

TOWN OF RICHMOND, RHODE ISLAND

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ending
June 30, 2016**



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

TOWN OF RICHMOND, RHODE ISLAND

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2016**

**Prepared by: Finance Department
David Krugman, Finance Director**

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**TOWN OF RICHMOND, RHODE ISLAND
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2016**

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Town of Richmond, Rhode Island

FINANCE OFFICE

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treasurer@richmondri.com

December 20, 2016

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

The Comprehensive Annual Financial Report of the Town of Richmond, Rhode Island for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the information as presented, is accurate in all material respects and is presented in a manner designed to fairly present the financial position and results of operations and cash flows of the Town of Richmond; and that all disclosures necessary to enable the readers to gain an adequate understanding of the Town's financial affairs have been included. The reader should see the following Management's Discussion & Analysis section of this report in order to gain a broader understanding of the Town and its activities.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the Town's organizational chart, a list of principal officials and a reproduction of our 2015 GFOA Certificate of Achievement for Excellence in Financial Reporting. The Financial Section includes the Independent Auditors' Report, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and other supplementary information. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

The Town is required to undergo an annual Single Audit in conformance with the audit requirements of the Uniform Guidance. The Schedule of Expenditures of Federal Awards and Independent Auditors' Report on the internal control structure and compliance with laws and regulation are included in the Single Audit Section of this report.

THE TOWN OF RICHMOND

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

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

The Town of Richmond’s municipal government provides a full range of services including education through the Chariho Regional School District, police, planning, zoning, construction and maintenance of highways, streets, and infrastructure, social services, parks and recreational activities and cultural activities. Approximately 56 full-time municipal employees provide services to a community of 40.8 square miles and 7,708 residents.

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

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

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

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

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

ECONOMIC CONDITIONS

General

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

Population

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

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

Source: U.S. Bureau of the Census.

Median Family Income

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

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

Source: U.S. Bureau of the Census.

Unemployment

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

Average Annual Unemployment Rates 2009 - Present

Year	2015	2014	2013	2012	2011	2010	2009
	Rate						
United States	5.3	6.2	7.4	8.1	8.9	9.6	9.3
Rhode Island	6	7.7	9.3	10.4	11	11.2	11

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

Richmond Labor Force Statistics					
<u>Month</u>	<u>Year</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
October	2016	4,381	4,243	138	3.1
September	2016	4,279	4,136	143	3.3
August	2016	4,387	4,227	160	3.6
July	2016	4,392	4,239	153	3.5
June	2016	4,300	4,173	127	3.0
May	2016	4,226	4,090	136	3.2
April	2016	4,158	4,036	122	2.9
March	2016	4,169	4,001	168	4.0
February	2016	4,194	4,014	180	4.3
January	2016	4,259	4,088	171	4.0
Annual Average	2015	4,291	4,138	153	3.6

Rhode Island Labor Force Statistics

<u>Month</u>	<u>Year</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
October	2016	553,837	527,302	26,535	4.8
September	2016	554,828	526,436	28,392	5.1
August	2016	563,749	531,102	32,647	5.8
July	2016	564,762	533,075	31,687	5.6
June	2016	558,171	529,529	28,642	5.1
May	2016	548,300	519,400	28,900	5.3
April	2016	547,158	520,524	26,634	4.9
March	2016	548,991	516,117	32,874	6.0
February	2016	547,792	513,496	34,296	6.3
January	2016	549,035	514,308	34,727	6.3
Annual Average	2015	554,558	521,434	33,124	6.0

*Not Seasonally Adjusted.

Source: Rhode Island Department of Labor and Training.

Type of Employment

**Rhode Island Department of Labor Training
Quarterly Census of U.I. Covered Employment
2015 Annual**

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

	<u>Number of Units</u>	<u>Average Employment</u>	<u>Total Wages</u>
Total Private & Government	155	2,094	\$83,871,070
Total Private Only	148	1,411	43,528,392
Agriculture, Forestry, Fishing & Hunting	8	51	2,338,080
Mining	1	*	*
Utilities	-	-	-
Construction	24	99	4,934,390
Manufacturing	4	*	*
Wholesale Trade	4	*	*
Retail Trade	21	297	8,097,902
Transportation & Warehousing	3	*	*
Information	2	*	*
Finance & Insurance	5	51	1,866,766
Real Estate & Rental & Leasing	-	-	-
Professional & Technical Services	11	75	4,103,744
Management of Companies & Enterprises	-	-	-
Administrative Support & Waste Mgmt.	14	65	2,216,656

Educational Services	1	*	*
Health Care & Social Assistance	13	78	2,909,733
Arts, Entertainment, & Recreation	7	121	1,666,486
Accommodation & Food Services	21	276	4,498,125
Other services, (except Public Administration)	14	31	597,940
Unclassified Establishments	-	-	-
Government	8	683	\$ 40,342,678

*Some data are not shown due to the possibility of identifying data of a specific employer.
Source: Rhode Island Department of Labor and Training. Data compiled June 2016, subject to revision.

Major Employers

Kenyon Industries (finishing plants, manmade) employs 330 employees, located on the Charlestown/Richmond border, is the largest employer in Richmond (RIEDC 2011), followed by grocery retailer The Stop and Shop Supermarket Company LLC which employs 225 employees and School bus transportation company First Student which employs 120 employees.

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

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

Housing

According to the 2010 U.S. Census, there were a total of 2,952 housing units compared to 2,620 in 2000. This represented an increase of 332 units or 13%. The median selling price of existing single family homes in the town for the first quarter of 2014 was \$243,750.

Building Permits

Below is a schedule of residential building permits issued by the Town's Building Inspector for the years ending 2007 through 2016.

Fiscal Year	Number	Value
2016	40	6,352,965
2015	18	3,542,416
2014	15	2,802,348
2013	14	2,495,050
2012	6	1,241,325
2011	8	1,619,877
2010	8	1,352,830
2009	10	1,452,784
2008	23	4,106,292
2007	9	1,446,739

Source: Town Officials.

INTERNAL CONTROLS

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

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

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

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

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

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

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

INDEPENDENT AUDIT

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

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Richmond for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the second year that the government has achieved this prestigious award.

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

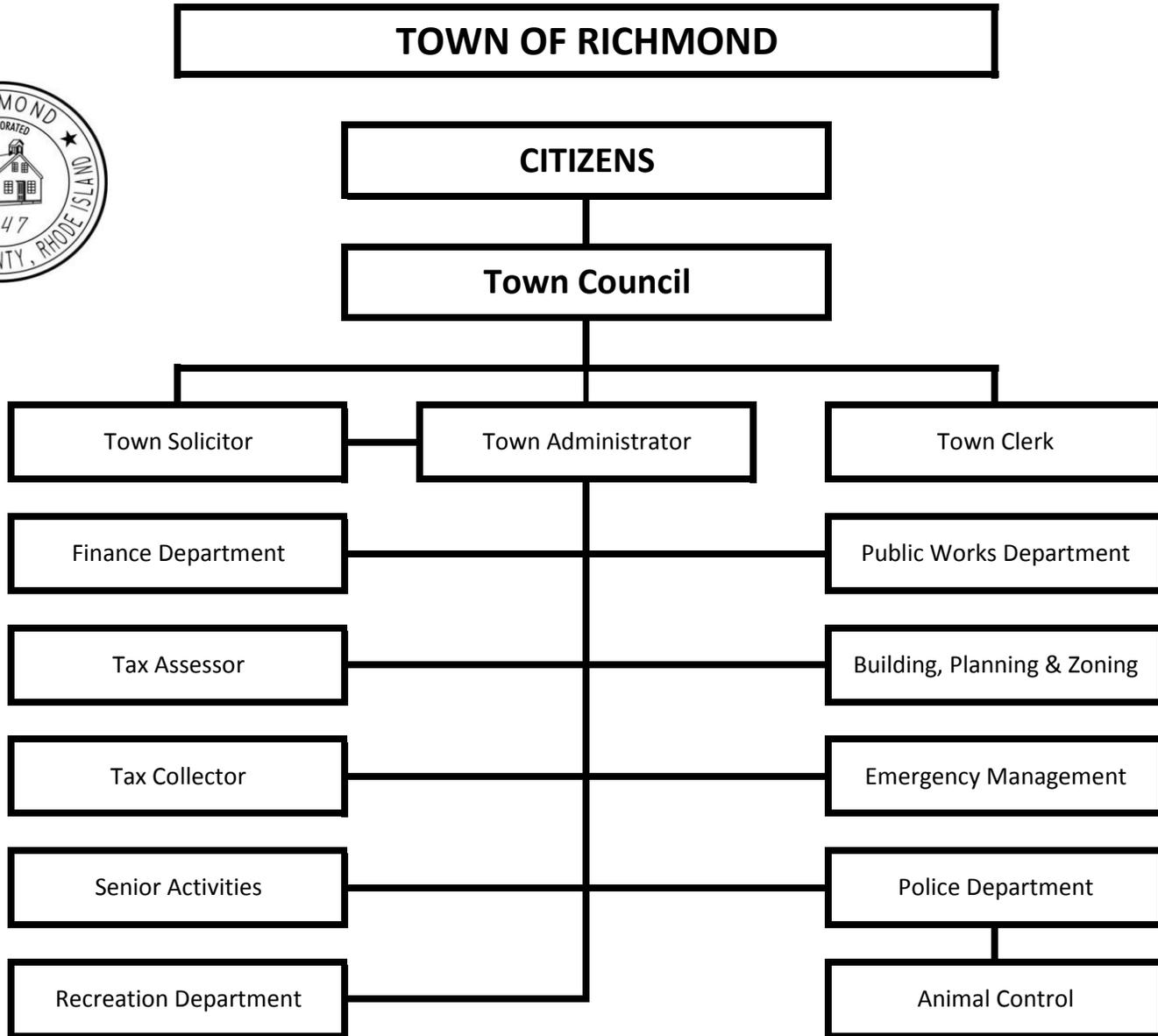
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

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

Respectfully Submitted,

Dave Krugman
Finance Director



TOWN OF RICHMOND, RHODE ISLAND

**LIST OF TOWN OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

TOWN COUNCIL

Henry R. Oppenheimer, Town Council President

Paul H. Michaud, Town Council Vice President

Erick A. Davis

B. Joseph Reddish III

Ronald Newman

TOWN ADMINISTRATOR

Karen Pinch

TOWN CLERK

Tracy Nelson

FINANCE DIRECTOR

David Krugman



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Richmond
Rhode Island**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

Independent Auditor's Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information



CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Richmond, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and supplementary pension information on pages 4 through 12 and pages 54 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Richmond, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Richmond, Rhode Island's internal control over financial reporting and compliance.

Bacon & Company, LLC

Warwick, Rhode Island
December 20, 2016

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

The Town of Richmond's Management Discussion and Analysis (MDA) is designed to assist the reader in focusing on significant issues in the audit report. The financial statements appear in two categories, Government - Wide Financial Statements and Fund Financial Statements. This format focuses on the Town's Finances as a whole including other business activities as well as its government-wide funds. Our discussion and analysis of the Town of Richmond, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2016.

Financial Highlights

- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$3,441,004, or 14.42% of the total general fund budgeted expenditures and transfers out for the fiscal year. An unassigned fund balance is available for use or may be specifically set aside for some future action. It is essential for maintaining the Town's cash flow for the first two months of the fiscal year without issuing tax anticipation notes because new taxes are not received until September, and approximately 19% of the Town's budget is expended to the Chariho Regional School District by September 1st. The Town's unassigned fund balance can be deemed adequate based on the size of the Town budget, as a healthy fund balance is usually around 10% of General Fund budgeted expenditures, although the Town's policy is to have 15%. Additionally, the nonspendable and committed fund balances amounted to \$69,701 and \$1,054,786 respectively, which is comprised of non-spendable amounts for prepaid expenditures and amounts committed to be spent on specific purposes in future years.
- ❖ The Town's Government-wide (Governmental and Business-Type Activities) operating expenses were \$24,144,692, a 1.05% decrease from the prior year, while revenues were \$24,902,057, a 1.47% increase.
- ❖ The current fiscal year General Fund revenues and transfers exceeded expenditures and transfers by \$474,508.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,344,691. Included in this amount is the general fund unassigned balance of \$3,441,004, restricted fund balances of \$1,771,343, committed fund balance of \$2,064,054 and non-spendable fund balances of \$69,701.
- ❖ The Town's net position increased \$757,365 or 4.1% as a result of this year's operations. The general revenues and other changes in net position are totaled and added to the net (expense) revenue totals to produce the total change in net position. On a Government-wide basis the assets and deferred outflows of resources of the Town of Richmond exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$19,188,647. Net position of Business-Type Activities increased by \$368,033, or 16.02%, while net position of Governmental Activities increased by \$389,332 or 2.41%.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

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

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

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

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

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

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

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 25 through 53.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary pension information is presented on pages 54-56. A detail budgetary comparison can be found on pages 57 through 67.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 71 through 78.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

Government-wide Financial Analysis

Analysis of the Town of Richmond's Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. The Town of Richmond, Governmental Activities assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$16,523,395 as of June 30, 2016. This is an increase of \$389,332 from the previous year.

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

	Net Position					
	June 30, 2016			June 30, 2015		
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current Assets	\$8,493,510	\$725,565	\$9,219,075	\$8,481,628	\$784,327	\$9,265,955
Capital Assets Net	\$13,091,394	\$4,027,140	\$17,118,534	\$13,068,530	\$3,736,821	\$16,805,351
Total Assets	<u>\$21,584,904</u>	<u>\$4,752,705</u>	<u>\$26,337,609</u>	<u>\$21,550,158</u>	<u>\$4,521,148</u>	<u>\$26,071,306</u>
Deferred Outflows of Resources	\$201,397		\$201,397	\$201,306		\$201,306
Current liabilities	\$1,116,582	\$56,991	\$1,173,573	\$997,716	\$163,182	\$1,160,898
Non-Current Liabilities	\$3,950,591	\$2,030,462	\$5,981,053	\$4,383,712	\$2,060,747	\$6,444,459
Total Liabilities	<u>\$5,067,173</u>	<u>\$2,087,453</u>	<u>\$7,154,626</u>	<u>\$5,381,428</u>	<u>\$2,223,929</u>	<u>\$7,605,357</u>
Deferred Inflows of Resources	\$195,733		\$195,733	\$235,973		\$235,973
Net investment in capital assets	\$11,105,195	\$1,966,392	\$13,071,587	\$11,362,540	\$1,646,660	\$13,009,200
Restricted	\$168,195		\$168,195	\$125,554		\$125,554
Unrestricted	<u>\$5,250,005</u>	<u>\$698,860</u>	<u>\$5,948,865</u>	<u>\$4,645,969</u>	<u>\$650,559</u>	<u>\$5,296,528</u>
Total net position	<u>\$16,523,395</u>	<u>\$2,665,252</u>	<u>\$19,188,647</u>	<u>\$16,134,063</u>	<u>\$2,297,219</u>	<u>18,431,282</u>

A portion of the Town's net position, \$11,105,195 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, 2016 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, 2016
(Un-audited)

Analysis of the Town of Richmond's Operations

The analysis on the following page provides a summary of the Town's operations for the year ended June 30, 2016. Governmental activities increased the Town's net position by \$389,332 for the current period, accounting for a 2.41% increase in the Town's governmental net position, while business-type activities increased the Town's net position by \$368,033, accounting for 16.02% increase in the business-type growth in net position. Overall the Town's net position increase was \$757,365 which is a 4.11% increase over the prior year.

In the Statement of Activities, expenditures for capital items are not recorded as expenses but instead are shown in the balance sheet, which would result in an increase of \$959,509 for the Statement of Activities, while depreciation expense results in a decrease of \$936,645, respectively; also the increase of deferred inflow of resources from uncollected property taxes is not recorded as a increase of revenue in the fund financial statements, but is shown in the balance sheet, but would result in an increase of \$1,027 for the statement of activities. Bond principal payments of \$450,000 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 \$389,332. For a more detailed explanation of the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities please see page 18 of this report.

In the fund financial statements, the Town ended the year with a net increase in the General Fund fund balance of \$474,508 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 17. This increased the cumulative General Fund balance surplus to \$4,565,491, which is 19.14% of the 2015-2016 General Fund revised budgeted expenditures and transfers. Total changes in fund balances for the Town were \$(101,313) decreasing the cumulative Governmental Fund surplus to \$7,344,691.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

Changes in Net Position

	June 30, 2016			June 30, 2015		
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues						
Program Revenues						
Charges for services	\$ 816,228	\$ 117,112	\$ 933,340	\$ 619,055	\$ 123,194	\$ 742,249
Operating grants	5,508,948		5,508,948	5,703,959		5,703,959
Capital grants	177,303	466,186	643,489		510,414	510,414
General Revenues/transfers						
Property taxes	17,439,301		17,439,301	17,236,054		17,236,054
Investment earnings	24,938	1,518	26,456	16,214		16,214
State aid	349,599		349,599	332,054		332,054
Miscellaneous revenue	924		924	921		921
Operating transfers	10,600	-10,600				
Total revenues	<u>\$ 24,327,841</u>	<u>\$ 574,216</u>	<u>\$ 24,902,057</u>	<u>\$ 23,908,257</u>	<u>\$ 633,608</u>	<u>\$ 24,541,865</u>
Expenses						
General government	\$ 1,446,108		\$ 1,446,108	\$ 1,428,610		\$ 1,428,610
Public safety	2,017,079		2,017,079	1,917,635		1,917,635
Public works	1,486,652		1,486,652	1,677,538		1,677,538
Recreation and culture	56,564		56,564	56,787		56,787
Education	18,201,477		18,201,477	18,329,949		18,329,949
Recycling area	158,807		158,807	160,101		160,101
Community services	481,724		481,724	471,944		471,944
Other	4,864		4,864	6,235		6,235
Interest	85,234		85,234	165,227		165,227
Water operations		206,183	206,183		186,857	186,857
Total expenses	<u>\$ 23,938,509</u>	<u>\$ 206,183</u>	<u>\$ 24,144,692</u>	<u>\$ 24,214,026</u>	<u>\$ 186,857</u>	<u>\$ 24,400,883</u>
Change in net position	\$ 389,332	\$ 368,033	\$ 757,365	\$ (305,769)	\$ 446,751	\$ 140,982
Net position - beginning	<u>\$ 16,134,063</u>	<u>\$ 2,297,219</u>	<u>\$ 18,431,282</u>	<u>\$ 16,439,832</u>	<u>\$ 1,850,468</u>	<u>\$ 18,290,300</u>
Net position - ending	<u>\$ 16,523,395</u>	<u>\$ 2,665,252</u>	<u>\$ 19,188,647</u>	<u>\$ 16,134,063</u>	<u>\$ 2,297,219</u>	<u>\$ 18,431,282</u>

Financial Analysis of the Town of Richmond's Funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,344,691. Included in this amount is the general fund unassigned balance of \$ 3,441,004, non-spendable fund balances of 69,701, restricted fund balance of \$1,771,343 for purposes externally imposed by grantors, contributors or laws and regulations, committed fund balance of \$2,064,054 for capital and other specific purposes.

Proprietary Funds - The Town of Richmond's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Total net position of the proprietary funds is \$2,665,252.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

General Fund Budgetary Highlights

Revenues:

General Property - collections were under budget by \$187,577 due to an aggressive stance in prior years by the Town on collection of Property Tax Revenue, as well as Tax Sale and payments of interest on unpaid balances which resulted in a decrease in prior years taxes collections.

Permits & Fees were over budget by \$50,032 due to a better economy resulting in an increase in construction.

User Fees were under budget by \$4,284 due to Recreation Fees and Transfer Station Fees not reaching the anticipated levels.

Expenditures:

General Government - expenditures were under budget by \$107,355 as a result of IT expenditures, legal expenditures and health costs being decreased. Additionally non-expenditure of the Town Contingency budgeted expenditures.

Public Works - expenditures were under budget by \$92,403 due to minimal snow occurrences and related equipment breakdowns.

Public Safety – expenditures were under budget by \$20,632 due to personnel changes and reduced fuel cost.

The Town of Richmond's Capital Assets

The Town of Richmond's net investment in capital assets for its governmental and business-type activities amounts to \$17,118,534 net of accumulated depreciation at June 30, 2016. 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 5 of the Notes to the Financial Statements on page 35.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

Town of Richmond

Capital Assets (Net of Accumulated Depreciation)

	June 30,2016			June 30,2015		
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Govern-mental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 3,712,793	\$ 59,254	\$ 3,772,047	\$ 3,474,793	\$ 59,254	\$ 3,534,047
Construction in Progress	449,074	10,480	459,554	116,270	1,854,567	1,970,837
Infrastructure	7,034,130		7,034,130	7,749,111		7,749,111
Land improvements	340,687		340,687	360,728		360,728
Buildings and improvements	646,691	238,052	884,743	685,460	260,694	946,154
Furniture and equipment	155,681		155,681	163,067		163,067
Motor vehicles	752,338		752,338	519,101		519,101
Main extension		1,409,274	1,409,274		1,447,362	1,447,362
Water Tank		2,145,730	2,145,730			-
Equipment and machinery		164,350	164,350		114,944	114,944
Total	\$ 13,091,394	\$ 4,027,140	\$ 17,118,534	\$ 13,068,530	\$ 3,736,821	\$ 16,805,351

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 \$3,440,000 and the Business-Type Activities USDA loans amounted to \$2,060,748. 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 2014 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 \$24,568,889 at year-end. The Town's outstanding general obligation debt is \$5,500,748 at year-end, which is \$19,068,141 under the State imposed limitation.

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

	June 30,2016			June 30,2015		
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
General Obligation Bonds	\$ 3,440,000		\$ 3,440,000	\$ 3,890,000		\$ 3,890,000
Loans Payable		\$ 2,060,748	\$ 2,060,748		\$ 2,090,161	\$ 2,090,161
Capital leases	\$ 35,270		\$ 35,270	\$ 69,220		\$ 69,220
Totals	\$ 3,475,270	\$ 2,060,748	\$ 5,536,018	\$ 3,959,220	\$ 2,090,161	\$ 6,049,381

Additional information on the Town's long-term debt can be found in Note 6 of the Notes to the Financial Statements on pages 36-38.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

Economic Factors and Next Year's Budgets and Rates

The Town of Richmond's total general fund budget for fiscal year 2017 amounts to \$24,462,882, which reflects an increase of \$607,761 over the fiscal 2016 budget of \$23,855,121. Of the Town's 2017 budget, \$18,551,086, or 75.83% is budgeted for educational purposes and \$5,911,795, or 24.17% is budgeted for all other purposes.

The Town's tax rate for fiscal 2017 is \$21.57/1000 of assessed value while in fiscal 2016 the Town's tax rate was \$21.08. The Town performed a full revaluation in the year ending December 31, 2010 and a statistical update in 2013 which reduced the total assessed value for property in the Town.

Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in-between. The last full revaluation was performed as of December 31, 2010, which was the basis of the 2011 tax bills collected in the 2012 fiscal year end. The Town also completed a statistical revaluation that was reflected in the 2014 tax bills collected in the 2015 fiscal year end. The Town's tax rates for 2017 and 2016 with their differences are listed below. The tax on Motor Vehicles has been frozen at \$22.64. The tax on Inventory has been phased out. Rates are per \$1,000.

Tax Rates			
	Fiscal Year 2017	Fiscal Year 2016	Increase (Decrease)
Real Property	\$ 21.57	\$ 21.08	\$ 0.49
Motor Vehicles	\$ 22.64	\$ 22.64	-
Tangibles	\$ 21.57	\$ 21.08	\$ 0.49

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.

Dave Krugman
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, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 7,850,610	\$ -	\$ 7,850,610
Property taxes, net of allowance for uncollectible accounts	839,030	-	839,030
Accounts receivable - net	36,035	23,340	59,375
Due from federal and state government	225,593	174,766	400,359
Internal balances	(527,459)	527,459	-
Prepaid expenses	69,701	-	69,701
Total current assets	<u>8,493,510</u>	<u>725,565</u>	<u>9,219,075</u>
Noncurrent assets:			
Capital assets: (Note 5)			
Land and land rights	3,712,793	59,254	3,772,047
Construction in progress	449,074	10,480	459,554
Depreciable buildings, equipment and infrastructure, net	8,929,527	3,957,406	12,886,933
Total noncurrent assets	<u>13,091,394</u>	<u>4,027,140</u>	<u>17,118,534</u>
Total assets	<u>21,584,904</u>	<u>4,752,705</u>	<u>26,337,609</u>
Deferred Outflows of Resources			
Deferred pension amounts	201,397	-	201,397
Total deferred outflows of resources	<u>201,397</u>	<u>-</u>	<u>201,397</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	585,023	1,094	586,117
Accrued interest payable	36,289	25,611	61,900
Long-term debt -due within one year (Note 6)	495,270	30,286	525,556
Total current liabilities	<u>1,116,582</u>	<u>56,991</u>	<u>1,173,573</u>
Noncurrent liabilities:			
Compensated absences payable	189,651	-	189,651
Long-term debt - due in more than one year (Note 6)	3,094,078	2,030,462	5,124,540
Net pension liabilities	666,862	-	666,862
Total noncurrent liabilities	<u>3,950,591</u>	<u>2,030,462</u>	<u>5,981,053</u>
Total liabilities	<u>5,067,173</u>	<u>2,087,453</u>	<u>7,154,626</u>
Deferred Inflows of Resources			
Deferred pension amounts	195,733	-	195,733
Total deferred inflows of resources	<u>195,733</u>	<u>-</u>	<u>195,733</u>
Net position			
Net investment in capital assets	11,105,195	1,966,392	13,071,587
Restricted for:			
Historical records preservation	13,735	-	13,735
Land trust	19,025	-	19,025
Senior activities	26,956	-	26,956
Public safety programs	6,369	-	6,369
Community service programs	1,192	-	1,192
Dog park	4,078	-	4,078
Capital	96,840	-	96,840
Unrestricted	5,250,005	698,860	5,948,865
Total net position	<u>\$ 16,523,395</u>	<u>\$ 2,665,252</u>	<u>\$ 19,188,647</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, 2016

<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	\$ 1,446,108	\$ 481,710	\$ 15,262	\$ 177,303	\$ (771,833)	\$ -	\$ (771,833)
Public safety	2,017,079	156,603	72,566	-	(1,787,910)	-	(1,787,910)
Public works	1,486,652	-	36,697	-	(1,449,955)	-	(1,449,955)
Recreation and culture	56,564	9,654	-	-	(46,910)	-	(46,910)
Education	18,201,477	-	5,063,630	-	(13,137,847)	-	(13,137,847)
Transfer station and recycling	158,807	149,090	-	-	(9,717)	-	(9,717)
Community services	481,724	19,171	320,793	-	(141,760)	-	(141,760)
Canvassing authority	4,864	-	-	-	(4,864)	-	(4,864)
Interest and other charges	85,234	-	-	-	(85,234)	-	(85,234)
Total governmental activities	23,938,509	816,228	5,508,948	177,303	(17,436,030)	-	(17,436,030)
Business-Type Activities:							
Water fund	206,183	117,112	-	466,186	-	377,115	377,115
Total business-type activities	206,183	117,112	-	466,186	-	377,115	377,115
Total	\$ 24,144,692	\$ 933,340	\$ 5,508,948	\$ 643,489	(17,436,030)	377,115	(17,058,915)
General Revenues:							
Property taxes					17,439,301	-	17,439,301
State aid and in lieu of taxes, not restricted for a specific purpose					349,599	-	349,599
Investment earnings					24,938	1,518	26,456
Miscellaneous revenue					924	-	924
Transfers					10,600	(10,600)	-
Total general revenues and transfers					17,825,362	(9,082)	17,816,280
Change in net position					389,332	368,033	757,365
Net position - beginning of year restated					16,134,063	2,297,219	18,431,282
Net position - end of year					\$ 16,523,395	\$ 2,665,252	\$ 19,188,647

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

TOWN OF RICHMOND, RHODE ISLAND

*Balance Sheet
Governmental Funds
June 30, 2016*

	<u>General Fund</u>	<u>Capital Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 7,850,610	\$ -	\$ -	\$ 7,850,610
Property taxes, net of allowance for doubtful accounts of \$190,000	839,030	-	-	839,030
Accounts receivable	36,021	-	-	36,021
Due from federal and state government	120,961	-	104,632	225,593
Due from other funds	101,545	1,915,212	864,207	2,880,964
Prepaid expenditures	69,701	-	-	69,701
Total assets	<u>\$ 9,017,868</u>	<u>\$ 1,915,212</u>	<u>\$ 968,839</u>	<u>\$ 11,901,919</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable and accrued expenditures	\$ 292,728	\$ -	\$ 3,320	\$ 296,048
Due to other funds	3,595,853	-	101,531	3,697,384
Total liabilities	<u>3,888,581</u>	<u>-</u>	<u>104,851</u>	<u>3,993,432</u>
Deferred Inflows of Resources				
Deferred property taxes	563,796	-	-	563,796
Total deferred inflows of resources	<u>563,796</u>	<u>-</u>	<u>-</u>	<u>563,796</u>
Fund balances				
Nonspendable:				
Prepaid items	69,701	-	-	69,701
Restricted for:				
Capital	-	1,699,988	-	1,699,988
Historical records preservation	-	-	13,735	13,735
Senior activities	-	-	26,956	26,956
Land trust	-	-	19,025	19,025
Public safety programs	-	-	6,369	6,369
Community service programs	-	-	1,192	1,192
Dog park	-	-	4,078	4,078
Committed for:				
Planning and inspections	-	-	37,149	37,149
Public facilities and recreation	-	-	749,620	749,620
Public safety programs	-	-	7,275	7,275
Revaluation	212,740	-	-	212,740
Comprehensive Plan	11,950	-	-	11,950
Capital projects	245,160	215,224	-	460,384
Capital - Alton Water	19,291	-	-	19,291
Capital - Foster Woods recreation	12,794	-	-	12,794
Landscaping projects	675	-	-	675
Landfill	50,000	-	-	50,000
Public works projects	2,671	-	-	2,671
Police programs	4,811	-	-	4,811
Building maintenance	1,000	-	-	1,000
Snow removal	12,740	-	-	12,740
School budget	335,000	-	-	335,000
Legal fees	10,000	-	-	10,000
Future state aid funding shortfalls	135,954	-	-	135,954
Unassigned	3,441,004	-	(1,411)	3,439,593
Total fund balances	<u>4,565,491</u>	<u>1,915,212</u>	<u>863,988</u>	<u>7,344,691</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,017,868</u>	<u>\$ 1,915,212</u>	<u>\$ 968,839</u>	<u>\$ 11,901,919</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, 2016

Total Fund Balances - Total Governmental Funds	\$ 7,344,691
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. (See note 5 to the financial statements)	13,091,394
Long-term liabilities (including bonds payable, capital lease payable, compensated absences and net pension liabilities) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet (see note 6 to the financial statements)	(4,445,861)
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.	(36,289)
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.	563,796
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	201,397
Deferred inflows of resources	(195,733)
 Net Position - Governmental Activities	 <u>\$ 16,523,395</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	<u>General Fund</u>	<u>Capital Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 17,438,274	\$ -	\$ -	\$ 17,438,274
Intergovernmental revenue	5,494,676	-	519,081	6,013,757
License, permits and fees	522,588	-	178,906	701,494
Interest on investments	24,938	-	-	24,938
Other revenues	115,660	-	22,093	137,753
Total revenues	<u>23,596,136</u>	<u>-</u>	<u>720,080</u>	<u>24,316,216</u>
Expenditures:				
Current:				
General government	1,365,343	-	258,035	1,623,378
Public safety	1,834,033	-	35,193	1,869,226
Public works	681,209	-	-	681,209
Recreation and culture	56,564	-	-	56,564
Education	18,201,477	-	-	18,201,477
Transfer station and recycling	159,766	-	-	159,766
Community services	161,420	-	320,304	481,724
Canvassing authority	4,864	-	-	4,864
Capital outlay	-	763,440	-	763,440
Debt service:				
Principal	483,950	-	-	483,950
Interest and other charges	102,531	-	-	102,531
Total expenditures	<u>23,051,157</u>	<u>763,440</u>	<u>613,532</u>	<u>24,428,129</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>544,979</u>	<u>(763,440)</u>	<u>106,548</u>	<u>(111,913)</u>
Other financing sources (uses):				
Transfers from other funds	66,734	136,900	15,556	219,190
Transfers to other funds	(137,205)	(2,251)	(69,134)	(208,590)
Total other financing sources (uses)	<u>(70,471)</u>	<u>134,649</u>	<u>(53,578)</u>	<u>10,600</u>
Net change in fund balances	474,508	(628,791)	52,970	(101,313)
Fund balances - beginning of year - restated	<u>4,090,983</u>	<u>2,544,003</u>	<u>811,018</u>	<u>7,446,004</u>
Fund balances - end of year	<u>\$ 4,565,491</u>	<u>\$ 1,915,212</u>	<u>\$ 863,988</u>	<u>\$ 7,344,691</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, 2016

Net Changes in Fund Balances - Total Governmental Funds \$ (101,313)

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

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

This is the amount of capital asset additions recorded in the current period. 959,509

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. (936,645)

Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period. (4,288)

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

This amount represents bond principal payments during the current period. 450,000

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. 4,622

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

This amount represents capital lease principal payments during the current period. 33,950

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. 1,027

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

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

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

This is the amount of the change in long-term net pension liabilities and related deferred pension amounts in the current period. (30,205)

Change in Net Position of Governmental Activities \$ 389,332

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, 2016

	<u>Enterprise Fund</u> <u>Water Fund</u>
Assets	
Current assets:	
Accounts receivable, user fees - net	\$ 9,700
Accrued revenue	13,640
Due from federal and state government	174,766
Due from other funds	<u>527,459</u>
Total current assets	<u>725,565</u>
Noncurrent assets:	
Capital assets:	
Land	59,254
Construction in progress	10,480
Depreciable buildings, equipment and infrastructure, net	<u>3,957,406</u>
Total noncurrent assets	<u>4,027,140</u>
Total assets	<u>4,752,705</u>
 Liabilities	
Current liabilities	
Accounts payable and accrued expenses	1,094
Accrued interest payable	25,611
Long-term debt -due within one year	<u>30,286</u>
Total current liabilities	<u>56,991</u>
Noncurrent liabilities	
Loans payable	<u>2,030,462</u>
Total noncurrent liabilities	<u>2,030,462</u>
Total liabilities	<u>2,087,453</u>
 Net position	
Net investment in capital assets	1,966,392
Unrestricted	<u>698,860</u>
Total net position	<u><u>\$ 2,665,252</u></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, 2016

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
Operating revenues	
User fees	\$ 117,112
Total operating revenues	<u>117,112</u>
Operating expenses	
Salaries and benefits	31,181
Materials, supplies and operations	46,423
Depreciation	66,924
Total operating expenses	<u>144,528</u>
Operating loss	<u>(27,416)</u>
Nonoperating revenues (expenses)	
Interest income	1,518
Interest expense	(61,655)
Total nonoperating revenues (expenses)	<u>(60,137)</u>
Net loss before capital contributions and transfers	(87,553)
Capital contributions- Chariho and USDA grant	466,186
Transfers out	(10,600)
Change in net position	368,033
Total net position - beginning of year-restated	<u>2,297,219</u>
Total net position - end of year	<u><u>\$ 2,665,252</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, 2016

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
<i>Cash flows from operating activities</i>	
Cash received from customers for user fees	\$ 102,124
Cash paid to suppliers for goods and services	(46,516)
Cash payments to employees for salaries and benefits	(31,181)
<i>Net cash provided by operating activities</i>	24,427
<i>Cash flows from non-capital financing activities</i>	
Transfer to other funds	(10,600)
Interfund transactions	61,381
<i>Net cash provided by non-capital financing activities</i>	50,781
<i>Cash flows from capital and related financing activities</i>	
Acquisition and construction of capital assets	(440,882)
Capital grants	455,586
Principal payments on loan	(29,413)
Interest payments on loan	(62,017)
<i>Net cash used for capital and related financing activities</i>	(76,726)
<i>Cash flows from financing activities</i>	
Interest on investments	1,518
<i>Net cash provided by financing activities</i>	1,518
<i>Net increase in cash and cash equivalents</i>	-
<i>Cash and cash equivalents - beginning of year</i>	-
<i>Cash and cash equivalents - end of year</i>	\$ -

(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, 2016

	<u>Enterprise Fund</u> <u>Water Fund</u>
<i>Reconciliation of operating loss to net cash provided by operating activities:</i>	
Operating loss	\$ (27,416)
<i>Adjustments to reconcile operating loss to net cash provided by operating activities:</i>	
Depreciation	66,924
Changes in assets and liabilities:	
Decrease in accounts receivable and accrued revenue, user fees	7,980
Decrease in accounts payable and accrued expenses	<u>(23,061)</u>
<i>Net cash provided by operating activities</i>	<u><u>\$ 24,427</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, 2016

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 3,466	\$ -
Investments	120,263	-
Due from other funds	<u>131,561</u>	<u>157,414</u>
Total assets	<u>255,290</u>	<u>157,414</u>
 Liabilities		
Due to other funds	14	-
Deposits held in custody for others	<u>-</u>	<u>157,414</u>
Total liabilities	<u>14</u>	<u>157,414</u>
 Net Position		
Restricted for other purposes	<u>\$ 255,276</u>	<u>\$ -</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Private-Purpose Trust Funds</u>
<i>Additions</i>	
Gifts and contributions	\$ 5,642
Investment earnings:	
Net increase (decrease) in fair value of investments	491
Interest and dividends	<u>2,577</u>
Net investment earnings	<u>3,068</u>
<i>Total additions</i>	<u>8,710</u>
<i>Deductions</i>	
Miscellaneous	<u>12,769</u>
<i>Total deductions</i>	<u>12,769</u>
<i>Change in net position</i>	(4,059)
<i>Net position - beginning of year</i>	<u>259,335</u>
<i>Net position - end of year</i>	<u><u>\$ 255,276</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, 2016

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 chairperson's 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 other separate and distinct legal entities as component units within its financial reporting entity, the Town applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" 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 based on the nature and significance of the organization's relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The Town of Richmond does not have any component units.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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.

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, 2016

Governmental Fund Financial Statements

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

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

Major Governmental Funds:

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

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

Proprietary Fund Financial Statements

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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

The Town has one Enterprise Fund as follows:

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

Fiduciary Fund Financial Statements

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

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

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

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 72 – Fair Value Measurement and Application, effective for the Town’s fiscal year ending June 30, 2016.
- GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, effective for the Town’s fiscal years ending June 30, 2016.
- GASB Statement No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, effective for the Town’s fiscal year ending June 30, 2016.

The adoption of GASB statements No. 72, 73, and 76 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. 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, effective for the Town’s fiscal year ending June 30, 2017.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

- GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for the Town’s fiscal year ending June 30, 2018.
- GASB Statement No. 77 – Tax Abatement Disclosures, effective for the Town’s fiscal year ending June 30, 2017.
- GASB Statement No. 78 – Pensions Provided Through Certain Multiple – Employer Defined Benefit Pension Plans, effective for the Town’s fiscal year ending June 30, 2017.
- GASB Statement No. 79 – Certain External Investment Pools and Pool Participants, effective for the Town’s fiscal year ending June 30, 2017.
- GASB Statement No. 80 – Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14, effective for the Town’s fiscal year ending June 30, 2017.
- GASB Statement No. 81 – Irrevocable Split-Interest Agreements, effective for the Town’s fiscal year ending June 30, 2018.
- GASB Statement No. 82 – Pension Issues - an amendment of GASB Statements No. 67, No. 68 and No. 73, effective for the Town’s fiscal year ending June 30, 2017.
- GASB Statement No. 83 – Certain Asset Retirement Obligations, effective for the Town’s fiscal year ending June 30, 2019.

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

D. CASH AND CASH EQUIVALENTS

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

E. INVESTMENTS

The Town reports investments at fair value.

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

G. PREPAID ITEMS

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

H. UNBILLED SERVICES – ACCRUED REVENUE

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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.

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

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

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

J. DEBT PREMIUMS

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

K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

In the Governmental Fund Financial Statements, deferred inflows of resources are reported for receivables recorded in the Governmental Fund Financial Statements for which the revenue is not available or amounts received before the period for which property taxes are levied. In the

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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 96.52% of the total 2015 levy. The tax levy of the Town is approved by the citizens at the Financial Town Meeting.

The Town's fiscal 2015-2016 property taxes were levied in July 2015 on assessed valuation as of December 31, 2014. Upon levy, taxes are due and payable on September 7 or may be paid quarterly on September 7, December 7, March 7, and June 7. Failure to mail payments by due dates will result in lien on taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at approximately 100% of current market value for real estate and 80% of current market value for motor vehicles.

M. COMPENSATED ABSENCES

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

Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. The liability is calculated at the rate of pay in effect at June 30, 2016. Sick leave is not paid upon termination or retirement, therefore, no liability is accrued for sick leave.

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

N. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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 \$24,568,889. As of June 30, 2016, the Town's debt subject to the legal debt margin is \$5,500,748 and the Town is under the debt limit by \$19,068,141. The debt subject to the debt limitation is based on the type of debt that is issued.

B. DEFICIT FUND BALANCES

The following nonmajor governmental fund had a deficit fund balance as of June 30, 2016: MEDS Grant - \$(1,411).

NOTE 3 – CASH DEPOSITS

DEPOSITS – are in three financial institution 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".

	<i>Carrying Amount</i>
Total Deposits	\$7,818,133
Add: Petty cash and cash on hand	32,477
Investments classified as cash and cash equivalents	3,466
<i>Total Cash and Cash Equivalents Reported in the Financial Statements</i>	\$7,854,076

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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, 2016, \$2,053,495 of the Town’s bank balance of \$7,870,610 was exposed to custodial credit risk as follows:

	Bank Balance
Insured (Federal depository insurance funds)	\$5,817,115
Collateralized with securities held by pledging financial Institution or its agent, but not in the Town’s name	2,053,495
Total	\$7,870,610

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, 2016, the Town's uncollateralized deposits with institutions were \$0.

NOTE 4 – INVESTMENTS

At June 30, 2016, the Town’s investments were as follows:

Investment	Weighted Average Maturity	Fair Value	Rating
US Fund Prime Money Market	N/A	\$ 3,466	Not rated
Mutual Funds - Equity	N/A	48,139	Not rated
Mutual Funds - Bonds	8.61 years	5,483	Not rated
Mutual Funds - Bonds	7.57 years	13,289	Not rated
Mutual Funds - Bonds	6.43 years	5,060	Not rated
Mutual Funds - Bonds	7.01 years	41,076	Not rated
Mutual Funds - Bonds	3.10 years	7,216	Not rated
		123,729	
Less: Investment classified as cash equivalents		(3,466)	
Total Investments Reported in the Financial Statements		\$ 120,263	

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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

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

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

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

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

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

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, 2016:

- The following investments are valued using prices quoted in active markets for those securities (Level 1 inputs): money market funds \$3,466; Bond mutual funds \$72,124 and equity mutual funds \$48,139.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June, 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 3,474,793	\$ 238,000	\$ -	\$ 3,712,793
Construction in progress	116,270	332,804	-	449,074
	<u>3,591,063</u>	<u>570,804</u>	<u>-</u>	<u>4,161,867</u>
Depreciable assets:				
Infrastructure	35,183,525	-	-	35,183,525
Land improvements	400,810	-	-	400,810
Buildings and improvements	2,729,610	16,287	-	2,745,897
Furniture and equipment	624,008	16,878	-	640,886
Motor vehicles	1,807,058	355,540	-	2,162,598
	<u>40,745,011</u>	<u>388,705</u>	<u>-</u>	<u>41,133,716</u>
Total capital assets	<u>44,336,074</u>	<u>959,509</u>	<u>-</u>	<u>45,295,583</u>
Less accumulated depreciation for:				
Infrastructure	27,434,414	714,981	-	28,149,395
Land improvements	40,082	20,041	-	60,123
Buildings and improvements	2,044,150	55,056	-	2,099,206
Furniture and equipment	460,941	24,264	-	485,205
Motor vehicles	1,287,957	122,303	-	1,410,260
Total accumulated depreciation	<u>31,267,544</u>	<u>936,645</u>	<u>-</u>	<u>32,204,189</u>
Governmental activities capital assets, net	<u>\$ 13,068,530</u>	<u>\$ 22,864</u>	<u>\$ -</u>	<u>\$ 13,091,394</u>
Business-Type Activities				
Nondepreciable assets:				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
Construction in progress	1,854,567	357,242	2,201,329	10,480
	<u>1,913,821</u>	<u>357,242</u>	<u>2,201,329</u>	<u>69,734</u>
Depreciable assets:				
Buildings	905,694	-	-	905,694
Main extension	1,523,539	-	-	1,523,539
Water Tank	-	2,145,730	-	2,145,730
Equipment and machinery	225,426	55,600	-	281,026
	<u>2,654,659</u>	<u>2,201,330</u>	<u>-</u>	<u>4,855,989</u>
Total capital assets	<u>4,568,480</u>	<u>2,558,572</u>	<u>2,201,329</u>	<u>4,925,723</u>
Less accumulated depreciation for:				
Buildings	645,000	22,642	-	667,642
Main extension	76,177	38,088	-	114,265
Equipment and machinery	110,482	6,194	-	116,676
Total accumulated depreciation	<u>831,659</u>	<u>66,924</u>	<u>-</u>	<u>898,583</u>
Business-type activities capital assets, net	<u>\$ 3,736,821</u>	<u>\$ 2,491,648</u>	<u>\$ 2,201,329</u>	<u>\$ 4,027,140</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

Depreciation expense was charged as follows:

Governmental activities:	
General government	\$ 58,639
Public safety	87,411
Public works	790,595
Total depreciation expense, governmental activities	\$ 936,645
Business-type activities:	
Water fund	\$ 66,924
Total depreciation expense, business-type activities	\$ 66,924

NOTE 6 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES:

Changes in long-term liabilities during the year ended June 30, 2016 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 and capital leases payable:					
General obligation bonds payable	\$3,890,000	\$ -	\$ 450,000	\$3,440,000	\$ 460,000
Capital leases	69,220	-	33,950	35,270	35,270
	<u>3,959,220</u>	<u>-</u>	<u>483,950</u>	<u>3,475,270</u>	<u>495,270</u>
Plus amortized premiums on bonds	126,753	-	12,675	114,078	-
Total bonds and capital leases	4,085,973	-	496,625	3,589,348	495,270
Other liabilities:					
Accrued compensated absences	185,363	4,288	-	189,651	-
Net pension liabilities	596,326	70,536	-	666,862	-
Total Governmental Activities					
Long-Term Liabilities	\$4,867,662	\$ 74,824	\$ 496,625	\$4,445,861	\$ 495,270
Business- type activities:					
Loans payable:					
Loans payable	\$2,090,161	\$ -	\$ 29,413	\$2,060,748	\$ 30,286
Total Business- type activities					
Long-Term Liabilities	\$2,090,161	\$ -	\$ 29,413	\$2,060,748	\$ 30,286

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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, 2015</u>	<u>New Issues</u>	<u>Maturities During Year</u>	<u>Outstanding June 30, 2016</u>
Governmental activities:								
Bonds payable								
2007 Capital Improvement bonds	8/15/2007	4-5.50%	8/15/2017	\$ 1,400,000	\$ 435,000	\$ -	\$ 145,000	\$ 290,000
2010 Capital improvement bonds	8/15/2010	1.15-3.00%	8/15/2020	1,150,000	1,045,000	-	80,000	965,000
2014 Capital improvement bonds	8/6/2014	2.00%	8/1/2024	2,410,000	2,410,000	-	225,000	2,185,000
Total governmental activities bonds payable				<u>\$ 4,960,000</u>	<u>\$ 3,890,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ 3,440,000</u>
Business type activities:								
Loans payable								
2012 Water capital improvements	2/28/2012	3.75%	2/28/2052	\$ 825,000	\$ 791,161	\$ -	\$ 11,962	\$ 779,199
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	744,000	744,000	-	9,873	734,127
2014 Water capital improvements	1/9/2015	2.75%	1/9/2055	275,000	275,000	-	3,862	271,138
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	280,000	280,000	-	3,716	276,284
Total business-type activities loans payable				<u>\$ 2,124,000</u>	<u>\$ 2,090,161</u>	<u>\$ -</u>	<u>\$ 29,413</u>	<u>\$ 2,060,748</u>

At June 30, 2016 annual debt service requirements to maturity for bonds and loans payable are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>			<u>Business- Type Activities</u>		
	<u>Bonds payable</u>			<u>Loans payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 460,000	\$ 85,247	\$ 545,247	\$ 30,286	\$ 61,145	\$ 91,431
2018	475,000	72,628	547,628	31,185	60,246	91,431
2019	485,000	60,675	545,675	32,110	59,321	91,431
2020	495,000	49,275	544,275	33,063	58,368	91,431
2021	505,000	36,975	541,975	34,044	57,387	91,431
2022-2026	1,020,000	62,250	1,082,250	187,464	271,001	458,465
2027-2031	-	-	-	215,512	241,643	457,155
2032-2036	-	-	-	249,453	207,702	457,155
2037-3041	-	-	-	288,743	168,412	457,155
2042-2046	-	-	-	334,228	122,927	457,155
2047-2051	-	-	-	386,883	70,272	457,155
2052-2055	-	-	-	237,777	16,057	253,834
	<u>\$ 3,440,000</u>	<u>\$ 367,050</u>	<u>\$ 3,807,050</u>	<u>\$ 2,060,748</u>	<u>\$ 1,394,481</u>	<u>\$ 3,455,229</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
 June 30, 2016

C. CAPITAL LEASE OBLIGATIONS

The Town has financed the acquisition of certain equipment through lease-purchase agreements.

Capital lease obligations currently outstanding are as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2015</u>	<u>New Issues</u>	<u>Retirements During Year</u>	<u>Outstanding June 30, 2016</u>
Pelican Sweeper	9/18/2012	3.89%	9/18/2016	\$ 169,995	\$ 69,220		\$ 33,950	\$ 35,270
Total governmental activities capital leases					<u>\$ 69,220</u>	<u>\$ -</u>	<u>\$ 33,950</u>	<u>\$ 35,270</u>

Obligations of governmental activities under capital leases at June 30, 2016 were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Lease Payment Requirements</u>
2017	\$ 36,642
Total minimum lease payments	36,642
Less: Amount representing interest cost	(1,372)
Present value of minimum lease payments	<u>\$ 35,270</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

NOTE 7 – INTERFUND BALANCES

The Town reports interfund balances between many of its funds. Interfund balances at June 30, 2016 were as follows:

	<i>Due From:</i>			<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Private Purpose Trust Funds</i>	
<i>Due To:</i>				
General Fund	\$ -	\$ 101,531	\$ 14	\$ 101,545
Capital Bond Fund	1,915,212		-	1,915,212
Nonmajor Governmental Funds	864,207	-	-	864,207
Enterprise Fund	527,459	-	-	527,459
Private Purpose Trust	131,561	-	-	131,561
Agency Funds	157,414	-	-	157,414
Total	\$ 3,595,853	\$ 101,531	\$ 14	\$ 3,697,398

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

NOTE 8 – INTERFUND TRANSFERS

	<i>Transfer From:</i>				<i>Total</i>
	<i>General Fund</i>	<i>Capital Bond Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Enterprise Fund</i>	
<i>Transfer To:</i>					
General Fund	\$ -	\$ -	\$ 66,734	\$ -	\$ 66,734
Capital Bond Fund	126,300	-	-	\$ 10,600	136,900
Nonmajor Governmental Funds	10,905	2,251	2,400	-	15,556
Total	\$ 137,205	\$ 2,251	\$ 69,134	\$ 10,600	\$ 219,190

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

NOTE 9 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year. The real estate and personal property taxes include an allowance for doubtful accounts of \$190,000.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2016, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 159,518	\$ 91,980	\$ 330,205	\$ 581,703
Nonmajor Governmental Funds	3,320	-	-	3,320
Total Governmental Activities	<u>\$ 162,838</u>	<u>\$ 91,980</u>	<u>\$ 330,205</u>	<u>\$ 585,023</u>
Business-Type Activities:				
Water Fund	\$ -	\$ -	\$ 1,094	\$ 1,094
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,094</u>	<u>\$ 1,094</u>

NOTE 10 – 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”.

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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

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

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

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

Committed fund balances are established, modified or rescinded by a resolution adopted by the tax payers at a Financial Town Meeting or an ordinance adopted by the Town Council. 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 11 – CHARIHO REGIONAL SCHOOL DISTRICT

The Chariho Regional School District (Regional School) was created to include a regional school for the Towns of Hopkinton, Charlestown and Richmond (the Towns), which encompasses grades K-12. The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town’s enrollment, and from State aid to education. As of October 2014, the District had a total enrollment of 3,394 of which 1,193 were students from Richmond. This number was used for calculating the Town’s fiscal year 2015 – 2016 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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

NOTE 12 – 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 13 – LITIGATION AND CONTINGENCIES

A. LITIGATION:

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

B. FEDERALLY FUNDED PROGRAMS:

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

NOTE 14 – RESTATEMENTS

The net position of the Governmental Activities has been restated to correct capital assets. The General Fund and Governmental Activities have been restated to correct an error to the accounts receivable – Police Detail. The Business-Type Activities and the Water Fund have been restated to correct a prior year error in the accounts receivable user fees.

	<i>Governmental Activities</i>	<i>Business-Type Activities/ Water Fund</i>	<i>General Fund</i>
Net position/fund balance, June 30, 2015, as previously reported	\$ 14,850,713	\$ 2,303,409	\$ 4,078,533
To correct the prior year capital assets	1,270,900	-	-
To correct for prior year error - receivables	12,450	(6,190)	12,450
<i>Net position /fund balance June 30, 2015, as restated</i>	<u>\$ 16,134,063</u>	<u>2,297,219</u>	<u>4,090,983</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

NOTE 15 – PENSION PLANS

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

Defined Benefit Plans

General Information about the Pension Plan

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

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained 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.

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

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

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
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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 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

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

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

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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

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

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

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

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

c.) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017. The Town of Richmond has not elected the optional cost-of-living provision for either the general employees or police officers.

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

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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

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, 2014 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries Inactive, Nonretired	13	1
Members	29	2
Active Members	27	11
Total	69	14

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Police officers are required to contribute 9% of their salaries. The Town of Richmond contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Richmond contributed the following amounts in the year ended June 30, 2016: general employees plan - \$106,401 and police officers plan - \$90,723. The Town's contributions represented the following percentages of annual covered payroll: general employees plan - 10%; police officers plan - 12.37%.

Net Pension Liability - The total pension liability was determined by actuarial valuations performed as of June 30, 2014 and rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2015 Measurement Date (June 30, 2014 valuation rolled forward to June 30, 2015)	
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	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police Officers - 4.00% to 14.00%
Inflation	2.75%
Mortality	<ul style="list-style-type: none"> • Male Employees, MERS General and MERS Police: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. • Female Employees, MERS General and MERS Police: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2015 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

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 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, MoneyMarket	3.0%	7.80%
	<u>100.0%</u>	

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

General Employees Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$2,277,748	\$1,983,769	\$293,979
Changes for the Year:			
Service cost	78,867	-	78,867
Interest on the total pension liability	169,745	-	169,745
Changes in benefits	7,172	-	7,172
Difference between expected and actual experience	(80,463)	-	(80,463)
Changes in assumptions	-	-	-
Employer contributions	-	105,664	(105,664)
Employee contributions	-	10,150	(10,150)
Net investment income	-	47,756	(47,756)
Benefit payments, including employee refunds	(107,834)	(107,834)	-
Administrative expense	-	(1,701)	1,701
Other changes	-	-	-
Net changes	67,487	54,035	13,452
Balances as of June 30, 2015	\$2,345,235	\$2,037,804	\$307,431

Police Officers Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$1,697,924	\$1,395,577	\$302,347
Changes for the Year:			
Service cost	110,292	-	110,292
Interest on the total pension liability	130,490	-	130,490
Changes in benefits	86,007	-	86,007
Difference between expected and actual experience	(97,139)	-	(97,139)
Changes in assumptions	-	-	-
Employer contributions	-	87,587	(87,587)
Employee contributions	-	50,296	(50,296)
Net investment income	-	36,131	(36,131)
Benefit payments, including employee refunds	(26,394)	(26,394)	-
Administrative expense	-	(1,448)	1,448
Other changes	-	-	-
Net changes	203,256	146,172	57,084
Balances as of June 30, 2015	\$1,901,180	\$1,541,749	\$359,431

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the employers calculated using the discount rate of 7.5 percent, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<u>Plan</u>	<u>1.00% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1.00 Increase (8.5%)</u>
General Employees	\$553,298	\$307,431	\$106,210
Police Officers	\$552,360	\$359,431	\$201,586

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

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

For the year ended June 30, 2016, the Town recognized pension expense as follows: general employees plan - \$74,847; and police officers plan - \$151,012. 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	\$ 4,273	\$ -
Contributions subsequent to the measurement date	106,401	90,723
Total	<u>\$110,674</u>	<u>\$ 90,723</u>
Deferred Inflows of Resources:		
Change in assumptions	\$ -	\$ 45,488
Net difference between projected and actual investment earnings	67	147
Difference between expected and actual experience	61,454	88,577
Total	<u>\$61,521</u>	<u>\$134,212</u>

TOWN OF RICHMOND, RHODE ISLAND
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June 30, 2016

The deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2016 subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. Other amounts reported as deferred outflows/(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
2017	(23,470)	(18,134)
2018	(23,821)	(18,134)
2019	(25,784)	(18,134)
2020	15,827	1,291
2021	-	(13,241)
Thereafter	-	(67,860)

Defined Contribution Plan

Plan Description

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

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

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

The Town of Richmond recognized pension expense of \$9,599 and employees contributed \$45,024 for the fiscal year ended June 30, 2016.

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2016

B. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Liability	Pension Expense
General Employees Plan	\$110,674	\$61,521	\$307,431	\$ 74,847
Police Officers Plan	90,723	134,212	359,431	151,012
Total	\$201,397	\$195,733	\$666,862	\$225,859

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Town Contributions

Budgetary Comparison Schedule - General Fund

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

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

<i>Fiscal Year</i>	<u>2016</u>	<u>2015</u>
Total pension liability:		
Service cost	\$ 78,867	\$ 82,980
Interest	169,745	159,161
Changes of benefit terms	7,172	-
Differences between expected and actual experience	(80,463)	-
Changes of assumptions	-	8,897
Benefits payments, including refunds of member contributions	(107,834)	(107,897)
Net change in total pension liability	<u>67,487</u>	<u>143,141</u>
Total pension liability - beginning	<u>2,277,748</u>	<u>2,134,607</u>
Total pension liability - ending (a)	<u><u>\$ 2,345,235</u></u>	<u><u>\$ 2,277,748</u></u>
Plan fiduciary net position:		
Contributions - employer	\$ 105,664	\$ 96,455
Contributions - employee	10,150	9,770
Net investment income	47,756	264,216
Benefits payments, including refunds of member contributions	(107,834)	(107,897)
Administrative expense	(1,701)	(1,655)
Other	-	60
Net change in plan fiduciary net position	<u>54,035</u>	<u>260,949</u>
Plan fiduciary net position - beginning	<u>1,983,769</u>	<u>1,722,820</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 2,037,804</u></u>	<u><u>\$ 1,983,769</u></u>
Town's net pension liability (asset) - ending (a) - (b)	<u><u>\$ 307,431</u></u>	<u><u>\$ 293,979</u></u>
Plan fiduciary net position as a percentage of the total pension liability	86.89%	87.09%
Covered employee payroll	\$ 1,015,021	\$ 972,797
Net pension liability as a percentage of covered employee payroll	30.29%	30.22%

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

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

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

<i>Fiscal Year</i>	<u>2016</u>	<u>2015</u>
Total pension liability:		
Service cost	\$ 110,292	\$ 98,579
Interest	130,490	121,078
Changes of benefit terms	86,007	-
Differences between expected and actual experience	(97,139)	-
Changes of assumptions	-	(54,846)
Benefits payments, including refunds of member contributions	(26,394)	(63,940)
Net change in total pension liability	<u>203,256</u>	<u>100,871</u>
Total pension liability - beginning	<u>1,697,924</u>	<u>1,597,053</u>
Total pension liability - ending (a)	<u>\$ 1,901,180</u>	<u>\$ 1,697,924</u>
Plan fiduciary net position:		
Contributions - employer	\$ 87,587	\$ 57,398
Contributions - employee	50,296	60,573
Net investment income	36,131	185,875
Benefits payments, including refunds of member contributions	(26,394)	(63,940)
Administrative expense	(1,448)	(1,164)
Other	-	1
Net change in plan fiduciary net position	<u>146,172</u>	<u>238,743</u>
Plan fiduciary net position - beginning	<u>1,395,577</u>	<u>1,156,834</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,541,749</u>	<u>\$ 1,395,577</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 359,431</u>	<u>\$ 302,347</u>
Plan fiduciary net position as a percentage of the total pension liability	81.09%	82.19%
Covered employee payroll	\$ 718,512	\$ 644,730
Net pension liability as a percentage of covered employee payroll	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>2016</u>	<u>2015</u>
<u>General Employees Plan</u>		
Actuarially determined contribution	\$ 106,401	\$ 105,664
Contributions in relation to the actuarially determined contribution	106,401	105,664
<i>Contribution deficiency (excess)</i>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,064,019	\$ 1,015,021
Contributions as a percentage of covered employee payroll	10.00%	10.41%
<u>Police Officers Plan</u>		
Actuarially determined contribution	\$ 90,723	\$ 87,587
Contributions in relation to the actuarially determined contribution	90,723	87,587
<i>Contribution deficiency (excess)</i>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 733,415	\$ 718,512
Contributions as a percentage of covered employee payroll	12.37%	12.19%

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

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues				
Taxes				
01 00 4000 Taxes	\$ 16,800,851	\$ 16,800,851	\$ 16,953,415	\$ 152,564
01 00 4001 Interest & penalty	115,000	115,000	94,119	(20,881)
01 00 4002 Miscellaneous	10,000	10,000	8,216	(1,784)
01 00 4071 Prior year taxes	700,000	700,000	382,524	(317,476)
Total Taxes	<u>17,625,851</u>	<u>17,625,851</u>	<u>17,438,274</u>	<u>(187,577)</u>
State Aid				
01 00 4006 State aid to education	5,082,617	5,082,617	5,063,630	(18,987)
01 00 4008 Corporation tax	103,920	103,920	98,461	(5,459)
01 00 4009 Hotel tax	4,214	4,214	4,222	8
01 00 4010 Meals & beverage tax	130,980	130,980	143,803	12,823
01 00 4063 Motor vehicle phase-out	66,715	66,715	65,687	(1,028)
01 00 4067 Incentive aid	36,403	36,403	37,426	1,023
Total State Aid	<u>5,424,849</u>	<u>5,424,849</u>	<u>5,413,229</u>	<u>(11,620)</u>
Permits & fees				
01 00 4012 Building permit fees	65,000	65,000	97,265	32,265
01 00 4013 Zoning fees	2,700	2,700	1,683	(1,017)
01 00 4014 Planning fees	3,000	3,000	21,784	18,784
Total Permits & Fees	<u>70,700</u>	<u>70,700</u>	<u>120,732</u>	<u>50,032</u>
Licenses & fees				
01 00 4015 Misc. business license & fees	4,210	4,210	8,170	3,960
01 00 4016 Liquor license fees	8,198	8,198	8,800	602
01 00 4017 Dog license	7,000	7,000	6,569	(431)
01 00 4018 Marriage license	350	350	360	10
01 00 4019 Misc. non-business license & fees	750	750	2,680	1,930
01 00 4020 Hopkinton transfer station stickers	850	850	975	125
Total Licenses & Fees	<u>21,358</u>	<u>21,358</u>	<u>27,554</u>	<u>6,196</u>
User Fees				
01 00 4026 Realty stamp commission	25,000	25,000	42,029	17,029
01 00 4027 Copier use fees	9,500	9,500	8,451	(1,049)
01 00 4028 Recording fees	85,000	85,000	83,725	(1,275)
01 00 4030 Probate fees	5,000	5,000	11,442	6,442
01 00 4042 Recreation event fees	19,500	19,500	8,964	(10,536)
01 00 4043 Community ctr revenue	2,200	2,200	690	(1,510)
01 00 4065 Transfer station fees	158,100	158,100	144,715	(13,385)
Total User Fees	<u>304,300</u>	<u>304,300</u>	<u>300,016</u>	<u>(4,284)</u>
Fines & Forfeitures				
01 00 4021 Dog fines	1,700	1,700	1,330	(370)
01 00 4022 State traffic fines	30,000	30,000	42,623	12,623
Total Fines & Forfeitures	<u>31,700</u>	<u>31,700</u>	<u>43,953</u>	<u>12,253</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Investments				
01 00 4024 Interest income	10,000	10,000	24,938	14,938
Total Interest on Investments	<u>10,000</u>	<u>10,000</u>	<u>24,938</u>	<u>14,938</u>
Miscellaneous Income				
01 00 4033 School resource officer reimbursement	57,998	57,998	67,122	9,124
01 00 4034 Police VIN inspection fee	5,900	5,900	5,580	(320)
01 00 4049 Recycling rebate	8,000	8,000	4,375	(3,625)
01 00 4050 Misc. revenue	1,000	1,000	926	(74)
01 00 4051 Misc. police returns	40,000	40,000	37,657	(2,343)
Total Miscellaneous Income	<u>112,898</u>	<u>112,898</u>	<u>115,660</u>	<u>2,762</u>
Federal aid				
01 00 4035 COPS Grant	41,834	41,834	44,750	2,916
01 00 4052 Emergency Claims	-	-	36,697	36,697
01 00 4075 Federal Jobs Bill Allocation	3,538	3,538	-	(3,538)
01 00 4452 EMA Grant	5,000	5,000	-	(5,000)
Total Federal Aid	<u>50,372</u>	<u>50,372</u>	<u>81,447</u>	<u>31,075</u>
Senior Activities				
01 00 4076 Senior activities bingo	8,000	8,000	8,759	759
01 00 4078 Senior activities dues	1,500	1,500	4,582	3,082
01 00 4079 Senior activities program fees	3,500	3,500	5,830	2,330
Total Senior Activities	<u>13,000</u>	<u>13,000</u>	<u>19,171</u>	<u>6,171</u>
Transfers and Use of Committed Fund Balance				
01 00 4055 Education Impact fees	60,000	60,000	60,000	-
01 00 4058 Transfer from water fund debt	35,698	91,431	91,431	-
01 00 4059 Transfer from Water Fund Admin	11,162	11,162	11,162	-
Transfer from EMA fund	-	-	6,734	6,734
01 00 4074 Appropriated Reserve	27,500	27,500	-	(27,500)
Total Transfers and Use of Committed Fund Balance	<u>134,360</u>	<u>190,093</u>	<u>169,327</u>	<u>(20,766)</u>
Total Revenues	<u>\$ 23,799,388</u>	<u>\$ 23,855,121</u>	<u>\$ 23,754,301</u>	<u>\$ (100,820)</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
Expenditures				
Town Council				
01 10 5000 Council President	1,500	1,500	1,500	-
01 10 5001 Council Members	5,000	5,000	5,000	-
01 10 5100 FICA	497	497	497	-
01 10 5130 Retirement - ER 1452 Town	138	138	275	(137)
Total Town Council	<u>7,135</u>	<u>7,135</u>	<u>7,272</u>	<u>(137)</u>
Building / Planning / Zoning				
01 11 5000 Building Inspector Gengarella	33,187	33,851	34,109	(258)
01 11 5009 FT Administrative Clerk Diaz	33,936	35,718	35,982	(264)
01 11 5020 Town Planner Stetson	52,759	54,606	55,015	(409)
01 11 5040 Fleet Inspector Vinnari	13,373	13,707	13,863	(156)
01 11 5041 Fleet Inspector Walsh	13,373	13,674	13,567	107
01 11 5042 Alternative Electrical Inspector	-	-	210	(210)
01 11 5045 Zoning official - Brown	13,307	13,640	13,505	135
01 11 5100 FICA	12,235	12,637	12,222	415
01 11 5102 Health insurance	32,858	32,858	36,374	(3,516)
01 11 5130 Retirement - ER 1452 Town	13,187	13,659	13,744	(85)
01 11 5205 Planning, misc. supplies	700	1,000	843	157
01 11 5207 Bldg., misc. supplies / permit forms	300	-	-	-
01 11 5220 Stenographer fees	3,000	3,000	2,100	900
01 11 5226 Advertising	1,200	1,200	1,150	50
01 11 5229 Professional services	1,000	1,000	-	1,000
01 11 5252 Planning, education / training / seminars	150	150	117	33
01 11 5262 Planning, dues	770	770	720	50
01 11 5263 Bldg., dues	40	40	40	-
01 11 5265 Zoning, travel	800	800	924	(124)
01 11 5266 Planning, travel	250	250	195	55
01 11 5267 Bldg. travel	1,100	1,100	1,198	(98)
01 11 5526 Washington County Regional Planning Council	3,000	3,000	3,000	-
01 11 5609 Comp plan update reserve	4,500	4,500	4,500	-
Total Building / Planning / Zoning	<u>235,025</u>	<u>241,160</u>	<u>243,378</u>	<u>(2,218)</u>
Town Clerk's Department				
01 12 5003 Town Clerk - Nelson	53,743	56,565	52,632	3,933
01 12 5016 P/T Clerk - Chipman	-	-	31	(31)
01 12 5017 PT Assistant clerk - Galuszka	22,411	23,644	23,833	(189)
01 12 5018 Deputy Town Clerk - Rapose	30,690	32,225	32,548	(323)
01 12 5019 Canvassing Clerk-Lambert	8,112	8,112	6,160	1,952
01 12 5073 Meeting fill-in	236	236	238	(2)
01 12 5100 FICA	8,812	9,239	9,014	225
01 12 5102 Health insurance	33,592	33,592	33,781	(189)
01 12 5130 Retirement - ER 1452 Town	11,753	12,368	11,973	395
01 12 5225 Microfilming & indexing	860	860	785	75
01 12 5250 Education / training / seminars	2,440	2,440	1,238	1,202
01 12 5264 Travel	500	500	463	37
Total Town Clerk's Department	<u>173,149</u>	<u>179,781</u>	<u>172,696</u>	<u>7,085</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
Information Technology				
01 13 5250 Operations improvement	4,000	4,000	5,814	(1,814)
01 13 5334 Internet email & web site services	5,000	5,000	4,889	111
01 13 5378 Equipment repairs / maintenance & parts	4,000	4,000	6,337	(2,337)
01 13 5384 Software support & maintenance	40,750	40,750	41,658	(908)
01 13 5385 COTT land evidence support & maint	19,500	19,500	17,996	1,504
01 13 5386 IT support services	46,750	46,750	40,991	5,759
01 13 5481 Hardware support - fingerprinting	3,735	3,735	2,798	937
01 13 5484 Software support - police	10,600	10,600	10,421	179
01 13 5486 GIS support services	28,000	28,000	19,847	8,153
Total Information Technology	<u>162,335</u>	<u>162,335</u>	<u>150,751</u>	<u>11,584</u>
Legal Services				
01 14 5400 Legal - Labor lawyer	5,000	5,000	972	4,028
01 14 5410 Legal - Town Council	35,000	35,000	31,398	3,602
01 14 5415 Legal - Litigation	12,000	12,000	16,269	(4,269)
01 14 5420 Legal - Criminal prosecution	28,000	28,000	27,161	839
01 14 5440 Legal - Planning & zoning	24,000	24,000	21,300	2,700
01 14 5750 Legal - Contingency	5,000	5,000	-	5,000
Total Legal Services	<u>109,000</u>	<u>109,000</u>	<u>97,100</u>	<u>11,900</u>
Finance Department				
01 15 5002 Assistant Finance Director - Christensen	29,666	30,556	30,773	(217)
01 15 5020 Finance Director - Krugman	46,386	48,705	47,114	1,591
01 15 5100 FICA	5,818	6,063	6,303	(240)
01 15 5102 Health insurance	4,505	4,505	5,575	(1,070)
01 15 5130 Retirement - ER 1452 Town	8,366	8,719	8,670	49
01 15 5200 Office Supplies	1,400	1,400	1,307	93
01 15 5250 Education / training / seminars	600	600	554	46
01 15 2560 Dues	280	280	280	-
01 15 5264 Travel	600	600	566	34
01 15 5390 Data processing - payroll	14,000	14,000	13,603	397
Total Finance Department	<u>111,621</u>	<u>115,428</u>	<u>114,745</u>	<u>683</u>
Tax Assessor's Department				
01 16 5000 Tax Assessor - Fournier	41,093	42,120	42,438	(318)
01 16 5017 Tax Assessor Clerk - Brennan	18,831	19,208	19,354	(146)
01 16 5100 FICA	4,584	4,692	4,736	(44)
01 16 5102 Health insurance	15,534	15,534	15,482	52
01 16 5130 Retirement - ER 1452 Town	6,592	6,746	6,470	276
01 16 5202 Postage	4,110	4,110	4,079	31
01 16 5250 Education / training / seminars	100	100	-	100
01 16 5256 Books / manuals / subscriptions	339	339	339	-
01 16 5260 Dues	200	200	200	-
01 16 5264 Travel	600	600	161	439
01 16 5321 RI vehicle value commission	150	150	107	43
01 16 5328 Tax bills	6,818	6,818	6,519	299
Total Tax Assessor's Department	<u>98,951</u>	<u>100,617</u>	<u>99,885</u>	<u>732</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Tax Collector's Department				
01 17 5004 Tax Collector- Alves	28,006	29,406	30,422	(1,016)
01 17 5007 Tax Collector Clerk - Vona	12,068	12,483	10,895	1,588
01 17 5100 FICA	3,066	3,205	3,377	(172)
01 17 5102 Health insurance	17,676	17,676	2,828	14,848
01 17 5130 Retirement - ER 1452 Town	3,081	3,235	3,342	(107)
01 17 5200 Office supplies	400	400	154	246
01 17 5229 Professional Services	5,000	5,000	4,979	21
01 17 5250 Education / training / seminars	150	150	50	100
01 17 5260 Dues	60	60	60	-
01 17 5264 Travel	75	75	-	75
Total Tax Collector's Department	<u>69,582</u>	<u>71,690</u>	<u>56,107</u>	<u>15,583</u>
Town Hall / General Government				
01 18 5200 Office supplies	4,000	4,000	2,965	1,035
01 18 5202 Postage	7,500	7,500	6,367	1,133
01 18 5215 Telephone	11,000	11,000	11,575	(575)
01 18 5217 Electricity	8,500	8,500	8,733	(233)
01 18 5226 Advertising	6,750	6,750	7,706	(956)
01 18 5229 Professional services	2,200	2,200	1,956	244
01 18 5231 Office equip repair	-	-	100	(100)
01 18 5260 Dues RILC&T	2,875	2,875	2,875	-
01 18 5331 Well water testing	-	-	-	-
01 18 5371 Fee for shredding	800	800	2,873	(2,073)
01 18 5399 Miscellaneous expense	2,000	2,000	1,275	725
Total Town Hall / General Government	<u>45,625</u>	<u>45,625</u>	<u>46,425</u>	<u>(800)</u>
Public Works/Transfer Station				
01 23 5217 Electricity	11,000	11,000	13,501	(2,501)
02 23 5275 Propane	10,000	10,000	-	10,000
01 23 5289 Security system maintenance	1,360	1,360	1,109	251
01 23 5335 Bottled water	600	600	107	493
Total Public Works/Transfer Station	<u>22,960</u>	<u>22,960</u>	<u>14,717</u>	<u>8,243</u>
Elder Affairs Commission				
01 29 5250 Education / training / seminars	100	100	-	100
01 29 5351 Newsletter	1,200	1,200	636	564
01 29 5370 Operating supplies	150	150	9	141
01 29 5520 Senior citizens meals	350	350	-	350
Total Elder Affairs Commission	<u>1,800</u>	<u>1,800</u>	<u>645</u>	<u>1,155</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Town Sergeant				
01 31 5001 Town Sergeant	500	500	500	-
01 31 5100 FICA	-	-	38	(38)
Total Town Sergeant	<u>500</u>	<u>500</u>	<u>538</u>	<u>(38)</u>
Contingency				
01 36 5750 Contingency - Emergencies	20,000	11,700	2,749	8,951
01 36 5752 Contingency - Wages	54,000	3,486	-	3,486
01 36 5755 Contingency - Healthcare	17,550	17,550	-	17,550
Total Contingency	<u>91,550</u>	<u>32,736</u>	<u>2,749</u>	<u>29,987</u>
Probate Court				
01 38 5001 Probate clerk	4,800	4,800	4,800	-
01 38 5100 FICA	367	367	32	335
01 38 5229 Probate judge	3,600	3,600	3,300	300
Total Probate Court	<u>8,767</u>	<u>8,767</u>	<u>8,132</u>	<u>635</u>
Town Administration				
01 44 5002 Town Administrator - Pinch	73,000	73,000	73,456	(456)
01 44 5100 FICA	5,585	5,585	5,838	(253)
01 44 5102 Health insurance	2,828	2,828	2,828	-
01 44 5130 Retirement - ER 1452 Town	8,030	8,030	8,072	(42)
01 44 5250 Education/training	400	400	25	375
Total Town Administration	<u>89,843</u>	<u>89,843</u>	<u>90,219</u>	<u>(376)</u>
Land Trust				
01 46 5264 Travel	250	250	100	150
01 46 5336 Contract services	3,000	3,000	136	2,864
01 46 5337 Stewardship	2,000	2,000	280	1,720
01 46 5370 Operating supplies	600	600	207	393
Total Land Trust	<u>5,850</u>	<u>5,850</u>	<u>723</u>	<u>5,127</u>
Conservation Commission				
01 47 5205 Office supplies	100	100	17	83
01 47 5229 Professional services	-	-	617	(617)
01 47 5250 Education / training / seminars	120	120	200	(80)
01 47 5260 Dues	100	235	235	-
01 47 5267 Travel	50	50	-	50
01 47 5370 Operating expense	4,300	4,165	1,864	2,301
Total Conservation Commission	<u>4,670</u>	<u>4,670</u>	<u>2,933</u>	<u>1,737</u>
Other Expenses				
01 49 5150 Worker's compensation	54,000	54,000	36,797	17,203
01 49 5219 Street lighting	17,500	17,500	19,857	(2,357)
01 49 5354 Insurance	95,000	95,000	103,095	(8,095)
01 49 5356 Annual audit fee	23,075	23,075	23,648	(573)
Total Other Expenditures	<u>189,575</u>	<u>189,575</u>	<u>183,397</u>	<u>6,178</u>
Economic Development				
01 28 5250 Education/training	500	500	-	500
01 28 5351 Printing	2,000	2,000	80	1,920
Total Economic Development	<u>2,500</u>	<u>2,500</u>	<u>80</u>	<u>2,420</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
Building Maintenance Department				
01 24 5044 Janitor- Pierce	31,140	32,074	32,315	(241)
01 24 5100 FICA	2,382	2,453	2,232	221
01 24 5102 Health insurance	17,676	17,676	17,647	29
01 24 5130 Retirement - ER 1452 Town	3,425	3,528	3,550	(22)
01 24 5201 Custodial / supplies	3,000	3,000	1,626	1,374
01 24 5264 Travel	600	600	624	(24)
01 24 5280 Grounds maintenance	2,500	2,500	3,472	(972)
01 24 5282 Pest Control	495	495	495	-
01 24 5285 Building maintenance	17,000	6,000	6,604	(604)
01 24 5286 Heating/fuel oil	10,000	10,000	3,487	6,513
01 24 5289 Security system maintenance	2,800	2,800	3,549	(749)
01 24 5290 Elevator inspection & maintenance	3,000	3,000	1,750	1,250
01 24 5331 Well water testing	1,100	1,100	-	1,100
Total Building Maintenance Department	95,118	85,226	77,351	7,875
Total General Government	1,525,556	1,477,198	1,369,843	107,355
Police Department				
01 20 5001 Chief Johnson	83,000	83,000	83,619	(619)
01 20 5004 F/T clerk Bowen	36,400	36,400	36,706	(306)
01 20 5006 Patrolman Zoglio	57,774	57,774	58,156	(382)
01 20 5008 Lieutenant Arnold	72,286	72,286	75,325	(3,039)
01 20 5020 Patrolman Kelley	57,982	57,982	58,161	(179)
01 20 5021 Patrolman Briody	58,190	58,190	58,371	(181)
01 20 5024 Detective Bishop	61,469	61,469	62,257	(788)
01 20 5025 Patrolman Vaughn	57,774	57,774	59,076	(1,302)
01 20 5026 Sergeant Lawing	67,097	67,097	68,619	(1,522)
01 20 5027 Patrolman Andrukiewicz	57,774	57,774	59,226	(1,452)
01 20 5028 Corporal Vachon	60,774	60,774	62,146	(1,372)
01 20 5029 Corporal Litterio	62,313	62,313	63,696	(1,383)
01 20 5030 Dispatcher - Sheldon	30,085	18,747	17,650	1,097
01 20 5031 Officer O'Connor	47,449	27,109	-	27,109
01 20 5033 Officer Donohue	42,985	42,985	43,355	(370)
01 20 5034 Dispatcher - Jillett	24,138	26,310	26,904	(594)
01 20 5035 Dispatcher - Lassell	23,227	23,227	23,858	(631)
01 20 5036 Officer - Jacome	42,985	42,985	43,886	(901)
01 20 5037 Dispatcher -Cook	-	12,090	11,256	834
01 20 5038 Officer-Taylor	-	20,340	21,143	(803)
01 20 5040 All part time dispatch	30,000	30,690	22,095	8,595
01 20 5061 OT Vacation fill in	50,000	50,000	60,212	(10,212)
01 20 5062 OT training / dispatch/ Court	70,000	75,000	88,582	(13,582)
01 20 5063 Sick fill in OT	28,000	28,000	24,662	3,338
01 20 5070 Holiday pay police dept	41,000	41,000	41,880	(880)
01 20 5100 FICA	88,947	89,224	95,530	(6,306)
01 20 5102 Health insurance	221,906	221,906	222,079	(173)
01 20 5130 Retirement - ER 1452 Town	21,654	21,976	21,615	361
01 20 5131 Retirement - ER 1454 Police	92,386	92,386	90,582	1,804
01 20 5200 Office supplies	7,000	7,000	6,104	896
01 20 5202 Postage	450	450	447	3
01 20 5215 Telephone	10,624	10,624	10,279	345
01 20 5250 Education / training / seminars	15,000	10,000	7,723	2,277
01 20 5260 Dues	600	600	591	9

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
Police Department (Continued)				
01 20 5264 Travel	700	700	399	301
01 20 5300 Fuel / state fleet ops	55,000	55,000	41,586	13,414
01 20 5323 Vehicle repairs / maintenance & parts	30,000	30,000	35,456	(5,456)
01 20 5324 Uniforms	12,000	12,000	11,395	605
01 20 5353 Body armor PD	1,500	1,500	1,029	471
01 20 5355 Fingerprinting	3,500	3,500	2,760	740
01 20 5369 Small equipment purchases	10,000	10,000	10,719	(719)
01 20 5378 Equipment repairs/maintenance & parts	-	-	650	(650)
01 20 5379 Emergency repairs	2,500	2,500	1,447	1,053
01 20 5399 Miscellaneous expense	300	300	461	(161)
01 20 5400 Labor lawyer	10,000	10,000	3,353	6,647
Total Police Department	<u>1,746,769</u>	<u>1,750,982</u>	<u>1,735,046</u>	<u>15,936</u>
Animal Control				
01 21 5020 Animal Control Fisher	37,739	39,626	36,719	2,907
01 21 5040 All part time animal control	5,000	5,100	8,388	(3,288)
01 21 5060 OT animal control	1,400	1,400	1,958	(558)
01 21 5070 Holiday pay animal control	900	900	25	875
01 21 5100 FICA	3,445	3,597	3,440	157
01 21 5102 Health insurance	13,858	13,858	13,759	99
01 21 5130 Retirement - ER 1452 Town personnel	4,151	4,359	4,214	145
01 21 5203 Animal control misc. supplies	2,760	2,760	1,994	766
01 21 5215 Telephone	550	550	431	119
01 21 5250 Education / training / seminars	600	600	-	600
01 21 5260 Dues	65	65	60	5
01 21 5300 Fuel / state fleet ops	2,500	2,500	1,596	904
01 21 5323 Vehicle repairs / maintenance & parts	1,000	1,000	96	904
01 21 5325 Clothing allowance	1,000	1,000	1,244	(244)
01 21 5340 Veterinarian	4,000	4,000	1,843	2,157
01 21 5341 Dog tags and licenses	350	350	278	72
01 21 5342 Impoundment / turnover fees	2,500	2,500	2,430	70
01 21 5380 Computer upgrades / software	200	200	-	200
Total Animal Control	<u>82,018</u>	<u>84,365</u>	<u>78,475</u>	<u>5,890</u>
Emergency Management				
01 35 5001 EMA director stipend	10,000	10,000	10,077	(77)
01 35 5002 Deputy Stipends (2)	2,000	2,000	4,472	(2,472)
01 35 5100 FICA	918	918	985	(67)
01 35 5200 Office supplies	200	200	-	200
01 35 5202 Miscellaneous supplies	400	400	231	169
01 35 5215 Telephone & internet	4,800	4,800	3,325	1,475
01 35 5369 Communication equipment purchases	1,000	1,000	1,175	(175)
01 35 5378 Equipment repairs/maintenance & parts	-	-	247	(247)
Total Emergency Management	<u>19,318</u>	<u>19,318</u>	<u>20,512</u>	<u>(1,194)</u>
Total Public Safety	<u>1,848,105</u>	<u>1,854,665</u>	<u>1,834,033</u>	<u>20,632</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
Public Works Department				
01 19 5000 Director - Barber	62,480	66,229	66,715	(486)
01 19 5021 Assistant Director- Smith	53,976	56,675	51,645	5,030
01 19 5023 Truck Driver/Laborer -Hill	46,274	48,588	48,947	(359)
01 19 5024 Truck Driver/Laborer -Robar	36,804	40,116	40,404	(288)
01 19 5025 Truck Driver / Laborer - Gardiner	31,441	17,915	8,910	9,005
01 19 5027 Shop Forman- Caswell	31,490	34,465	31,441	3,024
01 19 5029 Truck Driver/Laborer - Kettle	30,160	30,160	23,461	6,699
01 19 5030 Truck Driver/Laborer - Doucette	-	16,356	16,475	(119)
01 19 5031 Truck Driver/Laborer - Reynolds	-	-	464	(464)
01 19 5060 Overtime	40,000	40,000	24,651	15,349
01 19 5068 Temp employee snow removal	3,300	3,300	2,250	1,050
01 19 5100 FICA	25,698	27,065	23,387	3,678
01 19 5102 Health insurance	75,438	75,438	66,965	8,473
01 19 5130 Retirement - ER 1452 Town	32,189	34,155	30,377	3,778
01 19 5200 Office supplies	200	200	-	200
01 19 5215 Telephone	4,200	4,200	6,465	(2,265)
01 19 5260 Dues	-	-	25	(25)
01 19 5285 Building maintenance	500	500	2,114	(1,614)
01 19 5300 Fuel / state fleet ops	2,500	2,500	1,572	928
01 19 5325 Clothing allowance	8,000	8,000	8,590	(590)
01 19 5360 Street maintenance - snow removal	35,000	57,310	59,022	(1,712)
01 19 5361 Street maintenance - gravel	8,000	8,000	6,820	1,180
01 19 5362 Street maintenance - drainage	7,000	11,950	13,074	(1,124)
01 19 5363 Street maintenance - asphalt	20,000	20,000	16,718	3,282
01 19 5364 Street maintenance - signs & posts	5,500	5,500	1,131	4,369
01 19 5366 Street maintenance - snow contingency	40,000	12,740	-	12,740
01 19 5367 Equipment rental	8,000	8,000	-	8,000
01 19 5368 Engineering	1,500	1,500	-	1,500
01 19 5370 Operating supplies	4,000	4,000	1,022	2,978
01 19 5372 Fuel oils & lubricants	38,000	38,000	25,677	12,323
01 19 5378 Equipment repairs / maintenance & parts	100,000	100,000	102,004	(2,004)
01 19 5399 Misc. expenses	750	750	883	(133)
Total Public Works Department	752,400	773,612	681,209	92,403
Total Public Works Department	752,400	773,612	681,209	92,403
Recreation				
01 22 5040 PT recreation director	9,280	11,500	11,230	270
01 22 2047 PT recreation program	18,000	18,000	17,366	634
01 22 5100 FICA	2,087	2,087	2,123	(36)
01 22 5204 Recreation / supplies	500	500	654	(154)
01 22 5260 Dues	50	50	-	50
01 22 5391 Recreation program expenses	3,000	2,510	1,629	881
01 22 5394 Recreation other events	2,000	270	267	3
01 22 5395 Porta jon rental	800	800	813	(13)
Total Recreation	35,717	35,717	34,082	1,635

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
Police / Community Center Utilities				
01 30 5217 Electricity	12,000	12,000	13,083	(1,083)
01 30 5275 Propane	3,500	3,500	2,829	671
01 30 5282 Pest control	675	675	500	175
01 30 5285 Building maintenance	3,000	3,000	3,350	(350)
01 30 5289 Security system maintenance	500	500	495	5
01 30 5290 Elevator inspection maintenance	2,600	5,200	2,225	2,975
Total Police / Community Center Utilities	<u>22,275</u>	<u>24,875</u>	<u>22,482</u>	<u>2,393</u>
Total Recreation	<u>57,992</u>	<u>60,592</u>	<u>56,564</u>	<u>4,028</u>
Educational Expenditures				
01 40 5800 Chariho Regional School Budget	18,016,937	18,016,937	18,014,366	2,571
01 40 5801 Chariho Regional School Debt Service	187,138	187,138	187,111	27
01 40 5802 Restricted for school budget	335,000	335,000	335,000	-
Total Educational Expenditures	<u>18,539,075</u>	<u>18,539,075</u>	<u>18,536,477</u>	<u>2,598</u>
Total Educational Expenditures	<u>18,539,075</u>	<u>18,539,075</u>	<u>18,536,477</u>	<u>2,598</u>
Transfers / Recycling / Landfill				
01 32 5001 Employee - Zucco	30,966	32,050	35,072	(3,022)
01 32 5060 Overtime	-	-	185	(185)
01 32 5100 FICA	2,369	2,452	2,458	(6)
01 32 5102 Health Insurance	13,088	13,088	12,263	825
01 32 5130 Municipal Retirement - ER 1452	3,406	3,525	3,542	(17)
01 32 5215 Telephone	350	350	369	(19)
01 32 5319 Tipping fees	35,000	35,000	42,766	(7,766)
01 32 5331 Well water testing	15,000	15,000	5,285	9,715
01 32 5371 Fee for hauling refuse	48,000	48,000	57,063	(9,063)
01 32 5378 Equipment maintenance	1,500	1,500	763	737
Total Transfers / Recycling / Landfill	<u>149,679</u>	<u>150,965</u>	<u>159,766</u>	<u>(8,801)</u>
Total Transfers / Recycling / Landfill	<u>149,679</u>	<u>150,965</u>	<u>159,766</u>	<u>(8,801)</u>
Community Services Support				
01 25 5500 Hope Valley Ambulance	50,000	50,000	50,000	-
01 25 5501 Clark Memorial Library	94,827	94,827	94,827	-
01 25 5509 American Legion - Downy Weaver	500	500	500	-
01 25 5510 Richmond Historical Society	400	400	400	-
01 25 5513 Chariho Cowboys	400	400	400	-
01 25 5515 Southern RI Volunteers	500	500	500	-
01 25 5516 WARM Shelter	500	500	500	-
01 25 5521 Wood River Health Service	1,000	1,000	1,000	-
01 25 5522 Education Exchange	300	300	300	-
01 25 5523 RI Center Assisting Those in Need	500	500	500	-
01 25 5529 South Kingstown Adult Day Services	500	500	500	-
Total Community Services Support	<u>149,427</u>	<u>149,427</u>	<u>149,427</u>	<u>-</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
Senior Activities				
01 26 5200 Office supplies	-	-	114	(114)
01 26 5205 Misc supplies	500	500	452	48
01 26 5215 Phone/Internet	1,800	1,800	1,639	161
01 26 5391 Program Expenses	9,000	9,000	9,788	(788)
Total Senior Activities	<u>11,300</u>	<u>11,300</u>	<u>11,993</u>	<u>(693)</u>
Total Community Service	<u>160,727</u>	<u>160,727</u>	<u>161,420</u>	<u>(693)</u>
Canvassing Authority				
01 33 5001 Board / commission / stipend	2,000	2,000	2,000	-
01 33 5003 Election officials	1,750	1,750	2,744	(994)
01 33 5060 DPW Personnel OT	300	300	-	300
01 33 5100 FICA	176	176	53	123
01 33 5200 Office supplies	500	500	828	(328)
01 33 5264 Travel	-	-	115	(115)
01 33 5399 Miscellaneous	250	250	(876)	1,126
Total canvassing authority	<u>4,976</u>	<u>4,976</u>	<u>4,864</u>	<u>112</u>
Debt Service				
01 39 5771 Pelican lease principal matures 2016	32,678	32,678	33,950	(1,272)
01 39 5772 Pelican lease interest matures 2016	3,964	3,964	2,693	1,271
01 39 5773 Water main prin matures 2052	11,615	11,615	11,963	(348)
01 39 5774 Water main interest matures 2052	24,083	24,083	23,735	348
01 39 5775 Water Tank Prin Matures 2055	-	17,450	17,450	-
01 39 5776 Water Tank Interest Matures 2055	-	38,283	38,283	-
01 39 5782 Debt service payment agent fee	2,600	2,600	2,500	100
01 39 5785 GOB SER 2007 principal matures 2018	145,000	145,000	145,000	-
01 39 5786 GOB SER 2007 interest matures 2018	14,863	14,863	14,863	-
01 39 5787 GOB SER 2010 principal matures 2021	80,000	80,000	80,000	-
01 39 5788 GOB SER 2010 interest matures 2021	26,325	26,325	26,325	-
01 39 5789 Principal pmt matures - 2025	225,000	225,000	225,000	-
01 39 5790 GOB SER 2014 interest matures 2024	56,150	56,150	56,150	-
Total Debt Service	<u>622,278</u>	<u>678,011</u>	<u>677,912</u>	<u>99</u>
Reval Restricted Account				
01 41 5775 Restricted revaluation account	29,000	29,000	29,000	-
Total Reval Restricted Account	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
Transfers				
Transfer to Special Revenue Fund	-	-	10,905	(10,905)
01 49 5358 Transfer to Capital fund	109,600	126,300	126,300	-
Total Expenditures	<u>\$ 23,799,388</u>	<u>\$ 23,855,121</u>	<u>\$ 23,648,293</u>	<u>\$ 206,828</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, 2016

NOTE 1 – PENSION PLANS

The actuarial methods and assumptions used to calculate the total pension liability are described in Note 15 to the financial statements.

Changes in benefit provisions related to the final settlement of pension litigation and enactment of the pension settlement provisions by the General Assembly occurred during the year.

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

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

Actuarially Determined Contributions:

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

- Actuarial cost method – Entry Age Normal
- Amortization method - Level percentage of payroll, closed
- Remaining amortization period - 22 years
- Asset valuation method – 5-year smoothed market
- Inflation – 2.75%
- Investment return - 7.50%
- Salary increases – 4% to 8% for general employees; 4.25% to 14.25% for police officers.
- Retirement age – Experienced-based table of rates that are specific to the type of eligibility condition.
- Mortality – Males, General and Police Officers – 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
- Mortality – Females, General and Police Officers – 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2016

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)	\$23,754,301
Differences – budget to GAAP:	
Budgeted transfer from the Enterprise Fund is included for budgetary purposes, but not included for financial reporting purposes.	<u>(91,431)</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>\$23,662,870</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2016

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$23,648,293
Differences – budget to GAAP:	
Budgeted payment of debt service for the Enterprise Fund is included for budgetary purposes, but is not included for financial reporting purposes.	(91,431)
Budgeted transfer to School Budget, Revaluation Restricted and Comprehensive Plan accounts are included for budgetary purposes, but are not included for financial reporting purposes.	<u>(368,500)</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>\$23,188,362</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 Fund Financial Statements for Nonmajor Governmental Funds

Combining Fund Financial Statements for Private Purpose Trust Funds

Combining Statement of Assets and Liabilities for Agency Funds

Other Supplementary Information

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

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

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

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

Highway Safety – was established to account for grant funds for highway safety programs.

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

Land Trust Grant – was established to account for Land Trust Grant receipts and disbursements.

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

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

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

Emergency Management Grant – was established to account for Emergency Management Grant receipts and disbursements.

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

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

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

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

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

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

Recreation Legislative Grant – was established to account for a grant for Recreation programs.

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

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	<i>Special Revenue Funds</i>	<i>Open Space Recreation Capital Project Fund</i>	<i>Total Nonmajor Governmental Funds</i>
ASSETS			
Due from federal and state governments	\$ 104,632	\$ -	\$ 104,632
Due from other funds	320,728	543,479	864,207
Total assets	\$ 425,360	\$ 543,479	\$ 968,839
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 3,320	\$ -	\$ 3,320
Due to other funds	101,531	-	101,531
Total liabilities	104,851	-	104,851
 Fund balances			
Restricted for:			
Historical records preservation	13,735	-	13,735
Senior activities	26,956	-	26,956
Land trust	19,025	-	19,025
Public safety programs	6,369	-	6,369
Community service programs	1,192	-	1,192
Dog park	4,078	-	4,078
Committed for:			
Planning inspections	37,149	-	37,149
Public facilities and recreation	206,141	543,479	749,620
Public safety programs	7,275	-	7,275
Unassigned	(1,411)	-	(1,411)
Total fund balances	320,509	543,479	863,988
 Total liabilities and fund balances	 \$ 425,360	 \$ 543,479	 \$ 968,839

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, 2016

	<i>Special Revenue Funds</i>	<i>Open Space Recreation Capital Project Fund</i>	<i>Total Nonmajor Governmental Funds</i>
<i>Revenues</i>			
Intergovernmental revenue	\$ 519,081	\$ -	\$ 519,081
License, permits and fees	89,596	89,310	178,906
Other revenues	22,093	-	22,093
<i>Total revenues</i>	<u>630,770</u>	<u>89,310</u>	<u>720,080</u>
<i>Expenditures</i>			
Current:			
General government	258,035	-	258,035
Public safety	35,193	-	35,193
Community services	320,304	-	320,304
<i>Total expenditures</i>	<u>613,532</u>	<u>-</u>	<u>613,532</u>
<i>Excess of revenues over expenditures before other financing sources (uses)</i>	<u>17,238</u>	<u>89,310</u>	<u>106,548</u>
<i>Other financing sources (uses)</i>			
Transfers from other funds	15,556	-	15,556
Transfers to other funds	(69,134)	-	(69,134)
<i>Total other financing sources (uses)</i>	<u>(53,578)</u>	<u>-</u>	<u>(53,578)</u>
 <i>Net change in fund balances</i>	 (36,340)	 89,310	 52,970
<i>Fund balances - beginning of year</i>	<u>356,849</u>	<u>454,169</u>	<u>811,018</u>
<i>Fund balances - end of year</i>	<u>\$ 320,509</u>	<u>\$ 543,479</u>	<u>\$ 863,988</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Special Revenue Funds
June 30, 2016

	<u>Historical Records Trust</u>	<u>Highway Safety</u>	<u>Legislative Grant</u>	<u>Land Trust Grant</u>	<u>Land Trust</u>	<u>Heritage Trail</u>	<u>Planning Board</u>
ASSETS							
Due from federal and state governments	\$ -	\$ 2,234	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	13,735	-	1,905	-	4,803	14,222	37,149
Total assets	<u>\$ 13,735</u>	<u>\$ 2,234</u>	<u>\$ 1,905</u>	<u>\$ -</u>	<u>\$ 4,803</u>	<u>\$ 14,222</u>	<u>\$ 37,149</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,234	-	-	-	-	-
Total liabilities	<u>-</u>	<u>2,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted for:							
Historical records preservation	13,735	-	-	-	-	-	-
Senior activities	-	-	1,905	-	-	-	-
Land trust	-	-	-	-	4,803	14,222	-
Public safety programs	-	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-	-
Dog park	-	-	-	-	-	-	-
Committed for:							
Planning inspections	-	-	-	-	-	-	37,149
Public facilities and recreation	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>13,735</u>	<u>-</u>	<u>1,905</u>	<u>-</u>	<u>4,803</u>	<u>14,222</u>	<u>37,149</u>
Total liabilities and fund balances	<u>\$ 13,735</u>	<u>\$ 2,234</u>	<u>\$ 1,905</u>	<u>\$ -</u>	<u>\$ 4,803</u>	<u>\$ 14,222</u>	<u>\$ 37,149</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
 June 30, 2016

	<u>Emergency Management Grant</u>	<u>Community Development Block Grant</u>	<u>Hazard Mitigation</u>	<u>Bryne Grant</u>	<u>Senior Crafts</u>	<u>Impact Fees Education</u>	<u>Impact Fees Recreation</u>
ASSETS							
Due from federal and state governments	\$ -	\$ 75,184	\$ 6,768	\$ 20,446	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	2,681	168,641	37,500
Total assets	<u>\$ -</u>	<u>\$ 75,184</u>	<u>\$ 6,768</u>	<u>\$ 20,446</u>	<u>\$ 2,681</u>	<u>\$ 168,641</u>	<u>\$ 37,500</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ 3,320	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	70,672	6,768	20,446	-	-	-
Total liabilities	<u>-</u>	<u>73,992</u>	<u>6,768</u>	<u>20,446</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted for:							
Historical records preservation	-	-	-	-	-	-	-
Senior activities	-	-	-	-	2,681	-	-
Land trust	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Community service programs	-	1,192	-	-	-	-	-
Dog park	-	-	-	-	-	-	-
Committed							
Planning inspections	-	-	-	-	-	-	-
Public facilities and recreation	-	-	-	-	-	168,641	37,500
Public safety programs	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>1,192</u>	<u>-</u>	<u>-</u>	<u>2,681</u>	<u>168,641</u>	<u>37,500</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 75,184</u>	<u>\$ 6,768</u>	<u>\$ 20,446</u>	<u>\$ 2,681</u>	<u>\$ 168,641</u>	<u>\$ 37,500</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
June 30, 2016

	<i>Healthcare MEDS Grant</i>	<i>Recreation Legislative Grant</i>	<i>Dog Park Donations</i>	<i>Spay/Neuter Fund</i>	<i>ACO Adoptions</i>	<i>Animal Control Stray & Homeless</i>	<i>Senior Activities Grant</i>	<i>Total</i>
ASSETS								
Due from federal and state governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,632
Due from other funds	-	-	4,078	6,369	5,871	1,404	22,370	320,728
Total assets	\$ -	\$ -	\$ 4,078	\$ 6,369	\$ 5,871	\$ 1,404	\$ 22,370	\$ 425,360
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,320
Due to other funds	1,411	-	-	-	-	-	-	101,531
Total liabilities	1,411	-	-	-	-	-	-	104,851
Fund balances								
Restricted for:								
Historical records preservation	-	-	-	-	-	-	-	13,735
Senior activities	-	-	-	-	-	-	22,370	26,956
Land trust	-	-	-	-	-	-	-	19,025
Public safety programs	-	-	-	6,369	-	-	-	6,369
Community service programs	-	-	-	-	-	-	-	1,192
Dog park	-	-	4,078	-	-	-	-	4,078
Committed								
Planning inspections	-	-	-	-	-	-	-	37,149
Public facilities and recreation	-	-	-	-	-	-	-	206,141
Public safety programs	-	-	-	-	5,871	1,404	-	7,275
Unassigned	(1,411)	-	-	-	-	-	-	(1,411)
Total fund balances	(1,411)	-	4,078	6,369	5,871	1,404	22,370	320,509
Total liabilities and fund balances	\$ -	\$ -	\$ 4,078	\$ 6,369	\$ 5,871	\$ 1,404	\$ 22,370	\$ 425,360

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, 2016

	<i>Historical Records Trust</i>	<i>Highway Safety</i>	<i>Legislative Grant</i>	<i>Land Trust Grant</i>	<i>Land Trust</i>	<i>Heritage Trail</i>	<i>Planning Board</i>
Revenues							
Intergovernmental revenue	\$ -	\$ 10,847	\$ 3,500	\$ -	\$ 176,328	\$ -	\$ -
License, permits and fees	1,405	-	-	-	-	-	22,100
Other revenues	-	-	-	-	975	15,262	-
Total revenues	<u>1,405</u>	<u>10,847</u>	<u>3,500</u>	<u>-</u>	<u>177,303</u>	<u>15,262</u>	<u>22,100</u>
Expenditures							
Current:							
General government	197	-	-	528	237,885	10,043	9,382
Public safety	-	11,227	-	-	-	-	-
Community services	-	-	2,018	-	-	-	-
Total expenditures	<u>197</u>	<u>11,227</u>	<u>2,018</u>	<u>528</u>	<u>237,885</u>	<u>10,043</u>	<u>9,382</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>1,208</u>	<u>(380)</u>	<u>1,482</u>	<u>(528)</u>	<u>(60,582)</u>	<u>5,219</u>	<u>12,718</u>
Other financing sources (uses)							
Transfers from other funds	-	10,905	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,208	10,525	1,482	(528)	(60,582)	5,219	12,718
Fund balances - beginning of year	<u>12,527</u>	<u>(10,525)</u>	<u>423</u>	<u>528</u>	<u>65,385</u>	<u>9,003</u>	<u>24,431</u>
Fund balances - end of year	<u>\$ 13,735</u>	<u>\$ -</u>	<u>\$ 1,905</u>	<u>\$ -</u>	<u>\$ 4,803</u>	<u>\$ 14,222</u>	<u>\$ 37,149</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, 2016

	<i>Emergency Management Grant</i>	<i>Community Development Block Grant</i>	<i>Hazard Mitigation</i>	<i>Bryne Grant</i>	<i>Senior Crafts</i>	<i>Impact Fees Education</i>	<i>Impact Fees Recreation</i>
Revenues							
Intergovernmental revenue	\$ -	\$ 308,937	\$ 6,768	\$ 10,201	\$ -	\$ -	\$ -
License, permits and fees	-	-	-	-	-	48,000	15,800
Other revenues	-	-	-	-	500	-	-
Total revenues	<u>-</u>	<u>308,937</u>	<u>6,768</u>	<u>10,201</u>	<u>500</u>	<u>48,000</u>	<u>15,800</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	6,768	12,452	-	-	-
Community services	-	309,438	-	-	219	-	-
Total expenditures	<u>-</u>	<u>309,438</u>	<u>6,768</u>	<u>12,452</u>	<u>219</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>-</u>	<u>(501)</u>	<u>-</u>	<u>(2,251)</u>	<u>281</u>	<u>48,000</u>	<u>15,800</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	2,251	2,400	-	-
Transfers to other funds	(6,734)	-	-	-	-	(60,000)	-
Total other financing sources (uses)	<u>(6,734)</u>	<u>-</u>	<u>-</u>	<u>2,251</u>	<u>2,400</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balances	(6,734)	(501)	-	-	2,681	(12,000)	15,800
Fund balances - beginning of year	<u>6,734</u>	<u>1,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,641</u>	<u>21,700</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 1,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,681</u>	<u>\$ 168,641</u>	<u>\$ 37,500</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, 2016

	<i>Healthcare MEDS Grant</i>	<i>Recreation Legislative Grant</i>	<i>Dog Park Donations</i>	<i>Spay/Neuter Fund</i>	<i>ACO Adoptions</i>	<i>Animal Control Stray & Homeless</i>	<i>Senior Activities Grant</i>	<i>Total</i>
Revenues								
Intergovernmental revenue	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 519,081
License, permits and fees	-	-	-	936	1,255	100	-	89,596
Other revenues	-	-	2,506	-	-	-	2,850	22,093
Total revenues	<u>-</u>	<u>2,500</u>	<u>2,506</u>	<u>936</u>	<u>1,255</u>	<u>100</u>	<u>2,850</u>	<u>630,770</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	258,035
Public safety	4,421	-	-	200	125	-	-	35,193
Community services	-	2,500	3,494	-	-	-	2,635	320,304
Total expenditures	<u>4,421</u>	<u>2,500</u>	<u>3,494</u>	<u>200</u>	<u>125</u>	<u>-</u>	<u>2,635</u>	<u>613,532</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(4,421)</u>	<u>-</u>	<u>(988)</u>	<u>736</u>	<u>1,130</u>	<u>100</u>	<u>215</u>	<u>17,238</u>
Other financing sources (uses)								
Transfers from other funds	-	-	-	-	-	-	-	15,556
Transfers to other funds	-	-	-	-	-	-	(2,400)	(69,134)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,400)</u>	<u>(53,578)</u>
Net change in fund balances	(4,421)	-	(988)	736	1,130	100	(2,185)	(36,340)
Fund balances - beginning of year	<u>3,010</u>	<u>-</u>	<u>5,066</u>	<u>5,633</u>	<u>4,741</u>	<u>1,304</u>	<u>24,555</u>	<u>356,849</u>
Fund balances - end of year	<u>\$ (1,411)</u>	<u>\$ -</u>	<u>\$ 4,078</u>	<u>\$ 6,369</u>	<u>\$ 5,871</u>	<u>\$ 1,404</u>	<u>\$ 22,370</u>	<u>\$ 320,509</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2016

	<i>Emily Anthony Funds</i>	<i>Edwin Anthony Funds</i>	<i>Crawley Property</i>	<i>Senior Activities</i>	<i>Cemetery Funds</i>	<i>Wood River Cemetery Funds</i>
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	57,857	6,545	4,040	109	34,845	8,829
Total assets	<u>57,857</u>	<u>6,545</u>	<u>4,040</u>	<u>109</u>	<u>34,845</u>	<u>8,829</u>
Liabilities						
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position						
Restricted for other purposes	<u>\$ 57,857</u>	<u>\$ 6,545</u>	<u>\$ 4,040</u>	<u>\$ 109</u>	<u>\$ 34,845</u>	<u>\$ 8,829</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Net Position (Continued)
Private Purpose Trust Funds
June 30, 2016

	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Henry D. Hoyle Grant</i>	<i>Clarke Cemetery Fund</i>	<i>J Crawford Fenner Fund</i>	<i>Total</i>
Assets								
Cash and cash equivalents	\$ -	\$ 3,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,466
Investments	-	120,263	-	-	-	-	-	120,263
Due from other funds	9,579	-	1,250	828	637	3,500	3,542	131,561
Total assets	9,579	123,729	1,250	828	637	3,500	3,542	255,290
Liabilities								
Due to other funds	-	14	-	-	-	-	-	14
Total liabilities	-	14	-	-	-	-	-	14
Net Position								
Restricted for other purposes	<u>\$ 9,579</u>	<u>\$ 123,715</u>	<u>\$ 1,250</u>	<u>\$ 828</u>	<u>\$ 637</u>	<u>\$ 3,500</u>	<u>\$ 3,542</u>	<u>\$ 255,276</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, 2016

	<i>Emily Anthony Funds</i>	<i>Edwin Anthony Funds</i>	<i>Crawley Property</i>	<i>Senior Activities</i>	<i>Cemetery Funds</i>	<i>Wood River Cemetery Funds</i>
Additions						
Gifts and contributions	\$ 2,142	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:						
Net increase (decrease) in fair value of investments	-	-	-	-	-	-
Interest and dividends	154	18	10	1	87	22
Net investment earnings	<u>154</u>	<u>18</u>	<u>10</u>	<u>1</u>	<u>87</u>	<u>22</u>
Total additions	<u>2,296</u>	<u>18</u>	<u>10</u>	<u>1</u>	<u>87</u>	<u>22</u>
Deductions						
Miscellaneous	6,053	800	-	-	2,920	-
Total deductions	<u>6,053</u>	<u>800</u>	<u>-</u>	<u>-</u>	<u>2,920</u>	<u>-</u>
Change in net position	(3,757)	(782)	10	1	(2,833)	22
Net position - beginning of year	<u>61,614</u>	<u>7,327</u>	<u>4,030</u>	<u>108</u>	<u>37,678</u>	<u>8,807</u>
Net position - end of year	<u>\$ 57,857</u>	<u>\$ 6,545</u>	<u>\$ 4,040</u>	<u>\$ 109</u>	<u>\$ 34,845</u>	<u>\$ 8,829</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position (Continued)
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2016

	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Henry D. Hoyle Grant</i>	<i>Clarke Cemetery Fund</i>	<i>J Crawford Fenner Fund</i>	<i>Total</i>
Additions								
Gifts and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ 5,642
Investment earnings:								
Net increase (decrease) in fair value of investments	-	491	-	-	-	-	-	491
Interest and dividends	23	2,246	3	2	2	-	9	2,577
Net investment earnings	23	2,737	3	2	2	-	9	3,068
Total additions	23	2,737	3	2	2	3,500	9	8,710
Deductions								
Miscellaneous	-	2,996	-	-	-	-	-	12,769
Total deductions	-	2,996	-	-	-	-	-	12,769
Change in net position	23	(259)	3	2	2	3,500	9	(4,059)
Net position - beginning of year	9,556	123,974	1,247	826	635	-	3,533	259,335
Net position - end of year	\$ 9,579	\$ 123,715	\$ 1,250	\$ 828	\$ 637	\$ 3,500	\$ 3,542	\$ 255,276

AGENCY FUNDS

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

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2016

	<u>Landscape Escrows</u>	<u>Curb Cut Bonds</u>	<u>Fairside Drive Bonds</u>	<u>Safety Markings</u>	<u>Probate Court</u>	<u>Camelot Performance Bond</u>	<u>Total Agency Funds</u>
Assets							
Due from other funds	\$ 10,217	\$ 4,515	\$ 22,984	\$ 2,218	\$ 2,420	\$ 115,060	\$ 157,414
Total assets	<u>\$ 10,217</u>	<u>\$ 4,515</u>	<u>\$ 22,984</u>	<u>\$ 2,218</u>	<u>\$ 2,420</u>	<u>\$ 115,060</u>	<u>\$ 157,414</u>
Liabilities							
Deposits held in custody for others	\$ 10,217	\$ 4,515	\$ 22,984	\$ 2,218	\$ 2,420	\$ 115,060	\$ 157,414
Total liabilities	<u>\$ 10,217</u>	<u>\$ 4,515</u>	<u>\$ 22,984</u>	<u>\$ 2,218</u>	<u>\$ 2,420</u>	<u>\$ 115,060</u>	<u>\$ 157,414</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Landscape Escrows				
<i>Assets</i>				
Due from other funds	\$ 10,191	\$ 26	\$ -	\$ 10,217
Total assets	<u>\$ 10,191</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 10,217</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 10,191	\$ 26	\$ -	\$ 10,217
Total liabilities	<u>\$ 10,191</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 10,217</u>
Curb Cut Bonds				
<i>Assets</i>				
Due from other funds	\$ 11,015	\$ 5,500	\$ 12,000	\$ 4,515
Total assets	<u>\$ 11,015</u>	<u>\$ 5,500</u>	<u>\$ 12,000</u>	<u>\$ 4,515</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 11,015	\$ 5,500	\$ 12,000	\$ 4,515
Total liabilities	<u>\$ 11,015</u>	<u>\$ 5,500</u>	<u>\$ 12,000</u>	<u>\$ 4,515</u>
Fairside Drive Bond				
<i>Assets</i>				
Due from other funds	\$ 22,927	\$ 57	\$ -	\$ 22,984
Total assets	<u>\$ 22,927</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 22,984</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 22,927	\$ 57	\$ -	\$ 22,984
Total liabilities	<u>\$ 22,927</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 22,984</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)
Agency Funds
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Safety Markings				
<i>Assets</i>				
Due from other funds	\$ 2,212	\$ 6	\$ -	\$ 2,218
Total assets	<u>\$ 2,212</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,218</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 2,212	\$ 6	\$ -	\$ 2,218
Total liabilities	<u>\$ 2,212</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,218</u>
Probate Court				
<i>Assets</i>				
Due from other funds	\$ 2,414	\$ 6	\$ -	\$ 2,420
Total assets	<u>\$ 2,414</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,420</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 2,414	\$ 6	\$ -	\$ 2,420
Total liabilities	<u>\$ 2,414</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,420</u>
Camelot Performance Bond				
<i>Assets</i>				
Due from other funds	\$ 114,773	\$ 287	\$ -	\$ 115,060
Total assets	<u>\$ 114,773</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ 115,060</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 114,773	\$ 287	\$ -	\$ 115,060
Total liabilities	<u>\$ 114,773</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ 115,060</u>
Total Agency Funds				
<i>Assets</i>				
Due from other funds	\$ 163,532	\$ 5,882	\$ 12,000	\$ 157,414
Total assets	<u>\$ 163,532</u>	<u>\$ 5,882</u>	<u>\$ 12,000</u>	<u>\$ 157,414</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 163,532	\$ 5,882	\$ 12,000	\$ 157,414
Total liabilities	<u>\$ 163,532</u>	<u>\$ 5,882</u>	<u>\$ 12,000</u>	<u>\$ 157,414</u>

TOWN OF RICHMOND, RHODE ISLAND

*Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2016*

Real Estate and Personal Property Taxes

<u>Fiscal Year</u>	<u>Balance June 30, 2015</u>	<u>Current year Assessment</u>	<u>Refunds</u>	<u>Abatements/ Adjustments</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance June 30, 2016</u>
2016	\$ -	\$ 17,354,620	\$25,057	\$ (2,277)	\$17,377,400	\$16,750,448	\$ 626,952
2015	644,777	-	382	(269)	644,890	539,576	105,314
2014	147,002	-	125	(298)	146,829	81,198	65,631
2013	70,035	-	-	(311)	69,724	12,508	57,216
2012	47,357	-	292	(143)	47,506	8,590	38,916
2011	37,541	-	-	(342)	37,199	6,714	30,485
2010	18,461	-	-	(276)	18,185	3,053	15,132
2009	25,204	-	-	(208)	24,996	2,858	22,138
2008	21,915	-	-	(193)	21,722	1,770	19,952
2007	16,960	-	-	-	16,960	194	16,766
2006	16,738	-	194	(69)	16,863	469	16,394
2005	14,476	-	-	-	14,476	342	14,134
	<u>\$ 1,060,466</u>	<u>\$ 17,354,620</u>	<u>\$ 26,050</u>	<u>\$ (4,386)</u>	<u>\$ 18,436,750</u>	<u>\$ 17,407,720</u>	<u>\$ 1,029,030</u>
					Allowance for Uncollectible Accounts		<u>(190,000)</u>
					Net Property Tax Receivable		<u>\$ 839,030</u>

Schedule of Most Recent Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuation</u>	<u>Levy</u>
Real property	\$ 764,591,140	\$ 16,117,581
Motor vehicle	84,666,252	1,916,844
Tangible personal property	<u>18,224,300</u>	<u>384,168</u>
Total	867,481,692	18,418,593
Exemptions	<u>(48,518,713)</u>	<u>(1,063,973)</u>
Net assessed value	<u>\$ 818,962,979</u>	<u>\$ 17,354,620</u>

TOWN OF RICHMOND, RHODE ISLAND
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<i>General Fund</i>			<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	
Revenues				
Property taxes	\$ 17,625,851	\$ 17,625,851	\$ 17,438,274	\$ (187,577)
Intergovernmental revenue	5,475,221	5,475,221	5,494,676	19,455
License, permits and fees	441,058	441,058	511,426	70,368
Interest on investments	10,000	10,000	24,938	14,938
Other revenues	112,898	112,898	115,660	2,762
Total Revenues	<u>23,665,028</u>	<u>23,665,028</u>	<u>23,584,974</u>	<u>(80,054)</u>
Expenditures				
General government	1,525,556	1,477,198	1,369,843	107,355
Public safety	1,848,105	1,854,665	1,834,033	20,632
Public works	752,400	773,612	681,209	92,403
Recreation and culture	57,992	60,592	56,564	4,028
Education	18,539,075	18,539,075	18,536,477	2,598
Transfer station and recycling	149,679	150,965	159,766	(8,801)
Community services	160,727	160,727	161,420	(693)
Canvassing authority	4,976	4,976	4,864	112
Debt service				
Principal	494,293	511,743	513,363	(1,620)
Interest	125,385	163,668	162,049	1,619
Other	2,600	2,600	2,500	100
Total expenditures	<u>23,660,788</u>	<u>23,699,821</u>	<u>23,482,088</u>	<u>217,733</u>
Excess of Revenues Over Expenditures Before Other Financing Sources (Uses)				
	<u>4,240</u>	<u>(34,793)</u>	<u>102,886</u>	<u>137,679</u>
Other financing sources (uses)				
Budgeted use of committed fund balance	27,500	27,500	-	(27,500)
Transfers in	106,860	162,593	169,327	6,734
Transfers out	(109,600)	(126,300)	(137,205)	(10,905)
Revaluation restricted account	(29,000)	(29,000)	(29,000)	-
Total other financing sources (uses)	<u>(4,240)</u>	<u>34,793</u>	<u>3,122</u>	<u>(31,671)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,008</u>	<u>\$ 106,008</u>

STATISTICAL SECTION

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

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

EXHIBIT 1

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net investment in capital assets	\$11,105,195	\$11,362,540	\$11,918,950	\$11,372,800	\$10,117,906	\$10,822,388	\$11,644,019	\$12,700,301	\$2,054,119	\$680,618
Restricted	168,195	125,554	142,346	158,793	-	-	-	-	-	-
Unrestricted	5,250,005	4,645,969	4,378,536	5,086,922	5,662,225	6,034,135	6,434,399	5,985,444	5,429,271	6,792,210
Total governmental activities net position	<u>\$16,523,395</u>	<u>\$16,134,063</u>	<u>\$16,439,832</u>	<u>\$16,618,515</u>	<u>\$15,780,131</u>	<u>\$16,856,523</u>	<u>\$18,078,418</u>	<u>\$18,685,745</u>	<u>\$7,483,390</u>	<u>\$7,472,828</u>
Business-type activities:										
Net investment in capital assets	\$1,966,392	\$1,646,660	\$1,333,901	\$1,250,298	\$1,191,096	\$588,288	\$579,071	\$607,907	\$665,579	\$636,742
Unrestricted	698,860	650,559	516,567	562,537	536,798	476,495	468,970	434,513	379,946	424,845
Total business-type activities net position	<u>\$2,665,252</u>	<u>\$2,297,219</u>	<u>\$1,850,468</u>	<u>\$1,812,835</u>	<u>\$1,727,894</u>	<u>\$1,064,783</u>	<u>\$1,048,041</u>	<u>\$1,042,420</u>	<u>\$1,045,525</u>	<u>\$1,061,587</u>
Primary government:										
Net investment in capital assets	\$13,071,587	\$13,009,200	\$13,252,851	\$12,623,098	\$11,309,002	\$11,410,676	\$12,223,090	\$13,308,208	\$2,719,698	\$1,317,360
Restricted	168,195	125,554	142,346	158,793	-	-	-	-	-	-
Unrestricted	5,948,865	5,296,528	4,895,103	5,649,459	6,199,023	6,510,630	6,903,369	6,419,957	5,809,217	7,217,055
Total primary government net position	<u>\$19,188,647</u>	<u>\$18,431,282</u>	<u>\$18,290,300</u>	<u>\$18,431,350</u>	<u>\$17,508,025</u>	<u>\$17,921,306</u>	<u>\$19,126,459</u>	<u>\$19,728,165</u>	<u>\$8,528,915</u>	<u>\$8,534,415</u>

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

EXHIBIT 2

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
General government	\$1,446,108	\$1,428,610	\$1,396,108	\$1,386,225	\$1,202,400	\$1,211,012	\$1,112,240	\$1,381,725	\$1,285,864	\$1,050,620
Public safety	2,017,079	1,917,635	1,781,017	1,853,424	1,672,730	1,498,832	1,438,854	1,359,604	1,255,025	1,212,587
Public works	1,486,652	1,677,538	2,103,662	1,643,344	2,180,519	2,123,184	2,296,905	2,069,878	524,205	570,471
General public assistance	-	-	-	-	769,187	726,279	332,833	426,905	320,111	50,591
Recreation and culture	56,564	56,787	55,117	58,270	52,129	57,159	47,559	83,777	82,319	62,150
Education	18,201,477	18,329,949	18,300,639	18,086,820	18,098,080	17,072,158	16,564,107	17,187,604	17,333,510	16,902,823
Transfer station/recycling area	158,807	160,101	151,885	145,665						
Community services	481,724	471,944	277,513	564,606	153,049	143,870	173,810	176,777	177,827	166,327
Other	4,864	6,235	3,921	9,595	71,712	198,390	103,966	353,697	287,727	782,864
Interest	85,234	165,227	54,800	102,443	85,817	82,831	73,311	125,009	77,294	57,965
Total governmental activities expenses	23,938,509	24,214,026	24,124,662	23,850,392	24,285,623	23,113,715	22,143,585	23,164,976	21,343,882	20,856,398
Business-type activities:										
Water Supply Board	206,183	186,857	157,750	65,015	79,645	73,599	93,202	74,475	102,991	66,572
Total business-type activities expenses	206,183	186,857	157,750	65,015	79,645	73,599	93,202	74,475	102,991	66,572
Total primary government expenses	\$24,144,692	\$24,400,883	\$24,282,412	\$23,915,407	\$24,365,268	\$23,187,314	\$22,236,787	\$23,239,451	\$21,446,873	\$20,922,970
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
General government	\$481,710	\$323,629	\$319,272	\$216,997	\$270,050	\$309,441	\$338,242	\$236,515	\$504,495	\$181,052
Public safety	156,603	129,702	147,545	50,425	86,792	5,987	87,349	67,013	64,418	58,126
Public works	-	-	-	-	-	-	-	-	-	81,812
Recreation and culture	9,654	11,362	19,203	-	-	-	-	-	-	-
Transfer station/recycling area	149,090	141,772	137,403	-	-	-	-	-	-	-
Education				70,516	50,138	42,103	71,232	-	-	-
Other activities	19,171	12,590	16,583	213,032	111,365	106,774	16,358	8,632	12,650	1,177,555
Operating grants and contributions	5,508,948	5,703,959	5,604,383	5,962,795	6,099,529	5,546,692	5,495,190	622,113	6,303,066	6,028,634
Capital grants and contributions	177,303	-	-	49,315	559,037	641,878	283,430	-	-	-
Total governmental activities program revenues	6,502,479	6,323,014	6,244,389	6,563,080	7,176,911	6,652,875	6,291,801	934,273	6,884,629	7,527,179
Business-type activities:										
<i>Charges for services:</i>										
Water Supply Board	117,112	123,194	127,537	130,654	117,031	87,050	98,823	98,904	84,870	85,140
Operating and capital grants and contributions	466,186	510,414	74,036	65,000	625,725	-	-	-	-	-
Total business-type activities program revenues	583,298	633,608	201,573	195,654	742,756	87,050	98,823	98,904	84,870	85,140
Total primary government program revenues	7,085,777	6,956,622	6,445,962	6,758,734	7,919,667	6,739,925	6,390,624	1,033,177	6,969,499	7,612,319
Net (Expense)/Revenue										
Governmental activities	\$(17,436,030)	\$(17,891,012)	\$(17,880,273)	\$(17,287,312)	\$(17,108,712)	\$(16,460,840)	\$(15,851,784)	\$(22,230,703)	\$(14,459,253)	\$(13,329,219)
Business-type activities	377,115	446,751	43,823	130,639	663,111	13,451	5,621	24,429	(18,121)	18,568
Total primary government net expenses	\$(17,058,915)	\$(17,444,261)	\$(17,836,450)	\$(17,156,673)	\$(16,445,601)	\$(16,447,389)	\$(15,846,163)	\$(22,206,274)	\$(14,477,374)	\$(13,310,651)

(continued)

EXHIBIT 2

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes and other	\$17,439,301	\$17,236,054	\$16,717,549	\$16,232,872	\$15,881,815	\$15,166,543	\$14,504,920	\$14,033,839	\$ 13,312,636	\$12,276,621
Unrestricted investment earnings	24,938	16,214	8,276	8,009	6,328	14,260	26,392			
State aid	349,599	332,054	324,007	-	57,421	58,142	713,145	6,158,139	993,406	
Other revenues	924	921	6,261	281,604		-	-		103,825	248,346
Transfers	10600	-	-	35,698		-				
Total governmental activities	17,825,362	17,585,243	17,056,093	16,558,183	15,945,564	15,238,945	15,244,457	20,191,978	14,409,867	12,524,967
Business-type activities:										
Unrestricted investment earnings	1,518			-		3,291		4,367		
Transfers	(10,600)			(35,698)		-				
Total business-type activities	(9,082)			(35,698)		3,291		4,367		
Total primary government	\$17,816,280	\$17,585,243	\$17,056,093	\$16,522,485	\$15,945,564	\$15,242,236	\$15,244,457	\$20,196,345	\$14,409,867	\$12,524,967
Change in Net Position										
Governmental activities	\$389,332	\$(305,769)	\$(824,180)	\$(729,129)	\$(1,163,148)	\$(1,221,895)	\$(607,327)	\$(2,038,725)	\$(49,386)	\$(804,252)
Business-type activities	368,033	446,751	43,823	94,941	663,111	16,742	5,621	28,796	-18,121	18,568
Total primary government	\$757,365	\$140,982	\$(780,357)	\$(634,188)	\$(500,037)	\$(1,205,153)	\$(601,706)	\$(2,009,929)	\$(67,507)	\$(785,684)

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

EXHIBIT 3

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved										
Unreserved							2,778,282	2,524,045	2,399,060	2,273,372
Nonspendable	69,701	21,017	9,556	75	2,663	30,350				
Restricted										
Committed	1,054,786	696,046	733,424	728,577						
Assigned					571,144	734,310				
Unassigned	3,441,004	3,373,920	3,214,276	3,126,696	3,178,062	2,957,716				
Total General fund	\$ 4,565,491	\$ 4,090,983	\$ 3,957,256	\$ 3,855,348	\$ 3,751,869	\$ 3,722,376	\$ 2,778,282	\$ 2,524,045	\$ 2,399,060	\$ 2,273,372
Capital Projects Funds										
Restricted	1,699,988	2,424,614								
Committed	215,224	119,389								
Total Capital Projects Fund	\$ 1,915,212	\$ 2,544,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds							2,996,414	2,776,594	3,814,294	3,213,368
Reserved										
Restricted	71,355	125,554	147,109	158,793	382,778	539,986				
Committed	794,044	695,989	623,705	847,594	688,711	952,018				
Unassigned	(1,411)	(10,525)	(10,826)	(8,329)	-					
Total All Other Governmental Funds	\$ 863,988	\$ 811,018	\$ 759,988	\$ 998,058	\$ 1,071,489	\$ 1,492,004	\$ 2,996,414	\$ 2,776,594	\$ 3,814,294	\$ 3,213,368
Total governmental funds	\$ 7,344,691	\$ 7,446,004	\$ 4,717,244	\$ 4,853,406	\$ 4,823,358	\$ 5,214,380	\$ 5,774,696	\$ 5,300,639	\$ 6,213,354	\$ 5,486,740

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

EXHIBIT 4

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Property tax revenue	\$17,344,155	\$17,224,428	\$16,722,055	\$16,316,284	\$15,656,682	\$14,845,065	\$14,277,199	\$13,923,630	\$12,836,071	\$11,999,417
Interest on late payments	94,119	94,877	117,179	144,601	185,525	143,588	158,260	-	-	258,459
Intergovernmental and department revenue	6,013,757	6,027,337	5,901,511	6,375,962	6,771,428	6,227,798	6,314,625	6,747,742	7,351,551	6,028,634
Licenses, fees, and permits	701,494	505,728	520,938	384,988	265,661	284,861	312,605	256,401	557,022	320,990
Investment Income	24,938	16,214	8,276	8,009	6,328	14,260	26,392	79,520	218,274	
Other revenues	137,753	122,924	152,208	83,734	197,243	198,358	377,716	88,269	62,317	1,425,901
Total revenues	\$ 24,316,216	\$ 23,991,508	\$ 23,422,167	\$ 23,313,578	\$ 23,082,867	\$ 21,713,930	\$ 21,466,797	\$ 21,095,562	\$ 21,025,235	\$ 20,033,401
Expenditures										
General government	1,623,378	1,389,345	1,293,863	1,102,101	1,114,763	1,097,331	1,111,867	1,154,554	1,219,531	1,116,437
Public safety	1,869,226	1,849,574	1,774,776	1,758,543	1,621,378	1,470,750	1,412,216	1,329,750	1,237,818	1,181,807
Public works	681,209	843,301	799,073	715,313	703,440	674,584	853,258	614,233	515,637	478,435
Grants expenditures and land acquisition	-	-	-	612,434	769,187	1,308,592	332,833	426,905	320,111	50,591
Recreation and culture	56,564	56,787	55,117	58,270	52,129	57,159	47,559	83,777	82,319	62,150
Education	18,201,477	18,329,949	18,300,639	18,086,820	18,098,080	17,072,158	16,564,107	17,187,604	17,333,510	16,902,823
Recycling area	159,766	160,897	151,885	145,665	55,875	55,128	38,738	39,822	40,341	34,410
Community services	481,724	471,944	277,513	156,182	153,049	143,870	173,810	176,777	177,827	166,327
Canvassing authority	4,864	6,235	3,921	9,595	10,073	6,401	2,125	-	-	-
Landfill closure	-	-	-	-	-	-	-	9,146	5,213	8,107
Capital outlay	763,440	307,253	473,013	203,450	570,447	1,100,244	60,578	535,344	226,763	135,896
Program Expenditures										740,347
Debt Service - principal	483,950	252,678	371,455	371,642	325,000	325,000	315,355	304,759	329,056	304,237
Debt Service - interest	100,031	141,488	64,453	97,237	85,349	82,174	79,769	92,056	77,294	57,965
Debt Service - other	2,500	2,500	1,525	1,975	1,875	30,855	525	525	14,910	
Total expenditures	\$ 24,428,129	\$ 23,811,951	\$ 23,567,233	\$ 23,319,227	\$ 23,560,645	\$ 23,424,246	\$ 20,992,740	\$ 21,955,252	\$ 21,580,330	\$ 21,239,532
Excess of revenues over (under) expenditures before other financing sources (uses)	(111,913)	179,557	(145,066)	(5,649)	(477,778)	(1,710,316)	474,057	(859,690)	(555,095)	(1,206,131)
Other financing sources (uses)										
Proceeds from debt issuance	-	2,536,753	-	35,698	-	1,150,000	-	-	1,400,000	-
Transfers From (to) other funds	10,600	-	-	-	-	-	-	-	-	284,823
Total other financing sources (uses)	10,600	2,536,753	-	35,698	-	1,150,000	-	-	1,400,000	284,823
Net change in fund balances	\$ (101,313)	\$ 2,716,310	\$ (145,066)	\$ 30,049	\$ (477,778)	\$ (560,316)	\$ 474,057	\$ (859,690)	\$ 844,905	\$ (921,308)
<i>Debt service as a percentage of noncapital expenditures</i>	2.488%	1.677%	1.854%	2.07%	1.83%	2.00%	1.93%	1.89%	2.01%	1.81%

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	Total Assessed Value Before Exemptions
12/31/2015	\$691,767,050	\$77,014,700	\$86,798,076	\$19,827,710	\$49,441,899	\$825,965,637	21.57	825,965,637	100%	875,407,536
12/31/2014	687,478,050	77,113,090	84,666,252	18,224,300	48,518,713	\$818,962,979	21.08	818,962,979	100%	867,481,692
(2) 12/31/2013	683,490,350	77,159,100	83,780,528	19,480,110	47,726,523	\$816,183,565	20.94	884,855,220	100%	863,910,088
12/31/2012	701,234,150	83,199,800	83,144,997	19,115,290	47,868,419	\$838,825,818	19.76	907,480,486	100%	886,694,237
12/31/2011	700,787,050	83,424,000	81,745,590	20,841,340	46,258,219	\$840,539,761	19.02	907,234,378	100%	886,797,980
(1) 12/31/2010	699,650,750	83,426,300	78,391,069	20,982,590	44,000,360	\$838,450,349	18.46	902,048,476	100%	882,450,709
12/31/2009	836,474,450	89,695,800	77,155,733	19,800,400	45,099,929	\$978,026,454	14.99	1,042,415,316	100%	1,023,126,383
12/31/2008	835,178,250	87,721,670	64,106,902	19,248,440	56,293,676	\$949,961,586	14.94	1,022,281,988	100%	1,006,255,262
(2) 12/31/2007	837,393,650	78,935,800	71,672,259	19,308,660	56,484,676	\$950,825,693	14.31	1,025,228,434	100%	1,007,310,369
12/31/2006	785,891,300	72,888,600	68,347,887	22,674,610	54,689,138	\$895,113,259	14.11	966,889,369	100%	949,802,397

(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.

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

EXHIBIT 6

<u>Fiscal Year</u>	<u>General Fund</u>
2016	21.08
2015	20.94
2014	19.76
2013	19.02
2012	18.46
2011	14.99
2010	14.94
2009	14.31
2008	14.11
2007	13.54

Note:

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

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

EXHIBIT 7

Taxpayer	12/31/2015				12/31/2005			
	Taxable Assessed Value	Rank	Percentage of Total	Taxes Assessed	Taxable Assessed Value	Rank	Percentage of Total	Taxes Assessed
Kingstown Richmond LP	\$ 6,792,200	1	0.822%	\$ 146,508				
Narragansett Electric	5,093,140	2	0.617%	\$ 109,859				
Richmond Country Club	3,254,000	3	0.394%	\$ 70,189	3,364,200	4	0.381%	\$ 45,551
The Preserve at Boulder Hills	2,884,400	4	0.349%	\$ 62,217				
New Castle Realty Company	2,685,100	5	0.325%	\$ 57,918	2,698,600	7	0.305%	36,539
Cox Com Inc.	2,472,700	6	0.299%	\$ 53,336	4,364,210	2	0.494%	59,091
CVS 8320 RI LLC	2,263,300	7	0.274%	\$ 48,819				
Richmond Realty Associates	2,241,300	8	0.271%	\$ 48,345				
Rolling Greens Corporation	2,146,900	9	0.260%	\$ 46,309	2,138,300	9	0.242%	28,953
JAG Enterprises Incorporated	2,078,400	10	0.252%	\$ 44,831	2,706,700	6	0.306%	36,649
Stop & Shop Supermarket	2,078,270		0.252%	\$ 44,828				
E&A Northeast Ltd Partnership					5,646,600	1	0.639%	76,455
Ocean State Golf Investors					3,915,300	3	0.443%	53,013
Cadlerock Properties					2,711,100	5	0.307%	36,708
Wawaloam Reservation Inc					2,241,700	8	0.254%	30,353
Richmond Sand & Gravel					2,003,110	10	0.227%	27,122
	\$ 33,989,710		4.12%	\$ 733,158	\$ 31,789,820		3.60%	\$ 430,434
Total Assessed Value	\$ 825,965,635				\$ 883,964,542			
Tax Rate	\$ 21.57				\$ 13.54			

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

EXHIBIT 8

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 17,354,620	\$ 16,750,448	96.5%		\$ 16,750,448	96.5%
2015 ⁽¹⁾	17,189,267	16,525,473	96.1%	558,480	17,083,953	99.4%
2014	16,740,540	16,019,946	95.7%	654,963	16,674,909	96.9%
2013	16,192,072	15,568,651	96.1%	566,205	16,134,856	99.6%
2012 ⁽¹⁾	15,705,615	14,916,850	95.0%	749,849	15,666,699	99.8%
2011	15,073,977	14,306,567	94.9%	736,925	15,043,492	99.8%
2010	14,376,803	13,753,597	95.7%	608,074	14,361,671	99.9%
2009 ⁽²⁾	13,852,383	13,149,523	94.9%	680,722	13,830,245	99.8%
2008	12,822,091	12,245,003	95.5%	557,136	12,802,139	99.8%
2007	12,190,366	11,704,160	96.0%	469,440	12,173,600	99.9%

(1) Statistical Revaluation

(2) Revaluation

EXHIBIT 9

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

Fiscal Year	Governmental Activities		Business Type Activities	Total Primary Government		Per Capita
	General Obligation Bonds	Capital Lease	Loans Payable			
2016	3,554,078	35,270	2,060,748	5,650,096	(b)	733.02
2015	4,016,753	69,220	2,090,161	6,176,134	(b)	801.26
2014	1,700,000	101,898	802,776	2,604,674	(b)	337.92
2013	2,040,000	133,353	814,052	2,987,405	(b)	387.57
2012	2,375,000	169,995	825,000	3,369,995	(b)	437.21
2011	2,700,000			2,700,000	(b)	350.29
2010	1,875,000			1,875,000	(a)	259.62
2009	2,190,355			2,190,355	(a)	303.29
2008	2,305,114			2,305,114	(a)	319.18
2007	1,234,170			1,234,170	(a)	170.89

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

(a) Ratio is calculated using 2000 census year.

(b) Ratio is calculated using 2010 census year.

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

EXHIBIT 10

Fiscal Year	Budget		Total	Fund Balance	Ratio
	End	Municipal			
2016	5,260,313	18,539,075	23,799,388	4,565,491	19.18%
2015	5,129,162	18,329,949	23,459,111	4,090,983	17.44%
2014	5,072,828	18,300,639	23,373,467	3,957,256	16.93%
2013	4,778,454	18,086,820	22,865,274	3,855,348	16.86%
2012	4,257,375	18,098,080	22,355,455	3,751,869	16.78%
2011	4,054,432	17,303,309	21,357,741	3,722,376	17.43%
2010	4,190,525	17,443,098	21,633,623	2,778,282	12.84%
2009	4,002,881	17,823,992	21,826,873	2,524,045	11.56%
2008	3,879,886	17,333,510	21,213,396	2,399,060	11.31%
2007	3,701,899	16,902,823	20,604,722	2,273,372	11.03%

EXHIBIT 11

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

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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	18	18	15	15	15	13	12	12	12	12
Animal Control										
Animal Shelters	1	1	1	1	1	1	1	1	1	1
Animal Patrol Unit	1	1	1	1	1	1	1	1	1	1
Public Works										
Building and garage	1	1	1	1	1	1	1	1	1	1
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	261	261	261	261	261	261	261	261	261	261
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

EXHIBIT 12

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

Function/Program	Full-time Equivalent Employees as of June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Central Administration										
Town Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Town Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0			
Town Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Probate Court	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Building/Zoning	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Financial Administration										
Treasurer's Office	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Tax Collection	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Tax Assessor	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6
Public Safety										
Police										
Officers	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Civilians	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Animal Control										
Officers	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Emergency Management	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Highway Driver/Laborer	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Transfer Station	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Maintenance										
Custodial	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Recreation Department										
Director	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Summer Programs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

SINGLE AUDIT SECTION

**This section contains information
regarding grant activity for the year ended
June 30, 2016 which was audited under the guidelines
of the Single Audit Act of 1996 and Uniform Guidance.**



CERTIFIED PUBLIC ACCOUNTANTS

875 Centerville Road, Building 3, Unit 10 • Warwick, RI 02886
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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, 2016, 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 20, 2016.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-003 to be a significant deficiency.

Compliance and Other Matters

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

Town of Richmond, Rhode Island's Response to Findings

The Town of Richmond, Rhode Island's response to the findings identified in our audit are described in the accompanying schedule of findings and 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, LLC

Warwick, Rhode Island
December 20, 2016



CERTIFIED PUBLIC ACCOUNTANTS

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***REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE***

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Richmond, Rhode Island's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Richmond, Rhode Island's major federal programs for the year ended June 30, 2016. The Town of Richmond, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Richmond, Rhode Island's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Richmond, Rhode Island's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Richmond, Rhode Island's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Richmond, Rhode Island complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Town of Richmond, Rhode Island is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Richmond, Rhode Island's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Richmond, Rhode Island's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bacon & Company, LLC

Warwick, Rhode Island
December 20, 2016

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? X yes none reported
- Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major federal programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516 (a)? yes X no

Identification of major federal programs:

CFDA Number
10.760

Name of Federal Program or Cluster
Water and Waste Disposal Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

- Auditee qualified as low-risk auditee? yes X no

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2016-001 Segregation of Duties

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.

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: While we recognize that segregation of duties is desirable element of internal controls designed to prevent, detect and correct misstatements in a timely manner, most days there is only one person working in the office. The reconciliation procedures include the finance department reconciling all deposits to the postings. Weekly the Tax Collector will submit reports for delinquent accounts and all adjustments to the subsidiary ledger to the Town Administrator.

2016-002- Property Tax Receivable Reconciliations

Criteria- An entity's system of internal control should include procedures that include a reconciliation of the subsidiary property tax receivable ledger to the property tax receivable account on the general ledger.

Condition- The Town does not reconcile the subsidiary property tax receivable ledger to the property tax receivable account on the general ledger.

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Cause: The Town does not record transactions to the general ledger property tax receivable account, including the tax levy and abatements provided by the Tax Assessor and the daily tax collections posted to the revenue account. As a result, a reconciliation to the subsidiary ledger cannot be performed.

Identification of a repeat finding: This is a repeat finding from previous audits 2015-002.

Recommendation- We recommend that the Town implement procedures to properly account for the property tax receivable accounts in the general ledger. The Town should record the property tax levy, abatements and adjustments to the property tax receivable account and related deferred inflow of resources account in the general ledger from information provided by the Tax Assessor. In addition to recording the daily tax collections to the revenue and cash accounts the collections should also be recorded to the property tax receivable and deferred inflow of resources account. The Town should then perform a monthly reconciliation between the receivable subsidiary ledger maintained by the Tax Collector and the general ledger. Any variances should be investigated and resolved.

Views of Responsible Officials and Planned Corrective Action: The Town has implemented procedures to properly account for the property tax receivable accounts in the general ledger. The Town records the property tax levy, abatements and adjustments to the property tax receivable account and related deferred inflow of resources account in the general ledger from information provided by the Tax Assessor. The Town performs a monthly reconciliation between the receivable subsidiary ledger maintained by the Tax Collector and the general ledger.

SIGNIFICANT DEFICIENCY

2016-003 Special Revenue and Trust Fund Reporting

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

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

Effect: The Town is not preparing financial reports in conformance with generally accepted accounting principles. In addition, some of the funds were reporting deficit balances because the funds were not reporting receivables due.

Cause: The Town has not established separate revenue and expenditure accounts for all the individual funds reported in Funds 04 and 05. The Town is not properly monitoring the individual funds to determine if the fund is in a deficit and a request for reimbursement needs to be requested and reported as a receivable.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Identification of a repeat finding: This is a repeat finding from previous audits 2015-003.

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

Views of Responsible Officials and Planned Corrective Action: The Town is establishing separate revenue and expenditure accounts for each sub fund to properly account for the funds and intends to monitor these funds.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

TOWN OF RICHMOND, RHODE ISLAND
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2016

Finding: 2014-001

Status – Not corrected

Corrective Action: While we recognize that segregation of duties is desirable element of internal controls designed to prevent, detect and correct misstatements in a timely manner, most days there is only one person working in the office. The reconciliation procedures include the finance department reconciling all deposits to the postings. Weekly the Tax Collector will submit reports for delinquent accounts and all adjustments to the subsidiary ledger to the Town Administrator.

Finding: 2015-002

Status –Not corrected

Corrective Action: The Town has implemented procedures to properly account for the property tax receivable accounts in the general ledger. The Town records the property tax levy, abatements and adjustments to the property tax receivable account and related deferred inflow of resources account in the general ledger from information provided by the Tax Assessor. The Town performs a monthly reconciliation between the receivable subsidiary ledger maintained by the Tax Collector and the general ledger.

Finding: 2015-003

Status – The Town established separate revenue and expenditure accounts for several of the sub-funds, but has not completed it for all funds reported. The Town did not determine if required reimbursements were requested and required to be recorded.

Corrective Action: The Town is establishing separate revenue and expenditure accounts for each sub fund to properly account for the funds and intends to monitor these funds.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
<i>Passed through RI Division of Planning, Office of Housing and Community Development:</i>			
Community Development Block Grant	14.228	13/29/26	\$ 59,425
Community Development Block Grant	14.228	12/29/25	3,904
Community Development Block Grant	14.228	14/29/27	246,109
Total U.S. Department of Housing and Urban Development			<u>309,438</u>
U.S. Department of Homeland Security			
<i>Direct:</i>			
Hazard Mitigation Grant Program	97.039	N/A	6,768
<i>Passed through RI Emergency Management Agency:</i>			
Disaster Grants	97.036	2015 JUNO PW-39	36,697
Total U.S. Department of Homeland Security			<u>43,465</u>
U.S. Department of Transportation			
<i>Pass-through RI Department of Transportation: Highway Safety Cluster:</i>			
State and Community Highway Safety Grant	20.600	N/A	10,847
Total U.S. Department of Transportation			<u>10,847</u>
U.S. Department of Justice			
<i>Direct:</i>			
Public Safety Partnership and Community Policing Grant	16.710	N/A	44,750
<i>Passed through RI Public Safety Grant Administration Office:</i>			
Byrne/JAG	16.738	N/A	12,451
Total U.S. Department of Justice			<u>57,201</u>
U.S. Department of Health and Human Services			
<i>Pass through RI Department of Health:</i>			
Public Health Emergency Preparedness - MEDS	93.069	N/A	3,010
Total U.S. Department of Health and Human Services			<u>3,010</u>
U.S. Department of Agriculture			
<i>Direct:</i>			
<i>Water and Waste Disposal Program Cluster:</i>			
Water & Waste Disposal Systems for Rural Communities	10.760	N/A	339,446
Total U.S. Department of Agriculture			<u>339,446</u>
Total Expenditures of Federal Awards			<u>\$ 763,407</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Town of Richmond, Rhode Island under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Town of Richmond, Rhode Island, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Town of Richmond, Rhode Island.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The Town of Richmond, Rhode Island has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 –US. DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICES LOANS

The balance of loans outstanding at June 30, 2016 consists of:

CFDA Number	Program Name	Outstanding Balance June 30, 2016
10.760	Water and Waste Disposal Program Cluster	\$2,060,748