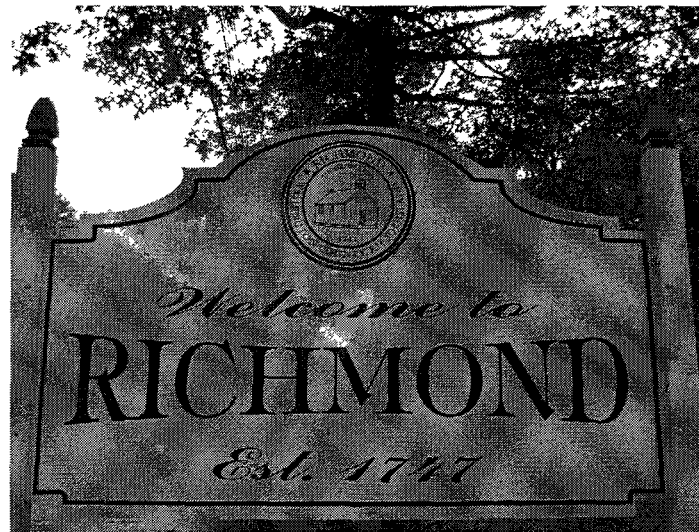

TOWN OF RICHMOND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2013***



Prepared by: Finance Department

RICHMOND, RHODE ISLAND

**TOWN OF RICHMOND, RHODE ISLAND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
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Concluded

INTRODUCTORY SECTION

This Section Contains the Following Subsections:

Letter of Transmittal
Organizational Chart
List of Town Officials



Town of Richmond, Rhode Island

FINANCE OFFICE

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

December 2, 2013

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, 2013, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the various funds of the Town of Richmond. The reader should see the following Managements Discussion & Analysis section of this report in order to gain a broader understanding of the Town and its activities.

The independent audit of the financial statements of the Town of Richmond, Rhode Island included in section IV was part of broader, federal and state "Single Audits" designed to meet the special needs of the federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards.

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 of Richmond's municipal government provides a full range of services including education, police, planning, zoning, construction and maintenance of highways, streets, and infrastructure, social services, parks and recreational activities and cultural activities. Approximately 58 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 south 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. A major exit from I-95 is located in town providing easy access.

Economic Conditions

State Trends

Economic conditions in the State and region are likely to impact economic development activities in Richmond. During the past decade, the State's economy fluctuated. According to the Rhode Island Department of Labor and Training (RIDLT) (2010)(1), from December 2001 through January 2007, Rhode Island experienced an economic upswing when private sector jobs grew 5.4%, outpacing all other New England states; however that momentum shifted later in 2007. The state budget crisis, increased energy costs, and the housing market and credit collapse pushed Rhode Island into a recession nearly one year before the rest of the nation. The state's unemployment rate reached its highest in 30 years in December 2009 at 12.7% and for three months it held steady. Nationally, unemployment reached its peak of 10.1% in October 2009 and then slowly dropped. Rhode Island's rate dropped to 11.5% in September 2010; however it is still the highest unemployment rate in New England and fifth nationally. Job losses occurred in nearly all economic sectors with the largest declines in manufacturing, construction, profession and business services, financial activities, accommodation and food services, and government.

The National Bureau of Economic Research declared that the recession ended in June 2009, but in the years that followed, national job losses continued. In Rhode Island, employment bottomed out almost a year later in April 2010. This loss was exacerbated by the record-breaking rainfall in March 2010. The flooding that resulted affected both residents and businesses. RIDLT reports that in Rhode Island, 240 businesses with nearly 4,900 workers were impacted by significant flooding.

RIDLT projects modest job growth statewide at all education and skill levels. Between 2008 and 2018, employment is projected to increase by nearly 40,000 jobs. This projected growth will be driven primarily by the increased demand for products and services of the health care and social assistance; professional, scientific, and technical services; educational services; retail trade; and accommodation and

¹ *Rhode Island Employment Trends 2010*. A publication by the RIDLT Labor Market Information Unit. October 2010.

food services sectors. The RIDLT reports that the largest gains continue to occur in the health care and social assistance sector and project an increase of 13,000 jobs by 2018 in this sector. This growth is being lead by our aging population along with medical advances and new technologies promoted by the Knowledge Economy.

Local Trends

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 been between 138 and 148, with most in the Construction, Retail, and Other Services (except Public Administration) industries (Table). Business growth is in Professional and Technical Services as well as Other Services (except public administration). Statewide, RIDLT anticipates future employment in the Health Care and Social Assistance; Professional, Scientific, and Technical Services; Educational Services; Retail Trade; and Accommodation and Food Services sectors. Some of these businesses are located in town, and local policies may want to be drafted that will target those businesses and identify ways to support growth to increase jobs.

Table: Number of Establishments in Richmond, 2005-2009 (RIEDC)

	2005	2006	2007	2008	2009
Total Private & Government	146	156	155	156	148
Total Private Only	138	148	147	148	140
Agriculture, Forestry, Fishing & Hunting	5	5	5	5	6
Construction	22	25	24	22	22
Manufacturing	6	6	6	6	*
Wholesale Trade	10	9	7	8	7
Retail Trade	25	25	24	23	21
Information	3	3	*	*	*
Finance & Insurance	5	5	5	*	4
Professional & Technical Services	6	7	9	10	10
Management of Companies & Enterprises	0	0	0	0	-
Administrative Support & Waste Management	8	10	10	10	10
Educational Services	*	*	3	*	3
Health Care & Social Assistance	9	9	10	10	9
Arts, Entertainment, & Recreation	6	9	8	8	7
Accommodation & Food Services	15	16	16	14	13
Other services (except Public Administration)	15	17	17	18	20
Unclassified Establishments	1	-	1	*	-
Government	9	9	8	8	8

* Data not available

Sources: Employment & Establishments: RI Department of Labor & Training, QCEW surveys

On average in 2009, businesses in Richmond employ approximately 1,800 people, a majority of were employed in Public Administration, Retail Trade, Accommodation and Food Service, and Arts, Entertainment and Recreation sectors. The trend over the past five years shows most business in Town losing employees, either by way of closing or downsizing. Most peaked employment between 2005 and 2007, before the economic downturn. Overall, there has been no real employment gain.

Table ED-1: Average Employment for Richmond Businesses, 2005-2009 (RIEDC)

Year	2005	2006	2007	2008	2009
Total Private & Government	1,889	1,890	1,838	1,921	1,810
Total Private Only	1,244	1,236	1,182	1,216	1,129
Agriculture, Forestry, Fishing & Hunting	40	43	24	17	22
Construction	72	82	81	82	83
Manufacturing	100	110	104	97	*
Wholesale Trade	51	50	31	33	32
Retail Trade	342	346	334	305	309
Information	5	5	*	*	*
Finance & Insurance	50	47	41	*	43
Professional & Technical Services	29	28	39	44	43
Management of Companies & Enterprises	0	0	0	0	-
Administrative Support & Waste Management	51	55	59	74	53
Educational Services	*	*	2	*	5
Health Care & Social Assistance	80	81	86	79	76
Arts, Entertainment, & Recreation	89	55	53	134	121
Accommodation & Food Services	237	239	243	228	197
Other services (except Public Administration)	47	51	50	50	48
Public Administration	645	654	656	705	681

* Data not available

Source: RIEDC (Population: US Census Bureau, Census 2000; *Population Estimates Program* for later years)

Employment & Establishments: RI Department of Labor & Training, QCEW surveys)

With 300 employees, Kenyon Industries, located on the Charlestown/Richmond border, is the largest employer in Richmond (RIEDC 2011), followed by grocery retailer Stop and Shop. Previously, Boulder Hills/ Foxwoods Golf and Country Club was one of the top three but it is now closed. Excluding local government, Table ED-2 lists businesses with more than 25 employees.

Table ED- 2: Businesses with more than 25 employees (2011)

Company Name	Line of Business	Employment
Kenyon Industries, Inc.	Finishing plants, manmade	300
The Stop & Shop Supermarket Company LLC	Grocery store	140
Wendy's	Restaurant	85
Vibco, Inc.	Construction machinery	75
Ocean Community YMCA	Civic and social associations	50
State Police, Rhode Island	Police protection	35
CVS Pharmacy	Drug stores and proprietary stores	30
Coastal Plastics, Inc	Plastics materials or resins	30
Richmond Country Club Inc	Golf club, non-membership	30
Bridges, Inc.	Intermediate care facilities	30
Rite Aid Corporation	Drug store and proprietary store	25
Meadow Brook Country Club	Golf Course	25

Source: RIEDC, communication August 29, 2011; supplemented with calls to local businesses.

Richmond Labor Force

The RIDLT(2) reports the Town's labor force is an estimated 4,300. The Town's unemployment rate for May 2011 was 7.4%, an improvement over the 2010 annual average of 8.7%. Compared to the State's rate of 11% (May 2011), the Town's labor force appears to be getting back to work.

US Census statistics show that Richmond's labor force is an educated one. According to the ACS (2009), nearly 63% of residents 25 years and older had either take some college courses without achieving a degree or completed a higher education degree. One third had a bachelor's degree or higher. Table ED-3 lists the industries of employment for residents 16 years and older. Nearly one quarter are employed in education services, and health care and social assistance businesses, all of which require advanced training or degree. Another sector that is growing and requires specialized training or advanced degrees is professional, scientific, and management, and administrative and waste management industries. Residents working in this sector also grew. But residents are not working in town. The number of Richmond businesses in these sectors is declining (Table). If the Town wants to provide employment opportunities for residents in Town, it should look to retain existing businesses and help them grow.

Table ED-3: Industries of Employment for Richmond residents 16 Years and Older

Industry	2000	2009
Agriculture, forestry, fishing and hunting, and mining	0.1%	0.3%
Construction	5.3%	4.8%
Manufacturing	13.2%	8.6%
Wholesale trade	3.8%	2.8%
Retail trade	13.3%	14.3%
Transportation and warehousing, and utilities	4.5%	4.6%
Information	2.0%	1.8%
Finance and insurance, and real estate and rental and leasing	8.1%	8.5%
Professional, scientific, and management, and administrative and waste management services	7.9%	9.3%
Educational services, and health care and social assistance	21.9%	24.7%
Arts, entertainment, and recreation, and accommodation and food services	8.7%	9.9%
Other services, except public administration	5.8%	5.0%
Public administration	5.6%	5.2%

Source: ACS 5-Year Estimates (2009); 2000 US Census

It is important to note that while agriculture, forestry, fishing and hunting businesses employ the smallest percentage of residents this sector did see a small increase. Based on public opinion, support of this sector should continue. There are approximately 20 working farms in Richmond and many offer seasonal activities that support their operations. These would include corn mazes, hay rides, educational programs, and farm stands.

Statistically, the ACS reports that a majority of residents (87.5%) commuted to work by car and drive alone, a small decrease from 89.3% in 2000. The average commute is 29 minutes. However, it appears that more are taking public transportation. The ACS reports 0.7% took public transportation, a small increase from 2000 (0.3%). Fewer are carpooling and there was little change in those that worked at home.

² RIDLT, Labor Market Information Unit "Richmond Labor Force Statistics (not seasonally adjusted) 1990-Present," 2011 (<http://www.dlt.ri.gov/lmi/laus/town/laus11.htm>, obtained 4/25/2011)

Economic Development Issues

- While Richmond experienced significant demographic and economic changes from 1980 to 2000 (nearly 80% increase in population), the 2010 US Census reports a 7% population increase from 2000 to 2010. Washington County is one of the few areas in Rhode Island that showed growth during this passed Decennial Census, where the state's overall growth was flat.
- Along with the increase in size, the composition of the population has shifted with a proportional growth of older segments resulting in increases in the median age from 28.0 years in 1980 and 41.2 years in 2010.
- The percentage of families living below the poverty level was estimated to be 1% in 2009 (ACS Five-Year Estimates), down from 2% reported in the 2000 US Census. Individuals living below the poverty level were estimated to be 3% in 2009, no change from 2000.
- The State has been plagued with a struggling economy since 2007. By July 2011, the state's unemployment rate remained one of the highest in the country at 10.8%, higher than the national rate of 9.1% (US Bureau of Labor Statistics). In Richmond, it was 7.7%.
- Employment growth in Richmond, like the rest of the state, has been slow. Since 2007, new jobs in town has slowly declined or remained flat.

ECONOMIC CHARACTERISTICS

Population

Ranked 33rd in population among the thirty-nine cities and towns in State, the Town's 2010 population was 7,708, according to the U.S. census of that year.

	Town Population	% Change	State Population	% Change
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%
1940	1,629	6.12%	713,346	3.76%
1930	1,535	17.99%	687,497	13.75%
1920	1,301	-20.33%	604,397	11.39%
1910	1,633	8.43%	542,610	26.61%

Source: U.S. Bureau of the Census, 2011.

Income Levels

RI City & Town Income from American Community Survey 5-Year Estimates 2006 - 2010

City/Town	Median Household Income ¹	Median Family Income ¹	Per Capita Income ²
Statewide	\$54,902	\$70,663	\$28,707
Richmond	\$72,819	\$79,762	\$31,731

1:Median Income in the Past 12 Months (2010 Inflation-Adjusted Dollars)

2:Per Capita Personal Income in the Past 12 Months (2010 Inflation-Adjusted Dollars)

Unemployment

Rhode Island

Local Area Unemployment Statistics*

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
RHODE ISLAND										
LABOR FORCE	553,791	563,580	555,096	561,439	573,000	574,246	571,470	565,462	570,301	563,413
EMPLOYMENT	525,721	533,265	526,046	532,961	543,973	544,437	527,304	503,806	503,576	500,014
UNEMPLOYMENT	28,070	30,315	29,050	28,478	29,027	29,809	44,166	61,656	66,725	63,399
UNEMPLOYMENT RATE	5.1	5.4	5.2	5.1	5.1	5.2	7.7	10.9	11.7	11.3
RICHMOND										
LABOR FORCE	4,204	4,287	4,255	4,334	4,459	4,440	4,384	4,324	4,416	4,332
EMPLOYMENT	4,064	4,146	4,112	4,201	4,306	4,305	4,162	3,990	4,033	4,005
UNEMPLOYMENT	140	141	143	133	153	135	222	334	383	327
UNEMPLOYMENT RATE	3.3	3.3	3.4	3.1	3.4	3.0	5.1	7.7	8.7	7.5

*Pending approval by the Bureau of Labor Statistics

Source: RI Department of Labor and Training.

Housing

Recent housing supply trends show a deficit of affordable housing units in Richmond and throughout the State. According to RIH, prior to the recent economic recession, Rhode Island housing stock has a shortage of 13,000 affordable housing units.

Because Washington County has experienced significant population growth since 1990 and housing supply failed to meet new demands, the cost of homes in Rhode Island increased dramatically and at a much faster pace than the rate of inflation. As a result, from 1990 to 2000, Richmond's total number of dwelling units increased by nearly 40%.

Table: Housing Supply: Total Number of Dwelling Units, 1970-2000

	1970	1980	1990	2000	2010	Change 2000-2010
Richmond	803	1,384	1,874	2,620	2,952	12.7%
Charlestown	1,971	3,064	4,256	4,797	5,142	7.2%
Exeter	795	1,390	1,919	2,196	2,511	14.3%
Hopkinton	1,693	2,264	2,662	3,112	3,458	11.1%
South Kingstown	6,020	8,138	9,806	11,219	13,218	17.8%

Sources: BC Stewart & Associates, 2004. Planning Staff, Town of Richmond

US Census, 2000, 2010

Since Richmond is a residential community, the number of single family home building permits issued accurately measures population growth. The table above clearly shows the dramatic increase in housing units, particularly in the decade of the 1990's. Richmond's percentage of single-family owner-occupancy is the highest in Washington County.

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.

Acknowledgments

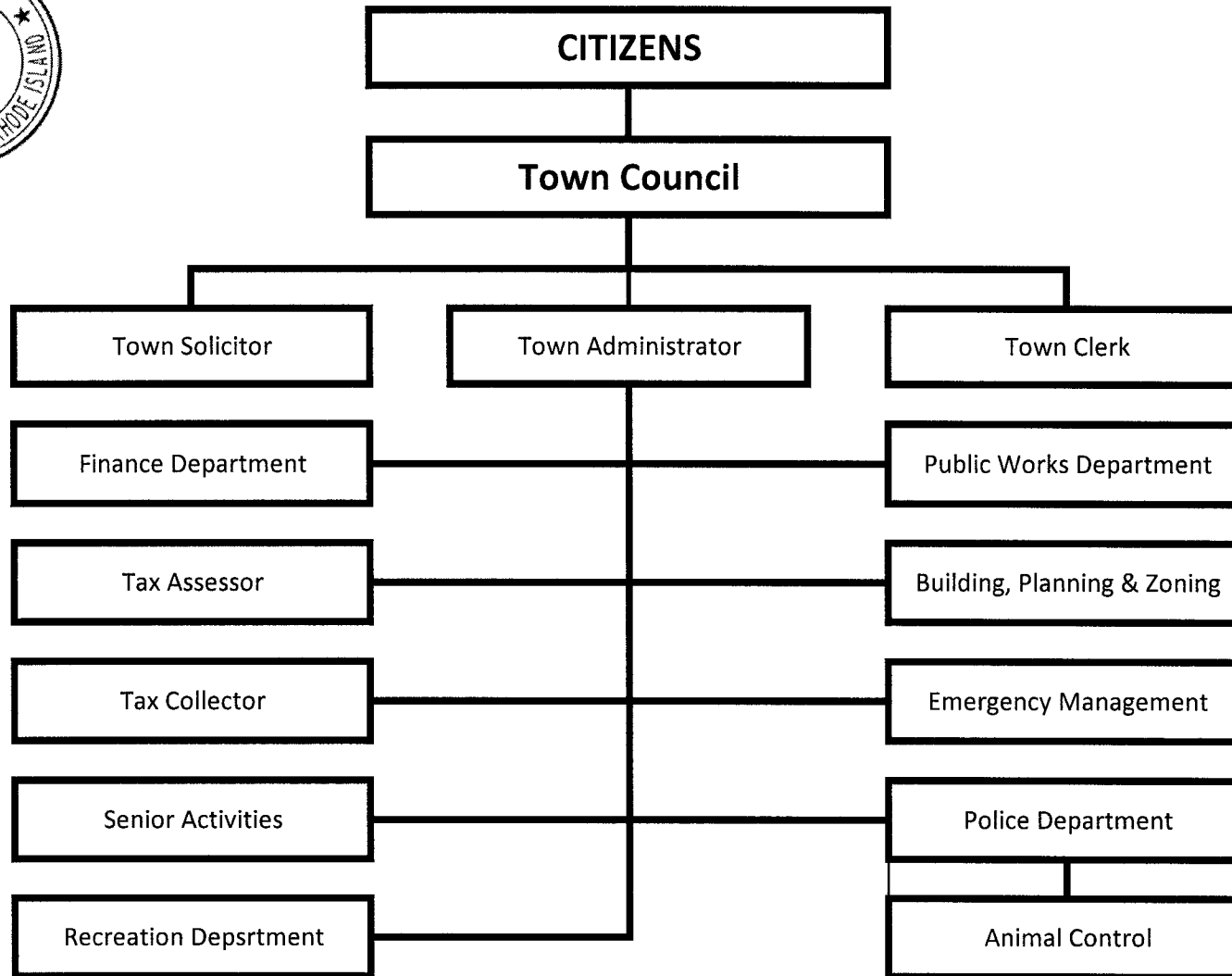
The preparation of this report could not have been accomplished without the dedication and hard work of the Assistant Finance Director. I also appreciate the assistance and dedication of the audit team from Parmelee, Poirier & Associates, LLP. Finally I would like to thank the Town Administrator and the members of the Town Council for their professionalism and dedication to the Town of Richmond.

Respectfully Submitted,

Dave Krugman
Finance Director



TOWN OF RICHMOND
ORGANIZATIONAL CHART



TOWN OF RICHMOND RHODE ISLAND

LIST OF TOWN OFFICIALS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TOWN COUNCIL

B. Joe Reddish, III, Town Council President
Henry R. Oppenheimer, Town Council Vice President
Erick A. Davis
Paul H. Michaud
Peter J. Fangiullo

TOWN CLERK

Tracy Nelson

FINANCE DIRECTOR

David Krugman

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FINANCIAL SECTION

This Section Contains the Following Subsections:

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information
Supplementary Information

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island (the Town) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town'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 opinion 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, business type activities, each major fund and the aggregate remaining fund information of the Town as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 49 through 57 respectively, 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

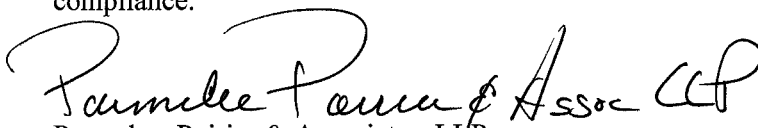
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of 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 and individual non-major fund financial statements and the schedule of expenditures of 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 them.

Other Reporting Required by Government Audit Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 2013 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Parmelee Poirier & Associates, LLP
December 2, 2013

Management's Discussion and Analysis

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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, 2013.

Financial Highlights

- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$3,126,696, or 13.67% 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 non-spendable and assigned fund balances amounted to \$75 and \$576,144 respectively, which is comprised of amounts assigned to be spent on specific purposes in future years.
- ❖ The Town's Government-wide (Governmental and Business-Type Activities) operating expenses were \$24,468,595, a .42% increase from the prior year, while revenues were \$23,281,219, a 2.45% decrease.
- ❖ The current fiscal year's expenditures and transfers exceeded revenues and transfers by \$1,187,376. The majority of the deficit resulted from the expenditure of capital bond proceeds and community development expenses, as well as depreciation of infrastructure assets.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,853,407. Included in this amount is the general fund unassigned balance of \$3,126,696, assigned fund balance of \$576,144, non-spendable fund balances of \$75, and special revenue and capital project fund balances of \$1,150,492, which is earmarked for special revenue and capital project items.
- ❖ The Town's net assets decreased \$1,187,376, or 6.78% as a result of this year's operations. The general revenues and other changes in net assets are totaled and added to the net (expense) revenue totals to produce the total change in net assets. The major components were asset depreciation expense, which amounted to \$1,598,227, and capital contributions for the Water fund in the amount of \$65,000. On a Government-wide basis the assets of the Town of Richmond exceeded its liabilities at the close of the most recent fiscal year by \$16,320,649. Net assets of Business-Type Activities increased by \$94,691, or 5.48%, while net assets of Governmental Activities decreased by \$1,282,067 or 8.12%. For a more detailed explanation on the changes in net assets, see the reconciliation on page 16.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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 expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

The *Statement of Net Assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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, 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 12 through 13.

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 two categories - governmental funds and proprietary funds.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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 which is considered to be a major fund. 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 17 through 19.

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 20 and 21.

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 22 through 49.

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 information is presented on page 50. A detail can be found on pages 52 through 59.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 60 through 77.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

Government-wide Financial Analysis

Analysis of the Town of Richmond's Net Assets

As noted earlier, net assets 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 exceeded liabilities by \$14,498,064 as of June 30, 2013. This is a decrease of (\$1,282,067) from the previous year.

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

Town of Richmond						
Net Assets						
	June 30, 2013			June 30, 2012		
	<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 and other assets	\$ 5,915,075	\$ 578,513	\$ 6,493,588	\$ 6,395,072	\$ 539,653	\$ 6,934,725
Capital assets, net	11,268,124	2,064,350	13,332,474	12,492,906	2,016,096	14,509,002
Total assets	<u>17,183,199</u>	<u>2,642,863</u>	<u>19,826,062</u>	<u>18,887,978</u>	<u>2,555,749</u>	<u>21,443,727</u>
Current liabilities	300,589	6,226	306,815	575,503	2,855	578,358
Long-term liabilities	2,384,545	814,052	3,198,597	2,532,344	825,000	3,357,344
Total liabilities	<u>2,685,134</u>	<u>820,278</u>	<u>3,505,412</u>	<u>3,107,847</u>	<u>827,855</u>	<u>3,935,702</u>
Net assets:						
Invested in capital						
net of related debt	564,703	1,250,298	1,815,001	10,117,906	1,191,096	11,309,002
Unrestricted	13,933,361	572,287	14,505,648	5,662,225	536,798	6,199,023
Total net assets	<u>\$ 14,498,064</u>	<u>\$ 1,822,585</u>	<u>\$ 16,320,649</u>	<u>\$ 15,780,131</u>	<u>\$ 1,727,894</u>	<u>\$ 17,508,025</u>

An additional portion of the Town's net assets, \$9,228,124 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. 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.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

As of June 30, 2013 the Town of Richmond reports positive balances in both categories of net assets for the government as a whole.

Analysis of the Town of Richmond's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2013. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year ended June 30, 2004. Therefore, comparative data is both available and presented in the following schedules. Governmental activities decreased the Town's net assets by \$1,282,067 for the current period, accounting for a 8.12% decrease in the Town's governmental net assets, while business-type activities increased the Town's net assets by \$94,691, accounting for 5.48% increase in the business-type growth in net assets. Overall the Town's net assets decrease was \$1,187,376 which is a 6.78% decrease over the prior year.

In the fund financial statements, the Town ended the year with a net decrease in the General Funds' fund balance of \$48,519 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 15. This decreased the cumulative General Fund fund balance surplus to \$3,702,915, which is 16.2% of the 2012-2013 General Fund revised budgeted expenditures and transfers. Total changes in fund balances for the Town were \$30,049, increasing the cumulative Governmental Fund surplus to \$4,853,407.

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 \$203,450 for the Statement of Activities, while depreciation expense results in a decrease of \$1,598,227, respectively; also the reduction of deferred revenues is not recorded as revenue in the fund financial statements, but are shown in the balance sheet, which would result in increases of \$228,013 for the statement of activities. Bond principal payments of \$371,642 were recognized as an increase in net assets and a reduction in long-term debt in the Statement of Net Assets. Additionally, there were a few small changes resulting in a decrease of \$7,116 and \$53,848, respectively.

The overall effect was a decrease in the Town's Governmental activities net assets by \$1,282,067. 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 16 of this report, and Note 9 of the Notes to the Financial Statements on pages 39 and 40.

The following page presents the Changes in Net Assets for the current year's activity.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)
Town of Richmond
Changes in Net Assets

	June 30, 2013			June 30, 2012		
	<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>
Revenues						
Program revenues						
Charges for services	\$ 550,970	\$ 130,654	\$ 681,624	\$ 518,345	\$ 117,031	\$ 635,376
Operating grants	488,239	-	488,239	444,668	-	444,668
Capital grants	49,315	65,000	114,315	559,037	625,725	1,184,762
General Revenues/transfers						
Property taxes	16,088,271	-	16,088,271	15,696,290	-	15,696,290
Interest on late payments	144,601	-	144,601	185,525	-	185,525
Investment earnings	8,009	-	8,009	6,328	-	6,328
State aid	5,756,160	-	5,756,160	5,712,282	-	5,712,282
Operating tranfers	35,698	(35,698)	-	-	-	-
Total revenues	<u>23,121,263</u>	<u>159,956</u>	<u>23,281,219</u>	<u>23,122,475</u>	<u>742,756</u>	<u>23,865,231</u>
Expenses						
General government	1,217,447	-	1,217,447	1,202,400	-	1,202,400
Public safety	1,818,192	-	1,818,192	1,672,730	-	1,672,730
Public works	2,192,393	-	2,192,393	2,180,519	-	2,180,519
General public assistance	612,434	-	612,434	769,187	-	769,187
Recreation and culture	58,270	-	58,270	52,129	-	52,129
Education	18,086,820	-	18,086,820	18,098,080	-	18,098,080
Recycling area	145,665	-	145,665	55,875	-	55,875
Community services	156,182	-	156,182	153,049	-	153,049
Landfill closure	9,595	-	9,595	10,073	-	10,073
Other	5,864	-	5,864	5,764	-	5,764
Interest	100,467	-	100,467	85,817	-	85,817
Water operations	-	65,265	65,265	-	79,645	79,645
Total expenses	<u>24,403,330</u>	<u>65,265</u>	<u>24,468,595</u>	<u>24,285,623</u>	<u>79,645</u>	<u>24,365,268</u>
Change in net assets	(1,282,067)	94,691	(1,187,376)	(1,163,148)	663,111	(500,037)
Prior period adjustments	-	-	-	86,756	-	86,756
Net assets - beginning	<u>15,780,131</u>	<u>1,727,894</u>	<u>17,508,025</u>	<u>16,856,523</u>	<u>1,064,783</u>	<u>17,921,306</u>
Net assets - ending	<u>\$14,498,064</u>	<u>\$1,822,585</u>	<u>\$16,320,649</u>	<u>\$15,780,131</u>	<u>\$1,727,894</u>	<u>\$17,508,025</u>

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

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 unreserved 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 \$4,853,407. Included in this amount is the general fund unassigned balance of \$3,126,696, non-spendable fund balances of \$75, assigned fund balances of \$576,144 and special revenue and capital project fund balance of \$1,150,492, which is earmarked for special revenue and capital project items.

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 assets of the respective proprietary funds are \$1,822,585.

General Fund Budgetary Highlights

Revenues:

General Property Tax and Interest on Late Payments – collections were over budget by \$199,011 and \$4,601 respectively, due to a more aggressive stance by the Town on collection of Property Tax Revenue, as well as Tax Sale and increased payments of interest on unpaid balances.

Intergovernmental and Departmental – revenue was under budget by \$210,020 as a result of a building permit application decreases, as well as not receiving all anticipated revenues for the newly operating transfer station.

Expenses:

General Government – expenses were under budget by \$139,745 as a result of IT consultant turnover, legal expenses were decreased, as well as building expense decreases. Additionally non-expenditure of the Town Contingency budgeted expenditures.

Public Works – expenses were over budget by \$66,597 due to unanticipated Hurricane 'Sandy' and winter storm 'Nemo' costs. This will be offset by the future requests submitted to FEMA for these unanticipated costs.

Recycling – expenses were under budget by \$51,072 due to over anticipated tipping fees for the new transfer station, as well as well water testing fees being less than anticipated.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

The Town of Richmond's Capital Assets

The Town of Richmond's investment in capital assets for its governmental and business-type activities amounts to \$13,332,474 net of accumulated depreciation at June 30, 2013. Included are land, 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 7 of the Notes to the Financial Statements on pages 36 and 37.

Town of Richmond
Capital Assets (Net of Accumulated Depreciation)

	June 30, 2013			June 30, 2012		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Land	\$ 2,203,893	\$ 59,254	\$ 2,263,147	\$ 2,203,893	\$ 59,254	\$ 2,263,147
Construction in progress	400,810	48,248	449,058	365,174	1,494,697	1,859,871
Buildings and improvemen	759,623	305,979	1,065,602	812,154	328,622	1,140,776
Machinery and equipment	688,477	127,330	815,807	501,158	133,523	634,681
Main extension	-	1,523,539	1,523,539	-	-	-
Infrastructure	7,215,321	-	7,215,321	8,610,527	-	8,610,527
Total	\$11,268,124	\$2,064,350	\$13,332,474	\$12,492,906	\$2,016,096	\$14,509,002

The Town of Richmond's Debt Administration

At the end of the current fiscal year, the Town of Richmond's Governmental Activities had a total bonded debt of \$2,040,000 and Business-Type Activities debt amounted to \$814,052. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2006 is A2. 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 \$25,216,193 at year-end. The Town's outstanding general obligation debt is \$2,040,000 at year-end, which is \$23,176,193 under the State imposed limitation.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

Town of Richmond
General Obligation Bonds Payable

	<u>June 30, 2013</u>			<u>June 30, 2012</u>		
	<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	\$2,040,000	\$814,052	\$2,854,052	\$2,375,000	\$825,000	\$3,200,000
Totals	<u>\$2,040,000</u>	<u>\$814,052</u>	<u>\$2,854,052</u>	<u>\$2,375,000</u>	<u>\$825,000</u>	<u>\$3,200,000</u>

Additional information on the Town's long-term debt can be found in Note 10 of the Notes to the Financial Statements on page 41.

Economic Factors and Next Year's Budgets and Rates

The Town of Richmond's total general fund budget for fiscal year 2014 amounts to \$23,373,467, which reflects a increase of \$508,193 over the fiscal 2013 budget of \$22,865,274. Of the Town's 2014 budget, \$18,300,639, or 78.3% is budgeted for educational purposes and \$5,072,828, or 21.7% is budgeted for all other purposes.

The Town's tax rate for fiscal 2014 is \$19.76/1000 of assessed value while in fiscal 2013 the Town's tax rate was \$19.02. The Town performed a full revaluation in the year ending December 31,2010 which reduced the total assessed value for property in the Town

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.

David Krugman
Finance Director

BASIC FINANCIAL STATEMENTS

Government Wide Financial Statements

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Assets
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,124,929	\$ -	\$ 5,124,929
Accounts receivable:			
Accounts receivable - net	1,085,210	34,681	1,119,891
Other receivables	214,718	-	214,718
Internal balances	(534,082)	534,082	-
Prepaid expenses	75	-	75
Other assets - net	24,225	9,750	33,975
Capital assets:			
Not being depreciated	2,604,703	107,502	2,712,205
Property, plant and equipment - net	8,663,421	1,956,848	10,620,269
Total capital assets	<u>11,268,124</u>	<u>2,064,350</u>	<u>13,332,474</u>
TOTAL ASSETS	<u>17,183,199</u>	<u>2,642,863</u>	<u>19,826,062</u>
LIABILITIES			
Accounts payable	290,122	-	290,122
Accrued expenses	10,467	6,226	16,693
Long-term liabilities			
Due within one year	425,303	11,276	436,579
Due in more than one year	1,959,242	802,776	2,762,018
Total liabilities	<u>2,685,134</u>	<u>820,278</u>	<u>3,505,412</u>
NET ASSETS			
Invested in capital assets, net of related debt	564,703	1,250,298	1,815,001
Unrestricted	13,933,361	572,287	14,505,648
Total net assets	<u>\$ 14,498,064</u>	<u>\$ 1,822,585</u>	<u>\$ 16,320,649</u>

See auditor's report and accompanying notes to these financial statements

TOWN OF RICHMOND, RHODE ISLAND
Statement of Activities
For the Fiscal Year Ended June 30, 2013

		Program revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
Functions/ Programs	Expenses				Governmental Activities	Business-type Activities	
Primary government							
Governmental activities:							
General government	\$ 1,217,447	\$ 216,997	\$ -	\$ -	\$ (1,000,450)		\$ (1,000,450)
Public safety	1,818,192	50,425	29,865	8,542	(1,729,360)		(1,729,360)
Public works	2,192,393	-	-	-	(2,192,393)		(2,192,393)
Grants expenditures and land acquisition	612,434	41,155	440,074	40,773	(90,432)		(90,432)
Recreation and culture	58,270	14,140	-	-	(44,130)		(44,130)
Education	18,086,820	70,516	-	-	(18,016,304)		(18,016,304)
Recycling area	145,665	138,235	-	-	(7,430)		(7,430)
Community services	156,182	19,502	18,300	-	(118,380)		(118,380)
Canvassing authority	9,595	-	-	-	(9,595)		(9,595)
Other	5,864	-	-	-	(5,864)		(5,864)
Interest	100,467	-	-	-	(100,467)		(100,467)
Total governmental activities	24,403,330	550,970	488,239	49,315	(23,314,806)		(23,314,806)
Business-type activities:							
Water fund	65,265	130,654	-	65,000	-	\$ 130,389	130,389
Total business-type activities	65,265	130,654	-	65,000	-	130,389	130,389
Total primary government	\$ 24,468,595	\$ 681,624	\$ 488,239	\$ 114,315	(23,314,806)	130,389	(23,184,417)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					16,088,271	-	16,088,271
Interest on late payments					144,601	-	144,601
Unrestricted investment earnings					8,009	-	8,009
State aid					5,756,160	-	5,756,160
Transfers in (out)					35,698	(35,698)	-
Total general revenues					22,032,739	(35,698)	21,997,041
Change in net assets					(1,282,067)	94,691	(1,187,376)
Net assets - beginning					15,780,131	1,727,894	17,508,025
Net assets - ending					\$ 14,498,064	\$ 1,822,585	\$ 16,320,649

See auditor's report and accompanying notes to these financial statements

Fund Financial Statements

TOWN OF RICHMOND, RHODE ISLAND

Balance Sheet

Governmental Funds

June 30, 2013

	General Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 5,124,929	\$ -	\$ 5,124,929
Accounts receivable:			
Accounts receivable net	1,085,210	-	1,085,210
Other receivables	173,580	41,138	214,718
Internal balances	-	1,141,977	1,141,977
Prepaid expenses	75	-	75
TOTAL ASSETS	<u>\$ 6,383,794</u>	<u>\$ 1,183,115</u>	<u>\$ 7,566,909</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 77,979	\$ -	\$ 77,979
Accrued expenses	10,467	-	10,467
Internal balances	1,824,729	32,623	1,857,352
Deferred revenue	767,704	-	767,704
Total liabilities	<u>2,680,879</u>	<u>32,623</u>	<u>2,713,502</u>
Fund balances:			
Nonspendable fund balances:			
Prepaid items	75	-	75
Restricted, reported in non-major:			
Special revenue funds	-	465,626	465,626
Capital projects fund	-	684,866	684,866
Assigned fund balances:			
Capital expenditures	245,160	-	245,160
Capital expenditures - Alton Water	19,291	-	19,291
Capital expenditures - Foster Woods Recreation	12,794	-	12,794
Carryforward - landscaping	675	-	675
Carryforward - landfill	50,000	-	50,000
Carryforward - public works	2,671	-	2,671
Carryforward - police	4,811	-	4,811
Carryforward - building maintenance	1,000	-	1,000
Carryforward - contingency	21,288	-	21,288
Carryforward - legal services	5,000	-	5,000
Future state aid funding shortfalls	213,454	-	213,454
Unassigned fund balance	3,126,696	-	3,126,696
Total fund balances	<u>3,702,915</u>	<u>1,150,492</u>	<u>4,853,407</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,383,794</u>	<u>\$ 1,183,115</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 8)	11,268,124
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 8)	767,704
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 8)	(2,391,171)
Net assets of governmental activities	<u>\$ 14,498,064</u>

See auditor's report and accompanying notes to these 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, 2013

	<u>General Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property tax revenue	\$ 16,316,284	\$ -	\$ 16,316,284
Interest on late payments	144,601	-	144,601
Intergovernmental and departmental revenue	5,773,972	601,990	6,375,962
License and permits	384,988	-	384,988
Interest on investments	7,637	372	8,009
Other revenues	83,734	-	83,734
Total revenues	<u>22,711,216</u>	<u>602,362</u>	<u>23,313,578</u>
Expenditures			
General government	1,102,101	-	1,102,101
Public safety	1,758,543	-	1,758,543
Public works	715,313	-	715,313
Grants expenditures and land acquisition	71,482	540,952	612,434
Recreation and culture	58,270	-	58,270
Education	18,086,820	-	18,086,820
Recycling area	145,665	-	145,665
Community services	156,182	-	156,182
Canvassing authority	9,595	-	9,595
Capital outlay	-	203,450	203,450
Debt service:			
Principal	335,000	36,642	371,642
Interest	97,237	-	97,237
Other	1,975	-	1,975
Total expenditures	<u>22,538,183</u>	<u>781,044</u>	<u>23,319,227</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>173,033</u>	<u>(178,682)</u>	<u>(5,649)</u>
Other financing sources (uses)			
Transfers from (to) other funds	(221,552)	257,250	35,698
Total other financing sources (uses)	<u>(221,552)</u>	<u>257,250</u>	<u>35,698</u>
Excess of revenues and other sources over(under) expenditures and other uses	<u>(48,519)</u>	<u>78,568</u>	<u>30,049</u>
Fund balances - beginning	<u>3,751,434</u>	<u>1,071,924</u>	<u>4,823,358</u>
Fund balances - ending	<u>\$ 3,702,915</u>	<u>\$ 1,150,492</u>	<u>\$ 4,853,407</u>

See auditor's report and accompanying notes to these financial statements

TOWN OF RICHMOND, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2013

Net change in fund balances-total governmental funds	\$	30,049
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Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation \$1,598,227 exceeded capital additions of (\$203,450) in the current period.		(1,394,777)
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Increases in deferred revenue that provide current financial resources to governmental funds are not reported as revenues in the statement of activities.		(228,013)
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Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities. This is the net effect of those activities.		(3,230)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which principal was adjusted for repayments of \$335,000 and \$36,642.		371,642
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Other certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the statement of activities these accrued expenses are recognized and charged to current activities.		(57,738)
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Change in net assets of governmental activities	\$	(1,282,067)
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Please see Note 9 for a more detailed explanation of the differences between the Government-wide Financial Statements and the Fund Financial Statements

See auditor's report and accompanying notes to these financial statements

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Assets
Proprietary Funds
June 30, 2013

	Water Fund
ASSETS	
Current assets	
Accounts receivable - net:	
Water and sewer user fees	\$ 34,681
Internal balances	534,082
Total current assets	<u>568,763</u>
Non-current assets	
Property, plant and equipment	
Land	59,254
Construction in progress	48,248
Buildings	905,694
Main extension	1,523,539
Equipment	225,426
Total depreciable assets	<u>2,762,161</u>
Less accumulated depreciation	(697,811)
Total property, plant and equipment, net	<u>2,064,350</u>
Other assets	
Bond issue costs - net	<u>9,750</u>
TOTAL ASSETS	<u>2,642,863</u>
LIABILITIES	
Current liabilities	
Accrued expenses	<u>6,226</u>
Total current liabilities	<u>6,226</u>
Long-term liabilities	
Bonds payable	<u>814,052</u>
Total long-term liabilities	<u>814,052</u>
Total liabilities	<u>820,278</u>
Net assets	
Invested in capital assets, net of related debt	1,250,298
Unrestricted	572,287
Total net assets	<u><u>\$ 1,822,585</u></u>

See auditor's report and accompanying notes to these financial statements

TOWN OF RICHMOND, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Water Fund
Operating revenues	
Assessments and user fees	\$ 130,654
Total operating revenues	<u>130,654</u>
Operating expenses	
Salaries and benefits	15,293
Materials, supplies & operations	20,886
Depreciation and amortization	29,086
Total operating expenses	<u>65,265</u>
Operating income (loss)	<u>65,389</u>
Capital contributions	
Chariho Regional School District	65,000
Total capital contributions	<u>65,000</u>
Non-operating revenues (expenses)	
Non-operating transfers in (out)	(35,698)
Total non-operating (expenses)	<u>(35,698)</u>
Change in net assets	<u>94,691</u>
Total net assets - beginning	<u>1,727,894</u>
Total net assets - ending	<u><u>\$ 1,822,585</u></u>

See auditor's report and accompanying notes to these financial statements

TOWN OF RICHMOND, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Water Fund
Cash flows from operating activities	
Cash received from customers	\$ 133,240
Cash payments to suppliers for goods and services	(17,515)
Cash payments to employees for services	(15,293)
Net cash provided by (used for) operating activities	<u>100,432</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(77,090)
Proceeds from federal grant funding	65,000
Principal payments on bonds	(10,948)
Net cash provided (used for) capital and related financing activities	<u>(23,038)</u>
Cash flows from non-capital financing activities	
Interfund transactions	(77,394)
Net cash provided by (used for) non-capital financing activities	<u>(77,394)</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ 65,389
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation & amortization	29,086
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	2,586
(Increase) decrease in prepaids	-
Increase (decrease) in accrued expenses	3,371
Total adjustments	<u>35,043</u>
Net cash provided by operating activities	<u>\$ 100,432</u>

See auditor's report and accompanying notes to these financial statements

TOWN OF RICHMOND, RHODE ISLAND
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Private-purpose Trusts</u>	<u>Agency Funds</u>
ASSETS		
Cash	\$ -	\$ -
Investments	114,804	-
Internal balances	137,874	43,419
Total receivables	<u>252,678</u>	<u>43,419</u>
Total Assets	<u>252,678</u>	<u>43,419</u>
LIABILITIES		
Deposits held in custody for others	-	43,419
Total liabilities	<u>-</u>	<u>\$ 43,419</u>
NET ASSETS		
Held in trust for other purposes	<u><u>\$ 252,678</u></u>	

See auditor's report and accompanying notes to these financial statements

TOWN OF RICHMOND, RHODE ISLAND
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	Private-purpose Trusts
Additions	
Earnings on investments	\$ 2,890
Other revenues	400
Total additions	<u>3,290</u>
Deductions	
Administration	<u>4,713</u>
Total deductions	<u>4,713</u>
Change in net assets	(1,423)
Net assets beginning of year July 1, 2012	254,101
Net assets end of year June 30, 2013	<u><u>\$ 252,678</u></u>

See auditor's report and accompanying notes to these financial statements

Notes to Financial Statements

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Richmond, Rhode Island, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government's significant accounting policies are described below.

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 is vested in a five member council headed by the council President. The Town Council is responsible for establishing policies, enacting ordinances, and appointing a Town Administrator. The Town Administrator supervises the operation of the municipal government under the authority and direction of the Town Council. The Finance Board of the Town is comprised of 5 residents of the Town who are appointed by the Town Council. All proposed budget requests from town department heads, board chairpersons, and community service representatives for the Town's ensuing fiscal year are to be submitted to the Finance Board by December 31 of the prior calendar year. The annual financial Town Meeting is held on or before June 15th each year to adopt the budget.

The Town provides the following services: Public Safety (police, traffic safety, inspections, zoning and building), Public Works (recreation, highways and streets, engineering and building maintenance), Social Services, and General Administrative Services. The Town of Richmond is part of the Chariho Regional School District. As of October 2011, the District had a total enrollment of 3,538 of which 35.16% were students from Richmond. This number was used for calculating the Town's fiscal year 2012-2013 expense to the District.

This report includes all of the funds of the Town of Richmond. The reporting entity for the town consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

made by applying the criteria set forth in GASB Statement No. 14. Under GASB Statement No. 14, the financial reporting entity includes both the primary government, which is the Town of Richmond and all of its component units. Component units are legally separate entities that meet any one of the following three tests:

- Test 1-** the primary government appoints the voting majority of the board of the potential component unit and
 - * is able to impose its will on the potential component unit and/or
 - * is in a relationship of financial benefit or burden with the potential component unit;
- Test 2-** the potential component unit is fiscally dependent upon the primary government; or
- Test 3 -** the financial statements would be misleading if data from the potential component unit was not included.

There were no entities that met the criteria of the tests listed above and as such the financial data of all entities have been included as Special Revenue Funds within the Town's financial statements.

Recently Issued Accounting Standards

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

- GASB Statement No. 60 - Accounting and Financial Reporting for Service Concession Arrangements, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 61 – The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 62 – Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities, effective for the Town's fiscal year ending June 30, 2014.
- GASB Statement No. 66 – Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62, effective for the Town's fiscal year ending June 30, 2014.
- GASB Statement No. 68 – Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27, effective for the Town's fiscal year ending June 30, 2015.

BASIS OF PRESENTATION

Government-Wide Financial Statements

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net assets and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for *fiduciary funds* (the activity of these funds are reported in the statements of fiduciary net assets and changes in fiduciary net assets).

The government-wide financial statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which, is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- (a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), and
- (b) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund.

GOVERNMENTAL FUND TYPES

Major Governmental Funds

General Fund - is used to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenues used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-major Governmental Funds

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - are used to account for financial resources that will be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust funds).

PROPRIETARY FUND TYPE

This fund type accounts for operations that are organized to be self-supporting through user charges. The fund included in this category is as follows:

Enterprise Funds - are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy management control, accountability, or other purposes.

Major Enterprise Funds - The Water Fund is used to account for the sale of water to residents and businesses of the Town, and the fees and the expenses associated with maintaining the water supply system.

FIDUCIARY FUND TYPES (Not included in the government-wide financial statements)

These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

Agency Funds - are used to account for funds that are to be used for educational and welfare expenditures and for funds held in escrow for other parties.

Private-Purpose Trust Funds - are used to account for funds that are held by the town under various trust arrangements for the benefit of certain individuals.

BASIS OF ACCOUNTING

Measurement Focus - Government Wide Financial Statements

In the Government-Wide Financial Statements the Statement of Net Assets and Statement of Activities, the governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between fiduciary fund types. These charges have been reclassified as other receivables or other liabilities. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services, fines, or privileges provided, and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Measurement Focus – Fund Financial Statements

The accounting and financial reporting treatment applied to the *fund financial statements* is determined by its measurement focus. All Governmental Fund Types accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Fund Types and Fiduciary Fund Types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary Fund Type operating statements present increases (i.e., revenues) and decreases (i.e. expenses) in net assets.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for enterprise funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All Governmental Fund Types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Licenses and permits, charges for services, fines, forfeits, and miscellaneous revenue are recorded as revenues when received in cash. Those revenues susceptible to accrual are property taxes and investment earnings. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations, which are recognized when paid.

Non-current portions of long-term receivables of Governmental Fund Types are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate however, that they should not be considered "available expendable resources" since they do not represent net current assets. Recognition of Governmental Fund Type revenues represented by non-current receivables is deferred until they become current receivables. Because of their spending measurement focus, expenditure recognition for Governmental Fund Types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund Type expenditures or fund liabilities. They are instead reported as Long-term Liabilities – Governmental Activities.

In applying the "susceptible to accrual" concept to intergovernmental revenues the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of such revenues. For one type, amounts must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore revenues are recognized based upon the expenditures recorded.

For the other type, revenues are virtually unrestricted as to purpose of expenditure and revocable only for failure to comply with the prescribed requirements, such as a Community Development Block Grant. These resources are reflected as revenues at the time of receipt or earlier if they meet the "available" criteria.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

In accordance with Government Accounting Standards Board Statement No. 20, the Town of Richmond has elected to apply to all Proprietary Fund Types and Similar Trust Funds all applicable GASB Pronouncements, as well as the following pronouncements issued on or before November 30, 1989; FASB Statements and Interpretations, APB opinions and ARBs unless these pronouncements conflict with or contradict GASB pronouncements.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

For the purpose of the Statement of Cash Flows, the Propriety Fund Types consider all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

Investments

Investments are Government Securities, Commercial Paper and various types of corporate stocks and bonds held in the Governmental and Fiduciary Fund types, which are recorded at fair value. Fair value is determined wherever possible, by use of published quoted amounts, where quotes are not available, formal valuations are obtained.

When discounts or premiums are present, the Town will capitalize and amortize the amount over the period of the related investment.

Receivables

Accounts receivable are recorded in the General, Special Revenue and Enterprise funds. The Town uses the direct write off method to account for bad debt.

Capital Assets

Capital assets in Governmental Fund type operations are accounted for using the "current financial resources" measurement focus. Capital assets, which include property, plant and equipment, and infrastructure (e.g. road, curbs and gutters, streets and sidewalks, and drainage systems), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1979) is included as part of the governmental capital assets reported in the government-wide statements. Donated assets are recorded at estimated fair market value at the date of donation. The capitalization threshold for the Town is currently \$5,000.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are recorded as expenditures as incurred. The Town capitalizes certain interest costs in accordance with GASB Code Section 1400 as part of constructed assets. Interest is capitalized throughout the construction period in the Capital projects fund prior to the assets being transferred to the governmental fund and placed in service.

Property, plant and equipment for Proprietary Fund Types are valued at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (years)</u>
Autos and information processing equipment	5
Trucks	5
Equipment, furniture and fixtures	5
Heavy equipment	5
Buildings, infrastructure and water lines	25-40
Water mains	75-100

Bond Premiums and Debt Issuance Cost

In the Governmental Fund Financial Statements, bond premiums and debt issuance costs are treated as period costs in the year of issuance. Debt issuance costs are shown as an "expenditure" and bond premiums are reflected as an "other financing source". In the Government-Wide Statements, bond premiums and debt issuance costs are deferred and amortized over the term of the related debt. Bond premiums are presented as an addition to the face amount of the bonds payable whereas debt issuance costs are recorded as other assets.

Deferred Revenues

Deferred revenues represent funds received in advance of being owed or receivables, which will be collected and included in revenues of future fiscal years. In the General Fund, deferred revenues relate to property tax receivables, which were received prior to June 30th, plus delinquent balances less amounts due as of the balance sheet date and received sixty days thereafter.

Inter-fund Transactions

Inter-fund transactions except advances are accounted for as transfers. Nonrecurring or non-routine transfers of equity between funds are considered equity transfers. All other inter-fund transactions are treated as operating transfers.

Revenues, Expenditures and Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues and expenses of proprietary fund types are recognized using the full accrual basis of accounting. Revenue is recognized when earned and expenses as incurred.

Program Revenues and Expenses

In the statement of activities specific revenues are allocated to program expenses due to their direct relationships. Collections for licenses, fees, tickets and fines are among some of the revenue sources that are program revenues. Indirect expenses are not allocated to functions in the statement of activities.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 96.2% of the total December 31, 2011 levy. The Town's fiscal 2013 property taxes were levied in July of 2012 on assessed valuation as of December 31, 2011. Upon levy, taxes are billed quarterly and are due 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. Assessed values are established by Tax Assessor's Office and are currently calculated at 100% of assessed value for real estate and 100% of market value for motor vehicles.

Vacation, Sick Leave, and Other Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. Upon retirement, termination, or death, certain employees are compensated for unused vacation (subject to certain limitations) at their current rates of pay. The amount recorded is that unused days earned at the current rate of pay. For governmental activities the general fund is used to satisfy this liability as it becomes due.

Town employees are entitled to vacation based on length of service. Employees may carry over from one year to the next year, vacation time accrued and credited in that year, but vacation time may not be carried over beyond the second year. Full-time employees are entitled to 1 sick day per month worked. Sick leave may be accumulated up to a maximum of 60 days.

Police employees are entitled to vacation based on length of service. Vacation may carry over from one year to the next year, but no further, vacation time accrued and credited in that year. Police are entitled to 1 days of sick leave for each month except in the month of July not to exceed 11 days a year. Sick leave may be accumulated to a maximum of 75 days.

Equity Classifications

Government-Wide Statements

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets are recorded as unrestricted when they do not meet the definition of 'restricted' or 'invested in capital assets, net of related debt.' The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Fund balance is divided into five classifications based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Non-spendable - The non-spendable fund balance category 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” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.
- Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (Town ordinances). Enabling legislation authorizes the Town to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Town can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.
- Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Town Council. Those committed amounts cannot be used for any other purpose unless Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Town Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Town Council.
- Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Application of Funds

The Town applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Minimum Fund Balance

The Town will maintain a minimum unassigned fund balance in its General Fund of 15% of the subsequent year's budgeted expenditures and outgoing transfers.

Assigned Fund Balance Policy

The Town Council has authorized the Town Finance Director and Administrator as the official's authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

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 recommendations from the Finance Board. The Town Council with some restrictions can transfer budgeted amounts within and among departments and to authorize emergency expenditures. Any revisions that alter total expenditures must be approved by the taxpayers by a vote at the Financial Town Meeting. Management cannot make any transfers without prior Council approval. There were no supplemental budgetary appropriations during the fiscal year. The annual operating budgets' appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The General Fund's annual operating budget is prepared on the budgetary basis of accounting which is not in conformity with Generally Accepted Accounting Principles. The budget to actual presentation in required supplementary information is reflected on the budgetary basis.

The Town does not budget for the combined Special Revenue Funds or the Capital Project Funds, since budgetary control is maintained on an individual basis. Therefore, there are no legally adopted budgets for Special Revenue or Capital Project Funds. Because grant periods may differ from the Town's fiscal year, a comparison of budgetary information may not be meaningful and has not been presented in the accompanying financial statements.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$25,216,193 based on the December 31, 2011 assessment. As of June 30, 2013 the Town's debt is under the debt limit by \$23,176,193. In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of Richmond can authorize bond issues pursuant to a special act of the RI General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit, but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 – FUND BALANCES

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds can be found in Note 1 of these financial statements. A breakdown of Fund balances for the Town is as follows:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Fund balances:			
Nonspendable fund balances:			
Prepaid items	\$ 75	\$ -	\$ 75
Restricted, reported in non-major:			
Special revenue funds	-	465,626	465,626
Capital projects fund	-	684,866	684,866
Assigned fund balances:			
Capital expenditures	245,160	-	245,160
Capital expenditures - Alton Water	19,291	-	19,291
Capital expenditures - Foster Woods Recreation	12,794	-	12,794
Carryforward - landscaping	675	-	675
Carryforward - landfill	50,000	-	50,000
Carryforward - public works	2,671	-	2,671
Carryforward - police	4,811	-	4,811
Carryforward - building maintenance	1,000	-	1,000
Carryforward - contingency	21,288	-	21,288
Carryforward - legal services	5,000	-	5,000
Future state aid funding shortfalls	213,454	-	213,454
Unassigned fund balance	3,126,696	-	3,126,696
Total fund balances	\$ 3,702,915	\$ 1,150,492	\$ 4,853,407

Deficit fund balances existed in the following funds:

Highway Safety	Special Revenue	8,329 **
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* The deficit balance will be funded through future grant requests.

NOTE 5 – CASH AND INVESTMENTS

Deposits: The Town maintains deposits in various financial institutions that are carried at cost except for those amounts which are carried as petty cash. The carrying amount of deposits is separately displayed on the balance sheet as "Cash and Cash Equivalents".

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 – CASH AND INVESTMENTS (Continued)

Investments: The Town has an Investment Policy for all idle funds to ensure that capital losses are avoided. The investment of funds are to 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 wells as probable income to be derived,” which simply means that under varying economic conditions the portfolio will be adjusted to ensure safety of principal.

Interest Rate Risk: The Town limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools.

Concentrations: The Town policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2013, all of the Town’s balance of \$5,124,929 was either insured or collateralized.

Investment Risk: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any investments that are subject to interest rate risk for the fiscal year ended June 30, 2013. If applicable, information about the exposure of the Town’s debt type investments to this risk is reported using the segment time distribution model.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town did not have any debt type investments that were exposed to credit risk as defined by GASB 40.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 – CASH AND INVESTMENTS (Continued)

Cash and investments of the Town consist of the following at June 30, 2013

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$5,124,929
<i>Investments</i>	
Equities & Fixed Income	114,804
Total Investments	<u>114,804</u>
<i>Total Cash and Investments</i>	<u><u>\$5,239,733</u></u>

Cash and investments are classified in the accompanying financial statements as follows:

<i>Statement of Net Assets</i>	
Cash and cash equivalents	\$5,124,929
<i>Fiduciary Funds</i>	
Investments	114,804
	<u>114,804</u>
<i>Total Cash and Investments</i>	<u><u>\$5,239,733</u></u>

The Town maintains reasonably high cash balances for cash flow purposes of funding the Chariho Regional School District. About 19% of the Towns budget is paid out within the first 3 months of the year, which is prior to the first quarterly due date of Town taxpayers.

NOTE 6 – PROPERTY TAXES

The Town is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation.

All property taxes for fund statement purposes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition - Property Taxes), which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. The Town does not use an allowance method for bad debts. It directly writes off receivables as they become un-collectible as per state law.

NOTE 7 – INFORMATION ABOUT CAPITAL ASSETS

Assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). The following schedule list prior year balances and current year activity for all Governmental Fund capital asset transactions.

(Continued)

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Primary Government		
	Beginning Balance	Increases	Decreases
			Ending Balance
Governmental activities:			
Capital assets not being depreciated:			
Land and improvements	\$ 2,203,893	\$ -	\$ -
Construction in progress	365,174	35,636	-
Total capital assets not being depreciated	2,569,067	35,636	-
Other capital assets:			
Buildings and improvements	2,698,713	-	-
Machinery, equipment and furniture	2,071,732	337,809	34,000
Infrastructure	35,183,525	-	-
Total other capital assets at historical cost	39,953,970	337,809	34,000
Less accumulated depreciation for:			
Buildings and improvements	1,886,559	52,531	-
Machinery, equipment and furniture	1,570,574	150,490	34,000
Infrastructure	26,572,998	1,395,206	-
Total accumulated depreciation	30,030,131	1,598,227	34,000
Governmental activities capital assets, net	\$ 12,492,906	\$ (1,224,782)	\$ -

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 61,498
Public safety	59,649
Public works	1,477,080
Total governmental activities depreciation expense	\$ 1,598,227

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
Construction in progress	1,494,697	48,248	1,494,697	48,248
Total capital assets not being depreciated	1,553,951	48,248	1,494,697	107,502
Other capital assets:				
Buildings	905,694	-	-	905,694
Main extension	-	1,523,539	-	1,523,539
Equipment and machinery	225,426	-	-	225,426
Total other capital assets at historical cost	1,131,120	1,523,539	-	2,654,659
Less accumulated depreciation for:				
Buildings	577,072	22,643	-	599,715
Main extension	-	-	-	-
Equipment and machinery	91,903	6,193	-	98,096
Total accumulated depreciation	668,975	28,836	-	697,811
Business-type activities capital assets, net	\$ 2,016,096	\$ 1,542,951	\$ 1,494,697	\$ 2,064,350
Depreciation expense was charged to functions as follows:				
Business-type activities:				
Water Fund		\$ 28,836		
Total business-type activities depreciation expense		\$ 28,836		

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8 - DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

"Total fund balances" of the town's governmental funds of \$4,853,407 differs from "net assets" of governmental activities \$14,498,064 reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

Balance Sheet/Statement of Net Assets

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Assets Totals
Assets				
Cash and cash equivalents	\$ 5,124,929	\$ -	\$ -	\$ 5,124,929
Accounts receivable:				
Accounts receivable net	1,085,210	-	-	1,085,210
Other receivables	214,718	-	-	214,718
Internal balances	1,141,977	-	(1,676,059)	(534,082)
Other Assets - net	-	24,225	-	24,225
Capital assets - net	-	11,268,124	-	11,268,124
Prepaid expenses	75	-	-	75
Total assets	<u>7,566,909</u>	<u>11,292,349</u>	<u>(1,676,059)</u>	<u>17,183,199</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	77,979	30,850	181,293	290,122
Accrued expenses	10,467	-	-	10,467
Internal balances	1,857,352	-	(1,857,352)	-
Deferred revenue	767,704	(767,704)	-	-
Long-term liabilities				
Due within one year	-	425,303	-	425,303
Due in more than one year	-	1,959,242	-	1,959,242
Total liabilities	<u>2,713,502</u>	<u>1,647,691</u>	<u>(1,676,059)</u>	<u>2,685,134</u>
Fund Balances/Net Assets				
Total fund balances/net assets	4,853,407	9,644,657	-	14,498,064
Total liabilities and fund balances/net assets	<u>\$ 7,566,909</u>	<u>\$ 11,292,349</u>	<u>\$ (1,676,059)</u>	<u>\$ 17,183,199</u>

- (1) When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the town as a whole.

Cost of capital assets	\$ 42,862,482
Accumulated depreciation	(31,594,358)
	<u>\$ 11,268,124</u>

Because the focus of governmental funds is on short term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance.

Adjustment of deferred revenue	\$ 767,704
	<u>\$ 767,704</u>

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net assets.

Bonds payable	\$ 2,040,000
Leases payable	133,353
Bond issuance cost	(24,225)
Accrued interest payable	30,850
Accrued compensated absences	211,192
	<u>\$ 2,391,171</u>

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The "net change in the fund balances" for governmental funds of (\$30,049) differs from the "change in net assets" for governmental activities (\$1,282,067) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 16,316,284	\$ (228,013)	\$ -	\$ -	\$ 16,088,271
Interest on late payments	144,601	-	-	-	144,601
Intergovernmental and departmental revenues	6,375,962	-	-	-	6,375,962
License, permits and fees	384,988	-	-	-	384,988
Interest on investments	8,009	-	-	-	8,009
Other revenues	83,734	-	-	-	83,734
Total revenues	<u>23,313,578</u>	<u>(228,013)</u>	<u>-</u>	<u>-</u>	<u>23,085,565</u>
Expenditures					
Current:					
General government	1,102,101	-	61,498	53,848	1,217,447
Public safety	1,758,543	-	59,649	-	1,818,192
Public works	715,313	-	1,477,080	-	2,192,393
Grants expenditures and land acquisition	612,434	-	-	-	612,434
Recreation and culture	58,270	-	-	-	58,270
Education	18,086,820	-	-	-	18,086,820
Recycling area	145,665	-	-	-	145,665
Community services	156,182	-	-	-	156,182
Landfill closure	9,595	-	-	-	9,595
Capital outlay	203,450	-	(203,450)	-	-
Debt service:					
Principal	371,642	-	-	(371,642)	-
Interest	97,237	3,230	-	-	100,467
Other	1,975	3,889	-	-	5,864
Total expenditures	<u>23,319,227</u>	<u>7,119</u>	<u>1,394,777</u>	<u>(317,794)</u>	<u>24,403,330</u>
Other financing uses/changes in net assets					
Transfers in (out)	<u>35,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,698</u>
Net other financing uses	<u>35,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,698</u>
Net change for the year	<u>\$ 30,049</u>	<u>\$ (235,132)</u>	<u>\$ (1,394,777)</u>	<u>\$ 317,794</u>	<u>\$ (1,282,067)</u>

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (Continued)

- (1) Because some property taxes will not be collected for several months after the Town's fiscal year ends, they are not considered as "available" revenues in the governmental funds.

Property taxes	\$ (228,013)
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Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest and bond premiums are added to the bonds payable, and bond issuance costs are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Accrued interest	\$ 3,230
Amortization bond cost	3,889
Total expenditure adjustment	\$ 7,119

- (2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ (203,450)
Depreciation expense	1,598,227
Difference	\$ 1,394,777

- (3) Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the Town as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. Cost associated with the refinancing of debt are expensed in the fund financials but are long-term assets and liabilities in the statement of activities

Bond Principal payments made	\$ (335,000)
Lease Principal payments made	(36,642)
	\$ (371,642)

Certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the statement of activities these accrued expenses are recognized and charged to current activities.

Net increase in compensated absences	\$ 53,848
	\$ 53,848

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 - LONG-TERM LIABILITIES

Governmental long-term liabilities do not appear in the fund financial statements but rather are a reconciling item in the presentation of the government-wide financial statements and are included in the statement of net assets. Long-Term liabilities directly related to and intended to be paid from the Proprietary Fund Types are included in the accounts of such fund.

The Town reports a long-term liability of the primary government in either governmental type activities or business type activities.

Long-term liability activity for the fiscal year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Maturities	Balance June 30, 2013	Amounts Due within One Year
Governmental Activities					
Bonds Payable	\$ 2,375,000	\$ -	\$ 335,000	\$ 2,040,000	\$ 340,000
Total bonds payable	<u>2,375,000</u>	<u>-</u>	<u>335,000</u>	<u>2,040,000</u>	<u>340,000</u>
Other liabilities:					
Capital leases payable	-	169,995	36,642	133,353	31,455
Accrued compensated absences	157,344	130,736	76,888	211,192	-
Total other liabilities	<u>157,344</u>	<u>300,731</u>	<u>113,530</u>	<u>344,545</u>	<u>31,455</u>
Governmental Activities long-term liabilities	<u>\$ 2,532,344</u>	<u>\$ 300,731</u>	<u>\$ 448,530</u>	<u>\$ 2,384,545</u>	<u>\$ 371,455</u>
Business-Type Activities					
Bonds Payable	\$ 825,000	\$ -	\$ 10,948	\$ 814,052	\$ 11,276
Total bonds payable	<u>\$ 825,000</u>	<u>\$ -</u>	<u>\$ 10,948</u>	<u>\$ 814,052</u>	<u>\$ 11,276</u>

Payments on all long-term debt and other long-term liabilities that pertain to the Town's governmental activities are made by the General Fund. The General Fund typically has been used in prior years to liquidate the liability for compensated absences.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Capital Leases Payable

The Town has an existing five-year lease agreement for the acquisition of a Pelican Sweeper. All of the lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in capital assets and long-term debt on the government-wide financial statements.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Public Works</u>
<i>Assets:</i>		
Pelican Sweeper.....		\$ 169,995
Less: accumulated depreciation.....		<u>(0)</u>
<i>Total</i>		<u>\$ 169,995</u>

The future minimum lease payments to be made under these agreements are as follows:

2014.....	\$ 36,642
2015.....	36,642
2016.....	36,642
2017.....	<u>36,642</u>
Future minimum payments.....	146,568
Less: interest.....	<u>(13,215)</u>
<i>Total long-term debt</i>	<u>\$133,353</u>

Payments made in fiscal 2013 totaled \$36,642, of which all were the present value of the future minimum lease payments.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 - LONG-TERM LIABILITIES (Continued)

The debt service through maturity for the Governmental bonds are as follows:

Fiscal			
Year Ended			
June 30	Principal	Interest	Total
2014	340,000	59,265	399,265
2015	220,000	48,819	268,819
2016	225,000	41,187	266,187
2017	235,000	33,597	268,597
2018	245,000	25,528	270,528
2019	250,000	18,225	268,225
2020	260,000	11,525	271,525
2021	265,000	3,975	268,975
TOTALS	\$ 2,040,000	\$ 242,121	\$ 2,282,121

The debt service through maturity for the Business-Type bonds are as follows:

Fiscal			
Year Ended			
June 30	Principal	Interest	Total
2014	11,276	24,422	35,698
2015	11,615	24,083	35,698
2016	11,963	23,735	35,698
2017	12,322	23,376	35,698
2018	12,692	23,006	35,698
2019	13,072	22,626	35,698
2020	13,465	22,233	35,698
2021	13,868	21,829	35,697
Thereafter	713,779	392,367	1,106,146
TOTALS	\$ 814,052	\$ 577,677	\$ 1,391,729

Accrued Compensated Absences - Town employees receive vested rights to paid vacation, sick time and compensatory time at the end of their first year of full-time employment with no pro rata payment if employment is terminated before the completion of a full year of service. An expenditure/expense is recognized each month as benefits are used, consistent with the standards established by GASB 16.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES

Inter-fund receivables represent loans to various funds for use in operations. These amounts are expected to be repaid at certain future dates.

Interfund receivable and payable balances at June 30, 2013 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 1,824,729
Special Revenue Funds	457,111	32,623
Capital Projects Funds	684,866	-
Proprietary Fund	534,082	-
Fiduciary Funds	181,293	-
TOTALS	<u><u>\$ 1,857,352</u></u>	<u><u>\$ 1,857,352</u></u>

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund.

Transfers between funds as of June 30, 2013 are as follows:

<u>Fund / Department</u>	<u>Transfers from (to) other funds</u>
General Fund	\$ (221,552)
Proprietary Fund	(35,698)
Special Revenue Funds	32,000
Capital Project Funds	225,250
TOTALS	<u><u>\$ -</u></u>

NOTE 12 – SOLID WASTE LANDFILL

GASBS 49 — Accounting and Financial Reporting for Pollution Remediation Obligations, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The Richmond landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero. Federal and state laws require that certain post-closure care be met. The Town estimates that on an annual basis, some cost will be incurred for post-closure care, although this is not deemed to have a significant impact or cost to the Town. These amounts will be paid through the operating budget.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 13 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

During the ordinary course of its operations, the Town is a party to various claims, other legal actions and complaints. These various legal actions include disputes in property valuations and torts for which the Town has been named as a defendant. In the opinion of the Town's management and legal counsel, other than the matter stated above they do not anticipated any of them to have a material financial impact or at this time their legal counsel has been unable to assess liability, if any, on the part of the Town.

NOTE 14 - POST RETIREMENT BENEFITS

Currently, the Town does not provided retired employees with healthcare, life insurance benefits or any other post-employment benefit programs required to be disclosed in accordance with GASB Statement 12 and GASB Statement 45.

NOTE 15 - PENSION PLANS

Effective July 1, 2012, the State administered retirement system was modified to include both defined benefit and defined contribution plan components. General employees participate in a hybrid plan that combines both a defined benefit plan and a defined contribution plan. Police and fire employees participate only in the defined benefit plan unless they do not participate in Social Security in which case they also participate in the defined contribution plan.

A. Municipal Employees' Retirement System (MERS) – Defined Benefit Plan

a. Plan Description

All full-time Town General and Police employees participate in MERS, an agent multiple-employer defined benefit plan administered by the Employees' Retirement System of Rhode Island (the System). The plan provides retirement, death and disability benefits and an optional cost of living adjustment (COLA) as outlined in Chapter 45-21 and Chapter 45-21.2 of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly.

General Employee units

Retirement eligibility and plan benefits – Service credits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act. Beginning July 1, 2012, members receive a benefit accrual of 1.0% per year. Effective July 1, 2012 the retirement age mirrors the Social Security Normal Retirement Age not to exceed age 67. Benefits are based on the five-year average compensation multiplied by the accumulated service credit percentage. Joint and survivor retirement benefit options are available.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15 - PENSION PLANS (Continued)

Police units

Retirement eligibility and plan benefits – Rhode Island General Law §§ 45-21.2-6.3 contains special provisions that apply to employees of Richmond Police. The Town adopted these provisions on April 3, 2008, effective July 1, 2008. Under these special provisions, members are eligible to retire after attaining 22 years of service. The retirement benefit for a member with 22 or more years of service was improved to 50.00% x Final Average Compensation (FAC), plus 2.2727% x FAC x Years of Service in Excess of 22, with a maximum benefit equal to 75% of FAC.

For all MERS units

Disability retirement provisions - The plan also provides non service-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement.

b. Plan Funding Policy

The funding policy is outlined in RIGL sections 45-21-41, 45-21-42, and 45-21-52 (which can be amended by the Rhode Island General Assembly). The Town is required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The rate for fiscal year 2013 was 11.36% for General Employee units and 8.20% for Police units.

c. Annual Pension Cost

The Town's annual pension cost of \$106,588 for General Employee units and \$55,384 for Police units for MERS was equal to the Town's required and actual contributions.

Required contributions for General employee units:

Three Year Trend Information for MERS			
<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2013	\$106,588	100%	\$0
2012	\$65,140	100%	\$0
2011	\$55,778	100%	\$0

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15 - PENSION PLANS (Continued)

Required contributions for Police units:

Three Year Trend Information for MERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2013	\$55,384	100%	\$0
2012	\$65,714	100%	\$0
2011	\$64,306	100%	\$0

The required contribution for fiscal 2013 was determined as part of the actuarial valuation performed as of June 30, 2010. The most recent valuation of the plans within the system was performed as of June 30, 2012. The actuarial methods and assumptions used in those valuations are summarized in the following table.

Summary of Actuarial Assumptions Used in the MERS June 30, 2010 and June 30, 2012 Valuations	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	25 years as of June 30, 2010 23 years as of June 30, 2012
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	<u>General Employees</u> 4.00% to 8.00%
	<u>Police & Fire Employees</u> 4.25% to 14.25%
Inflation	2.75%

Cost of Living Adjustments are equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% - the COLA is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the later of Social Security eligibility age or 3 years after retirement. For MERS Police and Fire, COLA is delayed until the later of age 55 or 3 years after retirement. A 2% COLA is assumed after July 1, 2012.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15 - PENSION PLANS (Continued)

d. Funded Status and Funding Progress

Schedule of funding progress for General Employee units:

Fiscal Year	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
2012	\$ 1,685,108	\$ 2,010,261	\$ 325,153	83.8%	\$ 800,941	40.6%

Schedule of funding progress for Police units:

Fiscal Year	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
2012	\$ 1,028,214	\$ 1,377,140	\$ 348,926	74.7%	\$ 637,976	54.7%

The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at www.ersri.org.

B. State and TIAA-CREF administered pension plan – Defined Contribution Plan

a. Plan Description:

General employee units participating in the defined benefit plan(s), as described above, also participate in a defined contribution plan of the Employees' Retirement System as 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 and the Employees' Retirement System of Rhode Island (the System). Employees may choose among various investment options available to plan participants.

Employee contributions are immediately vested while employer contributions are vested after three years of contributory service. 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.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15 - PENSION PLANS (Continued)

b. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active non-police and fire members must contribute 5% of his/her compensation and the Town is required to contribute 1%. The plan members and Town contributed \$46,975 and \$9,383 respectively, during the fiscal year ended June 30, 2013.

The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at www.ersri.org.

NOTE 16 - RISK MANAGEMENT

The Town of Richmond 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. The Town uses commercial policies to insure its risk of loss. This has proven to be cost effective for the Town. As a result, the Town engages a local insurance agency that provides coverage for property/liability claims, professional insurance, police accident and injury, and workers' compensation claims.

There are several lawsuits pending against the Town for which the insurance carrier is contesting. The Town Solicitor estimates that judgment against the Town from such other litigation not covered by insurance would not be material in relation to the Town's financial position.

NOTE 17 - RELATED PARTIES

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2013.

NOTE 18 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 2, 2013, the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013**

	GENERAL FUND			
	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues				
Property taxes	\$ 16,117,273	\$ 16,117,273	\$ 16,316,284	\$ 199,011
Interest on late payments	140,000	140,000	144,601	4,601
Intergovernmental and departmental revenue	5,772,378	5,772,378	5,773,972	1,594
License, permits and fees	595,008	595,008	384,988	(210,020)
Interest on investments	15,000	15,000	7,637	(7,363)
Other revenues	79,335	79,335	83,734	4,399
Total Revenues	22,718,994	22,718,994	22,711,216	(7,778)
Expenditures				
General government	1,249,280	1,241,846	1,102,101	139,745
Public safety	1,713,544	1,723,663	1,758,543	(34,880)
Public works	651,401	648,716	715,313	(66,597)
General public assistance	64,695	64,695	71,482	(6,787)
Recreation and culture	54,920	54,920	58,270	(3,350)
Education	18,086,820	18,086,820	18,086,820	-
Recycling area	196,737	196,737	145,665	51,072
Community services	153,602	153,602	156,182	(2,580)
Canvassing authority	11,909	11,909	9,595	2,314
Debt service				
Principal	345,000	345,000	335,000	10,000
Interest	72,541	72,541	97,237	(24,696)
Other	1,975	1,975	1,975	-
Total expenditures	22,602,424	22,602,424	22,538,183	64,241
Excess of Revenues Over (Under) Expenditures				
Before Other Financing Sources (Uses)	116,570	116,570	173,033	56,463
Other financing sources (uses)				
Budgeted use of fund balance	146,280	146,280	146,280	-
Transfers in	-	-	35,698	35,698
Transfers out	(262,850)	(262,850)	(257,250)	5,600
Total other financing sources (uses)	(116,570)	(116,570)	(75,272)	41,298
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ 97,761	\$ 97,761

BUDGETARY – GAAP REPORTING RECONCILIATION

The accompanying Required Supplementary Information Statements of Revenues, Expenditures/Expenses (GAAP or Non-GAAP Basis) presents comparisons of the legally adopted budget (more fully described in Note 2) with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, entity and timing differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures/expenses and other uses of financial resources for the year ended June 30, 2012 is presented below.

	General Fund
Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (Non-GAAP basis)	\$ 97,761
Adjustments:	(146,280)
Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (GAAP basis)	<u>\$ (48,519)</u>

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Pension Plans – Schedule of Funding Progress
For the Fiscal Year Ended June 30, 2013
‘Unaudited’

Schedule of funding progress for General Employee units:

Fiscal Year	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
2012	\$ 1,685,108	\$ 2,010,261	\$ 325,153	83.8%	\$ 800,941	40.6%
2011	\$ 1,584,851	\$ 1,909,571	\$ 324,720	83.0%	\$ 812,177	40.0%
2010	\$ 1,528,957	\$ 2,013,174	\$ 484,217	75.9%	\$ 803,454	60.3%

Schedule of funding progress for Police units:

Fiscal Year	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
2012	\$ 1,028,214	\$ 1,377,140	\$ 348,926	74.7%	\$ 637,976	54.7%
2011	\$ 895,401	\$ 1,114,967	\$ 219,566	80.3%	\$ 611,267	35.9%
2010	\$ 773,378	\$ 1,094,161	\$ 320,783	70.7%	\$ 588,577	54.5%

Notes to the Schedule of Funding Progress

Changes affecting the June 30, 2012 actuarial valuation:

The assumptions for the Municipal Employees’ Retirement System are consistent with the 2011 valuation, with the exception of certain assumption changes that resulted from the enactment of the Rhode Island Retirement Security Act of 2011. The marriage assumption was modified to reflect the expected percentage of members that will be eligible for survivor benefits upon their death, the incidence of disability was lowered to incorporate a continued trend of significantly fewer incidents of disability than anticipated by the current assumption, and the missing data assumption was updated to incorporate an assumption for missing beneficiary data.

The method used to determine the actuarial value of assets is the five-year smoothed market method. A small adjustment was made to the method used to smooth investment gains and losses to allow gains and losses to offset each other immediately. This modification will reduce future volatility in the actuarial value of assets while ensuring that the actuarial value always trends directly towards the market value of assets.

Changes affecting the June 30, 2011 actuarial valuation:

The retirement rates were modified to be consistent with the retirement eligibility changes instituted by the Rhode Island Retirement Security Act of 2011. Members that were assumed to retire prior to the Act, but before the earliest allowable age under the Act, are assumed to retire once eligible.

OTHER SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule Detail - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues				
01 00 4000 Taxes to Balance Budget	\$ 15,707,273	\$ 15,707,273	\$ 15,528,754	\$ 178,519
01 00 4001 Interest on Taxes	140,000	140,000	144,601	(4,601)
01 00 4002 Taxes Miscellaneous	10,000	10,000	10,285	(285)
01 00 4071 Prior Year Taxes	400,000	400,000	777,245	(377,245)
Taxes	<u>16,257,273</u>	<u>16,257,273</u>	<u>16,460,885</u>	<u>(203,612)</u>
01 00 4006 State Aide to Education	5,472,384	5,472,384	5,474,556	(2,172)
01 00 4008 Corporation Tax	86,756	86,756	96,326	(9,570)
01 00 4009 Hotel Tax	4,000	4,000	3,271	729
01 00 4010 Meals & Beverage Tax	110,000	110,000	120,998	(10,998)
01 00 4063 Motor Vehicle Phaseout Offset	60,200	60,200	56,009	4,191
01 00 4075 Federal Jobs Bill Allocation	3,538	3,538	-	3,538
01 00 4452 EMA Grant	16,000	16,000	5,000	11,000
State Aid	<u>5,752,878</u>	<u>5,752,878</u>	<u>5,756,160</u>	<u>(3,282)</u>
01 00 4012 Building Permit Fees	70,000	70,000	55,631	14,369
01 00 4013 Zoning Fees	2,700	2,700	1,687	1,013
01 00 4014 Planning Fees	3,000	3,000	7,800	(4,800)
Permits & Fees	<u>75,700</u>	<u>75,700</u>	<u>65,118</u>	<u>10,582</u>
01 00 4015 Misc Business License & Fees	4,210	4,210	6,445	(2,235)
01 00 4016 Liquor License Fees	8,198	8,198	8,000	198
01 00 4017 Dog License	7,000	7,000	6,072	928
01 00 4018 Marriage License	350	350	304	46
01 00 4019 Misc Non Business License & Fee	750	750	2,823	(2,073)
01 00 4020 Hopkinton Transfer Station License	-	-	750	(750)
License & Fees	<u>20,508</u>	<u>20,508</u>	<u>24,394</u>	<u>(3,886)</u>
01 00 4025 Accounting Fees for Enterprise Fund	900	900	-	900
01 00 4026 Realty Stamp Commission	25,000	25,000	18,671	6,329
01 00 4027 Copier Use Fees	9,500	9,500	8,326	1,174
01 00 4028 Recording Fees	85,000	85,000	92,381	(7,381)
01 00 4030 Probate Fees	5,000	5,000	6,235	(1,235)
01 00 4042 Recreation Other Event Fees	12,500	12,500	9,540	2,960
01 00 4043 Community Ctr Revenue	2,200	2,200	1,690	510
01 00 4065 Transfer Station Fees	325,000	325,000	138,235	186,765
User Fees	<u>465,100</u>	<u>465,100</u>	<u>275,078</u>	<u>190,022</u>
01 00 4021 Dog Fines	1,700	1,700	898	802
01 00 4022 State Traffic Fines	32,000	32,000	19,500	12,500
Fines & Forfeitures	<u>33,700</u>	<u>33,700</u>	<u>20,398</u>	<u>13,302</u>
01 00 4024 Interest Earned on Investments	15,000	15,000	7,637	7,363
Investments	<u>15,000</u>	<u>15,000</u>	<u>7,637</u>	<u>7,363</u>
01 00 4033 School Resource Officer Reimbursement	52,335	52,335	56,116	(3,781)
01 00 4034 Police VIN Inspection Fee	8,000	8,000	5,010	2,990
01 00 4050 Misc Revenue	1,000	1,000	3,541	(2,541)
01 00 4051 Misc Police returns	18,000	18,000	8,911	9,089
01 00 4052 Emergency Claims Reimbursement	-	-	10,156	(10,156)
Miscellaneous Income	<u>79,335</u>	<u>79,335</u>	<u>83,734</u>	<u>(4,399)</u>
01 00 4038 BYRNE Grant	8,500	8,500	-	8,500
Federal Aid	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>8,500</u>
01 00 4076 Senior Activities Bingo	6,000	6,000	12,055	(6,055)
01 00 4078 Senior Activities Dues	1,500	1,500	2,451	(951)
01 00 4079 Senior Activities Program Fees	3,500	3,500	3,306	194
Senior Activities	<u>11,000</u>	<u>11,000</u>	<u>17,812</u>	<u>(6,812)</u>

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule Detail - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
01 00 4055 From Education Impact Fees	146,280	146,280	146,280	-
01 00 4058 Transfer from Water Fund Debt	-	-	35,698	(35,698)
Transfers	146,280	146,280	181,978	(35,698)
TOTAL REVENUES	<u>22,865,274</u>	<u>22,865,274</u>	<u>22,893,194</u>	<u>(27,920)</u>
Expenses				
01 10 5000 Council President	1,500	1,500	1,500	-
01 10 5001 Council Members Stipend	5,000	5,000	5,000	-
01 10 5100 FICA	497	497	497	-
01 10 5130 Retirement - ER 1452 Town	155	155	97	58
Total Expenses	<u>7,152</u>	<u>7,152</u>	<u>7,094</u>	<u>58</u>
01 11 5000 Gengarella	31,816	32,293	32,318	(25)
01 11 5009 Diaz	30,569	31,455	31,470	(15)
01 11 5020 Stetson	48,993	50,218	50,218	-
01 11 5040 Vinnari	12,821	13,013	12,287	726
01 11 5041 Walsh	12,821	13,013	13,013	-
01 11 5042 Alternate Electrical Inspector	-	-	1,238	(1,238)
01 11 5043 Alternate Zoning Official	500	500	-	500
01 11 5044 Zoning Official - McAdam	12,666	-	-	-
01 11 5045 Zoning Official - Brown	-	12,666	9,865	2,801
01 11 5100 FICA	11,489	11,716	11,552	164
01 11 5102 Health Insurance	21,458	21,458	21,079	379
01 11 5130 Retirement - ER 1452 Town	13,766	14,086	14,091	(5)
01 11 5205 Planning, Misc. Supplies	1,000	850	166	684
01 11 5207 Bldg., Misc Supplies / Permit Forms	150	150	100	50
01 11 5220 Stenographer Fees	3,000	3,000	300	2,700
01 11 5226 Advertising	2,000	2,000	867	1,133
01 11 5229 Professional Services	400	400	-	400
01 11 5252 Planning, Education / Training / Seminars	150	155	155	-
01 11 5259 Planning, Books / Manuals / Subscriptions	200	200	-	200
01 11 5262 Planning, Dues	769	769	670	99
01 11 5263 Bldg., Dues	35	35	35	-
01 11 5265 Zoning, Travel	825	825	660	165
01 11 5266 Planning, Travel	250	245	244	1
01 11 5267 Bldg., Travel	1,000	1,150	1,130	20
01 11 5526 Washington County Regiona	3,000	3,000	3,000	-
Total Expenses	<u>209,678</u>	<u>213,197</u>	<u>204,458</u>	<u>8,739</u>
01 12 5002 Deputy Clerk Bowen	32,990	-	-	-
01 12 5003 Town Clerk - Hay	48,486	49,453	50,953	(1,500)
01 12 5015 Deputy Clerk - Palmer	21,660	30,000	29,539	461
01 12 5016 P/T Clerk - Chipman	7,488	7,488	6,905	583
01 12 5017 Assistant Clerk - Galuszka	-	21,029	19,897	1,132
01 12 5073 Meeting Fill-in	-	-	75	(75)
01 12 5100 FICA	8,463	8,260	7,885	375
01 12 5102 Health Insurance	32,994	32,994	35,982	(2,988)
01 12 5130 Retirement - ER 1452 Town	12,748	12,420	12,246	174
01 12 5225 Microfilming & Indexing	600	600	514	86
01 12 5250 Education / Training / Seminars	1,175	1,175	1,385	(210)
01 12 5256 Books/ Manuals / Subscriptions	1,400	1,400	1,332	68
01 12 5264 Travel	250	250	475	(225)
01 12 5373 Equipment Restricted	1,600	1,600	1,596	4
Total Expenses	<u>169,854</u>	<u>166,669</u>	<u>168,784</u>	<u>(2,115)</u>
01 13 5002 Website Coordinator	5,000	5,000	-	5,000
01 13 5100 FICA	383	383	-	383
01 13 5250 Operations Management	12,000	12,000	-	12,000
01 13 5334 Internet Email & Web Site Services	5,214	5,214	1,593	3,621
01 13 5378 Equipment Repairs / Maintenance & Parts	3,761	3,761	1,696	2,065

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule Detail - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
01 13 5380 Software License Purchase / Upgrade	500	500	225	275
01 13 5384 Software Support & Maint	21,880	21,880	12,144	9,736
01 13 5385 COTT Land Evidence Support & Maint	18,761	18,761	17,438	1,323
01 13 5386 IT Support	18,250	18,250	17,825	425
01 13 5481 Hardware Support/Upgrade - Police	10,000	7,100	6,600	500
01 13 5484 Software Support - Police	10,000	10,000	11,381	(1,381)
01 13 5486 GIS Support Services	15,000	15,000	3,705	11,295
Total Expenses	120,749	117,849	72,607	45,242
01 14 5400 Legal - Labor Lawyer Cont	5,000	5,000	5,592	(592)
01 14 5410 Legal - Town Council	35,000	35,000	28,525	6,475
01 14 5415 Legal - Litigation	16,000	16,000	760	15,240
01 14 5420 Legal - Criminal Prosecut	28,000	28,000	41,115	(13,115)
01 14 5430 Legal - Zoning	-	-	5,395	(5,395)
01 14 5440 Legal - Planning Board	30,000	30,000	11,985	18,015
01 14 5750 Legal Services Contingency - Emergencies	5,000	5,000	-	5,000
Total Expenses	119,000	119,000	93,372	25,628
01 15 5002 Assistant Finance Director - Christensen	13,725	13,725	13,328	397
01 15 5020 Krugman, David	55,054	56,706	58,206	(1,500)
01 15 5100 FICA	4,212	5,388	5,625	(237)
01 15 5102 Health Insurance	2,000	2,000	2,000	-
01 15 5130 Retirement - ER 1452 Town	6,805	7,009	7,194	(185)
01 15 5200 Office Supplies	1,400	1,400	1,311	89
01 15 5250 Education / Training / Seminars	800	800	205	595
01 15 5260 Dues	220	220	225	(5)
01 15 5264 Travel	400	400	269	131
01 15 5390 Data Processing - Payroll	10,400	10,400	12,912	(2,512)
Total Expenses	95,016	98,048	101,275	(3,227)
01 16 5000 Fournier	39,125	39,888	39,888	-
01 16 5017 Brennan	19,998	20,388	18,543	1,845
01 16 5100 FICA	4,523	4,611	4,179	432
01 16 5102 Health Insurance	27,186	27,186	26,591	595
01 16 5130 Retirement - ER 1452 Town	7,308	7,451	7,211	240
01 16 5202 Postage	500	500	487	13
01 16 5229 Professional Services	-	-	33	(33)
01 16 5250 Education / Training / Seminars	100	100	-	100
01 16 5256 Books/ Manuals / Subscriptions	220	220	339	(119)
01 16 5260 Dues	210	210	200	10
01 16 5264 Travel	1,300	1,300	259	1,041
01 16 5321 RI Vehicle Value Commission	150	150	108	42
01 16 5328 Tax Bills	1,900	1,900	1,918	(18)
Total Expenses	102,520	103,904	99,756	4,148
01 17 5004 Tax Collector Alves	24,960	25,646	26,468	(822)
01 17 5007 P/T Clerk Vona	7,488	7,488	9,728	(2,240)
01 17 5100 FICA	2,482	2,534	2,914	(380)
01 17 5102 Health Insurance	1,932	1,932	1,900	32
01 17 5130 Retirement - ER 1452 Town	3,085	3,170	3,244	(74)
01 17 5200 Office Supplies	800	800	246	554
01 17 5202 Postage	3,350	3,350	2,869	481
01 17 5229 Professional Services	-	-	16	(16)
01 17 5250 Education / Training / Seminars	190	190	115	75
01 17 5260 Dues	40	40	60	(20)
01 17 5264 Travel	130	130	-	130
01 17 5328 Tax Bills	3,000	3,000	2,092	908
Total Expenses	47,457	48,280	49,652	(1,372)
01 18 5200 Office Supplies	4,000	4,000	2,818	1,182
01 18 5202 Postage	8,000	8,000	4,208	3,792
01 18 5215 Telephone	5,000	5,000	4,041	959

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule Detail - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
01 18 5217 Electricity	7,500	7,500	7,537	(37)
01 18 5226 Advertising	8,200	8,200	6,974	1,226
01 18 5229 Professional Services	1,000	1,000	1,845	(845)
01 18 5230 Office Equip Purchases	750	750	-	750
01 18 5231 Office Equip Repair	500	500	-	500
01 18 5256 Books/Manuals/Subscrip	-	-	26	(26)
01 18 5260 Dues RILC&T	3,000	3,000	-	3,000
01 18 5280 Grounds Maintenance	2,000	2,000	1,161	839
01 18 5282 Pest Control	750	750	495	255
01 18 5286 Heating / Fuel Oil	10,000	10,000	8,807	1,193
01 18 5289 Security System Maintenance	2,500	2,500	2,381	119
01 18 5290 Elevator Inspection & Maintenance	3,000	3,000	2,804	196
01 18 5331 Well Water Testing	1,000	1,000	-	1,000
01 18 5371 Fee for Shredding	800	800	1,231	(431)
01 18 5399 Miscellaneous Expense	1,500	1,500	2,290	(790)
Total Expenses	<u>59,500</u>	<u>59,500</u>	<u>46,618</u>	<u>12,882</u>
01 23 5217 Electricity	8,500	8,500	11,106	(2,606)
01 23 5275 Propane	9,500	9,500	12,387	(2,887)
01 23 5289 Security System Maintenance	1,400	1,400	1,359	41
01 23 5335 Bottled Water	800	800	592	208
Total Expenses	<u>20,200</u>	<u>20,200</u>	<u>25,444</u>	<u>(5,244)</u>
01 29 5250 Education / Training / Seminars	100	100	-	100
01 29 5370 Operating Supplies	150	150	24	126
01 29 5520 Senior Citizens Meals on	350	350	-	350
Total Expenses	<u>600</u>	<u>600</u>	<u>24</u>	<u>576</u>
01 31 5001 Town Sergeant	500	500	500	-
Total Expenses	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
01 36 5750 Emergencies	20,000	20,000	-	20,000
01 36 5752 Council Contingency Wages	28,000	16,093	-	16,093
01 36 5755 Healthcare Contingency	15,000	15,000	-	15,000
Total Expenses	<u>63,000</u>	<u>51,093</u>	<u>-</u>	<u>51,093</u>
01 38 5001 Probate Earnings	3,600	3,600	3,600	-
01 38 5100 FICA	239	239	111	128
01 38 5229 Probate Judge	3,600	3,600	3,600	-
Total Expenses	<u>7,439</u>	<u>7,439</u>	<u>7,311</u>	<u>128</u>
01 44 5000 Town Administrator - Sette, Steven	50,000	51,500	45,558	5,942
01 44 5100 FICA	3,825	3,940	3,485	455
01 44 5130 Retirement ER 1452 Town Personnel	6,180	6,365	5,631	734
01 44 5264 Travel	200	200	-	200
Total Expenses	<u>60,205</u>	<u>62,005</u>	<u>54,674</u>	<u>7,331</u>
01 46 5264 Travel	250	250	160	90
01 46 5336 Contract Labor	2,000	2,000	402	1,598
01 46 5337 Stewardship	900	900	-	900
01 46 5370 Operating Supplies	600	600	328	272
Total Expenses	<u>3,750</u>	<u>3,750</u>	<u>890</u>	<u>2,860</u>
01 47 5200 Office Supplies	75	75	-	75
01 47 5250 Education / Training / Seminars	160	160	95	65
01 47 5260 Dues	100	100	100	-
01 47 5267 Travel	50	50	-	50
01 47 5370 Operating Supplies	1,200	1,200	1,019	181
Total Expenses	<u>1,585</u>	<u>1,585</u>	<u>1,214</u>	<u>371</u>
01 49 5150 Worker's Compensation	28,075	28,075	36,723	(8,648)
01 49 5219 Street Lighting	16,500	16,500	19,141	(2,641)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule Detail - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
01 49 5354 Insurance	88,500	88,500	84,129	4,371
01 49 5356 Annual Audit Fee	28,000	28,000	28,435	(435)
Total Expenses	161,075	161,075	168,428	(7,353)
TOTAL GENERAL GOVERNMENT	1,249,280	1,241,846	1,102,101	139,745
01 20 5001 Chief Johnson	70,000	72,275	72,275	-
01 20 5004 F/T Clerk	30,000	32,990	33,339	(349)
01 20 5006 Patrolman Zoglio	53,735	53,735	53,761	(26)
01 20 5008 Lieutenant Arnold	67,741	67,741	68,238	(497)
01 20 5020 Patrolman Kelley	52,592	52,592	53,295	(703)
01 20 5021 Patrolman Briody	53,599	53,599	53,155	444
01 20 5022 Patrolman Gravier	53,912	53,912	53,916	(4)
01 20 5023 Patrolman Randall	53,912	53,912	53,912	-
01 20 5024 Detective Bishop	55,210	55,210	55,744	(534)
01 20 5025 Patrolman Vaughn	54,712	54,712	54,435	277
01 20 5026 Sergeant Lawing	60,888	60,888	62,724	(1,836)
01 20 5027 Patrolman Andrukiewicz	53,912	53,912	53,912	-
01 20 5028 Patrolman Vachon	54,864	54,864	54,758	106
01 20 5029 Corporal Litterio	57,955	57,955	57,955	-
01 20 5030 Dispatcher - Sheldon	28,928	28,928	28,483	445
01 20 5032 Dispatcher - Lawing	25,248	25,248	24,969	279
01 20 5034 Dispatcher - Jillett	22,772	22,772	19,794	2,978
01 20 5040 All Part Time Dispatch	36,375	19,875	19,864	11
01 20 5062 OT Police Dispatch	50,635	55,635	93,902	(38,267)
01 20 5063 Sick Fill In OT	20,000	36,500	39,234	(2,734)
01 20 5064 Sick Leave Coverage - Constables	456	456	-	456
01 20 5065 Emergency Overtime	-	-	3,086	(3,086)
01 20 5067 Vacation Fill Ins Constable	456	456	-	456
01 20 5070 Holiday Pay Police Dept	31,400	31,400	35,588	(4,188)
01 20 5071 Holiday Pay Dispatcher	6,941	941	97	844
01 20 5073 Vacation Fill In OT	40,000	57,500	65,905	(8,405)
01 20 5100 FICA	79,273	79,676	89,088	(9,412)
01 20 5102 Health Insurance	236,476	236,476	247,571	(11,095)
01 20 5130 Retirement - ER 1452 Town	21,871	22,572	22,299	273
01 20 5131 Retirement - ER1454 Police	61,919	61,919	55,284	6,635
01 20 5200 Office Supplies	7,700	6,700	6,007	693
01 20 5202 Postage	400	400	19	381
01 20 5215 Telephone	12,144	10,944	10,809	135
01 20 5250 Education / Training / Seminars	22,000	17,000	15,153	1,847
01 20 5260 Dues	900	900	471	429
01 20 5264 Travel	100	100	675	(575)
01 20 5300 Fuel / State Fleet Ops	53,000	53,000	55,742	(2,742)
01 20 5310 Emergency Purchase	-	-	5,295	(5,295)
01 20 5323 Vehicle Repairs / Maintenance & Parts	30,000	30,000	29,587	413
01 20 5324 Uniforms	13,634	9,734	9,075	659
01 20 5353 Body Armor PD	1,500	1,500	650	850
01 20 5355 Fingerprinting	2,500	2,500	2,640	(140)
01 20 5369 Small Equipment Purchases	11,000	8,500	8,056	444
01 20 5379 Emergency Repairs	2,500	2,500	3,251	(751)
01 20 5399 Miscellaneous Expense	300	300	254	46
01 20 5715 Byrne Grant	8,500	8,500	-	8,500
01 20 5730 Unemployment Contingency	-	-	383	(383)
Total Expenses	1,601,960	1,611,229	1,674,650	(63,421)
01 21 5020 Fisher	35,389	36,097	23,810	12,287
01 21 5040 All Part Time Animal Control	5,700	5,700	3,291	2,409
01 21 5060 OT Animal Control	1,400	1,400	4,773	(3,373)
01 21 5061 OT Cover Vac Leave Police	1,013	1,013	-	1,013
01 21 5063 OT Cover Sick Leave Police	610	610	-	610
01 21 5070 Holiday Pay Animal Control	920	920	162	758
01 21 5100 FICA	3,445	3,499	2,329	1,170

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule Detail - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
01 21 5102 Health Insurance	13,281	13,281	13,062	219
01 21 5130 Retirement - ER 1452 Town	4,374	4,462	2,796	1,666
01 21 5203 Animal Control Misc. Supplies	2,760	2,760	1,975	785
01 21 5215 Telephone	1,108	1,108	375	733
01 21 5250 Education / Training / Seminars	200	200	-	200
01 21 5260 Dues	65	65	55	10
01 21 5300 Fuel / State Fleet Ops	2,500	2,500	1,710	790
01 21 5323 Vehicle Repairs / Maintenance & Parts	2,000	2,000	610	1,390
01 21 5325 Clothing Allowance	1,000	1,000	610	390
01 21 5340 Veterinarian	3,500	3,500	2,648	852
01 21 5341 Dog Tags and Licenses	350	350	256	94
01 21 5342 Impoundment/Turnover Fees	2,500	2,500	899	1,601
01 21 5380 Computer Upgrades/Software	150	150	-	150
Total Expenses	<u>82,265</u>	<u>83,115</u>	<u>59,361</u>	<u>23,754</u>
01 35 5001 Board / Commission / Stipend	10,000	10,000	10,000	-
01 35 5100 FICA	1,919	1,919	765	1,154
01 35 5200 Office Supplies	200	200	-	200
01 35 5215 Telephone & Internet	11,200	11,200	7,336	3,864
01 35 5310 EMA Emergency Expsnes	-	-	77	(77)
01 35 5369 Communication Equipment Purchases	6,000	6,000	4,815	1,185
01 35 5378 Equipment Repairs/Maintenance & Parts	-	-	1,034	(1,034)
01 35 5472 Shelter Supplies	-	-	505	(505)
Total Expenses	<u>29,319</u>	<u>29,319</u>	<u>24,532</u>	<u>4,787</u>
TOTAL PUBLIC SAFETY	<u>1,713,544</u>	<u>1,723,663</u>	<u>1,758,543</u>	<u>(34,880)</u>
01 19 5000 Barber	56,226	57,632	57,632	-
01 19 5017 Valliere	3,764	3,839	3,258	581
01 19 5020 Holmes	35,515	-	-	-
01 19 5021 Smith	49,399	50,634	50,634	-
01 19 5023 Hill	44,477	45,367	45,367	-
01 19 5024 Robar, Gary	32,819	33,639	33,639	-
01 19 5025 Truck Driver/Labor Gardiner	29,848	29,926	29,969	(43)
01 19 5027 Truck Driver/Labor Caswell	28,080	28,782	27,675	1,107
01 19 5028 Full Time Employee - Dimon	-	28,080	28,080	-
01 19 5060 OT Public Works	20,000	20,000	54,427	(34,427)
01 19 5068 Temp Employee Snow Removal	3,000	3,000	2,638	362
01 19 5080 Retention Pond CDBG	-	-	4,704	(4,704)
01 19 5100 FICA	23,189	23,018	25,080	(2,062)
01 19 5102 Health Insurance	83,225	83,225	69,585	13,640
01 19 5130 Retirement - ER 1452 Town	34,159	33,874	33,880	(6)
01 19 5200 Office Supplies	500	500	397	103
01 19 5215 Telephone	900	900	1,000	(100)
01 19 5300 Fuel/State Fleet Ops	-	-	2,534	(2,534)
01 19 5310 Emergency Purchase Supplies & Services	-	-	59,034	(59,034)
01 19 5325 Clothing Allowance	7,200	7,200	6,110	1,090
01 19 5360 Street Maint - Snow Removal	35,000	35,000	23,341	11,659
01 19 5361 Street Maint - Gravel	8,000	8,000	3,840	4,160
01 19 5362 Street Maint - Drainage	4,000	4,000	5,590	(1,590)
01 19 5363 Street Maint - Asphalt	18,000	18,000	7,953	10,047
01 19 5364 Street Maint - Signs & Posts	3,100	3,100	3,219	(119)
01 19 5367 Equipment Rental	15,000	15,000	5,675	9,325
01 19 5368 Engineering	3,000	3,000	-	3,000
01 19 5372 Fuel Oils & Lubricants	35,000	35,000	43,402	(8,402)
01 19 5378 Equipment Repairs / Maintenance & Parts	78,000	78,000	86,540	(8,540)
01 19 5379 Emergency Repairs	-	-	110	(110)
Total Expenses	<u>651,401</u>	<u>648,716</u>	<u>715,313</u>	<u>(66,597)</u>
TOTAL PUBLIC WORKS	<u>651,401</u>	<u>648,716</u>	<u>715,313</u>	<u>(66,597)</u>
01 24 5044 Pierce, David	32,000	32,000	29,640	2,360

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule Detail - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
01 24 5100 FICA	2,448	2,448	2,032	416
01 24 5102 Health Insurance	17,792	17,792	17,413	379
01 24 5130 Retirement - ER 1452 Town	3,955	3,955	3,664	291
01 24 5201 Custodial, Supplies	3,500	3,500	2,281	1,219
01 24 5264 Travel	-	-	640	(640)
01 24 5285 Building Maintenance	5,000	5,000	11,632	(6,632)
01 24 5730 Unemployment	-	-	4,180	(4,180)
Total Expenses	<u>64,695</u>	<u>64,695</u>	<u>71,482</u>	<u>(6,787)</u>
TOTAL GENERAL PUBLIC ASSISTANCE	<u>64,695</u>	<u>64,695</u>	<u>71,482</u>	<u>(6,787)</u>
01 22 5040 P/T Recreation Director	9,280	9,280	6,720	2,560
01 22 5047 P/T Recreation Program	15,000	15,000	13,305	1,695
01 22 5100 FICA	1,857	1,857	1,475	382
01 22 5204 Recreation, Supplies	500	500	492	8
01 22 5391 Recreation Program Expenses	3,000	3,000	2,295	705
01 22 5394 Recreation Other Events	1,500	1,500	600	900
01 22 5395 Porta Jon Rental	-	-	200	(200)
Total Expenses	<u>31,137</u>	<u>31,137</u>	<u>25,087</u>	<u>6,050</u>
01 30 5217 Electricity	12,000	12,000	13,103	(1,103)
01 30 5275 Propane	2,808	2,808	3,989	(1,181)
01 30 5282 Pest Control	675	675	-	675
01 30 5285 Building Maintenance - Police Station	3,000	3,000	13,631	(10,631)
01 30 5289 Security System Maintenance (Fire)	1,950	1,950	400	1,550
01 30 5290 Elevator Inspection & Maintenance	2,600	2,600	2,060	540
01 30 5330 Police/Community Ctr Util Radon Testing	750	750	-	750
Total Expenses	<u>23,783</u>	<u>23,783</u>	<u>33,183</u>	<u>(9,400)</u>
TOTAL RECREATION	<u>54,920</u>	<u>54,920</u>	<u>58,270</u>	<u>(3,350)</u>
01 40 5800 Chariho Regional School Budget	17,899,682	17,899,682	17,899,682	-
01 40 5801 Chariho Regional School Debt Service	187,138	187,138	187,138	-
Total Expenses	<u>18,086,820</u>	<u>18,086,820</u>	<u>18,086,820</u>	<u>-</u>
TOTAL EDUCATION	<u>18,086,820</u>	<u>18,086,820</u>	<u>18,086,820</u>	<u>-</u>
01 32 5001 Transfer Station F/T	32,980	32,980	31,388	1,592
01 32 5060 Overtime	-	-	84	(84)
01 32 5100 FICA	2,523	2,523	2,233	290
01 32 5102 Health Insurance	20,418	20,418	10,383	10,035
01 32 5130 Retirement	4,076	4,076	3,578	498
01 32 5319 Tipping Fees	58,000	58,000	35,441	22,559
01 32 5331 Well Water Testing	25,000	25,000	5,995	19,005
01 32 5371 Fee For Hauling Refuse	50,740	50,740	45,668	5,072
01 32 5376 License Fees to State of RI	3,000	3,000	-	3,000
01 32 5378 Equipment Maintenance	-	-	10,895	(10,895)
Total Expenses	<u>196,737</u>	<u>196,737</u>	<u>145,665</u>	<u>51,072</u>
TOTAL TRANSFER/RECYCLING	<u>196,737</u>	<u>196,737</u>	<u>145,665</u>	<u>51,072</u>
01 25 5500 Hope Valley Ambulance	42,500	42,500	42,500	-
01 25 5501 Clark Mem. Library	94,827	94,827	94,827	-
01 25 5506 Domestic Violence Resource Center	500	500	500	-
01 25 5509 American Legion - Downey Weaver	400	400	400	-
01 25 5510 Richmond Historical Society	400	400	400	-
01 25 5511 Chariho Youth Soccer	400	400	400	-
01 25 5512 Chariho Little League	400	400	400	-
01 25 5513 Chariho Cowboys	400	400	400	-
01 25 5515 Seniors Helping Others	500	500	500	-
01 25 5516 WARM Shelter	350	350	350	-
01 25 5521 Wood River Health Service	1,000	1,000	1,000	-

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule Detail - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
01 25 5522 Education Exchange	200	200	200	-
01 25 5523 RI Center Assisting Those in Need	500	500	500	-
Total Expenses	<u>142,377</u>	<u>142,377</u>	<u>142,377</u>	<u>-</u>
01 26 5200 Office Supplies	500	500	959	(459)
01 26 5215 Phone/Internet	1,725	1,725	1,751	(26)
01 26 5391 Program Expenses	9,000	9,000	11,095	(2,095)
Total Expenses	<u>11,225</u>	<u>11,225</u>	<u>13,805</u>	<u>(2,580)</u>
TOTAL COMMUNITY SERVICE	<u>153,602</u>	<u>153,602</u>	<u>156,182</u>	<u>(2,580)</u>
01 33 5001 Board / Commission / Stipend	2,000	2,000	2,000	-
01 33 5003 Election Officials	7,300	7,300	5,413	1,887
01 33 5100 FICA	609	609	86	523
01 33 5200 Office Supplies	1,000	1,000	1,588	(588)
01 33 5399 Miscellaneous	1,000	1,000	508	492
Total Expenses	<u>11,909</u>	<u>11,909</u>	<u>9,595</u>	<u>2,314</u>
TOTAL CANVASSING AUTHORITY	<u>11,909</u>	<u>11,909</u>	<u>9,595</u>	<u>2,314</u>
01 39 5773 Water Main Prin Matures 2052	-	-	-	-
01 39 5777 Debt Service Principal Matures 2014	175,000	175,000	175,000	-
01 39 5785 Debt Service Principal Matures 2018	150,000	150,000	150,000	-
01 39 5787 Debt Service Principal Matures 2021	20,000	20,000	10,000	10,000
Total Expenses	<u>345,000</u>	<u>345,000</u>	<u>335,000</u>	<u>10,000</u>
TOTAL DEBT SERVICE PRINCIPAL	<u>345,000</u>	<u>345,000</u>	<u>335,000</u>	<u>10,000</u>
01 39 5774 Water Main Interest Matures 2052	-	-	24,750	(24,750)
01 39 5778 Debt Service Interest Matures 2014	10,500	10,500	10,500	-
01 39 5782 Debt Service Payment Agent Fee	1,975	1,975	1,975	-
01 39 5786 Debt Service Interest Matures 2018	32,738	32,738	32,438	300
01 39 5788 GOBOND 10-1 Interest	29,303	29,303	29,549	(246)
Total Expenses	<u>74,516</u>	<u>74,516</u>	<u>99,212</u>	<u>(24,696)</u>
TOTAL DEBT SERVICE INTEREST	<u>74,516</u>	<u>74,516</u>	<u>99,212</u>	<u>(24,696)</u>
01 11 5609 BPZ Comp Plan Update	3,000	3,000	3,000	-
TOTAL TRANSFER TO COMPREHENSIVE PLAN	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
01 41 5775 Restricted Revaluation Account	29,000	29,000	29,000	-
TOTAL TRANSFER TO RESTRICTED REVAL	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
01 49 5358 Transfer to Capital Fund	230,850	230,850	225,250	5,600
TOTAL TRANSFER TO CAPITAL FUND	<u>230,850</u>	<u>230,850</u>	<u>225,250</u>	<u>5,600</u>
TOTAL EXPENSES	<u>\$ 22,865,274</u>	<u>\$ 22,865,274</u>	<u>\$ 22,795,433</u>	<u>\$ 69,841</u>

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

	Special Revenue Restricted Town	Capital Projects Fund	Totals
ASSETS			
Accounts receivable	\$ 41,138	\$ -	\$ 41,138
Internal balances	457,111	684,866	1,141,977
Total assets	<u>\$ 498,249</u>	<u>\$ 684,866</u>	<u>\$ 1,183,115</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Internal balances	\$ 32,623	\$ -	\$ 32,623
Total liabilities	<u>32,623</u>	<u>-</u>	<u>32,623</u>
Fund balances (deficits)			
Restricted	465,626	684,866	1,150,492
Fund balances (deficits)	<u>465,626</u>	<u>684,866</u>	<u>1,150,492</u>
Total liabilities and fund balances	<u>\$ 498,249</u>	<u>\$ 684,866</u>	<u>\$ 1,183,115</u>

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2013

	Special Revenue Restricted Town	Capital Projects Fund	Totals
Revenues			
Intergovernmental and departmental	\$ 563,027	\$ 38,963	\$ 601,990
Interest income	372	-	372
Total Revenues	<u>563,399</u>	<u>38,963</u>	<u>602,362</u>
Expenditures			
Program expenses	468,716	72,236	540,952
Capital outlay	43,836	159,614	203,450
Debt service	-	36,642	36,642
Total expenditures	<u>512,552</u>	<u>268,492</u>	<u>781,044</u>
Excess of revenues over (under) expenditures	50,847	(229,529)	(178,682)
Other financing sources (uses)			
Transfers from (to) other funds	32,000	225,250	257,250
Total other financing sources	<u>32,000</u>	<u>225,250</u>	<u>257,250</u>
Excess of revenues and other sources over (under) expenditures and other uses	82,847	(4,279)	78,568
FUND BALANCE - BEGINNING	382,779	689,145	1,071,924
FUND BALANCE - ENDING	<u>\$ 465,626</u>	<u>\$ 684,866</u>	<u>\$ 1,150,492</u>

**SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Town Special Revenue Restricted Funds
June 30, 2013**

	SRF-05 Historical Records Trust	SRF-05 Highway Safety	SRF-05 Legislative Grant	SRF-05 Land Trust Grant	SRF-05 Land Trust	SRF-05 Revaluation Escrow
ASSETS						
Accounts receivable	\$ -	\$ 4,786	\$ -	\$ -	\$ -	\$ -
Internal balances	10,984	-	7,637	528	79,688	148,983
TOTAL ASSETS	<u>\$ 10,984</u>	<u>\$ 4,786</u>	<u>\$ 7,637</u>	<u>\$ 528</u>	<u>\$ 79,688</u>	<u>\$ 148,983</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Internal balances	\$ -	\$ 13,115	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>13,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE						
Restricted	10,984	(8,329)	7,637	528	79,688	148,983
TOTAL FUND BALANCE	<u>10,984</u>	<u>(8,329)</u>	<u>7,637</u>	<u>528</u>	<u>79,688</u>	<u>148,983</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 10,984</u>	<u>\$ 4,786</u>	<u>\$ 7,637</u>	<u>\$ 528</u>	<u>\$ 79,688</u>	<u>\$ 148,983</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Town Special Revenue Restricted Funds
June 30, 2013
(Continued)

	SRF-05	SRF-05	SRF-05	SRF-05	SRF-05
	Planning	Comprehensive	Emergency	Community	Community
	Board	Plan	Management	Development	Development
	<u>Block Grant</u>		<u>Grant</u>	<u>Block Grant</u>	<u>Program Income</u>
ASSETS					
Accounts receivable	\$ -	\$ -	\$ -	\$ 17,025	\$ -
Internal balances	28,311	3,451	6,734	-	10,603
TOTAL ASSETS	<u>\$ 28,311</u>	<u>\$ 3,451</u>	<u>\$ 6,734</u>	<u>\$ 17,025</u>	<u>\$ 10,603</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Internal balances	\$ -	\$ -	\$ -	\$ 181	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>181</u>	<u>-</u>
FUND BALANCE					
Restricted	28,311	3,451	6,734	16,844	10,603
TOTAL FUND BALANCE	<u>28,311</u>	<u>3,451</u>	<u>6,734</u>	<u>16,844</u>	<u>10,603</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 28,311</u>	<u>\$ 3,451</u>	<u>\$ 6,734</u>	<u>\$ 17,025</u>	<u>\$ 10,603</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Town Special Revenue Restricted Funds
June 30, 2013
(Continued)

	SRF-05 Housing Preservation Grants	SRF-05 Impact Fees Education	SRF-05 Impact Fees Recreation	SRF-05 Healthcare MEDS Grant	SRF-05 Energy Conservation Block Grant
ASSETS					
Accounts receivable	\$ 10,785	\$ -	\$ -	\$ -	\$ -
Internal balances	-	120,641	13,100	7,058	-
TOTAL ASSETS	<u>\$ 10,785</u>	<u>\$ 120,641</u>	<u>\$ 13,100</u>	<u>\$ 7,058</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Internal balances	\$ 10,785	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>10,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Restricted	-	120,641	13,100	7,058	-
TOTAL FUND BALANCE	<u>-</u>	<u>120,641</u>	<u>13,100</u>	<u>7,058</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 10,785</u>	<u>\$ 120,641</u>	<u>\$ 13,100</u>	<u>\$ 7,058</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Town Special Revenue Restricted Funds
June 30, 2013
(Continued)

	SRF-05	SRF-05	SRF-05	SRF-05	
	Dog Park	Animal	Senior	Byrne	
	Donations	Control Stray	Activities	Grant	Totals
		& Homeless	Grant		
ASSETS					
Accounts receivable	\$ -	\$ -	\$ -	\$ 8,542	\$ 41,138
Internal balances	1,733	676	16,984	-	457,111
TOTAL ASSETS	<u>\$ 1,733</u>	<u>\$ 676</u>	<u>\$ 16,984</u>	<u>\$ 8,542</u>	<u>\$ 498,249</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Internal balances	\$ -	\$ -	\$ -	\$ 8,542	\$ 32,623
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,542</u>	<u>32,623</u>
FUND BALANCE					
Restricted	1,733	676	16,984	-	465,626
TOTAL FUND BALANCE	<u>1,733</u>	<u>676</u>	<u>16,984</u>	<u>-</u>	<u>465,626</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,733</u>	<u>\$ 676</u>	<u>\$ 16,984</u>	<u>\$ 8,542</u>	<u>\$ 498,249</u>

(Concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Town Special Revenue Restricted Funds
For the Fiscal Year Ended June 30, 2013**

	SRF-05 Historical Records Trust	SRF-05 Highway Safety	SRF-05 Legislative Grant	SRF-05 Land Trust Grant	SRF-05 Land Trust	SRF-05 Revaluation Escrow
REVENUES						
Intergovernmental revenue and departmental	\$ 1,532	\$ 24,865	\$ 5,000	\$ -	\$ 2,192	\$ -
Interest income	-	-	-	-	-	372
TOTAL REVENUES	<u>1,532</u>	<u>24,865</u>	<u>5,000</u>	<u>-</u>	<u>2,192</u>	<u>372</u>
EXPENDITURES	<u>1,037</u>	<u>24,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of Revenues Over (Under)						
Expenditures	495	(65)	5,000	-	2,192	372
OTHER FINANCING SOURCES (USES)						
Transfers from (to) other funds	-	-	-	-	-	29,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Financing Uses	495	(65)	5,000	-	2,192	29,372
FUND BALANCE - BEGINNING	10,489	(8,264)	2,637	528	77,496	119,611
FUND BALANCE - ENDING	<u>\$ 10,984</u>	<u>\$ (8,329)</u>	<u>\$ 7,637</u>	<u>\$ 528</u>	<u>\$ 79,688</u>	<u>\$ 148,983</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Town Special Revenue Restricted Funds
For the Fiscal Year Ended June 30, 2013
(Continued)

	SRF-05	SRF-05	SRF-05	SRF-05	SRF-05
	Planning	Comprehensive	Emergency	Community	Community
	Board	Plan	Management	Development	Development
			Grant	Block Grant	Program Income
REVENUES					
Intergovernmental revenue and departmental	\$ 340	\$ -	\$ -	\$ 419,929	\$ -
Interest income	-	-	-	-	-
TOTAL REVENUES	<u>340</u>	<u>-</u>	<u>-</u>	<u>419,929</u>	<u>-</u>
EXPENDITURES	<u>21,139</u>	<u>5,947</u>	<u>1,760</u>	<u>403,674</u>	<u>1,452</u>
Excess (deficiency) of Revenues Over (Under)					
Expenditures	(20,799)	(5,947)	(1,760)	16,255	(1,452)
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	-	3,000	-	(20,446)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>(20,446)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	(20,799)	(2,947)	(1,760)	(4,191)	(1,452)
FUND BALANCE - BEGINNING	<u>49,110</u>	<u>6,398</u>	<u>8,494</u>	<u>21,035</u>	<u>12,055</u>
FUND BALANCE - ENDING	<u>\$ 28,311</u>	<u>\$ 3,451</u>	<u>\$ 6,734</u>	<u>\$ 16,844</u>	<u>\$ 10,603</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Town Special Revenue Restricted Funds
For the Fiscal Year Ended June 30, 2013
(Continued)

	SRF-05 Housing Preservation Grants	SRF-05 Impact Fees Education	SRF-05 Impact Fees Recreation	SRF-05 Healthcare MEDS Grant	SRF-05 Energy Conservation Block Grant
REVENUES					
Intergovernmental revenue and departmental	\$ 20,145	\$ 14,400	\$ 4,600	\$ -	\$ 40,773
Interest income	-	-	-	-	-
TOTAL REVENUES	<u>20,145</u>	<u>14,400</u>	<u>4,600</u>	<u>-</u>	<u>40,773</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,982</u>	<u>40,773</u>
Excess (deficiency) of Revenues Over (Under)					
Expenditures	20,145	14,400	4,600	(1,982)	-
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	20,446	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	40,591	14,400	4,600	(1,982)	-
FUND BALANCE - BEGINNING	<u>(40,591)</u>	<u>106,241</u>	<u>8,500</u>	<u>9,040</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ 120,641</u>	<u>\$ 13,100</u>	<u>\$ 7,058</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Town Special Revenue Restricted Funds
For the Fiscal Year Ended June 30, 2013
(Continued)

	SRF-05	SRF-05	SRF-05	SRF-05	
	Dog Park	Animal	Senior	Byrne	
	Donations	Control Stray	Activities	Grant	Totals
	Donations	& Homeless	Grant	Grant	
REVENUES					
Intergovernmental revenue and departmental	\$ 1,733	\$ 676	\$ 18,300	\$ 8,542	\$ 563,027
Interest income	-	-	-	-	372
TOTAL REVENUES	<u>1,733</u>	<u>676</u>	<u>18,300</u>	<u>8,542</u>	<u>563,399</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,316</u>	<u>8,542</u>	<u>\$ 512,552</u>
Excess (deficiency) of Revenues Over (Under)					
Expenditures	1,733	676	16,984	-	50,847
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	-	-	-	-	\$ 32,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	1,733	676	16,984	-	82,847
FUND BALANCE - BEGINNING	-	-	-	-	382,779
FUND BALANCE - ENDING	<u>\$ 1,733</u>	<u>\$ 676</u>	<u>\$ 16,984</u>	<u>\$ -</u>	<u>\$ 465,626</u>

(Concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Non Major Capital Project Funds
June 30, 2013**

	SRF-05 Knowles Mill Park Grant	SRF-05 Open Space Recreation Restricted	CP-02 Capital Bond Fund	Totals
ASSETS				
Accounts receivable	\$ -	\$ -	\$ -	\$ -
Internal balances	-	369,853	315,013	684,866
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 369,853</u>	<u>\$315,013</u>	<u>\$684,866</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Internal balances	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	-	369,853	315,013	684,866
TOTAL FUND BALANCE	<u>-</u>	<u>369,853</u>	<u>315,013</u>	<u>684,866</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 369,853</u>	<u>\$315,013</u>	<u>\$684,866</u>

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non Major Capital Project Funds
For the Fiscal Year Ended June 30, 2013

	SRF-05 Knowles Mill Park Grant	SRF-05 Open Space Recreation Restricted	CP-02 Capital Bond Fund	Totals
REVENUES				
Intergovernmental and departmental	\$ -	\$ 38,963	\$ -	\$ 38,963
TOTAL REVENUES	<u>-</u>	<u>38,963</u>	<u>-</u>	<u>38,963</u>
EXPENDITURES				
Program expenses	895	-	71,341	72,236
Capital outlay	-	-	159,614	159,614
Debt service	-	-	36,642	36,642
TOTAL EXPENDITURES	<u>895</u>	<u>-</u>	<u>267,597</u>	<u>268,492</u>
Excess (deficiency) of Revenues Over (Under)				
Expenditures Before Other Financing Sources (Uses)	(895)	38,963	(267,597)	(229,529)
OTHER FINANCING SOURCES (USES)				
Transfers from (to) other funds	-	-	225,250	225,250
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>225,250</u>	<u>225,250</u>
Net change in fund balances	(895)	38,963	(42,347)	(4,279)
FUND BALANCE - BEGINNING	<u>895</u>	<u>330,890</u>	<u>357,360</u>	<u>689,145</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ 369,853</u></u>	<u><u>\$315,013</u></u>	<u><u>\$684,866</u></u>

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Private Purpose Trust Funds
June 30, 2013

	RF-04 Emily Anthony Funds	RF-04 Edwin Anthony Funds	RF-04 Crawley Property	RF-04 Senior Activities	RF-04 Cemetery Funds	RF-04 Wood River Cemetery Funds	RF-04 Historical Cemetery Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Internal balances	52,258	14,649	4,010	108	42,287	8,821	9,508
TOTAL ASSETS	<u>\$ 52,258</u>	<u>\$ 14,649</u>	<u>\$ 4,010</u>	<u>\$ 108</u>	<u>\$ 42,287</u>	<u>\$ 8,821</u>	<u>\$ 9,508</u>
LIABILITIES							
Internal balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE							
Reserved by trust agreement	<u>52,258</u>	<u>14,649</u>	<u>4,010</u>	<u>108</u>	<u>42,287</u>	<u>8,821</u>	<u>9,508</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 52,258</u>	<u>\$ 14,649</u>	<u>\$ 4,010</u>	<u>\$ 108</u>	<u>\$ 42,287</u>	<u>\$ 8,821</u>	<u>\$ 9,508</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Private Purpose Trust Funds
June 30, 2013
(Continued)

	RF-04 White Brook Cemetery Fund	RF-04 Town Farm Fund	RF-04 Link Cemetery Fund	RF-04 Henry D Hoyle Fund	RF-04 J Crawford Fenner Fund	Total Non-Major Permanent Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	114,804	-	-	-	-	114,804
Internal balances	-	1,241	822	632	3,538	137,874
TOTAL ASSETS	<u>\$ 114,804</u>	<u>\$ 1,241</u>	<u>\$ 822</u>	<u>\$ 632</u>	<u>\$ 3,538</u>	<u>\$ 252,678</u>
LIABILITIES						
Internal balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE						
Reserved by trust agreement	<u>114,804</u>	<u>1,241</u>	<u>822</u>	<u>632</u>	<u>3,538</u>	<u>252,678</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 114,804</u>	<u>\$ 1,241</u>	<u>\$ 822</u>	<u>\$ 632</u>	<u>\$ 3,538</u>	<u>\$ 252,678</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2013

	RF-04 Emily Anthony Funds	RF-04 Edwin Anthony Funds	RF-04 Crawley Property	RF-04 Senior Activities	RF-04 Cemetery Funds	RF-04 Wood River Cemetery Funds	RF-04 Historical Cemetery Fund
Revenues							
Earnings on investments	\$ 130	\$ 37	\$ 10	\$ -	\$ 105	\$ 22	\$ 24
Other revenues	-	-	-	-	400	-	-
Total revenues	<u>130</u>	<u>37</u>	<u>10</u>	<u>-</u>	<u>505</u>	<u>22</u>	<u>24</u>
Expenditures							
Administration	2,913	-	-	-	1,800	-	-
Total expenditures	<u>2,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(2,783)	37	10	-	(1,295)	22	24
FUND BALANCE - BEGINNING	<u>55,041</u>	<u>14,612</u>	<u>4,000</u>	<u>108</u>	<u>43,582</u>	<u>8,799</u>	<u>9,484</u>
FUND BALANCE - ENDING	<u>\$ 52,258</u>	<u>\$ 14,649</u>	<u>\$ 4,010</u>	<u>\$ 108</u>	<u>\$ 42,287</u>	<u>\$ 8,821</u>	<u>\$ 9,508</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2013
(Continued)

	RF-04 White Brook Cemetery Fund	RF-04 Town Farm Fund	RF-04 Link Cemetery Fund	RF-04 Henry D Hoyle Fund	RF-04 J Crawford Fenner Fund	Total Non-Major Permanent Funds
Revenues						
Earnings on investments	\$ 2,546	\$ 3	\$ 2	\$ 2	\$ 9	\$ 2,890
Other revenues	-	-	-	-	-	400
Total revenues	<u>2,546</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>9</u>	<u>3,290</u>
Expenditures						
Administration	-	-	-	-	-	4,713
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,713</u>
Excess (deficiency) of revenues over (under) expenditures	2,546	3	2	2	9	(1,423)
FUND BALANCE - BEGINNING	<u>112,258</u>	<u>1,238</u>	<u>820</u>	<u>630</u>	<u>3,529</u>	<u>254,101</u>
FUND BALANCE - ENDING	<u>\$ 114,804</u>	<u>\$ 1,241</u>	<u>\$ 822</u>	<u>\$ 632</u>	<u>\$ 3,538</u>	<u>\$ 252,678</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND RHODE ISLAND
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
RF-04				
LANDSCAPE ESCROWS				
Assets				
Internal balances	\$ 10,115	\$ 25	\$ -	\$ 10,140
Total assets	<u>\$ 10,115</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 10,140</u>
Liabilities				
Deposits held in custody for others	\$ 10,115	\$ 25	\$ -	\$ 10,140
Total liabilities	<u>\$ 10,115</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 10,140</u>
RF-04				
CURB CUT BONDS				
Assets				
Internal balances	\$ 3,364	\$ 4,000	\$ 1,500	\$ 5,864
Total assets	<u>\$ 3,364</u>	<u>\$ 4,000</u>	<u>\$ 1,500</u>	<u>\$ 5,864</u>
Liabilities				
Deposits held in custody for others	\$ 3,364	\$ 4,000	\$ 1,500	\$ 5,864
Total liabilities	<u>\$ 3,364</u>	<u>\$ 4,000</u>	<u>\$ 1,500</u>	<u>\$ 5,864</u>
RF-04				
FAIRSIDE DRIVE BOND				
Assets				
Internal balances	\$ 22,756	\$ 57	\$ -	\$ 22,813
Total assets	<u>\$ 22,756</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 22,813</u>
Liabilities				
Deposits held in custody for others	\$ 22,756	\$ 57	\$ -	\$ 22,813
Total liabilities	<u>\$ 22,756</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 22,813</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND RHODE ISLAND
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
RF-04				
SAFETY MARKINGS				
Assets				
Internal balances	\$ 2,195	\$ 5	\$ -	\$ 2,200
Total assets	<u>\$ 2,195</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,200</u>
Liabilities				
Deposits held in custody for others	\$ 2,195	\$ 5	\$ -	\$ 2,200
Total liabilities	<u>\$ 2,195</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,200</u>
RF-04				
PROBATE COURT				
Assets				
Internal balances	\$ 2,396	\$ 6	\$ -	\$ 2,402
Total assets	<u>\$ 2,396</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,402</u>
Liabilities				
Deposits held in custody for others	\$ 2,396	\$ 6	\$ -	\$ 2,402
Total liabilities	<u>\$ 2,396</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,402</u>
TOTAL AGENCY FUNDS				
Assets				
Internal balances	\$ 40,826	\$ 4,093	\$ 1,500	\$ 43,419
Total assets	<u>\$ 40,826</u>	<u>\$ 4,093</u>	<u>\$ 1,500</u>	<u>\$ 43,419</u>
Liabilities				
Deposits held in custody for others	\$ 40,826	\$ 4,093	\$ 1,500	\$ 43,419
Total liabilities	<u>\$ 40,826</u>	<u>\$ 4,093</u>	<u>\$ 1,500</u>	<u>\$ 43,419</u>

(Concluded)

STATISTICAL SECTION

**STATISTICAL SECTION
TOWN OF RICHMOND, RHODE ISLAND
SCHEDULE OF TAX COLLECTIONS
For the Fiscal Year Ended June 30, 2013**

Fiscal Year End	Balance July 1, 2012	Current Year Assessment	Refunds	Additions and Adjustments	Abatements	Amount to be Collected	Current Year Collections	Balance June 30, 2013
2013	\$ -	\$ 16,192,073	\$ 33,549	\$ 72,693	\$ 114,133	16,184,182	\$ 15,568,651	\$ 615,531
2012	761,291	-	4,987	52,643	70,337	748,584	573,287	175,297
2011	236,764	-	62	9,854	10,326	236,354	118,504	117,850
2010	100,678	-	1,218	6,602	6,812	101,686	42,546	59,140
2009	65,462	-	1,342	179	220	66,763	26,805	39,958
2008	36,355	-	16	319	16	36,674	12,219	24,455
2007	26,767	-	1,135	19	124	27,797	9,096	18,701
2006	24,328	-	-	(46)	4	24,278	5,697	18,581
2005	17,103	-	-	(33)	74	16,996	1,299	15,697
2004	17,579	-	-	(16,009)	505	1,065	1,065	-
	<u>\$ 1,286,327</u>	<u>\$ 16,192,073</u>	<u>\$ 42,309</u>	<u>\$ 126,221</u>	<u>\$ 202,551</u>	<u>\$ 17,444,379</u>	<u>\$ 16,359,169</u>	<u>\$ 1,085,210</u>

**SCHEDULE OF MOST RECENT NET
ASSESSED PROPERTY VALUE BY CATEGORY**

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property	\$ 700,787,050	\$ 13,328,970
Real property - C/M	83,424,000	1,586,724
Motor vehicles	81,745,590	1,850,720
Tangible personal	20,841,340	396,402
TOTAL	<u>886,797,980</u>	<u>17,162,817</u>
Less exemptions	<u>46,258,219</u>	<u>970,744</u>
NET ASSESSED VALUE	<u>\$ 840,539,761</u>	<u>\$ 16,192,073</u>

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 16,359,169
Less: Refunds and adjustments	<u>(34,021)</u>
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2013	<u>317,506</u>
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2012	<u>(290,611)</u>
Non property tax & suspense adjustments	<u>(35,759)</u>
CURRENT YEAR PROPERTY TAX REVENUE	<u>\$ 16,316,284</u>

STATISTICAL SECTION
TOWN OF RICHMOND, RHODE ISLAND
SCHEDULE OF LONG-TERM LIABILITIES - PRIMARY GOVERNMENT
For the Fiscal Year Ended June 30, 2013

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding July 1, 2012</u>	<u>Additions</u>	<u>Maturities During Year</u>	<u>Outstanding June 30, 2013</u>	<u>Interest Paid</u>	<u>Due within one year</u>
General obligation bonds payable										
2007 Capital improvement bonds	8/15/2007	3.89%	4/1/2027	\$1,400,000	\$ 875,000	\$ -	\$ 150,000	\$ 725,000	\$32,438	\$ 145,000
2003 Municipal bonds	8/1/2003	2.00-4.00%	8/1/2013	1,600,000	350,000	-	175,000	175,000	10,500	175,000
2010 Capital improvement bonds	8/15/2010	1.15-3.00%	8/15/2020	1,150,000	1,150,000	-	10,000	1,140,000	29,549	20,000
Total general obligation bonds payable				<u>4,150,000</u>	<u>2,375,000</u>	<u>-</u>	<u>335,000</u>	<u>2,040,000</u>	<u>72,487</u>	<u>340,000</u>
Other long-term liabilities										
Capital Leases Payable				\$ 169,995	-	169,995	36,642	133,353	-	31,455
Accrued compensated absences				<u>-</u>	<u>157,344</u>	<u>130,736</u>	<u>76,888</u>	<u>211,192</u>	<u>-</u>	<u>53,848</u>
Total other long-term liabilities				<u>\$ 169,995</u>	<u>157,344</u>	<u>300,731</u>	<u>113,530</u>	<u>344,545</u>	<u>-</u>	<u>85,303</u>
TOTAL LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES					<u>\$2,532,344</u>	<u>\$300,731</u>	<u>\$ 448,530</u>	<u>\$ 2,384,545</u>	<u>\$72,487</u>	<u>\$ 425,303</u>
<u>BUSINESS-TYPE ACTIVITIES</u>										
Enterprise funds bonds payable										
2012 Water capital improvements	2/28/2012	3.00%	2/28/2052	\$ 825,000	\$ 825,000	\$ -	\$ 10,948	\$ 814,052	\$24,750	\$ 11,276
Total enterprise funds bonds payable				<u>\$ 825,000</u>	<u>825,000</u>	<u>-</u>	<u>10,948</u>	<u>814,052</u>	<u>24,750</u>	<u>11,276</u>
TOTAL LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES					<u>\$ 825,000</u>	<u>\$ -</u>	<u>\$ 10,948</u>	<u>\$ 814,052</u>	<u>\$24,750</u>	<u>\$ 11,276</u>

**TOWN OF RICHMOND, RHODE ISLAND
SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

Governmental Funds

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	16.67%	\$ 340,000	\$ 59,265	\$ 399,265
2015	27.45%	220,000	48,819	268,819
2016	38.48%	225,000	41,187	266,187
2017	50.00%	235,000	33,597	268,597
2018	62.01%	245,000	25,528	270,528
2019	74.26%	250,000	18,225	268,225
2020	87.01%	260,000	11,525	271,525
2021	100.00%	265,000	3,975	268,975
		<u>\$ 2,040,000</u>	<u>\$ 242,121</u>	<u>\$ 2,282,121</u>

Enterprise Funds

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	1.39%	\$ 11,276	\$ 24,422	\$ 35,698
2015	2.81%	11,615	24,083	35,698
2016	4.28%	11,963	23,735	35,698
2017	5.80%	12,322	23,376	35,698
2018	7.35%	12,692	23,006	35,698
2019	8.96%	13,072	22,626	35,698
2020	10.61%	13,465	22,233	35,698
2021	12.32%	13,868	21,829	35,697
Thereafter	100.00%	713,779	392,367	1,106,146
		<u>\$ 814,052</u>	<u>\$ 577,677</u>	<u>\$ 1,391,729</u>
Total All Debt		<u>\$ 2,854,052</u>	<u>\$ 819,798</u>	<u>\$ 3,673,850</u>

**TOWN OF RICHMOND
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit 1

	Fiscal Year				
	2013	2012	2011	2010	2009
Governmental Activities					
Invested in capital assets, net of related debt	\$ 9,228,124	\$ 10,117,906	\$ 10,822,388	\$ 11,644,019	\$ 12,700,301
Unrestricted	5,269,940	5,662,225	6,034,135	6,434,399	5,985,444
Total governmental activities net assets	\$ 14,498,064	\$ 15,780,131	\$ 16,856,523	\$ 18,078,418	\$ 18,685,745
Business-type activities					
Invested in capital assets, net of related debt	\$ 1,250,298	\$ 1,191,096	\$ 588,288	\$ 579,071	\$ 607,907
Unrestricted	572,287	536,798	476,495	468,970	434,513
Total business-type activities net assets	\$ 1,822,585	\$ 1,727,894	\$ 1,064,783	\$ 1,048,041	\$ 1,042,420
Primary government					
Invested in capital assets, net of related debt	\$ 10,478,422	\$ 11,309,002	\$ 11,410,676	\$ 12,223,090	\$ 13,308,208
Unrestricted	5,842,227	6,199,023	6,510,630	6,903,369	6,419,957
Total primary government net assets	\$ 16,320,649	\$ 17,508,025	\$ 17,921,306	\$ 19,126,459	\$ 19,728,165
	Fiscal Year				
	2008	2007	2006	2005	2004
Governmental Activities					
Invested in capital assets, net of related debt	\$ 2,054,119	\$ 680,618	\$ 1,664,014	\$ 1,442,231	\$ 1,209,630
Restricted	-	-	3,507,745	3,975,530	4,419,213
Unrestricted	5,429,271	6,792,210	2,710,314	3,079,229	2,811,588
Total governmental activities net assets	\$ 7,483,390	\$ 7,472,828	\$ 7,882,073	\$ 8,496,990	\$ 8,440,431
Business-type activities					
Invested in capital assets, net of related debt	\$ 665,579	\$ 636,742	\$ 694,414	\$ 723,249	\$ 752,085
Unrestricted	379,946	424,845	313,798	278,393	184,948
Total business-type activities net assets	\$ 1,045,525	\$ 1,061,587	\$ 1,008,212	\$ 1,001,642	\$ 937,033
Primary government					
Invested in capital assets, net of related debt	\$ 2,719,698	\$ 1,317,360	\$ 2,358,428	\$ 2,165,480	\$ 1,961,715
Restricted	-	-	3,507,745	3,975,530	4,419,213
Unrestricted	5,809,217	7,217,055	3,024,112	3,357,622	2,996,536
Total primary government net assets	\$ 8,528,915	\$ 8,534,415	\$ 8,890,285	\$ 9,498,632	\$ 9,377,464

**TOWN OF RICHMOND
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit 2

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	\$ 1,217,447	\$ 1,202,400	\$ 1,211,012	\$ 1,112,240	\$ 1,381,725	\$ 1,285,864	\$ 1,050,620	\$ 1,201,615	\$ 1,079,622	\$ 1,026,734
Public safety	1,818,192	1,672,730	1,498,832	1,438,854	1,359,604	1,255,025	1,212,587	1,102,273	862,348	742,464
Public works	2,192,393	2,180,519	2,123,184	2,296,905	2,069,878	524,205	570,471	681,350	576,889	570,545
General public assistance	612,434	769,187	726,279	332,833	426,905	320,111	50,591	48,940	48,384	49,277
Recreation and culture	58,270	52,129	57,159	47,559	83,777	82,319	62,150	100,571	73,868	91,707
Education	18,086,820	18,098,080	17,072,158	16,564,107	17,187,604	17,333,510	16,902,823	15,680,611	14,878,050	13,748,062
Community services	156,182	153,049	143,870	173,810	176,777	177,827	166,327	162,105	137,350	100,902
Other	161,125	71,712	198,390	103,966	353,697	287,727	782,864	993,166	370,137	192,531
Interest	100,467	85,817	82,831	73,311	125,009	77,294	57,965	18,482	78,515	91,537
Total governmental activities expenses	<u>24,403,330</u>	<u>24,285,623</u>	<u>23,113,715</u>	<u>22,143,585</u>	<u>23,164,976</u>	<u>21,343,882</u>	<u>20,856,398</u>	<u>19,989,113</u>	<u>18,105,163</u>	<u>16,613,759</u>
Business-type activities:										
Water Supply Board	65,265	79,645	73,599	93,202	74,475	102,991	66,572	66,091	57,042	70,046
Total business-type activities expenses	<u>65,265</u>	<u>79,645</u>	<u>73,599</u>	<u>93,202</u>	<u>74,475</u>	<u>102,991</u>	<u>66,572</u>	<u>66,091</u>	<u>57,042</u>	<u>70,046</u>
Total primary government expenses	<u>\$ 24,468,595</u>	<u>\$ 24,365,268</u>	<u>\$ 23,187,314</u>	<u>\$ 22,236,787</u>	<u>\$ 23,239,451</u>	<u>\$ 21,446,873</u>	<u>\$ 20,922,970</u>	<u>\$ 20,055,204</u>	<u>\$ 18,162,205</u>	<u>\$ 16,683,805</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 216,997	\$ 270,050	\$ 309,441	\$ 338,242	\$ 236,515	\$ 504,495	\$ 181,052	\$ 654,515	\$ 608,584	\$ 154,107
Public safety	50,425	86,792	5,987	87,349	67,013	64,418	58,126	47,125	11,710	190,526
Public works	-	-	-	-	-	-	81,812	1,700	27,588	47,214
Education	70,516	50,138	42,103	71,232	-	-	-	-	-	-
Other activities	213,032	111,365	106,774	16,358	8,632	12,650	1,177,555	1,124,466	779,519	670,379
Operating grants and contributions	6,244,399	6,099,529	5,546,692	5,495,190	622,113	6,303,066	6,028,634	5,785,334	5,525,031	5,488,266
Capital grants and contributions	49,315	559,037	641,878	283,430	-	-	-	-	-	-
Total governmental activities program revenues	<u>6,844,684</u>	<u>7,176,911</u>	<u>6,652,875</u>	<u>6,291,801</u>	<u>934,273</u>	<u>6,884,629</u>	<u>7,527,179</u>	<u>7,613,140</u>	<u>6,952,432</u>	<u>6,550,492</u>
Business-type activities:										
Charges for services:										
Water Supply Board	130,654	117,031	87,050	98,823	98,904	84,870	85,140	74,536	119,304	42,548
Operating grants and contributions	65,000	625,725	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>195,654</u>	<u>742,756</u>	<u>87,050</u>	<u>98,823</u>	<u>98,904</u>	<u>84,870</u>	<u>85,140</u>	<u>74,536</u>	<u>119,304</u>	<u>42,548</u>
Total primary government program revenues	<u>\$ 7,040,338</u>	<u>\$ 7,919,667</u>	<u>\$ 6,739,925</u>	<u>\$ 6,390,624</u>	<u>\$ 1,033,177</u>	<u>\$ 6,969,499</u>	<u>\$ 7,612,319</u>	<u>\$ 7,687,676</u>	<u>\$ 7,071,736</u>	<u>\$ 6,593,040</u>
Net (Expense)/Revenue										
Governmental activities	\$ (17,558,646)	\$ (17,108,712)	\$ (16,460,840)	\$ (15,851,784)	\$ (22,230,703)	\$ (14,459,253)	\$ (13,329,219)	\$ (12,375,973)	\$ (11,152,731)	\$ (10,063,267)
Business-type activities	130,389	663,111	13,451	5,621	24,429	(18,121)	18,568	8,445	62,262	(27,498)
Total primary government net expenses	<u>\$ (17,428,257)</u>	<u>\$ (16,445,601)</u>	<u>\$ (16,447,389)</u>	<u>\$ (15,846,163)</u>	<u>\$ (22,206,274)</u>	<u>\$ (14,477,374)</u>	<u>\$ (13,310,651)</u>	<u>\$ (12,367,528)</u>	<u>\$ (11,090,469)</u>	<u>\$ (10,090,765)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes and other	\$ 16,088,271	\$ 15,696,290	\$ 15,022,955	\$ 14,346,660	\$ 13,954,319	\$ 13,104,382	\$ 11,999,417	\$ 11,113,712	\$ 10,302,445	\$ 9,749,550
Interest on late payments	144,601	185,525	143,588	158,260	79,520	208,254	277,204	218,117	188,512	126,154
Unrestricted investment earnings	8,009	6,328	14,260	26,392	-	-	-	-	-	-
State aid	-	57,421	58,142	713,145	6,158,139	993,406	-	-	-	-
Other revenues	-	-	-	-	-	103,825	248,346	425,679	720,765	240,997
Transfers	35,698	-	-	-	-	-	-	-	-	-
Total general revenues	<u>16,276,579</u>	<u>15,945,564</u>	<u>15,238,945</u>	<u>15,244,457</u>	<u>20,191,978</u>	<u>14,409,867</u>	<u>12,524,967</u>	<u>11,757,508</u>	<u>11,211,722</u>	<u>10,116,701</u>
Business-type activities:										
Unrestricted investment earnings	-	-	3,291	-	4,367	-	-	-	-	-
Transfers	(35,698)	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>(35,698)</u>	<u>-</u>	<u>3,291</u>	<u>-</u>	<u>4,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 16,240,881</u>	<u>\$ 15,945,564</u>	<u>\$ 15,242,236</u>	<u>\$ 15,244,457</u>	<u>\$ 20,196,345</u>	<u>\$ 14,409,867</u>	<u>\$ 12,524,967</u>	<u>\$ 11,757,508</u>	<u>\$ 11,211,722</u>	<u>\$ 10,116,701</u>
Change in Net Assets										
Governmental activities	\$ (1,282,067)	\$ (1,163,148)	\$ (1,221,895)	\$ (607,327)	\$ (2,038,725)	\$ (49,386)	\$ (804,252)	\$ (618,465)	\$ 58,991	\$ 53,434
Business-type activities	94,691	663,111	16,742	5,621	28,796	(18,121)	18,568	8,445	62,262	(27,498)
Total primary governmental	<u>\$ (1,187,376)</u>	<u>\$ (500,037)</u>	<u>\$ (1,205,153)</u>	<u>\$ (601,706)</u>	<u>\$ (2,009,929)</u>	<u>\$ (67,507)</u>	<u>\$ (785,684)</u>	<u>\$ (610,020)</u>	<u>\$ 121,253</u>	<u>\$ 25,936</u>

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

Exhibit 3

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	2,778,282	2,524,045	2,399,060	2,273,372	2,900,303	3,215,975	2,934,232
Nonspendable fund balances	75	2,663	30,350	-	-	-	-	-	-	-
Assigned fund balances	576,144	571,144	734,310	-	-	-	-	-	-	-
Unassigned fund balances	3,126,696	3,178,062	2,957,716	-	-	-	-	-	-	-
Total general fund	<u>3,702,915</u>	<u>3,751,869</u>	<u>3,722,376</u>	<u>2,778,282</u>	<u>2,524,045</u>	<u>2,399,060</u>	<u>2,273,372</u>	<u>2,900,303</u>	<u>3,215,975</u>	<u>2,934,232</u>
All Other Governmental Funds										
Reserved, reported in:										
Special Revenue Funds	465,626	382,778	539,986	2,011,989	1,765,404	2,340,203	3,213,368	3,507,745	3,975,530	4,419,213
Capital Projects Funds	684,866	688,711	952,018	984,425	1,011,190	1,474,091	-	-	-	-
Total All Other Governmental Funds	<u>1,150,492</u>	<u>1,071,489</u>	<u>1,492,004</u>	<u>2,996,414</u>	<u>2,776,594</u>	<u>3,814,294</u>	<u>3,213,368</u>	<u>3,507,745</u>	<u>3,975,530</u>	<u>4,419,213</u>
Total governmental funds	<u>\$ 4,853,407</u>	<u>\$ 4,823,358</u>	<u>\$ 5,214,380</u>	<u>\$ 5,774,696</u>	<u>\$ 5,300,639</u>	<u>\$ 6,213,354</u>	<u>\$ 5,486,740</u>	<u>\$ 6,408,048</u>	<u>\$ 7,191,505</u>	<u>\$ 7,353,445</u>

Note: Prior to implementation of GASB 34 in 2003, this information was not compiled and is unavailable.

Note: For 2011, the Town implemented GASB 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

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

Exhibit 4

	Fiscal Year				
	2013	2012	2011	2010	2009
Revenues					
Property tax revenue	\$ 16,316,284	\$ 15,656,682	\$ 14,845,065	\$ 14,277,199	\$ 13,923,630
Interest on late payments	144,601	185,525	143,588	158,260	-
Intergovernmental and department revenue	6,375,962	6,771,428	6,227,798	6,314,625	6,747,742
Licenses, fees, and permits	384,988	265,661	284,861	312,605	256,401
Investment Income	8,009	6,328	14,260	26,392	79,520
Other revenues	83,734	197,243	198,358	377,716	88,269
Total revenues	<u>23,313,578</u>	<u>23,082,867</u>	<u>21,713,930</u>	<u>21,466,797</u>	<u>21,095,562</u>
Expenditures					
General government	1,102,101	1,114,763	1,097,331	1,111,867	1,154,554
Public safety	1,758,543	1,621,378	1,470,750	1,412,216	1,329,750
Public works	715,313	703,440	674,584	853,258	614,233
Grants expenditures and land acquisition	612,434	769,187	1,308,592	332,833	426,905
Recreation and culture	58,270	52,129	57,159	47,559	83,777
Education	18,086,820	18,098,080	17,072,158	16,564,107	17,187,604
Recycling area	145,665	55,875	55,128	38,738	39,822
Community services	156,182	153,049	143,870	173,810	176,777
Canvassing authority	9,595	10,073	6,401	2,125	-
Landfill closure	-	-	-	-	9,146
Capital outlay	203,450	570,447	1,100,244	60,578	535,344
Debt Service - principal	371,642	325,000	325,000	315,355	304,759
Debt Service - interest	97,237	85,349	82,174	79,769	92,056
Debt Service - other	1,975	1,875	30,855	525	525
Total expenditures	<u>23,319,227</u>	<u>23,560,645</u>	<u>23,424,246</u>	<u>20,992,740</u>	<u>21,955,252</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(5,649)</u>	<u>(477,778)</u>	<u>(1,710,316)</u>	<u>474,057</u>	<u>(859,690)</u>
Other financing sources (uses)					
Proceeds from debt issuance	-	-	1,150,000	-	-
Transfers From (to) other funds	35,698	-	-	-	-
Total other financing sources (uses)	<u>35,698</u>	<u>-</u>	<u>1,150,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 30,049</u>	<u>\$ (477,778)</u>	<u>\$ (560,316)</u>	<u>\$ 474,057</u>	<u>\$ (859,690)</u>
Debt service as a percentage of noncapital expenditures	<u>2.03%</u>	<u>1.78%</u>	<u>1.82%</u>	<u>1.89%</u>	<u>1.85%</u>

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

Note: Capital additions come from many functions, not just capital outlay. See page 16 for a more detailed explanation of capital expenses.

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

Exhibit 4 (Continued)

	Fiscal Year				
	2008	2007	2006	2005	2004
Revenues					
Property tax revenue	\$ 12,836,071	\$ 11,999,417	\$ 11,113,712	\$ 10,302,445	\$ 9,749,550
Interest on late payments	-	258,459	208,552	186,080	124,779
Intergovernmental and department revenue	7,351,551	6,028,634	5,785,334	5,782,255	5,634,054
Licenses, fees, and permits	557,022	320,990	718,640	390,658	338,553
Investment income	218,274	-	-	-	-
Other revenues	62,317	1,425,901	1,547,958	1,500,284	1,303,223
Total revenues	<u>21,025,235</u>	<u>20,033,401</u>	<u>19,374,196</u>	<u>18,161,722</u>	<u>17,150,159</u>
Expenditures					
General government	1,219,531	1,116,437	1,080,676	997,435	948,284
Public safety	1,237,818	1,181,807	1,062,315	827,705	753,143
Public works	515,637	478,435	588,834	469,770	462,303
Grants expenditures and land acquisition	320,111	50,591	48,940	48,384	49,277
Recreation and culture	82,319	62,150	100,571	73,868	91,707
Education	17,333,510	16,902,823	15,680,611	14,878,050	13,748,062
Recycling area	40,341	34,410	24,485	18,204	15,883
Community services	177,827	166,327	162,105	137,350	100,902
Capital outlay	5,213	8,107	17,150	43,207	6,365
Program expenditures	226,763	135,896	110,389	129,455	590,323
Debt Service - principal	329,056	740,347	951,531	308,726	170,283
Debt Service - interest	77,294	304,237	311,564	312,993	296,559
Total expenditures	<u>21,580,330</u>	<u>21,239,532</u>	<u>20,157,653</u>	<u>18,323,662</u>	<u>17,324,628</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(555,095)</u>	<u>(1,206,131)</u>	<u>(783,457)</u>	<u>(161,940)</u>	<u>(174,469)</u>
Other financing sources (uses)					
Note payment	-	-	-	-	(800,000)
Proceeds from debt issuance	1,400,000	-	-	-	1,600,000
Total other financing sources (uses)	<u>1,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,000</u>
Net change in fund balances	<u>\$ 844,905</u>	<u>\$ (1,206,131)</u>	<u>\$ (783,457)</u>	<u>\$ (161,940)</u>	<u>\$ 625,531</u>
Debt service as a percentage of noncapital expenditures	<u>1.88%</u>	<u>4.92%</u>	<u>6.27%</u>	<u>3.40%</u>	<u>2.70%</u>

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

Note: Capital additions come from many functions, not just capital outlay. See page 16 for a more detailed explanation of capital expenses.

**TOWN OF RICHMOND
ASSESSED VALUE OF TAXABLE PROPERTY
UNAUDITED
LAST NINE FISCAL YEARS**

Exhibit 5

The following table indicates assessed valuations of taxable real and personal property as of December 31 for the years 2004—2012.

	12/31/2004**	12/31/2005	12/31/2006	12/31/2007**	12/31/2008	12/31/2009	12/31/2010*	12/31/2011	12/31/2012
Real Estate	\$ 832,376,370	\$ 847,293,150	\$ 858,779,900	\$ 916,329,450	\$ 922,899,920	\$ 926,170,250	\$ 783,077,050	\$ 784,211,050	\$784,433,950
Personal Property	81,790,198	90,760,242	91,022,497	90,980,919	83,355,342	96,956,133	99,373,659	102,586,930	102,260,287
Total	914,166,568	938,053,392	949,802,397	1,007,310,369	1,006,255,262	1,023,126,383	882,450,709	886,797,980	886,694,237
Less Exemptions	41,907,706	54,088,850	54,689,138	56,484,676	56,293,676	45,099,929	44,000,360	46,258,219	47,868,419
Net Total	<u>\$ 872,258,862</u>	<u>\$ 883,964,542</u>	<u>\$ 895,113,259</u>	<u>\$ 950,825,693</u>	<u>\$ 949,961,586</u>	<u>\$ 978,026,454</u>	<u>\$ 838,450,349</u>	<u>\$ 840,539,761</u>	<u>\$838,825,818</u>

Full Value Ratio of Assessment

* Revaluation

** Statistical Revaluation

**TOWN OF RICHMOND
PROPERTY TAX RATES
UNAUDITED
LAST TEN FISCAL YEARS**

Exhibit 6

Tax Rate, Levy and Collection Record

Fiscal Year June 30,	Current Tax Levy	Current Tax Collections	% of Levy Collected	Uncollected Taxes	Tax Rate	% Rate Increase	\$ Levy Increase	% Levy Increase
2013	16,192,073	15,568,651	96.15	1,085,210	19.02	3.03%	486,458	3.10%
2012 ⁽¹⁾	15,705,615	15,662,363	99.72	1,286,328	18.46	23.15%	631,638	4.19%
2011	15,073,977	14,306,567	94.91	1,261,083	14.99	0.33%	697,174	4.85%
2010	14,376,803	13,753,597	95.67	1,141,296	14.94	4.40%	524,420	3.79%
2009	13,852,383	13,149,523	94.93	1,077,973	14.31	1.42%	1,030,292	8.04%
2008 ⁽¹⁾	12,822,091	12,245,003	95.50	679,573	14.11	4.21%	631,725	5.18%
2007	12,190,366	11,704,160	96.01	486,206	13.54	8.84%	1,037,720	9.30%
2006	11,152,646	10,510,429	94.24	642,217	12.44	-33.94%	843,255	8.18%
2005 ⁽²⁾	10,309,391	9,969,046	96.70	340,345	18.83	5.20%	576,748	5.93%
2004	9,732,643	9,359,776	96.17	372,867	17.90	4.43%	610,248	6.69%

Outstanding delinquent taxes represent total delinquent current levy and prior year. There is a 12% late payment charge on all delinquent taxes.

(1)Revaluation.

(2)Revaluation.

**TOWN OF RICHMOND
PRINCIPAL TAXPAYERS
UNAUDITED
JUNE 30, 2013**

Exhibit 7

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Tax</u>
1	Kingstown Richmond LP	Realty/Shopping Center	6,100,500	\$ 120,545.88
2	Narragansett Electric	Utility/Electric & Gas	4,731,760	\$ 97,643.32
3	Richmond Country Club	Golf Club	3,405,440	\$ 67,290.70
4	Cox Com Inc.	Utility/Cable	3,277,830	\$ 64,769.92
5	New Castle Realty Company	Realty/Building Supplies	2,858,900	\$ 56,491.86
6	The Preserve at Boulder Hills	Golf Club	2,839,800	\$ 56,114.45
7	JAG Enterprises Incorporated	Golf Club	2,725,000	\$ 53,846.00
8	Rolling Greens Corporation	Golf Club	2,362,900	\$ 46,690.90
9	Chariho Plaza LLC	Realty/Shopping Center	2,358,600	\$ 46,605.94
10	Stop & Shop Supermarket	Supermarket	2,426,010	\$ 46,076.96
			Top Ten Total Tax	656,076
			Levy	16,192,072
			% of levy	4.05%

**TOWN OF RICHMOND
RATIO OF OUTSTANDING DEBT BY TYPE
LAST NINE FISCAL YEARS**

Exhibit 8

	2005	2006	2007	2008	Debt Ratios 2009	2010	2011	2012	2013
Population	7,222	7,222	7,222	7,222	7,222	7,708	7,708	7,708	7,708
General obligation bonds outstanding	1,990,312	1,677,563	2,824,171	2,495,114	2,190,355	3,025,000	2,700,000	3,200,000	2,854,052
Overlapping Debt									
Direct Debt Per Capita	276	232	391	345	303	392	350	415	370
Overall Debt(1)	1,990,312	1,677,563	2,824,171	2,495,114	2,190,355	3,025,000	2,700,000	3,200,000	2,854,052
Overall Debt Per Capita	276	232	391	345	303	392	350	415	370
Estimated Full Market Value	544,001,139	874,048,015	883,964,542	895,113,259	950,825,693	949,961,586	838,450,349	840,539,761	886,694,237
Direct Debt as % of EFMV	0.366%	0.192%	0.319%	0.279%	0.230%	0.318%	0.322%	0.381%	0.322%
Overall Debt as % of EFMV	0.366%	0.192%	0.319%	0.279%	0.230%	0.318%	0.322%	0.381%	0.322%

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

Debt Service is paid through the General Fund, the Town does not maintain a debt service fund.

The Town of Richmond is not subject to any overlapping debt.

**TOWN OF RICHMOND
BUILDING PERMITS
LAST TEN FISCAL YEARS**

Exhibit 9

Building Permits

Schedule of residential Building Permits for the fiscal years ending 2004 through 2013.

	Number	Value
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
2006	33	5,118,467
2005	43	8,117,669
2004	48	12,230,830

**TOWN OF RICHMOND
ANALYSIS OF TAXABLE PROPERTY
JUNE 30, 2013**

Exhibit 10

**Analysis of Taxable Property
Percent of Total Real Estate and Tangible Property Assessment**

<u>Class</u>	Town 2009	State Average 2009
Residential	83.89	80.75
Commercial	9.88	10.79
Industrial	0.00	2.22
Utility	0.90	1.20
Motor Vehicles	5.04	4.68
Other	0.29	0.36
	100.00	100.00

Source: State of R. I. Department of Administration Annual State Report on Local Government Finances and Tax Equalization.

**TOWN OF RICHMOND
FUND BALANCE RATIOS
JUNE 30, 2013**

Exhibit 11

Fiscal Year End	Budget			Fund Balance	Ratio
	Municipal	School	Total		
2013	4,778,454	18,086,820	22,865,274	3,702,915	16.19%
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%
2006	3,585,404	15,680,612	19,266,016	2,900,303	15.05%
2005	3,268,229	14,878,030	18,146,259	3,215,975	17.72%
2004	3,042,729	13,748,062	16,790,791	2,934,232	17.48%

Note FY2011 includes new reporting for Fund Balane

**TOWN OF RICHMOND
ASSESSED VALUATIONS
LAST TEN FISCAL YEARS**

Exhibit 12

Assessed Valuations

The following table indicates assessed valuations of taxable real and personal property for the fiscal years 2004—2013:

<u>Fiscal Year</u>	<u>Net Assessed Values⁽¹⁾</u>	<u>Ratio</u>	<u>Approximate Full Market Value</u>
2013	886,694,237	100	886,694,237
2012	840,539,761	100	840,539,761
2011 ⁽³⁾	838,450,349	100	838,450,349
2010	949,961,586	100	949,961,586
2009	950,825,693	100	950,825,693
2008 ⁽²⁾	895,113,259	100	895,113,259
2007	883,964,542	100	883,964,542
2006	874,048,015	100	874,048,015
2005 ⁽²⁾	544,001,139	100	544,001,139
2004	538,274,478	100	538,274,478

(1) Net of exemptions.

(2) Statistical Revaluation.

(3) Revaluation.

TOWN OF RICHMOND
MISCELLANEOUS STATISTICS*
UNAUDITED
JUNE 30, 2013

Exhibit 13

Founded:	1669			Police Protection	
Town Incorporation:	1747			Buildings:	1
				Employees:	
				Law Enforcement	12
Type of Government:	Council/appointed Town Adininstrator			Civilian	
				Full Time	4
Fiscal Year begins:	July 1			Part Time	7
Population:				Animal Control	
				Full Time	1
				Part Time	3
				Municipal	
				Town Hall	16
				Public Works	9
				Parks & Recreation	0
				Part Time Director	1
				Seasonal Staff	20
				Municipal Buildings	
				Town Hall	
				Public Works	
				Police Station/Community Center	
				Area of Town:	40.8 square miles
				Land Area:	40.6 square miles
				Miles of Streets	
				Local Paved	69
				Local Un-Paved	7
				Fire Protection	
				# Fire Stations:	5
				The Town is served by two independent fire districts	
				Richmond-Carolina Fire District	
				Hope Valley-Wyoming Fire District	
				Library	
				The Town is served by an independent library	
				Clark Memorial Library	

*The Town did not accumulate prior information, and as such, only one year of Miscellaneous Statistics is included.

TOWN OF RICHMOND, RHODE ISLAND

***AUDITOR'S REPORTS AS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS***

**INDEPENDENT AUDITOR'S 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***

The Honorable President and
Members of the Town Council
Town of Richmond
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 (Town) as of and for the year fiscal ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 2, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town'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*.

We noted certain other matters that we reported to management of the Town in a separate letter dated December 2, 2013.

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 results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Parmelee Poirier & Assoc. LLP".

Parmelee, Poirier & Associates, LLP

December 2, 2013

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors report issued:

Unqualified

Internal control over financial reporting:

Significant deficiency (ies) identified?

_____ yes X no

Significant deficiency (ies) identified that are
considered material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

_____ yes X none

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2013
(Continued)

SECTION II – FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT
AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

A. Significant Deficiency in Internal Control Reported

None Reported.

B. Compliance

None Reported.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2013
(Continued)

A. Prior Year Significant Deficiency in Internal Control Reported

None reported.

