,338,200	9	0.232%	\$ 48,214				
Preserve Range LLC	2,284,300	10	0.227%	\$ 47,102				
Kingstown Richmond LP					6,100,500	1	0.726%	\$ 116,032
Ocean State Golf Investors LLC					2,839,800	7	0.338%	\$ 54,013
Chariho Plaza LLC					3,009,900	5	0.358%	\$ 57,248
JAG Enterprises Incorporated					2,725,000	8	0.324%	\$ 51,830
New Castle Realty Company					2,858,900	6	0.340%	\$ 54,376
Stop & Shop Supermarket Co					2,426,010	9	0.289%	\$ 46,143
Rolling Greens Corp &					2,362,900	10	0.281%	\$ 44,942
	\$ 34,320,300		3.40%	\$ 707,685	\$ 34,195,670		4.07%	\$ 650,402
Total Assessed Value	\$ 1,008,226,901				\$840,539,761			
Tax Rate	\$ 20.62				\$ 19.02			

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
2022	\$ 20,862,003	\$ 20,174,982	96.7%	\$ 20,174,982	96.7%
2021 (2)	20,373,360	19,724,704	96.8%	20,298,245	99.6%
2020	19,776,325	19,051,146	96.3%	19,732,909	99.8%
2019	19,163,624	18,512,366	96.6%	19,128,596	99.8%
2018(1)	18,594,046	17,995,965	96.8%	18,557,160	99.8%
2017	17,880,304	17,290,235	96.7%	17,839,546	99.8%
2016	17,354,620	16,750,448	96.5%	17,322,640	99.8%
2015 ⁽¹⁾	17,189,267	16,525,473	96.1%	17,154,706	99.8%
2014	16,740,540	16,019,946	95.7%	16,706,256	99.8%
2013	16,192,072	15,568,651	96.1%	16,158,739	99.8%

(1) Statistical Revaluation

(2) Revaluation

Source: Town of Richmond - Tax Collector

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

EXHIBIT 9

Fiscal Year	Governmental Activities		Business Type Activities		Total Primary Government	Percentage of Total Household Income	Median Household Income	# of Households	Total household income
	General Obligation Bonds	Capital Lease		Loans Payable					
2022	\$ 2,313,026	\$ -	\$	1,865,003	\$ 4,178,029	1.45%	\$ 98,940	2917	\$ 288,607,980
2021	2,820,702	1,222		1,900,059	4,721,983	1.64%	98,940	2917	288,607,980
2020	3,588,377	3,271		1,934,104	5,525,752	2.03%	95,391	2848	271,673,568
2019	4,346,052	5,063		1,967,167	6,318,282	2.35%	94,605	2837	268,394,385
2018	5,094,727	6,630		1,999,277	7,100,634	2.54%	98,234	2850	279,966,900
2017	3,081,403	8,000		2,030,462	5,119,865	1.90%	95,026	2832	269,113,632
2016	3,554,078	35,270		2,060,748	5,650,096	2.08%	95,660	2845	272,152,700
2015	4,016,753	69,220		2,090,161	6,176,134	2.33%	96,533	2746	265,079,618
2014	1,700,000	101,898		802,776	2,604,674	1.03%	93,975	2688	252,604,800
2013	2,040,000	133,353		814,052	2,987,405	1.34%	82,468	2708	223,323,344

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
Household income and total housing units from U.S. Census Table ID S2503 Financial Characteristics of prior yr (ex FY2011 is 2010 Table)
FY2021 & FY22 U.S. Census Table not released - using prior year U.S. Census Table 2020
The Note payable noted in the Long Term liability section of the report is not presented here as the program does not allow access by the Town for these funds. The program is solely for town residents and administered by the State of Rhode Island.

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

EXHIBIT 10

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Obligation Debt	\$ 2,313,026	\$ 2,820,702	\$ 3,588,377	\$ 4,346,052	\$ 5,094,727	\$ 3,081,403	\$ 3,554,078	\$ 4,016,753	\$ 1,700,000	\$ 2,040,000
Estimated Value of Taxable Property	1,008,226,901	995,626,032	902,366,280	894,316,910	889,263,025	825,965,637	818,962,979	884,855,220	907,480,486	907,234,378
Estimated value of taxable property as a % of General Obligation Debt	0.23%	0.28%	0.40%	0.49%	0.57%	0.37%	0.43%	0.45%	0.19%	0.22%

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		
2022	\$ 7,147,006	\$ 20,633,430	\$ 27,780,436	\$ 5,316,255	19.14%
2021	6,785,513	20,098,301	26,883,814	4,948,262	18.41%
2020	6,574,483	19,813,469	26,387,952	4,361,826	16.53%
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%

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	22	22	22	18	18	18	15	15
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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	3.6	3.6	3.6	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	2.0	2.0	2.0	2.3	2.3	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	2.0	2.0	2.0	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	1.4	1.4	1.7	1.7	1.7	1.5	1.5	1.5	1.5	1.5
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	1.3	1.3	1.3	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	8.0	8.0	7.0	7.0	7.0	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)	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	46.1	46.1	45.4	46.4	46.1	44.8	45.3	45.3	45.3	45.3

Source: Various town departments



CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island as of and for the year ended June 30, 2022, 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 22, 2022.

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) as a basis for designing 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 a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a material weakness.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Richmond, Rhode Island's Response to Findings

The Town of Richmond, Rhode Island's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. 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 22, 2022

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2022

MATERIAL WEAKNESSES

2022-001 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, 2018-001, 2019-001, 2020-001 and 2021-001.

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 – Management acknowledges the comment and will look to review additional areas for segregation of duties. The need for additional segregation of duties versus the hiring of additional personnel will need to be considered. There has been additional timely reconciliations of accounts conducted by the Finance Department which has reduced some of the issues raised by this comment. Additional review will be considered with the recommendation of the Auditors for new procedures.