

TOWN OF RICHMOND, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2014**



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

TOWN OF RICHMOND, RHODE ISLAND

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2014**

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

INTRODUCTORY SECTION

**THIS SECTION CONTAINS
THE FOLLOWING:**

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Letter of Transmittal

Town of Richmond Organizational Chart

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TOWN OF RICHMOND, RHODE ISLAND
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Town of Richmond, Rhode Island

FINANCE OFFICE

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December 11, 2014

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, 2014, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the information as presented, is accurate in all material respects and is presented in a manner designed to fairly present the financial position and results of operations and cash flows of the Town of Richmond; and that all disclosures necessary to enable the readers to gain an adequate understanding of the Town's financial affairs have been included. The reader should see the following Managements Discussion & Analysis section of this report in order to gain a broader understanding of the Town and its activities.

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

THE TOWN OF RICHMOND

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

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

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

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

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

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

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

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

ECONOMIC CONDITIONS

General

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

Population

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

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

Source: U.S. Bureau of the Census.

Median Family Income

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

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

Source: U.S. Bureau of the Census.

Unemployment

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

	Average Annual Unemployment Rate*				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Richmond.....	7.7%	8.7%	7.6%	7.1%	6.3%
Rhode Island.....	10.9	11.7	11.2	10.3	9.5
United States.....	9.3	9.6	8.9	8.1	7.4

*Not Seasonally Adjusted.

Source: Rhode Island Department of Labor and Training.

The monthly unemployment rates are as shown in the following table:

2014 Monthly*

	June	May	April	March	February	January
Richmond	4.10%	5.10%	5.30%	6.80%	7.20%	7.20%
Rhode Island	7.1	8.2	7.8	9.1	9.4	10.1
United States	6.3	6.1	5.9	6.8	7	7

*Not Seasonally Adjusted.

Source: Rhode Island Department of Labor and Training.

Type of Employment

Rhode Island Department of Labor Training Quarterly Census of U.I. Covered Employment 2013 Fourth Quarter

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

	Number of Units	Average Employment	Total Wages
Agriculture, Forestry, Fishing & Hunting.....	8	39	\$1,689,385
Mining.....	1	*	*
Utilities.....	0	-	-
Construction.....	22	80	3,575,645
Manufacturing.....	4	84	3,843,909
Wholesale Trade	6	42	2,245,078
Retail Trade.....	22	301	7,861,900
Transportation & Warehousing.....	3	*	*
Information	1	*	*
Finance & Insurance	5	50	2,085,784
Real Estate & Rental & Leasing	0	-	-
Professional & Technical Services	12	65	3,222,098
Management of Companies & Enterprises	0	-	-
Administrative Support & Waste Mgmt.	16	65	1,944,576
Educational Services.....	2	*	*
health Care & Social Assistance	13	92	3,040,888
Arts, Entertainment, & Recreation.....	6	110	1,625,088
Accommodation & Food Services	20	269	3,797,688
Other services,.....	11	23	520,452
(except Public Administration)			
Total	152	1,220	\$35,452,491

*Some data are not shown due to the possibility of identifying data of a specific employer.
Source: Rhode Island Department of Labor and Training.

Major Employers

Kenyon Industries (finishing plants, manmade) employs 300 employees, located on the Charlestown/Richmond border, is the largest employer in Richmond (RIEDC 2011), followed by grocery retailer The Stop and Shop Supermarket Company LLC which employs 140 employees.

Source: Rhode Island Economic Development Corporation as of August 29, 2011 and Richmond Comprehensive Community Plan, adopted March 19, 2013.

Housing

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

Building Permits

Below is a schedule of residential building permits issued by the Town's Building Inspector for the years ending 2004 through 2014.

<u>Year</u>	<u>Number</u>	<u>Value</u>
2014	15	\$2,802,348
2013	14	2,495,050
2012	6	1,241,325
2011	8	1,619,877
2010	8	1,352,830
2009	10	1,452,789
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

Source: Town Officials.

INTERNAL CONTROLS

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

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

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

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

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

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

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

INDEPENDENT AUDIT

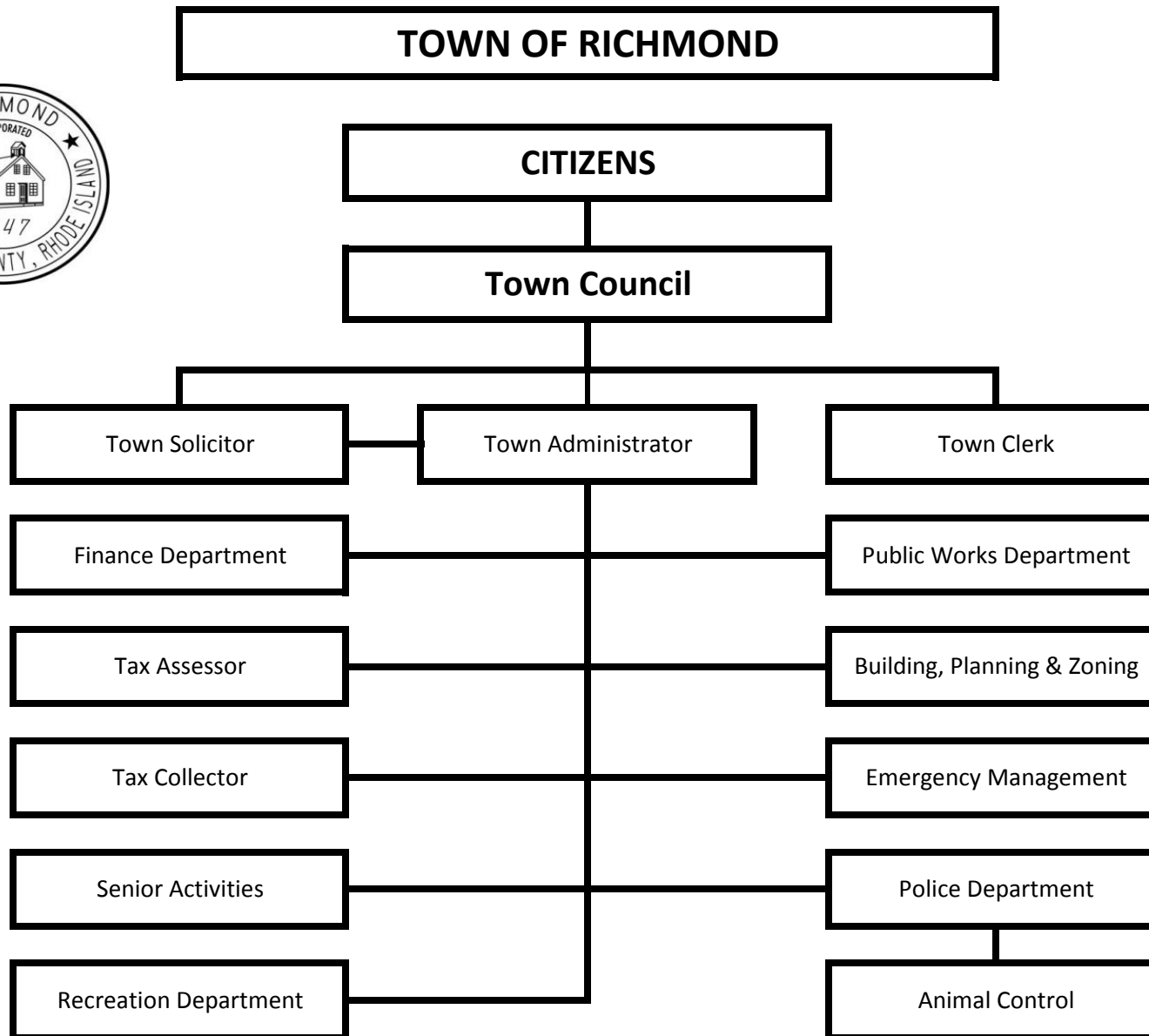
In accordance with the Town's Charter an audit of the accounts and financial statements has been completed by the Town's independent Certified Public Accountants, Bacon & Company, LLC and their opinion is included herein.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the dedication and hard work of the entire staff of the Finance Department. I also appreciate the assistance and dedication of the audit team from Bacon & Company LLC. Finally I would like to thank the Town Administrator and the members of the Town Council for their professionalism and dedication to the Town of Richmond.

Respectfully Submitted,

Dave Krugman
Finance Director



TOWN OF RICHMOND, RHODE ISLAND

LIST OF TOWN OFFICIALS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TOWN COUNCIL

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

TOWN ADMINISTRATOR

Rob Rock

TOWN CLERK

Tracy Nelson

FINANCE DIRECTOR

David Krugman

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

Independent Auditor's Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Richmond, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and supplementary pension information on pages 4 through 12 and pages 46 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining nonmajor fund financial statements, the combining fiduciary fund financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial

statements, the combining fiduciary fund financial statements, and other supplementary information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014 on our consideration of the Town of Richmond, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Richmond, Rhode Island's internal control over financial reporting and compliance.

Bacon & Company, LLC

Warwick, Rhode Island
December 11, 2014

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(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, 2014.

Financial Highlights

- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$3,214,276, or 13.76% of the total general fund budgeted expenditures and transfers out for the fiscal year. An unassigned fund balance is available for use or may be specifically set aside for some future action. It is essential for maintaining the Town's cash flow for the first two months of the fiscal year without issuing tax anticipation notes because new taxes are not received until September, and approximately 19% of the Town's budget is expended to the Chariho Regional School District by September 1st. The Town's unassigned fund balance can be deemed adequate based on the size of the Town budget, as a healthy fund balance is usually around 10% of General Fund budgeted expenditures, although the Town's policy is to have 15%. Additionally, the nonspendable and committed fund balances amounted to \$9,556 and \$733,424 respectively, which is comprised of non-spendable amounts for prepaid expenditures and amounts committed to be spent on specific purposes in future years.
- ❖ The Town's Government-wide (Governmental and Business-Type Activities) operating expenses were \$24,282,412, a .76% decrease from the prior year, while revenues were \$23,484,040, a .88% increase.
- ❖ The current fiscal year General Fund revenues and transfers exceeded expenditures and transfers by \$101,908.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,708,340. Included in this amount is the general fund unassigned balance of \$3,214,276, restricted fund balances of \$142,346, committed fund balance of \$1,352,988 and non-spendable fund balances of \$9,556.
- ❖ The Town's net position decreased \$798,372, or 4.33% as a result of this year's operations. The general revenues and other changes in net position are totaled and added to the net (expense) revenue totals to produce the total change in net position. The major components were asset depreciation expense, which amounted to \$1,066,214. 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 \$17,632,978. Net position of Business-Type Activities increased by \$ 25,808, or 1.43%, while net position of Governmental Activities decreased by \$824,180 or 4.96%. For a more detailed explanation on the changes in net position, see the reconciliation on page 18.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

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

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 19 through 22.

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

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

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 25 through 45.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary pension information is presented on page 46. A detail budgetary comparison can be found on pages 47 through 58.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 62 through 71.

Government-wide Financial Analysis

Analysis of the Town of Richmond's Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. The Town of Richmond, Governmental Activities assets exceeded liabilities by \$15,794,332 as of June 30, 2014. This is a decrease of (\$824,180) from the previous year.

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

Town of Richmond Net Position						
	June 30, 2014			June 30, 2013		
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 5,879,576	\$ 524,141	\$ 6,403,717	\$ 5,890,849	\$ 568,763	\$ 6,459,612
Capital assets net	12,398,552	2,136,677	14,535,229	13,412,800	2,064,350	15,477,150
Total Assets	<u>\$ 18,278,128</u>	<u>\$ 2,660,818</u>	<u>\$ 20,938,946</u>	<u>\$ 19,303,649</u>	<u>\$ 2,633,113</u>	<u>\$ 21,936,762</u>
Current liabilities	\$ 797,567	\$ 31,014	\$ 828,581	\$ 672,044	\$ 17,502	\$ 689,546
Non-current Liabilities	1,686,226	791,161	2,477,387	2,013,090	802,776	2,815,866
Total Liabilities	<u>2,483,793</u>	<u>822,175</u>	<u>3,305,968</u>	<u>2,685,134</u>	<u>820,278</u>	<u>3,505,412</u>
Investment in capital assets	\$ 10,596,654	\$ 1,333,901	\$ 11,930,555	\$ 11,372,800	\$ 1,250,298	\$ 12,623,098
Restricted	142,346		142,346	158,793		158,793
Unrestricted	5,055,335	504,742	5,560,077	5,086,922	562,537	5,649,459
Total net position	<u>\$ 15,794,335</u>	<u>\$ 1,838,643</u>	<u>\$ 17,632,978</u>	<u>\$ 16,618,515</u>	<u>\$ 1,812,835</u>	<u>\$ 18,431,350</u>

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

A portion of the Town's net position, \$10,596,654 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

As of June 30, 2014 the Town of Richmond reports positive balances in all categories of net position for the government as a whole.

Analysis of the Town of Richmond's Operations

The analysis on the following page provides a summary of the Town's operations for the year ended June 30, 2014. 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 position by \$824,180 for the current period, a 4.96% decrease in the Town's governmental net position, while business-type activities increased the Town's net position by \$25,808, accounting for 1.43% increase in the business-type growth in net position. Overall the Town's net position decrease was \$798,372 which is a 4.34% decrease over the prior year.

In the Statement of Activities, expenditures for capital items are not recorded as expenses but instead are shown in the balance sheet, which would result in an increase of \$ 51,966 for the Statement of Activities, while depreciation expense results in a decrease of \$1,066,214, respectively; also the reduction of deferred inflow of resources is not recorded as a decrease of revenue in the fund financial statements, but is shown in the balance sheet, which would result in decrease of \$121,685 for the statement of activities. Bond principal payments of \$340,000 were recognized as an increase in net position and a reduction in long-term debt in the Statement of Net Position.

The overall effect was a decrease in the Town's Governmental activities net position by \$824,180. For a more detailed explanation of the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities please see page 18 of this report.

In the fund financial statements, the Town ended the year with a net increase in the General Fund fund balance of \$101,908 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 17. This increased the cumulative General Fund balance surplus to \$3,957,256, which is 16.93% of the 2013-2014 General Fund revised budgeted expenditures and transfers. Total changes in fund balances for the Town were \$145,066 decreasing the cumulative Governmental Fund surplus to \$4,708,340.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Town of Richmond
Changes in Net Position

	June 30, 2014			June 30, 2013		
	<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	\$ 640,006	\$ 109,522	\$ 749,528	\$ 550,970	\$ 130,654	\$ 681,624
Operating grants	5,604,383		5,604,383	5,962,795		5,962,795
Capital grants		74,036	74,036	49,315	65,000	114,315
General Revenues/transfers						
Property taxes	16,717,549		16,717,549	16,232,872		16,232,872
Investment earnings	8,276		8,276	8,009		8,009
State aid	324,007		324,007	281,604		281,604
Miscellaneous revenue	6,261		6,261			
Transfers			-	35,698	(35,698)	-
Total revenues	<u>\$23,300,482</u>	<u>\$183,558</u>	<u>\$23,484,040</u>	<u>\$23,121,263</u>	<u>\$159,956</u>	<u>\$23,281,219</u>
Expenses						
General government	\$ 1,396,108		\$ 1,396,108	\$ 1,386,225		\$ 1,386,225
Public safety	1,781,017		1,781,017	1,853,424		1,853,424
Public works	2,103,662		2,103,662	1,643,344		1,643,344
Recreation and culture	55,117		55,117	58,270		58,270
Education	18,300,639		18,300,639	18,086,820		18,086,820
Transfer station/recycling area	151,885		151,885	145,665		145,665
Community services	277,513		277,513	564,606		564,606
Canvassing authority	3,921		3,921	9,595		9,595
Interest and other charges	54,800		54,800	102,443		102,443
Water operations		157,750	157,750		65,015	65,015
Total expenses	<u>\$ 24,124,662</u>	<u>\$ 157,750</u>	<u>\$ 24,282,412</u>	<u>\$ 23,850,392</u>	<u>\$ 65,015</u>	<u>\$ 23,915,407</u>
Change in net position	\$ (824,180)	\$ 25,808	\$ (798,372)	\$ (729,129)	\$ 94,941	\$ (634,188)
Net position - beginning	<u>\$ 16,618,515</u>	<u>\$ 1,812,835</u>	<u>\$ 18,431,350</u>	<u>\$ 17,347,644</u>	<u>\$ 1,717,894</u>	<u>\$ 19,065,538</u>
Net position - ending	<u>\$ 15,794,335</u>	<u>\$ 1,838,643</u>	<u>\$ 17,632,978</u>	<u>\$ 16,618,515</u>	<u>\$ 1,812,835</u>	<u>\$ 18,431,350</u>

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(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 unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,708,340. Included in this amount is the general fund unassigned balance of \$3,214,276, non-spendable fund balances of \$9,556, restricted fund balance of \$142,346 for purposes externally imposed by grantors, contributors or laws and regulations, committed fund balance of \$1,352,988 for capital and other specific purposes.

Proprietary Funds - The Town of Richmond's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Total net assets of the respective proprietary funds are \$1,838,643.

General Fund Budgetary Highlights

Revenues:

General Property - collections were over budget by \$35,403 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 - revenue was under budget by \$141,829 as a result of the state reducing incentive aid and eliminating the local roads program.

Expenditures:

General Government - expenditures were under budget by \$108,483 as a result of IT expenditures and legal expenditures being decreased. Additionally, the Town expended less than anticipated from the budgeted contingency expenditure line items.

Public Safety - expenditures were under budget by \$64,534 due to personnel changes.

Public Works - expenditures were over budget by \$131,406 due to numerous snow occurrences and related equipment breakdowns.

Transfers - expenditures were under budget by \$184,693 due to the elimination of the state's local roads program.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

The Town of Richmond's Capital Assets

The Town of Richmond's net investment in capital assets for its governmental and business-type activities amounts to \$14,535,229 net of accumulated depreciation at June 30, 2014. Included are land, land improvements, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure.

Additional information on the Town of Richmond's capital assets is located in Note 5 of the Notes to the Financial Statements on page 34.

Town of Richmond
Capital Assets (Net of Accumulated Depreciation)

	June 30, 2014			June 30, 2013		
	<u>Governmental</u>	<u>Business-</u> <u>Type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-</u> <u>Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Land	\$ 2,203,893	\$ 59,254	\$ 2,263,147	\$ 2,203,893	\$ 59,254	\$ 2,263,147
Construction in Progress		187,499	187,499	400,810	48,248	449,058
Infrastructure	8,507,088		8,507,088	9,362,697		9,362,697
Land and improvements	380,769		380,769			-
Buildings and improvement	707,093	283,337	990,430	759,623	305,979	1,065,602
Furniture and equipment	111,009		111,009	169,424		169,424
Motor vehicles	488,700		488,700	516,353		516,353
Main extension		1,485,450	1,485,450		1,523,539	1,523,539
Equipment and machinery		121,137	121,137		127,330	127,330
Total	\$ 12,398,552	\$ 2,136,677	\$ 14,535,229	\$ 13,412,800	\$ 2,064,350	\$ 15,477,150

The Town of Richmond's Debt Administration

At the end of the current fiscal year, the Town of Richmond's Governmental Activities had total bonded debt of \$1,700,000 and the Business-Type Activities USDA loans amounted to \$802,776. Of the Governmental Activity debt amount, 100% comprises bonded debt backed by the full faith and credit of the government.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2014 is Aa3. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Richmond's limit is \$25,917,302 at year-end. The Town's outstanding general obligation debt is \$1,700,000 at year-end, which is \$24,217,302 under the State imposed limitation.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

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

Town of Richmond						
Long- term obligations						
	June 30, 2014			June 30, 2013		
	<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	\$ 1,700,000	\$ -	\$ 1,700,000	\$ 2,040,000	\$ -	\$ 2,040,000
Loans payable	-	802,776	802,776	-	814,052	814,052
Capital leases	101,898	-	101,898	133,353	-	133,353
Totals	<u>\$ 1,801,898</u>	<u>\$ 802,776</u>	<u>\$ 2,604,674</u>	<u>\$ 2,173,353</u>	<u>\$ 814,052</u>	<u>\$ 2,987,405</u>

Additional information on the Town's long-term debt can be found in Note 6 of the Notes to the Financial Statements on pages 35-36.

Economic Factors and Next Year's Budgets and Rates

The Town of Richmond's total general fund budget for fiscal year 2015 amounts to \$23,459,111, which reflects an increase of \$85,644 over the fiscal 2014 budget of \$23,373,467. Of the Town's 2015 budget, \$18,329,949, or 78.14% is budgeted for educational purposes and \$5,129,162, or 21.86% is budgeted for all other purposes.

The Town's tax rate for fiscal 2015 is \$20.94/1000 of assessed value while in fiscal 2014 the Town's tax rate was \$19.76. The Town performed a full revaluation in the year ending December 31, 2010 which reduced the total assessed value for property in the Town. The Town also performed a statistical valuation in the year ending December 31, 2013.

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

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

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

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,128,906	\$ -	\$ 5,128,906
Receivables:			
Property taxes, net of allowance for uncollectible accounts	971,194	-	971,194
Accounts receivable - net	97,814	25,363	123,177
Due from federal and state government	170,884	-	170,884
Internal balances	(498,778)	498,778	-
Prepaid expenses	9,556	-	9,556
Total current assets	<u>5,879,576</u>	<u>524,141</u>	<u>6,403,717</u>
Noncurrent assets:			
Capital assets: (Note 5)			
Land and land rights	2,203,893	59,254	2,263,147
Construction in progress	-	187,499	187,499
Depreciable buildings, equipment and infrastructure, net	10,194,659	1,889,924	12,084,583
Total noncurrent assets	<u>12,398,552</u>	<u>2,136,677</u>	<u>14,535,229</u>
Total assets	<u>18,278,128</u>	<u>2,660,818</u>	<u>20,938,946</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	525,217	11,349	536,566
Accrued interest payable	19,672	8,050	27,722
Long-term debt -due within one year (Note 6)	252,678	11,615	264,293
Total current liabilities	<u>797,567</u>	<u>31,014</u>	<u>828,581</u>
Noncurrent liabilities			
Compensated absences payable	137,006	-	137,006
Long-term debt - due in more than one year (Note 6)	1,549,220	791,161	2,340,381
Total noncurrent liabilities	<u>1,686,226</u>	<u>791,161</u>	<u>2,477,387</u>
Total liabilities	<u>2,483,793</u>	<u>822,175</u>	<u>3,305,968</u>
Net position			
Net investment in capital assets	10,596,654	1,333,901	11,930,555
Restricted	142,346	-	142,346
Unrestricted	5,055,335	504,742	5,560,077
Total net position	<u>\$ 15,794,335</u>	<u>\$ 1,838,643</u>	<u>\$ 17,632,978</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 1,396,108	\$ 319,272	\$ 35,759	\$ -	\$ (1,041,077)	\$ -	\$ (1,041,077)
Public safety	1,781,017	147,545	55,294	-	(1,578,178)	-	(1,578,178)
Public works	2,103,662	-	69,881	-	(2,033,781)	-	(2,033,781)
Recreation and culture	55,117	19,203	-	-	(35,914)	-	(35,914)
Education	18,300,639	-	5,335,436	-	(12,965,203)	-	(12,965,203)
Transfer station and recycling	151,885	137,403	-	-	(14,482)	-	(14,482)
Community services	277,513	16,583	108,013	-	(152,917)	-	(152,917)
Canvassing authority	3,921	-	-	-	(3,921)	-	(3,921)
Interest and other charges	54,800	-	-	-	(54,800)	-	(54,800)
	<u>24,124,662</u>	<u>640,006</u>	<u>5,604,383</u>	<u>-</u>	<u>(17,880,273)</u>	<u>-</u>	<u>(17,880,273)</u>
Business-Type Activities:							
Water fund	157,750	109,522	-	74,036	-	25,808	25,808
Total business-type activities	<u>157,750</u>	<u>109,522</u>	<u>-</u>	<u>74,036</u>	<u>-</u>	<u>25,808</u>	<u>25,808</u>
Total	<u>\$ 24,282,412</u>	<u>\$ 749,528</u>	<u>\$ 5,604,383</u>	<u>\$ 74,036</u>	<u>(17,880,273)</u>	<u>25,808</u>	<u>(17,854,465)</u>
General Revenues:							
Property taxes					16,717,549	-	16,717,549
Unrestricted investment earnings					8,276	-	8,276
State aid					324,007	-	324,007
Miscellaneous revenue					6,261	-	6,261
Total general revenues					<u>17,056,093</u>	<u>-</u>	<u>17,056,093</u>
Change in net position					(824,180)	25,808	(798,372)
Net position - beginning of year restated					16,618,515	1,812,835	18,431,350
Net position - end of year					<u>\$ 15,794,335</u>	<u>\$ 1,838,643</u>	<u>\$ 17,632,978</u>

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

TOWN OF RICHMOND, RHODE ISLAND

**Balance Sheet
Governmental Funds
June 30, 2014**

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 5,128,906	\$ -	\$ 5,128,906
Property taxes, net of allowance for doubtful accounts of \$150,000	971,194	-	971,194
Accounts receivable	97,814	-	97,814
Due from federal and state government	117,582	53,302	170,884
Due from other funds	164,780	760,470	925,250
Prepaid expenditures	9,556	-	9,556
Total assets	\$ 6,489,832	\$ 813,772	\$ 7,303,604
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable and accrued expenditures	\$ 129,885	\$ 26,759	\$ 156,644
Due to other funds	1,756,672	35,929	1,792,601
Total liabilities	1,886,557	62,688	1,949,245
Deferred Inflows of Resources			
Deferred property taxes	646,019	-	646,019
Total deferred inflows of resources	646,019	-	646,019
Fund balances			
Nonspendable:			
Prepaid items	9,556	-	9,556
Restricted for:			
Historical records preservation	-	11,907	11,907
Senior activities	-	24,608	24,608
Land trust	-	81,291	81,291
Public safety programs	-	6,734	6,734
Community service programs	-	14,584	14,584
Dog park	-	3,222	3,222
Committed for:			
Capital	245,160	412,776	657,936
Other purposes	-	206,788	206,788
Revaluation	160,330	-	160,330
Comprehensive Plan	4,450	-	4,450
Capital - Alton Water	19,291	-	19,291
Capital - 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 - health care contingency	15,000	-	15,000
Carryforward - debt service principal	55,000	-	55,000
Carryforward - legal services	5,000	-	5,000
Future state aid funding shortfalls	135,954	-	135,954
Unassigned	3,214,276	(10,826)	3,203,450
Total fund balances	3,957,256	751,084	4,708,340
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,489,832	\$ 813,772	\$ 7,303,604

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

TOWN OF RICHMOND, RHODE ISLAND
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2014

Total Fund Balances - Total Governmental Funds	\$ 4,708,340
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. (See note 5 to the financial statements)	12,398,552
Long-term liabilities (including bonds payable and compensated absences) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	(1,938,904)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(19,672)
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as deferred inflows of resources in Governmental Funds financial statements.	646,019
Net Position - Governmental Activities	<u>\$ 15,794,335</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 16,839,234	\$ -	\$ 16,839,234
Intergovernmental revenue	5,772,387	129,124	5,901,511
License, permits and fees	428,578	92,360	520,938
Interest on investments	8,276	-	8,276
Other revenues	125,329	26,879	152,208
Total revenues	<u>23,173,804</u>	<u>248,363</u>	<u>23,422,167</u>
Expenditures:			
Current:			
General government	1,282,816	11,047	1,293,863
Public safety	1,728,121	46,655	1,774,776
Public works	799,073	-	799,073
Recreation and culture	55,117	-	55,117
Education	18,300,639	-	18,300,639
Transfer station and recycling	151,885	-	151,885
Community services	151,528	125,985	277,513
Canvassing authority	3,921	-	3,921
Capital outlay	-	473,013	473,013
Debt service:			
Principal	371,455	-	371,455
Interest and other charges	65,978	-	65,978
Total expenditures	<u>22,910,533</u>	<u>656,700</u>	<u>23,567,233</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>263,271</u>	<u>(408,337)</u>	<u>(145,066)</u>
Other financing sources (uses):			
Transfers from other funds	2,637	164,000	166,637
Transfers to other funds	(164,000)	(2,637)	(166,637)
Total other financing sources (uses)	<u>(161,363)</u>	<u>161,363</u>	<u>-</u>
Net change in fund balances	101,908	(246,974)	(145,066)
Fund balances - beginning of year	<u>3,855,348</u>	<u>998,058</u>	<u>4,853,406</u>
Fund balances - end of year	<u>\$ 3,957,256</u>	<u>\$ 751,084</u>	<u>\$ 4,708,340</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities
For the Year Ended June 30, 2014

Net Changes in Fund Balances - Total Governmental Funds \$ (145,066)

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

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

This is the amount of capital asset additions recorded in the current period. 51,966

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds financial statements. (1,066,214)

Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period. 74,186

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

This amount represents bond principal payments during the current period. 340,000

Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year. 11,178

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

This amount represents capital lease principal payments during the current period. 31,455

Revenues in the Government-Wide Statement of Activities that are not measurable and available in Governmental Funds are not reported as revenue in the Governmental Funds. (121,685)

Change in Net Position of Governmental Activities \$ (824,180)

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
Assets	
Current assets:	
Accounts receivable, user fees - net	\$ 25,363
Due from other funds	498,778
Total current assets	<u>524,141</u>
Noncurrent assets:	
Capital assets:	
Land	59,254
Construction in progress	187,499
Depreciable buildings, equipment and infrastructure, net	<u>1,889,924</u>
Total noncurrent assets	<u>2,136,677</u>
Total assets	<u>2,660,818</u>
 Liabilities	
Current liabilities	
Accounts payable and accrued expenses	11,349
Accrued interest payable	8,050
Long-term debt -due within one year	<u>11,615</u>
Total current liabilities	<u>31,014</u>
Noncurrent liabilities	
Loans payable	<u>791,161</u>
Total noncurrent liabilities	<u>791,161</u>
Total liabilities	<u>822,175</u>
 Net position	
Net investment in capital assets	1,333,901
Unrestricted	<u>504,742</u>
Total net position	<u><u>\$ 1,838,643</u></u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
Operating revenues	
User fees	\$ 109,522
Total operating revenues	<u>109,522</u>
Operating expenses	
Salaries and benefits	26,881
Materials, supplies and operations	31,474
Depreciation	66,924
Total operating expenses	<u>125,279</u>
Operating loss	<u>(15,757)</u>
Nonoperating expenses	
Interest expense	(32,471)
Total nonoperating expenses	<u>(32,471)</u>
Net loss before capital contributions	(48,228)
Capital contributions- Chariho and USDA grant	74,036
Change in net position	25,808
Total net position - beginning of year-restated	<u>1,812,835</u>
Total net position - end of year	<u><u>\$ 1,838,643</u></u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
<i>Cash flows from operating activities</i>	
Cash received from customers for user fees	\$ 123,963
Cash paid to suppliers for goods and services	(31,474)
Cash payments to employees for services	(26,881)
<i>Net cash provided by operating activities</i>	<u>65,608</u>
<i>Cash flows from non-capital financing activities</i>	
Interfund transactions	35,304
<i>Net cash provided by non-capital financing activities</i>	<u>35,304</u>
<i>Cash flows from capital and related financing activities</i>	
Acquisition and construction of capital assets	(139,251)
Capital contributions	74,036
Principal payments on loan	(11,276)
Interest payments on loan	(24,421)
<i>Net cash used by capital and related financing activities</i>	<u>(100,912)</u>
 <i>Net increase in cash and cash equivalents</i>	 -
<i>Cash and cash equivalents - beginning of year</i>	 <u>-</u>
<i>Cash and cash equivalents - end of year</i>	 <u><u>\$ -</u></u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
<i>Reconciliation of operating loss to net cash provided by operating activities:</i>	
Operating loss	\$ (15,757)
<i>Adjustments to reconcile operating loss to net cash provided by operating activities:</i>	
Depreciation	66,924
Changes in assets and liabilities:	
Decrease in accounts receivable, user fees	9,318
Increase in accounts payable and accrued expenses	<u>5,123</u>
<i>Net cash provided by operating activities</i>	<u><u>\$ 65,608</u></u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 22,364	\$ -
Investments	101,578	-
Due from other funds	<u>133,045</u>	<u>235,528</u>
<i>Total assets</i>	<u>256,987</u>	<u>235,528</u>
 <i>Liabilities</i>		
Deposits held in custody for others	<u>-</u>	<u>235,528</u>
<i>Total liabilities</i>	<u>-</u>	<u>235,528</u>
 <i>Net Position</i>		
Restricted for other purposes	<u>\$ 256,987</u>	<u>\$ -</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	<i><u>Private-Purpose Trust Funds</u></i>
<i>Additions</i>	
Gifts and contributions	\$ 400
Investment earnings:	
Net increase (decrease) in fair value of investments	8,944
Interest and dividends	<u>3,151</u>
Net investment earnings	<u>12,095</u>
<i>Total additions</i>	<u>12,495</u>
 <i>Deductions</i>	
Miscellaneous	<u>8,186</u>
<i>Total deductions</i>	<u>8,186</u>
 <i>Change in net position</i>	4,309
 <i>Net position - beginning of year</i>	<u>252,678</u>
 <i>Net position - end of year</i>	<u><u>\$ 256,987</u></u>

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

Governmental Fund Financial Statements

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

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

Major Governmental Funds:

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

Proprietary Fund Financial Statements

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

The Town has one Enterprise Fund as follows:

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

Fiduciary Fund Financial Statements

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

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

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

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 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. 67 - Financial Reporting for Pensions Plans - an amendment of GASB Statement No. 25, effective for the Town's fiscal year ending June 30, 2014.
- GASB Statement No. 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees, effective for the Town's fiscal year ending June 30, 2014.

The adoption of these Statements did not have an impact on the Town's financial position or results of operations, except as follows:

The implementation of GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities resulted in restatements of net position in the Business-Type Activities and the Water Fund to remove debt issuance costs previously reported as other assets.

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

- GASB Statement No. 68 – Financial Reporting for Pensions - an amendment of GASB Statement No. 27, effective for the Town's fiscal year ending June 30, 2015.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

- GASB Statement No. 69 – Government Combinations and Disposals of Government Operations, effective for the Town's fiscal year ending June 30, 2015.
- GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, effective for the Town's fiscal year ending June 30, 2015.

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

D. CASH AND CASH EQUIVALENTS

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

E. INVESTMENTS

The Town reports investments at fair value.

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

H. CAPITAL ASSETS

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

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

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

I. DEFERRED INFLOWS OF RESOURCES

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

J. PROPERTY TAXES

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 95.79% of the total 2013 levy. The tax levy of the Town is approved by the citizens at the Financial Town Meeting.

The Town's fiscal 2013-2014 property taxes were levied in July 2013 on assessed valuation as of December 31, 2012. Upon levy, taxes are due and payable on September 7 or may be paid quarterly on September 7, December 7, March 7, and June 7. Failure to mail payments by due dates will result in lien on taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at approximately 100% of current market value for real estate and 80% of current market value for motor vehicles.

K. COMPENSATED ABSENCES

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

Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. The liability is calculated at the rate of pay in effect at June 30, 2014. Sick leave is not paid upon termination or retirement, therefore, no liability is accrued for sick leave.

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

L. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

M. USE OF ESTIMATES

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value, which approximates \$25,164,775. As of June 30, 2014, the Town's debt subject to the legal debt margin is \$1,700,000 and the Town is under the debt limit by \$23,464,775. The debt subject to the debt limitation is based on the type of debt that is issued.

B. DEFICIT FUND BALANCES

The following nonmajor funds have deficit fund balances as of June 30, 2014: Highway Safety \$(10,469) and CDBG - \$(357).

NOTE 3 – CASH DEPOSITS

DEPOSITS – are in one financial institution and are carried at cost. The carrying amount of deposits is separately displayed on the Balance Sheet of the Fund Financial Statements and the Statement of Net Position as "Cash and Cash Equivalents".

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

	<u>Carrying Amount</u>
Total Deposits	\$5,127,796
Add: Petty cash and cash on hand	1,110
Investments classified as cash and cash equivalents	22,364
Total Cash and Cash Equivalents	22,364
Reported in the Financial Statements	<u>\$5,151,270</u>

CUSTODIAL CREDIT RISK – custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. As of June 30, 2014, \$4,695,432 of the Town’s bank balance of \$5,195,432 was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>
Insured (Federal depository insurance funds)	\$500,000
Collateralized with securities held by pledging financial institution’s agent, but not in the Town’s name	4,695,432
Uninsured and uncollateralized	-
Total	<u>\$5,195,432</u>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2014, the Town's uncollateralized deposits with institutions were \$0.

NOTE 4 – INVESTMENTS

At June 30, 2014, the Town’s investments were as follows:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>
Fidelity Prime Money Market	N/A	\$ 22,364	Not rated
Mutual Funds - Equity	N/A	47,638	Not rated
Mutual Funds - Fixed Income	Not available	2,307	AA
Mutual Funds - Fixed Income	Average .31 years	15,060	BB
Mutual Funds - Fixed Income	Not available	3,854	B
Mutual Funds - Fixed Income	Average 5.29 years	28,995	Not rated
Mutual Funds - Fixed Income	Average 2.96 years	3,724	BB
		<u>123,942</u>	
Less: Investment classified as cash equivalents		<u>(22,364)</u>	
		<u>\$ 101,578</u>	

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June, 30, 2014 was as follows:

	<u><i>Beginning Balance</i></u>	<u><i>Additions</i></u>	<u><i>Retirements</i></u>	<u><i>Ending Balance</i></u>
<i>Governmental Activities:</i>				
Nondepreciable assets:				
Land	\$ 2,203,893	\$ -	\$ -	\$ 2,203,893
Construction in progress	400,810	-	400,810	-
	<u>2,604,703</u>	<u>-</u>	<u>400,810</u>	<u>2,203,893</u>
Depreciable assets:				
Infrastructure	35,183,525	-	-	35,183,525
Land improvements	-	400,810	-	400,810
Buildings and improvements	2,698,713	-	-	2,698,713
Furniture and equipment	726,427	7,263	-	733,690
Motor vehicles	1,646,414	44,703	36,000	1,655,117
	<u>40,255,079</u>	<u>452,776</u>	<u>36,000</u>	<u>40,671,855</u>
<i>Total capital assets</i>	<u>42,859,782</u>	<u>452,776</u>	<u>436,810</u>	<u>42,875,748</u>
Less accumulated depreciation for:				
Infrastructure	25,820,828	855,609	-	26,676,437
Land improvements	-	20,041	-	20,041
Buildings and improvements	1,939,090	52,530	-	1,991,620
Furniture and equipment	557,003	65,678	-	622,681
Motor vehicles	1,130,061	72,356	36,000	1,166,417
<i>Total accumulated depreciation</i>	<u>29,446,982</u>	<u>1,066,214</u>	<u>36,000</u>	<u>30,477,196</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 13,412,800</u>	<u>\$ (613,438)</u>	<u>\$ 400,810</u>	<u>\$ 12,398,552</u>
<i>Business-Type Activities</i>				
Nondepreciable assets:				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
Construction in progress	48,248	139,251	-	187,499
	<u>107,502</u>	<u>139,251</u>	<u>-</u>	<u>246,753</u>
Depreciable assets:				
Buildings	905,694	-	-	905,694
Main extension	1,523,539	-	-	1,523,539
Equipment and machinery	225,426	-	-	225,426
	<u>2,654,659</u>	<u>-</u>	<u>-</u>	<u>2,654,659</u>
<i>Total capital assets</i>	<u>2,762,161</u>	<u>139,251</u>	<u>-</u>	<u>2,901,412</u>
Less accumulated depreciation for:				
Buildings	599,715	22,642	-	622,357
Main extension	-	38,089	-	38,089
Equipment and machinery	98,096	6,193	-	104,289
<i>Total accumulated depreciation</i>	<u>697,811</u>	<u>66,924</u>	<u>-</u>	<u>764,735</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 2,064,350</u>	<u>\$ 72,327</u>	<u>\$ -</u>	<u>\$ 2,136,677</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

Depreciation expense was charged as follows:

Governmental activities:

General government	\$ 77,544
Public safety	64,024
Public works	924,646
Total depreciation expense, governmental activities	<u>\$1,066,214</u>

Business-type activities:

Water fund	\$ 66,924
Total depreciation expense, business-type activities	<u>\$ 66,924</u>

NOTE 6 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES:

Changes in long-term liabilities during the year ended June 30, 2014 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds and capital leases payable:					
General obligation bonds payable	\$2,040,000	\$ -	\$ 340,000	\$1,700,000	\$ 220,000
Capital leases	133,353	-	31,455	101,898	32,678
Total bonds and capital leases	<u>2,173,353</u>	<u>-</u>	<u>371,455</u>	<u>1,801,898</u>	<u>252,678</u>
Other liabilities:					
Accrued compensated absences	211,192	-	74,186	137,006	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$2,384,545</u>	<u>\$ -</u>	<u>\$ 445,641</u>	<u>\$1,938,904</u>	<u>\$ 252,678</u>
Business- type activities:					
Loans payable:					
Loans payable	\$ 814,052	\$ -	\$ 11,276	\$ 802,776	\$ 11,615
Total Business- type activities					
Long-Term Liabilities	<u>\$ 814,052</u>	<u>\$ -</u>	<u>\$ 11,276</u>	<u>\$ 802,776</u>	<u>\$ 11,615</u>

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

TOWN OF RICHMOND, RHODE ISLAND

Notes to Financial Statements

June 30, 2014

B. BONDS AND LOANS PAYABLE

Outstanding bonds and loans payable are as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2013</u>	<u>New Issues</u>	<u>Maturities During Year</u>	<u>Outstanding June 30, 2014</u>
Governmental activities:								
Bonds payable								
2007 Capital Improvement bonds	8/15/2007	4-5.50%	8/15/2017	\$ 1,400,000	\$ 725,000	\$ -	\$ 145,000	\$ 580,000
2003 Municipal bonds	8/1/2003	2.00-4.00%	8/1/2013	1,600,000	175,000	-	175,000	-
2010 Capital improvement bonds	8/15/2010	1.15-3.00%	8/15/2020	1,150,000	1,140,000	-	20,000	1,120,000
Total governmental activities bonds payable				<u>\$ 4,150,000</u>	<u>\$ 2,040,000</u>	<u>\$ -</u>	<u>\$ 340,000</u>	<u>\$ 1,700,000</u>
Business type activities:								
Loans payable								
2012 Water capital improvements	2/28/2012	3.00%	2/28/2052	\$ 825,000	\$ 814,052	\$ -	\$ 11,276	\$ 802,776
Total business-type activities loans payable				<u>\$ 825,000</u>	<u>\$ 814,052</u>	<u>\$ -</u>	<u>\$ 11,276</u>	<u>\$ 802,776</u>

At June 30, 2014 annual debt service requirements to maturity for bonds and loans payable are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>			<u>Business- Type Activities</u>		
	<u>Bonds payable</u>			<u>Loans payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 220,000	\$ 48,819	\$ 268,819	\$ 11,615	\$ 24,083	\$ 35,698
2016	225,000	41,187	266,187	11,963	23,735	35,698
2017	235,000	33,597	268,597	12,322	23,375	35,697
2018	245,000	25,528	270,528	12,691	23,006	35,697
2019	250,000	18,225	268,225	13,072	22,626	35,698
2020-2024	525,000	15,500	540,500	71,486	107,004	178,490
2025-2029	-	-	-	82,872	95,618	178,490
2030-2034	-	-	-	96,071	82,419	178,490
2035-2039	-	-	-	111,372	67,118	178,490
2040-2044	-	-	-	129,111	49,379	178,490
2045-2049	-	-	-	149,677	28,815	178,492
2050-2052	-	-	-	100,524	6,076	106,600
	<u>\$ 1,700,000</u>	<u>\$ 182,856</u>	<u>\$ 1,882,856</u>	<u>\$ 802,776</u>	<u>\$ 553,254</u>	<u>\$ 1,356,030</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

C. CAPITAL LEASE OBLIGATIONS

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

Capital lease obligations currently outstanding are as follows:

<i>Purpose</i>	<i>Date Issued</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Authorized and Issued</i>	<i>Outstanding June 30, 2013</i>	<i>New Issues</i>	<i>Retirements During Year</i>	<i>Outstanding June 30, 2014</i>
Pelican Sweeper	9/18/2012	3.89%	9/18/2016	\$ 169,995	\$ 133,353		\$ 31,455	\$ 101,898
Total governmental activities capital leases					<u>\$ 133,353</u>	<u>\$ -</u>	<u>\$ 31,455</u>	<u>\$ 101,898</u>

Obligations of governmental activities under capital leases at June 30, 2014 were as follows:

<i>Fiscal Year Ended June 30,</i>	<i>Lease Payment Requirements</i>
2015	\$ 36,642
2016	36,642
2017	<u>36,642</u>
Total minimum lease payments	109,926
Less: Amount representing interest cost	<u>(8,028)</u>
Present value of minimum lease payments	<u>\$ 101,898</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

NOTE 7 – INTERFUND BALANCES

The Town reports interfund balances between many of its funds. Interfund balances at June 30, 2014 were as follows:

	<i>Due From:</i>		
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Total</i>
<i>Due To:</i>			
General Fund	\$ 128,851	\$ 35,929	\$ 164,780
Nonmajor Governmental Funds	760,470	-	760,470
Enterprise Fund	498,778	-	498,778
Private Purpose Trust	133,045	-	133,045
Agency Funds	235,528	-	235,528
<i>Total</i>	<u>\$ 1,756,672</u>	<u>\$ 35,929</u>	<u>\$ 1,792,601</u>

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

NOTE 8 – INTERFUND TRANSFERS

	<i>Transfer From:</i>		
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Total</i>
<i>Transfer To:</i>			
General Fund	\$ -	\$ 2,637	\$ 2,637
Nonmajor Governmental Funds	164,000	-	164,000
<i>Total</i>	<u>\$ 164,000</u>	<u>\$ 2,637</u>	<u>\$ 166,637</u>

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

NOTE 9 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year. The real estate and personal property taxes include an allowance for doubtful accounts of \$150,000.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2014, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 45,802	\$ 84,083	\$ 368,573	\$ 498,458
Nonmajor Governmental Funds	26,759	-	-	26,759
Total Governmental Activities	<u><u>\$ 72,561</u></u>	<u><u>\$ 84,083</u></u>	<u><u>\$ 368,573</u></u>	<u><u>\$ 525,217</u></u>
Business-Type Activities:				
Water Fund	\$ -	\$ -	\$ 11,349	\$ 11,349
Total Business-Type Activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,349</u></u>	<u><u>\$ 11,349</u></u>

NOTE 10 – NET POSITION/FUND BALANCES

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

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

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

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

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

Committed fund balances are established, modified or rescinded by a resolution adopted by the tax payers at a Financial Town Meeting or an ordinance adopted by the Town Council. The Town Council has authorized the Town Administrator or his designee to assign fund balance. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

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

NOTE 11 – CHARIHO REGIONAL SCHOOL DISTRICT

The Chariho Regional School District (Regional School) was created to include a regional school for the Towns of Hopkinton, Charlestown and Richmond (the Towns), which encompasses grades K-12. The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town's enrollment, and from State aid to education. As of October 2012, the District had a total enrollment of 3,451 of which 1,228 were students from Richmond. This number was used for calculating the Town's fiscal year 2013 – 2014 contribution to the District. Financial statements for the Regional School District are issued separately and may be obtained from the Chariho Regional School District, 455A Switch Road, Wood River Junction, Rhode Island 02894.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

NOTE 12 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town has purchased commercial insurance to insure its risk of loss.

NOTE 13 – LITIGATION AND CONTINGENCIES

Litigation:

The Town is a party to various claims, legal actions and complaints. The potential liability to the Town, if any, or an evaluation of the outcome of these matters cannot be made at the present time.

Other Contingencies:

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

NOTE 14 – SUBSEQUENT EVENT

On August 6, 2014, the Town issued a General Obligation Bond in the amount of \$2,410,000. The bonds mature August 1, 2020 and bears interest of 2%.

NOTE 15 – RESTATEMENTS

The net position of the Governmental Activities, Business-Type Activities and Water Fund has been restated to and to reflect adjustments related to the retroactive application of GASB 65, "Items Previously Reported as Assets and Liabilities" in fiscal year 2014. The Governmental Activities have been restated to correct capital assets and accumulated depreciation. The General Fund fund balance has been restated to reclassify funds that do not meet the definition of Special Revenue Funds in accordance with GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions."

	<i>Governmental Activities</i>	<i>Business-Type Activities/ Water Fund</i>	<i>General Fund</i>
Net position/fund balance, June 30, 2013, as previously reported	\$ 14,498,064	\$ 1,822,585	\$ 3,702,915
Remove debt issuance costs	(24,225)	(9,750)	-
To correct the prior year capital assets and accumulated depreciation	2,144,676	-	-
Reclassify funds to the General Fund	-	-	152,433
<i>Net position/fund balance June 30, 2013, as restated</i>	<u>\$ 16,618,515</u>	<u>\$ 1,812,835</u>	<u>\$ 3,855,348</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

NOTE 16 – PENSION PLANS

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

Effective July 1, 2012, the Municipal Employees' Retirement System (MERS) 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.

Defined Benefit Plan

Plan Description

All full-time Town of Richmond 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 Employees 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.

Police Retirement Eligibility and Plan Benefits – Effective July 1, 2012 the benefit accrual for all plans is 2.0% per year based on the five-year average compensation, exclusive of overtime. Retirement age is 55 years old with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age will mirror the Social Security Normal Retirement Age not to exceed 67. Police officers who were at least 45 years old, had 10 or more years of contributing service and were eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52. Police employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit is calculated based on how close the member is to the eligibility date that is prescribed in the Rhode Island Retirement Security Act. Joint and survivor retirement benefit options are available.

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

Funding Policy

The funding policy is outlined in RIGL sections 45-21-41, 45-21-42, 45-21-52, and 45-21.2-14 (which can be amended by the Rhode Island General Assembly). Active general employees must contribute 1% of his/her compensation. Active police members must contribute 7% of his/her compensation. The Town is required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The rates for fiscal year 2014 were as follows: general employees 9.88% and police 8.69%.

Annual Pension Cost

The Town's annual pension cost of \$152,276 for MERS was equal to the Town's required and actual contributions.

Three-Year Trend Information

GENERAL MUNICIPAL EMPLOYEES

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	\$65,140	100%	\$ -
2013	\$106,588	100%	\$ -
2014	\$96,124	100%	\$ -

POLICE OFFICERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	\$65,714	100%	\$ -
2013	\$55,384	100%	\$ -
2014	\$56,152	100%	\$ -

The required contribution for fiscal 2014 was determined as part of the actuarial valuation performed as of June 30, 2011. The most recent valuation of the plans within the system was performed as of June 30, 2013. 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, 2011 and June 30, 2013 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	24 years as of June 30, 2011
Amortization Period	22 years as of June 30, 2013

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

Asset Valuation Method	5 Year Smoothed Market	
Actuarial Assumptions:		
Investment Rate of Return	7.50%	
Projected Salary Increases	<u>General Employees</u>	<u>Police & Fire Employees</u>
	4.00% to 8.00%	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. It is known the COLA for calendar years 2013 and 2014 will be 0% and 0.67% respectively, and this is reflected in the June 30, 2013 valuation.

Funded Status and Funding Progress

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date June 30, 2013	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
General Employees	\$1,759,037	\$2,134,607	\$375,570	82.4%	\$922,885	40.7%
Police	\$1,181,152	\$1,597,053	\$415,901	74.0%	\$697,820	59.6%

Defined Contribution Plan

Plan Description

General employees participating in the defined benefit plan, 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.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2014

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.

Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active general employees must contribute 5% of his/her compensation and the Town is required to contribute 1%. The plan members and Town contributed \$48,646 and \$9,717, respectively, during the fiscal year ended June 30, 2014.

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.

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Funding Progress - Pension Plans

Budgetary Comparison Schedule - General Fund

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

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

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Unfunded Liability/ (Funding Excess)	Funded Ratio	Covered Payroll	Unfunded Liability/ (Funding Excess) as a Percentage of Covered Payroll
General Municipal Employees Pension Plan (2) (3)							
	6/30/11	\$1,584,851	\$1,909,571	\$324,720	83.0%	\$812,177	40.0%
	6/30/12	\$1,685,108	\$2,010,261	\$325,153	83.8%	\$800,941	40.6%
	6/30/13	\$1,759,037	\$2,134,607	\$375,570	82.4%	\$922,885	40.7%
Police Officers Pension Plan (2) (3)							
	6/30/11	\$895,401	\$1,114,967	\$219,566	80.3%	\$611,267	35.9%
	6/30/12	\$1,028,214	\$1,377,140	\$348,926	74.7%	\$637,976	54.7%
	6/30/13	\$1,181,152	\$1,597,053	\$415,901	74.0%	\$697,820	59.6%

- (1) The information included in the schedule of funding progress was obtained from the annual actuarial valuation at the date indicated.
- (2) The 6/30/11 actuarial valuation amounts reflect the comprehensive pension reform changes enacted by the Rhode Island General Assembly in November 2011.
- (3) The assumptions used in the 6/30/2012 actuarial valuation are consistent with the 2011 valuation, with the exception of certain assumption changes that resulted from the enactment of the RI Retirement Security Act of 2011.

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, 2014

	<i>General Fund</i>			
	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues				
Property taxes	\$ 16,803,831	\$ 16,803,831	\$ 16,839,234	\$ 35,403
Intergovernmental revenue	5,881,932	5,881,932	5,740,103	(141,829)
License, permits and fees	434,508	434,508	428,578	(5,930)
Interest on investments	10,000	10,000	7,904	(2,096)
Other revenues	129,998	129,998	125,329	(4,669)
Total Revenues	<u>23,260,269</u>	<u>23,260,269</u>	<u>23,141,148</u>	<u>(119,121)</u>
Expenditures				
General government	1,341,374	1,341,995	1,233,512	108,483
Public safety	1,791,078	1,792,655	1,728,121	64,534
Public works	665,152	667,667	799,073	(131,406)
Recreation and culture	54,170	48,670	55,117	(6,447)
Education	18,300,639	18,300,639	18,300,639	-
Transfer station and recycling	151,899	152,686	151,885	801
Community services	153,602	153,602	151,528	2,074
Canvassing authority	5,426	5,426	3,921	1,505
Debt service				
Principal	442,731	442,731	382,403	60,328
Interest	87,728	87,728	89,203	(1,475)
Other	1,975	1,975	1,525	450
Total expenditures	<u>22,995,774</u>	<u>22,995,774</u>	<u>22,896,927</u>	<u>98,847</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>264,495</u>	<u>264,495</u>	<u>244,221</u>	<u>(20,274)</u>
Other financing sources (uses)				
Budgeted use of committed fund balance	77,500	77,500	77,500	-
Transfers in	35,698	35,698	38,335	2,637
Transfers out	(348,693)	(348,693)	(164,000)	184,693
Revaluation restricted account	(29,000)	(29,000)	(29,000)	-
Total other financing sources (uses)	<u>(264,495)</u>	<u>(264,495)</u>	<u>(77,165)</u>	<u>187,330</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,056</u>	<u>\$ 167,056</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
01 00 4000 Taxes to balance budget	\$16,243,831	\$16,243,831	\$16,007,525	\$ (236,306)
01 00 4001 Interest on taxes	150,000	150,000	117,179	(32,821)
01 00 4002 Taxes miscellaneous	10,000	10,000	7,300	(2,700)
01 00 4071 Prior year taxes	400,000	400,000	707,230	307,230
Total Taxes	<u>16,803,831</u>	<u>16,803,831</u>	<u>16,839,234</u>	<u>35,403</u>
State Aid				
01 00 4006 State aid to education	5,338,583	5,338,583	5,335,436	(3,147)
01 00 4008 Corporation tax	92,766	92,766	103,920	11,154
01 00 4009 Hotel tax	3,620	3,620	3,228	(392)
01 00 4010 Meals & beverage tax	123,348	123,348	122,364	(984)
01 00 4054 Local roads program	184,693	184,693	-	(184,693)
01 00 4063 Motor vehicle phase-out offset	57,421	57,421	58,014	593
01 00 4067 Incentive aid	72,963	72,963	36,481	(36,482)
Total State Aid	<u>5,873,394</u>	<u>5,873,394</u>	<u>5,659,443</u>	<u>(213,951)</u>
Permits & fees				
01 00 4012 Building permit fees	55,000	55,000	62,235	7,235
01 00 4013 Zoning fees	2,700	2,700	4,093	1,393
01 00 4014 Planning fees	3,000	3,000	9,480	6,480
Total Permits & Fees	<u>60,700</u>	<u>60,700</u>	<u>75,808</u>	<u>15,108</u>
Licenses & fees				
01 00 4015 Misc. business license & fees	4,210	4,210	7,265	3,055
01 00 4016 Liquor license fees	8,198	8,198	8,000	(198)
01 00 4017 Dog license	7,000	7,000	6,230	(770)
01 00 4018 Marriage license	350	350	272	(78)
01 00 4019 Misc. non-business license & fees	750	750	1,087	337
01 00 4020 Hopkinton transfer station license	850	850	805	(45)
Total Licenses & Fees	<u>21,358</u>	<u>21,358</u>	<u>23,659</u>	<u>2,301</u>
User Fees				
01 00 4025 Accounting fees for enterprise fund	7,700	7,700	-	(7,700)
01 00 4026 Realty stamp commission	25,000	25,000	17,749	(7,251)
01 00 4027 Copier use fees	9,500	9,500	7,993	(1,507)
01 00 4028 Recording fees	85,000	85,000	83,770	(1,230)
01 00 4030 Probate fees	5,000	5,000	5,475	475
01 00 4042 Recreation other event fees	12,500	12,500	17,593	5,093
01 00 4043 Community ctr revenue	2,200	2,200	1,610	(590)
01 00 4059 Water administration fee	9,850	9,850	9,850	-
01 00 4065 Transfer station fees	151,000	151,000	133,437	(17,563)
Total User Fees	<u>307,750</u>	<u>307,750</u>	<u>277,477</u>	<u>(30,273)</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
<i>Fines & Forfeitures</i>				
01 00 4021 Dog fines	1,700	1,700	1,802	102
01 00 4022 State traffic fines	30,000	30,000	30,156	156
01 00 4023 Building & Zoning Fines	-	-	4,900	4,900
<i>Total Fines & Forfeitures</i>	<u>31,700</u>	<u>31,700</u>	<u>36,858</u>	<u>5,158</u>
<i>Investments</i>				
01 00 4024 Interest earned on investments	10,000	10,000	7,904	(2,096)
<i>Total Interest on Investments</i>	<u>10,000</u>	<u>10,000</u>	<u>7,904</u>	<u>(2,096)</u>
<i>Miscellaneous Income</i>				
01 00 4033 School resource officer reimbursement	57,998	57,998	63,001	5,003
01 00 4034 Police VIN inspection fee	8,000	8,000	6,400	(1,600)
01 00 4049 Recycling rebate	13,000	13,000	3,966	(9,034)
01 00 4050 Misc. revenue	1,000	1,000	6,261	5,261
01 00 4051 Misc. police returns	50,000	50,000	45,701	(4,299)
<i>Total Miscellaneous Income</i>	<u>129,998</u>	<u>129,998</u>	<u>125,329</u>	<u>(4,669)</u>
<i>Federal aid</i>				
01 00 4038 BYRNE Grant	-	-	10,779	10,779
01 00 4052 Emergency claims reimbursement	-	-	69,881	69,881
01 00 4075 Federal jobs bill allocation	3,538	3,538	-	(3,538)
01 00 4452 EMA Grant	5,000	5,000	-	(5,000)
<i>Total Federal Aid</i>	<u>8,538</u>	<u>8,538</u>	<u>80,660</u>	<u>72,122</u>
<i>Senior Activities</i>				
01 00 4076 Senior activities bingo	8,000	8,000	8,000	-
01 00 4077 Senior activities donations	-	-	15	15
01 00 4078 Senior activities dues	1,500	1,500	2,406	906
01 00 4079 Senior activities program fees	3,500	3,500	4,355	855
<i>Total Senior Activities</i>	<u>13,000</u>	<u>13,000</u>	<u>14,776</u>	<u>1,776</u>
<i>Transfers and Use of Committed Fund Balance</i>				
01 00 4058 Transfer from water fund debt	35,698	35,698	35,698	-
01 00 4066 Motor vehicle phase-out reserve fund balance	77,500	77,500	77,500	-
Transfers from other funds	-	-	2,637	2,637
<i>Total Transfers and Use of Committed Fund Balance</i>	<u>113,198</u>	<u>113,198</u>	<u>115,835</u>	<u>2,637</u>
<i>Total Revenues</i>	<u>23,373,467</u>	<u>23,373,467</u>	<u>23,256,983</u>	<u>(116,484)</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Expenditures				
Town Council				
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	136	136	124	12
Total Town Council	<u>7,133</u>	<u>7,133</u>	<u>7,121</u>	<u>12</u>
Building / Planning / Zoning				
01 11 5000 Building Inspector Gengarella	32,293	32,858	33,415	(557)
01 11 5009 FT Administrative Clerk Diaz	31,455	32,320	32,585	(265)
01 11 5020 Town Planner Stetson	50,218	51,222	51,424	(202)
01 11 5040 Fleet Insp Vinnari	13,013	13,241	13,165	76
01 11 5041 Fleet Insp Walsh	13,013	13,241	13,292	(51)
01 11 5042 Alternate electrical inspector	-	-	637	(637)
01 11 5043 Alternate zoning official	500	435	-	435
01 11 5045 Zoning official - Brown	12,666	12,919	13,198	(279)
01 11 5100 FICA	11,717	11,956	12,136	(180)
01 11 5102 Health insurance	21,047	21,047	20,074	973
01 11 5130 Retirement - ER 1452 Town	12,400	12,701	12,711	(10)
01 11 5205 Planning, misc. supplies	1,000	815	556	259
01 11 5207 Bldg., misc. supplies / permit forms	100	250	235	15
01 11 5220 Stenographer fees	3,000	3,000	2,100	900
01 11 5226 Advertising	2,000	2,000	1,615	385
01 11 5229 Professional services	400	5,900	6,832	(932)
01 11 5252 Planning, education / training / seminars	150	185	185	-
01 11 5259 Bldg., books / manuals / subscriptions	100	100	-	100
01 11 5262 Planning, dues	710	710	710	-
01 11 5263 Bldg., dues	35	35	35	-
01 11 5265 Zoning, travel	700	765	840	(75)
01 11 5266 Planning, travel	250	250	393	(143)
01 11 5267 Bldg. travel	1,000	1,000	1,098	(98)
01 11 5526 Washington County Regional	3,000	3,000	3,000	-
01 11 5609 BPZ comp plan update reserve	1,000	1,000	1,000	-
Total Building / Planning / Zoning	<u>211,767</u>	<u>220,950</u>	<u>221,236</u>	<u>(286)</u>
Town Clerk's Department				
01 12 5003 Town clerk - Nelson	49,453	51,184	54,690	(3,506)
01 12 5014 Fill in clerk	-	-	771	(771)
01 12 5015 Deputy clerk - Palmer	30,000	30,690	21,281	9,409
01 12 5016 P/T clerk - Chipman	7,788	7,881	6,632	1,249
01 12 5017 Assistant clerk - Glauszka	21,029	21,344	21,183	161
01 12 5018 Deputy clerk - Rapose	-	-	6,020	(6,020)
01 12 5073 Meeting fill-in	-	-	181	(181)
01 12 5100 FICA	8,283	8,499	8,181	318
01 12 5102 Health insurance	36,710	36,710	33,650	3,060
01 12 5130 Retirement - ER 1452 Town	10,932	11,270	10,719	551
01 12 5225 Microfilming & indexing	500	500	783	(283)
01 12 5250 Education / training / seminars	1,175	1,175	894	281
01 12 5256 Books / manuals / subscriptions	1,500	1,500	1,585	(85)
01 12 5264 Travel	250	250	-	250
01 12 5373 Highway maps	1,500	1,500	1,398	102
Total Town Clerk's Department	<u>169,120</u>	<u>172,503</u>	<u>167,968</u>	<u>4,535</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Information Technology				
01 13 5002 Website coordinator	3,000	3,000	692	2,308
01 13 5100 FICA	230	230	27	203
01 13 5250 Operations improvement	6,000	6,000	1,080	4,920
01 13 5334 Internet email & web site services	6,100	6,100	4,619	1,481
01 13 5378 Equipment repairs / maintenance & parts	4,000	4,000	2,344	1,656
01 13 5380 Software license purchase / upgrade	500	500	-	500
01 13 5384 Software support & maintenance	26,300	26,300	24,991	1,309
01 13 5385 COTT land evidence support & maint	19,699	19,699	16,975	2,724
01 13 5386 IT support	19,332	19,332	22,828	(3,496)
01 13 5480 Software upgrade - police	4,445	4,445	1,983	2,462
01 13 5481 Hardware support - fingerprinting	12,000	12,000	5,219	6,781
01 13 5484 Software support - police	10,445	10,445	9,840	605
01 13 5486 GIS support services	15,000	15,000	7,655	7,345
Total Information Technology	<u>127,051</u>	<u>127,051</u>	<u>98,253</u>	<u>28,798</u>
Legal Services				
01 14 5400 Legal - Labor lawyer	5,000	5,000	2,703	2,297
01 14 5410 Legal - Town Council	35,000	35,000	31,475	3,525
01 14 5415 Legal - Litigation	15,000	15,000	3,070	11,930
01 14 5420 Legal - Criminal prosecution	28,000	28,000	27,900	100
01 14 5440 Legal - Planning & zoning	25,000	25,000	18,850	6,150
01 14 5750 Legal services contingency	5,000	5,000	-	5,000
Total Legal Services	<u>113,000</u>	<u>113,000</u>	<u>83,998</u>	<u>29,002</u>
Finance Department				
01 15 5002 Assistant Finance Director - Christensen	17,874	18,082	18,255	(173)
01 15 5020 Finance Director - Krugman	56,706	57,982	61,472	(3,490)
01 15 5100 FICA	5,705	5,819	6,425	(606)
01 15 5102 Health insurance	4,262	4,262	4,263	(1)
01 15 5130 Retirement - ER 1452 Town	9,218	9,402	8,239	1,163
01 15 5200 Office Supplies	1,400	1,400	1,495	(95)
01 15 5250 Education / training / seminars	600	600	411	189
01 15 2560 Dues	280	280	280	-
01 15 5264 Travel	400	400	617	(217)
01 15 5390 Data processing - payroll	13,000	13,000	12,194	806
Total Finance Department	<u>109,445</u>	<u>111,227</u>	<u>113,651</u>	<u>(2,424)</u>
Tax Assessor's Department				
01 16 5000 Tax Assessor Fournier	39,888	40,686	40,844	(158)
01 16 5017 Tax Assessor Clerk Brennan	19,334	19,700	19,984	(284)
01 16 5100 FICA	4,530	4,619	4,379	240
01 16 5102 Health insurance	26,370	26,370	24,913	1,457
01 16 5130 Retirement - ER 1452 Town	6,443	6,587	6,593	(6)
01 16 5202 Postage	500	500	484	16
01 16 5250 Education / training / seminars	100	100	-	100
01 16 5256 Books / manuals / subscriptions	339	339	339	-
01 16 5260 Dues	210	210	175	35
01 16 5264 Travel	1,300	1,300	205	1,095
01 16 5321 RI vehicle value commission	150	150	107	43
01 16 5328 Tax bills	1,900	1,900	1,928	(28)
Total Tax Assessor's Department	<u>101,064</u>	<u>102,461</u>	<u>99,951</u>	<u>2,510</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Tax Collector's Department				
01 17 5004 Tax Collector Alves	25,646	26,672	27,832	(1,160)
01 17 5007 P/T clerk Vona	11,082	11,189	9,535	1,654
01 17 5100 FICA	2,810	2,896	3,027	(131)
01 17 5102 Health insurance	2,213	2,213	2,201	12
01 17 5130 Retirement - ER 1452 Town	2,790	2,917	3,016	(99)
01 17 5200 Office supplies	500	500	28	472
01 17 5202 Postage	3,350	3,350	3,198	152
01 17 5250 Education / training / seminars	150	150	100	50
01 17 5260 Dues	60	60	60	-
01 17 5264 Travel	100	100	-	100
01 17 5328 Tax bills	3,000	3,000	2,948	52
Total Tax Collector's Department	<u>51,701</u>	<u>53,047</u>	<u>51,945</u>	<u>1,102</u>
Town Hall / General Government				
01 18 5200 Office supplies	4,000	4,000	3,705	295
01 18 5202 Postage	8,000	8,000	6,104	1,896
01 18 5205 Misc. supplies	-	-	47	(47)
01 18 5215 Telephone	8,300	8,300	10,435	(2,135)
01 18 5217 Electricity	7,500	7,500	7,074	426
01 18 5226 Advertising	8,200	8,200	5,626	2,574
01 18 5229 Professional services	1,000	1,000	1,700	(700)
01 18 5230 Office equip purchases	750	750	-	750
01 18 5231 Office equip repair	500	500	110	390
01 18 5256 Books / manuals / subscriptions	-	-	53	(53)
01 18 5260 Dues RILC&T	3,000	3,000	2,875	125
01 18 5280 Grounds maintenance	2,000	2,000	1,255	745
01 18 5282 Pest control	750	750	-	750
01 18 5286 Heating / fuel oil	10,000	10,000	10,156	(156)
01 18 5289 Security system maintenance	2,500	2,500	2,951	(451)
01 18 5290 Elevator inspection & maintenance	3,000	3,000	1,000	2,000
01 18 5331 Well water testing	1,000	1,000	1,140	(140)
01 18 5371 Fee for shredding	800	800	1,555	(755)
01 18 5378 Equipment repairs / maintenance	-	-	885	(885)
01 18 5399 Miscellaneous expense	1,500	1,500	1,920	(420)
Total Town Hall / General Government	<u>62,800</u>	<u>62,800</u>	<u>58,591</u>	<u>4,209</u>
Public Works/Transfer Station				
01 23 5217 Electricity	8,500	8,500	10,133	(1,633)
02 23 5275 Propane	9,500	9,500	11,194	(1,694)
01 23 5289 Security system maintenance	1,400	1,400	1,109	291
01 23 5335 Bottled water	800	800	200	600
Total Public Works/Transfer Station	<u>20,200</u>	<u>20,200</u>	<u>22,636</u>	<u>(2,436)</u>
Elder Affairs Commission				
01 29 5250 Education / training / seminars	100	100	-	100
01 29 5370 Operating supplies	150	150	28	122
01 29 5520 Senior citizens meals	350	350	302	48
Total Elder Affairs Commission	<u>600</u>	<u>600</u>	<u>330</u>	<u>270</u>

(Continued)

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TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Town Sergeant				
01 31 5001 Town Sergeant	500	500	500	-
Total Town Sergeant	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
Contingency				
01 36 5750 Contingency - Emergencies	20,000	20,000	-	20,000
01 36 5752 Contingency - Town council	25,316	3,010	-	3,010
01 36 5755 Contingency - Healthcare	15,000	15,000	-	15,000
Total Contingency	<u>60,316</u>	<u>38,010</u>	<u>-</u>	<u>38,010</u>
Probate Court				
01 38 5001 Probate earnings	3,600	3,600	3,330	270
01 38 5100 FICA	239	239	71	168
01 38 5229 Probate judge	3,600	3,600	3,900	(300)
Total Probate Court	<u>7,439</u>	<u>7,439</u>	<u>7,301</u>	<u>138</u>
Town Administration				
01 44 5000 Town administrator	51,500	51,500	48,250	3,250
01 44 5100 FICA	3,940	3,940	3,629	311
01 44 5102 Health insurance	-	-	4,363	(4,363)
01 44 5130 Retirement - ER 1452 Town	5,603	5,603	5,222	381
Total Town Administration	<u>61,043</u>	<u>61,043</u>	<u>61,464</u>	<u>(421)</u>
Land Trust				
01 46 5264 Travel	250	250	160	90
01 46 5336 Contract services	2,000	800	125	675
01 46 5337 Stewardship	900	2,100	1,587	513
01 46 5370 Operating supplies	600	600	766	(166)
Total Land Trust	<u>3,750</u>	<u>3,750</u>	<u>2,638</u>	<u>1,112</u>
Conservation Commission				
01 47 5200 Office supplies	100	100	-	100
01 47 5250 Education / training / seminars	120	120	40	80
01 47 5260 Dues	85	85	-	85
01 47 5267 Travel	50	50	-	50
01 47 5370 Operating supplies	1,000	1,000	1,172	(172)
Total Conservation Commission	<u>1,355</u>	<u>1,355</u>	<u>1,212</u>	<u>143</u>
Other Expenses				
01 49 5150 Worker's compensation	37,825	37,825	39,639	(1,814)
01 49 5219 Street lighting	15,500	15,500	19,713	(4,213)
01 49 5354 Insurance	85,270	85,270	88,799	(3,529)
01 49 5356 Annual audit fee	29,500	29,500	24,435	5,065
Total Other Expenditures	<u>168,095</u>	<u>168,095</u>	<u>172,586</u>	<u>(4,491)</u>
Economic Development				
01 28 5250 Workshops	500	500	-	500
01 28 5260 Dues	250	250	-	250
01 28 5351 Printing	250	250	-	250
Total Economic Development	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
Building Maintenance Department				
01 24 5044 Janitor Pierce	32,000	32,593	31,123	1,470
01 24 5100 FICA	2,448	2,493	2,159	334
01 24 5102 Health insurance	17,290	17,290	16,316	974
01 24 5130 Retirement - ER 1452 Town	3,482	3,555	3,290	265
01 24 5201 Custodial / supplies	3,500	3,500	2,137	1,363
01 24 5264 Travel	275	275	575	(300)
01 24 5285 Building maintenance	5,000	10,125	6,531	3,594
Total Building Maintenance Department	63,995	69,831	62,131	7,700
Total General Government	1,341,374	1,341,995	1,233,512	108,483
Police Department				
01 20 5001 Chief Johnson	72,275	72,275	75,661	(3,386)
01 20 5004 F/T clerk	32,990	33,402	33,533	(131)
01 20 5006 Patrolman Zoglio	54,856	54,856	55,155	(299)
01 20 5008 Lieutenant Arnold	68,902	68,902	69,009	(107)
01 20 5020 Patrolman Kelley	54,856	54,856	55,489	(633)
01 20 5021 Patrolman Briody	54,856	54,856	55,907	(1,051)
02 20 5022 Patrolman Gravier	55,922	55,922	8,078	47,844
01 20 5023 Patrolman Randall	55,922	55,922	56,422	(500)
01 20 5024 Detective Bishop	57,905	57,905	57,026	879
01 20 5025 Patrolman Vaughn	56,332	56,332	56,138	194
01 20 5026 Sergeant Lawing	63,107	63,107	62,427	680
01 20 5027 Patrolman Andrukiewicz	55,922	55,922	55,409	513
01 20 5028 Patrolman Vachon	56,972	56,972	57,305	(333)
01 20 5029 Corporal Litterio	60,116	60,116	60,192	(76)
01 20 5030 Dispatcher - Sheldon	28,928	28,928	26,068	2,860
01 20 5031 Officer O'Connor	-	-	146	(146)
01 20 5032 Dispatcher - Lawing	25,248	25,248	3,267	21,981
01 20 5034 Dispatcher - Jillett	22,772	22,772	17,346	5,426
01 20 5035 Dispatcher - Lassell	-	-	89	(89)
01 20 5040 All part time dispatch	36,375	36,375	51,191	(14,816)
01 20 5061 OT Vacation fill in	51,000	51,000	81,232	(30,232)
01 20 5062 OT training / dispatch/ Court	96,941	96,941	83,443	13,498
01 20 5063 Sick fill in OT	31,000	31,000	39,388	(8,388)
01 20 5064 Sick leave coverage - constables	456	456	-	456
01 20 5067 Vacation fill ins constable	456	456	87	369
01 20 5070 Holiday pay police dept	31,400	31,400	33,060	(1,660)
01 20 5074 Shift differential	1,750	1,750	-	1,750
01 20 5100 FICA	86,235	86,267	90,573	(4,306)
01 20 5102 Health insurance	233,465	233,465	221,659	11,806
01 20 5130 Retirement - ER 1452 Town	19,825	19,876	17,434	2,442
01 20 5131 Retirement - ER 1454 Police	67,410	67,410	56,027	11,383
01 20 5200 Office supplies	7,000	7,000	6,327	673
01 20 5202 Postage	400	400	331	69
01 20 5215 Telephone	12,144	12,144	9,149	2,995
01 20 5250 Education / training / seminars	15,000	15,000	11,743	3,257
01 20 5260 Dues	900	900	771	129
01 20 5264 Travel	100	100	148	(48)
01 20 5300 Fuel / state fleet ops	53,000	53,000	58,247	(5,247)
01 20 5323 Vehicle repairs / maintenance & parts	30,000	30,000	21,844	8,156

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Police Department (Continued)				
01 20 5324 Uniforms	13,634	13,634	12,948	686
01 20 5353 Body armor PD	1,500	1,500	675	825
01 20 5355 Fingerprinting	3,500	3,500	2,730	770
01 20 5369 Small equipment purchases	10,000	10,000	9,570	430
01 20 5378 Equipment repairs / maintenance & parts	-	-	203	(203)
01 20 5379 Emergency repairs	2,500	2,500	2,522	(22)
01 20 5399 Miscellaneous expense	300	300	273	27
01 20 5400 Labor lawyer contingency	-	-	11,937	(11,937)
01 20 5715 Byrne Grant	8,500	8,500	6,393	2,107
Total Police Department	<u>1,692,672</u>	<u>1,693,167</u>	<u>1,634,572</u>	<u>58,595</u>
Animal Control				
01 21 5020 Animal Control Fisher	36,097	36,999	38,210	(1,211)
01 21 5040 All part time animal control	5,700	5,700	4,411	1,289
01 21 5060 OT animal control	1,400	1,400	1,396	4
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	42	878
01 21 5100 FICA	3,499	3,568	3,265	303
01 21 5102 Health insurance	12,960	12,960	12,205	755
01 21 5130 Retirement - ER 1452 Town personnel	3,927	4,038	4,026	12
01 21 5203 Animal control misc. supplies	2,760	2,760	2,491	269
01 21 5215 Telephone	1,740	1,740	223	1,517
01 21 5250 Education / training / seminars	200	200	-	200
01 21 5260 Dues	65	65	25	40
01 21 5300 Fuel / state fleet ops	2,500	2,500	1,517	983
01 21 5323 Vehicle repairs / maintenance & parts	1,500	1,500	288	1,212
01 21 5325 Clothing allowance	1,100	1,100	273	827
01 21 5340 Veterinarian	3,500	3,500	2,951	549
01 21 5341 Dog tags and licenses	350	350	257	93
01 21 5342 Impoundment / turnover fees	2,500	2,500	2,374	126
01 21 5380 Computer upgrades / software	200	200	-	200
Total Animal Control	<u>82,541</u>	<u>83,623</u>	<u>73,954</u>	<u>9,669</u>
Emergency Management				
01 35 5001 EMA director stipend	10,000	10,000	10,039	(39)
01 35 5100 FICA	765	765	768	(3)
01 35 5200 Office supplies	200	200	-	200
01 35 5205 Misc. supplies	-	-	1,031	(1,031)
01 35 5215 Telephone & internet	1,500	1,500	3,577	(2,077)
01 35 5310 EMA emergency expenses	200	200	-	200
01 35 5369 Communication equipment purchases	3,000	3,000	3,207	(207)
01 35 5378 Equipment repairs / maintenance & parts	-	-	843	(843)
01 35 5471 Shelter	200	200	130	70
Total Emergency Management	<u>15,865</u>	<u>15,865</u>	<u>19,595</u>	<u>(3,730)</u>
Total Public Safety	<u>1,791,078</u>	<u>1,792,655</u>	<u>1,728,121</u>	<u>64,534</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Public Works Department				
01 19 5000 Director Barber	57,632	59,505	59,744	(239)
01 19 5021 FT employee Smith	50,634	51,900	52,109	(209)
01 19 5023 FT employee Hill	45,367	46,274	46,459	(185)
01 19 5024 FT employee Robar, Gary	33,639	34,396	34,538	(142)
01 19 5025 Truck driver / labor - Gardiner	29,926	30,525	30,667	(142)
01 19 5027 Truck driver / labor - Caswell	28,782	29,746	29,550	196
01 19 5028 Full time employee - Dimon	28,080	28,080	28,508	(428)
01 19 5060 OT Public works	20,000	20,000	40,100	(20,100)
01 19 5068 Temp employee snow removal	3,000	3,000	2,465	535
01 19 5100 FICA	22,725	23,212	24,072	(860)
01 19 5102 Health insurance	76,664	76,664	71,060	5,604
01 19 5130 Retirement - ER 1452 Town	29,818	30,605	30,510	95
01 19 5200 Office supplies	500	500	280	220
01 19 5215 Telephone	2,085	2,085	4,635	(2,550)
01 19 5285 Building maintenance	-	-	7,713	(7,713)
01 19 5300 Fuel / state fleet ops	-	-	1,384	(1,384)
01 19 5310 Emergency purchase supplies & services	-	-	313	(313)
01 19 5325 Clothing allowance	7,200	7,200	5,684	1,516
01 19 5360 Street maintenance - snow removal	35,000	35,000	108,284	(73,284)
01 19 5361 Street maintenance - gravel	8,000	8,000	12,896	(4,896)
01 19 5362 Street maintenance - drainage	4,000	4,000	6,000	(2,000)
01 19 5363 Street maintenance - asphalt	18,000	18,000	21,264	(3,264)
01 19 5364 Street maintenance - signs & posts	3,100	3,100	676	2,424
01 19 5366 Street maintenance - snow contingency	30,000	30,000	222	29,778
01 19 5367 Equipment rental	15,000	15,000	10,900	4,100
01 19 5368 Engineering	3,000	3,000	-	3,000
01 19 5370 Operating supplies	-	-	4,833	(4,833)
01 19 5372 Fuel oils & lubricants	35,000	35,000	48,885	(13,885)
01 19 5378 Equipment repairs / maintenance & parts	78,000	72,875	114,657	(41,782)
01 19 5399 Misc. expenses	-	-	665	(665)
Total Public Works Department	<u>665,152</u>	<u>667,667</u>	<u>799,073</u>	<u>(131,406)</u>
Total Public Works Department	<u>665,152</u>	<u>667,667</u>	<u>799,073</u>	<u>(131,406)</u>
Recreation				
01 22 5040 PT recreation director	9,280	3,780	4,365	(585)
01 22 2047 PT recreation program	15,000	15,000	19,557	(4,557)
01 22 5100 FICA	1,857	1,857	1,719	138
01 22 5204 Recreation / supplies	500	500	502	(2)
01 22 5260 Dues	-	-	50	(50)
01 22 5391 Recreation program expenses	3,000	3,000	3,415	(415)
01 22 5394 Recreation other events	1,300	1,300	1,018	282
01 22 5395 Porta jon rental	200	200	960	(760)
Total Recreation	<u>31,137</u>	<u>25,637</u>	<u>31,586</u>	<u>(5,949)</u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
Police / Community Center Utilities				
01 30 5217 Electricity	12,000	12,000	10,963	1,037
01 30 5275 Propane	2,808	2,808	5,327	(2,519)
01 30 5282 Pest control	675	675	650	25
01 30 5285 Building maintenance	3,000	3,000	5,001	(2,001)
01 30 5289 Security system maintenance	1,950	1,950	590	1,360
01 30 5290 Elevator inspection maintenance	2,600	2,600	1,000	1,600
Total Police / Community Center Utilities	23,033	23,033	23,531	(498)
Total Recreation	54,170	48,670	55,117	(6,447)
Educational Expenditures				
01 40 5800 Chariho Regional School Budget	18,113,501	18,113,501	18,113,501	-
01 40 5801 Chariho Regional School Debt Service	187,138	187,138	187,138	-
Total Educational Expenditures	18,300,639	18,300,639	18,300,639	-
Total Educational Expenditures	18,300,639	18,300,639	18,300,639	-
Transfers / Recycling / Landfill				
01 32 5001 Transfer station F/T	32,980	33,636	31,558	2,078
01 32 5060 Overtime	-	-	172	(172)
01 32 5100 FICA	2,523	2,573	2,205	368
01 32 5102 Health insurance	12,808	12,808	11,347	1,461
01 32 5130 Retirement - ER 1452	3,588	3,669	3,239	430
01 32 5205 Misc. supplies	-	-	116	(116)
01 32 5215 Telephone	-	-	19	(19)
01 32 5319 Tipping fees	38,000	38,000	35,166	2,834
01 32 5331 Well water testing	15,000	15,000	11,665	3,335
01 32 5368 Landfill engineering	-	-	1,475	(1,475)
01 32 5371 Fee for hauling refuse	44,000	44,000	52,372	(8,372)
01 32 5376 License fees to State of RI	3,000	3,000	60	2,940
01 32 5378 Equipment maintenance	-	-	2,491	(2,491)
Total Transfers / Recycling / Landfill	151,899	152,686	151,885	801
Total Transfers / Recycling / Landfill	151,899	152,686	151,885	801
Community Services Support				
01 25 5500 Hope Valley Ambulance	42,500	42,500	42,500	-
01 25 5501 Clark Memorial Library	94,827	94,827	94,827	-
01 25 5506 Domestic Violence Resource Center	500	500	500	-
01 25 5508 Memorial Day Parade - Gordon Greene	400	400	-	400
01 25 5509 American Legion - Downy Weaver	400	400	400	-
01 25 5510 Richmond Historical Society	400	400	400	-
01 25 5511 Chariho Youth Soccer	400	400	400	-
01 25 5513 Chariho Cowboys	400	400	400	-
01 25 5515 Southern RI Volunteers	500	500	500	-
01 25 5516 WARM Shelter	350	350	350	-
01 25 5521 Wood River Health Service	1,000	1,000	1,000	-
01 25 5522 Education Exchange	200	200	200	-
01 25 5523 RI Center Assisting Those in Need	500	500	500	-
Total Community Services Support	142,377	142,377	141,977	400

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Senior Activities				
01 26 5200 Office supplies	500	500	584	(84)
01 26 5215 Phone / internet	1,725	1,725	1,785	(60)
01 26 5391 Community center program expenses	9,000	9,000	7,182	1,818
Total Senior Activities	<u>11,225</u>	<u>11,225</u>	<u>9,551</u>	<u>1,674</u>
Total Community Service	<u>153,602</u>	<u>153,602</u>	<u>151,528</u>	<u>2,074</u>
Canvassing Authority				
01 33 5001 Board / commission / stipend	2,000	2,000	2,000	-
01 33 5003 Election officials	950	950	-	950
01 33 5100 FICA	226	226	55	171
01 33 5200 Office supplies	500	500	401	99
01 33 5229 Professional services - redistricting	1,500	1,500	1,355	145
01 33 5399 Miscellaneous	250	250	110	140
Total canvassing authority	<u>5,426</u>	<u>5,426</u>	<u>3,921</u>	<u>1,505</u>
Debt Service				
01 39 5771 Pelican lease principal matures 2016	31,455	31,455	31,455	-
01 39 5772 Pelican lease interest matures 2016	5,187	5,187	5,187	-
01 39 5773 Water main prin matures 2052	11,276	11,276	10,948	328
01 39 5774 Water main interest matures 2052	24,422	24,422	24,750	(328)
01 39 5777 GOB SER 2003 principal matures 2013	175,000	175,000	175,000	-
01 39 5778 GOB SER 2003 interest matures 2013	3,500	3,500	3,500	-
01 39 5782 Debt service payment agent fee	1,975	1,975	1,525	450
01 39 5785 GOB SER 2007 principal matures 2018	150,000	150,000	145,000	5,000
01 39 5786 GOB SER 2007 interest matures 2018	26,463	26,463	26,463	-
01 39 5787 GOB SER 2010 principal matures 2021	75,000	75,000	20,000	55,000
01 39 5788 GOB SER 2010 interest matures 2021	28,156	28,156	29,303	(1,147)
Total Debt Service	<u>532,434</u>	<u>532,434</u>	<u>473,131</u>	<u>59,303</u>
Reval Restricted Account				
01 41 5775 Restricted revaluation account	29,000	29,000	29,000	-
Total Reval Restricted Account	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
Transfers				
01 49 5358 Transfer to capital fund	348,693	348,693	164,000	184,693
Total Expenditures	<u>23,373,467</u>	<u>23,373,467</u>	<u>23,089,927</u>	<u>283,540</u>

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

TOWN OF RICHMOND, RHODE ISLAND

Notes to Required Supplementary Information

June 30, 2014

NOTE 1 - SCHEDULE OF FUNDING PROGRESS

The information presented in the required supplementary schedule was determined as part of the annual actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

	<i>General Municipal Employees Pension Plan</i>	<i>Police Officers Pension Plan</i>
Valuation date	6/30/2013	6/30/2013
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percent of payroll - over a closed period	Level percent of payroll - over a closed period
Amortization period	25 year period from June 30, 2010 or 22 years remaining as of valuation date	25 year period from June 30, 2010 or 22 years remaining as of valuation date
Asset valuation method	Market value of assets with a 5-year phase-in of actual investment return in excess of (less than) expected investment income	Market value of assets with a 5-year phase-in of actual investment return in excess of (less than) expected investment income
Actuarial assumptions:		
Investment rate of return	7.5%, compounded annually, composed of an assumed 2.75% inflation rate and a 4.75% net real rate of return	7.5%, compounded annually, composed of an assumed 2.75% inflation rate and a 4.75% net real rate of return
Projected salary increases	The sum of a 4% wage inflation assumption (composed of a 2.75% price inflation assumption and a 1.25% additional general increase) and a service related component	The sum of a 4.25% wage inflation assumption (composed of a 2.75% price inflation assumption and 1.5% additional general increase) and a service related component
Post-retirement benefit	N/A	N/A
Participant information	Active employees25 Retirees and beneficiaries13 38	Active employees12 Retirees and beneficiaries1 13

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2014

NOTE 2 - BUDGETARY DATA AND BUDGETARY COMPLIANCE

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

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

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

<u>Revenues and Other Financing Sources</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$23,256,983
Differences – budget to GAAP:	
Budgeted use of committed fund is included for budgetary purposes but not included for financial reporting purposes.	(77,500)
Budgeted transfer from the Enterprise Fund is included for budgetary purposes, but not included for financial reporting purposes.	(35,698)
Unbudgeted revenues not included for budgetary purposes, but included for financial reporting purposes.	<u>32,656</u>
<i>Total revenues and other financing sources as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u>\$23,176,441</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2014

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$23,089,927
Differences – budget to GAAP:	
Budgeted payment of debt service for the Enterprise Fund is included for budgetary purposes, but is not included for financial reporting purposes.	(35,698)
Budgeted transfer to Revaluation Restricted account is included for budgetary purposes, but is not included for financial reporting purposes.	(29,000)
Unbudgeted expenditures not included for budgetary purposes, but is included for financial reporting purposes.	<u>49,304</u>
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$23,074,533</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

THIS SECTION CONTAINS THE FOLLOWING:

Combining Fund Financial Statements for Nonmajor Governmental Funds

Combining Fund Financial Statements for Private Purpose Trust Funds

Combining Statement of Assets and Liabilities for Agency Funds

Other Supplementary Information

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	<i>Special Revenue Funds</i>	<i>Capital Project Funds</i>	<i>Total Nonmajor Governmental Funds</i>
ASSETS			
Due from federal and state governments	\$ 53,302	\$ -	\$ 53,302
Due from other funds	347,694	412,776	760,470
Total assets	\$ 400,996	\$ 412,776	\$ 813,772
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 26,759	\$ -	\$ 26,759
Due to other funds	35,929	-	35,929
Total liabilities	62,688	-	62,688
Fund balances			
Restricted for:			
Historical records preservation	11,907	-	11,907
Senior activities	24,608	-	24,608
Land trust	81,291	-	81,291
Public safety programs	6,734	-	6,734
Community service programs	14,584	-	14,584
Dog park	3,222	-	3,222
Committed	206,788	412,776	619,564
Unassigned	(10,826)	-	(10,826)
Total fund balances	338,308	412,776	751,084
Total liabilities and fund balances	\$ 400,996	\$ 412,776	\$ 813,772

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental revenue	\$ 129,124	\$ -	\$ 129,124
License, permits and fees	55,437	36,923	92,360
Other revenues	26,879	-	26,879
	<u>211,440</u>	<u>36,923</u>	<u>248,363</u>
Expenditures			
Current:			
General government	11,047	-	11,047
Public safety	46,655	-	46,655
Community services	125,985	-	125,985
Capital outlay	-	473,013	473,013
	<u>183,687</u>	<u>473,013</u>	<u>656,700</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>27,753</u>	<u>(436,090)</u>	<u>(408,337)</u>
Other financing sources (uses)			
Transfers from other funds		164,000	164,000
Transfers to other funds	(2,637)	-	(2,637)
Total other financing sources (uses)	<u>(2,637)</u>	<u>164,000</u>	<u>161,363</u>
Net change in fund balances	25,116	(272,090)	(246,974)
Fund balances - beginning of year	<u>313,192</u>	<u>684,866</u>	<u>998,058</u>
Fund balances - end of year	<u>\$ 338,308</u>	<u>\$ 412,776</u>	<u>\$ 751,084</u>

TOWN OF RICHMOND, RHODE ISLAND

Combining Balance Sheet

Town Special Revenue Funds

June 30, 2014

	<i>Historical Records Trust</i>	<i>Highway Safety</i>	<i>Legislative Grant</i>	<i>Land Trust Grant</i>	<i>Land Trust</i>	<i>Planning Board</i>
ASSETS						
Due from federal and state governments	\$ -	\$ 8,685	\$ -	\$ 2,400	\$ -	\$ -
Due from other funds	11,907	-	1,816	-	80,763	26,286
Total assets	<u>\$ 11,907</u>	<u>\$ 8,685</u>	<u>\$ 1,816</u>	<u>\$ 2,400</u>	<u>\$ 80,763</u>	<u>\$ 26,286</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	19,154	-	1,872	-	-
Total liabilities	<u>-</u>	<u>19,154</u>	<u>-</u>	<u>1,872</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted for:						
Historical records preservation	11,907	-	-	-	-	-
Senior activities	-	-	1,816	-	-	-
Land trust	-	-	-	528	80,763	-
Public safety programs	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-
Dog park	-	-	-	-	-	-
Committed	-	-	-	-	-	26,286
Unassigned	-	(10,469)	-	-	-	-
Total fund balances	<u>11,907</u>	<u>(10,469)</u>	<u>1,816</u>	<u>528</u>	<u>80,763</u>	<u>26,286</u>
Total liabilities and fund balances	<u>\$ 11,907</u>	<u>\$ 8,685</u>	<u>\$ 1,816</u>	<u>\$ 2,400</u>	<u>\$ 80,763</u>	<u>\$ 26,286</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Town Special Revenue Funds
June 30, 2014

	<u><i>Emergency Management Grant</i></u>	<u><i>Community Development Block Grant</i></u>	<u><i>Community Development Program Income</i></u>	<u><i>Housing Preservation Grants</i></u>	<u><i>Impact Fees Education</i></u>	<u><i>Impact Fees Recreation</i></u>
ASSETS						
Due from federal and state governments	\$ -	\$ 16,852	\$ -	\$ 25,365	\$ -	\$ -
Due from other funds	6,734	-	8,332	-	154,241	25,100
Total assets	<u>\$ 6,734</u>	<u>\$ 16,852</u>	<u>\$ 8,332</u>	<u>\$ 25,365</u>	<u>\$ 154,241</u>	<u>\$ 25,100</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 15,282	\$ -	\$ 11,477	\$ -	\$ -
Due to other funds	-	1,927	-	12,976	-	-
Total liabilities	<u>-</u>	<u>17,209</u>	<u>-</u>	<u>24,453</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted for:						
Historical records preservation	-	-	-	-	-	-
Senior activities	-	-	-	-	-	-
Land trust	-	-	-	-	-	-
Public safety programs	6,734	-	-	-	-	-
Community service programs	-	-	8,332	912	-	-
Dog park	-	-	-	-	-	-
Committed	-	-	-	-	154,241	25,100
Unassigned	-	(357)	-	-	-	-
Total fund balances	<u>6,734</u>	<u>(357)</u>	<u>8,332</u>	<u>912</u>	<u>154,241</u>	<u>25,100</u>
Total liabilities and fund balances	<u>\$ 6,734</u>	<u>\$ 16,852</u>	<u>\$ 8,332</u>	<u>\$ 25,365</u>	<u>\$ 154,241</u>	<u>\$ 25,100</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Town Special Revenue Funds
June 30, 2014

	Healthcare MEDS Grant	Dog Park Donations	Animal Control Stray & Homeless	Senior Activities Grant	Total
ASSETS					
Due from federal and state governments	\$ -	\$ -	\$ -	\$ -	\$ 53,302
Due from other funds	5,340	3,222	1,161	22,792	347,694
Total assets	\$ 5,340	\$ 3,222	\$ 1,161	\$ 22,792	\$ 400,996
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 26,759
Due to other funds	-	-	-	-	35,929
Total liabilities	-	-	-	-	62,688
Fund balances					
Restricted for:					
Historical records preservation	-	-	-	-	11,907
Senior activities	-	-	-	22,792	24,608
Land trust	-	-	-	-	81,291
Public safety programs	-	-	-	-	6,734
Community service programs	5,340	-	-	-	14,584
Dog park	-	3,222	-	-	3,222
Committed	-	-	1,161	-	206,788
Unassigned	-	-	-	-	(10,826)
Total fund balances	5,340	3,222	1,161	22,792	338,308
Total liabilities and fund balances	\$ 5,340	\$ 3,222	\$ 1,161	\$ 22,792	\$ 400,996

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Town Special Revenue Funds
For the Fiscal Year Ended June 30, 2014

	<i>Historical Records Trust</i>	<i>Highway Safety</i>	<i>Legislative Grant</i>	<i>Land Trust Grant</i>	<i>Land Trust</i>	<i>Planning Board</i>
Revenues						
Intergovernmental revenue	\$ -	\$ 33,538	\$ 5,000	\$ 2,400	\$ -	\$ -
License, permits and fees	1,385	-	-	-	-	6,160
Other revenues	-	10,977	1,500	-	1,075	-
Total revenues	<u>1,385</u>	<u>44,515</u>	<u>6,500</u>	<u>2,400</u>	<u>1,075</u>	<u>6,160</u>
Expenditures						
Current:						
General government	462	-	-	2,400	-	8,185
Public safety	-	46,655	-	-	-	-
Community services	-	-	9,684	-	-	-
Total expenditures	<u>462</u>	<u>46,655</u>	<u>9,684</u>	<u>2,400</u>	<u>-</u>	<u>8,185</u>
Excess (deficiency) of revenues over (under) expenditures before other financing uses	<u>923</u>	<u>(2,140)</u>	<u>(3,184)</u>	<u>-</u>	<u>1,075</u>	<u>(2,025)</u>
Other financing uses						
Transfers to other funds	-	-	(2,637)	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>(2,637)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	923	(2,140)	(5,821)	-	1,075	(2,025)
Fund balances - beginning of year	<u>10,984</u>	<u>(8,329)</u>	<u>7,637</u>	<u>528</u>	<u>79,688</u>	<u>28,311</u>
Fund balances - end of year	<u>\$ 11,907</u>	<u>\$ (10,469)</u>	<u>\$ 1,816</u>	<u>\$ 528</u>	<u>\$ 80,763</u>	<u>\$ 26,286</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Town Special Revenue Funds
For the Fiscal Year Ended June 30, 2014

	<i>Emergency Management Grant</i>	<i>Community Development Block Grant</i>	<i>Community Development Program Income</i>	<i>Housing Preservation Grants</i>	<i>Impact Fees Education</i>	<i>Impact Fees Recreation</i>
<i>Revenues</i>						
Intergovernmental revenue	\$ -	\$ 52,168	\$ -	\$ 33,268	\$ -	\$ -
License, permits and fees	-	-	-	-	33,600	12,000
Other revenues	-	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>52,168</u>	<u>-</u>	<u>33,268</u>	<u>33,600</u>	<u>12,000</u>
<i>Expenditures</i>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community services	-	69,369	2,271	32,356	-	-
<i>Total expenditures</i>	<u>-</u>	<u>69,369</u>	<u>2,271</u>	<u>32,356</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures before other financing uses</i>	<u>-</u>	<u>(17,201)</u>	<u>(2,271)</u>	<u>912</u>	<u>33,600</u>	<u>12,000</u>
<i>Other financing uses</i>						
Transfers to other funds	-	-	-	-	-	-
<i>Total other financing uses</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	(17,201)	(2,271)	912	33,600	12,000
<i>Fund balances - beginning of year</i>	<u>6,734</u>	<u>16,844</u>	<u>10,603</u>	<u>-</u>	<u>120,641</u>	<u>13,100</u>
<i>Fund balances - end of year</i>	<u>\$ 6,734</u>	<u>\$ (357)</u>	<u>\$ 8,332</u>	<u>\$ 912</u>	<u>\$ 154,241</u>	<u>\$ 25,100</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Town Special Revenue Funds
For the Fiscal Year Ended June 30, 2014

	Healthcare MEDS Grant	Dog Park Donations	Animal Control Stray & Homeless	Senior Activities Grant	Total
Revenues					
Intergovernmental revenue	\$ 2,750	\$ -	\$ -	\$ -	\$ 129,124
License, permits and fees	-	-	485	1,807	55,437
Other revenues	-	6,527	-	6,800	26,879
Total revenues	<u>2,750</u>	<u>6,527</u>	<u>485</u>	<u>8,607</u>	<u>211,440</u>
Expenditures					
Current:					
General government	-	-	-	-	11,047
Public safety	-	-	-	-	46,655
Community services	4,468	5,038	-	2,799	125,985
Total expenditures	<u>4,468</u>	<u>5,038</u>	<u>-</u>	<u>2,799</u>	<u>183,687</u>
Excess (deficiency) of revenues over (under) expenditures before other financing uses	<u>(1,718)</u>	<u>1,489</u>	<u>485</u>	<u>5,808</u>	<u>27,753</u>
Other financing uses					
Transfers to other funds	-	-	-	-	(2,637)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,637)</u>
Net change in fund balances	(1,718)	1,489	485	5,808	25,116
Fund balances - beginning of year	<u>7,058</u>	<u>1,733</u>	<u>676</u>	<u>16,984</u>	<u>313,192</u>
Fund balances - end of year	<u>\$ 5,340</u>	<u>\$ 3,222</u>	<u>\$ 1,161</u>	<u>\$ 22,792</u>	<u>\$ 338,308</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2014

	<u>Open Space Recreation Grant</u>	<u>Capital Bond Fund</u>	<u>Totals</u>
Assets			
Due from other funds	<u>\$ 406,776</u>	<u>\$ 6,000</u>	<u>\$ 412,776</u>
Total assets	<u><u>\$ 406,776</u></u>	<u><u>\$ 6,000</u></u>	<u><u>\$ 412,776</u></u>
 Fund balances			
Committed for capital	<u>406,776</u>	<u>6,000</u>	<u>412,776</u>
Total fund balances	<u><u>\$ 406,776</u></u>	<u><u>\$ 6,000</u></u>	<u><u>\$ 412,776</u></u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Fiscal Year Ended June 30, 2014

	<i>Open Space Recreation Grant</i>	<i>Capital Bond Fund</i>	<i>Totals</i>
<i>Revenues</i>			
License, permits and fees	\$ 36,923	\$ -	\$ 36,923
<i>Total revenues</i>	<u>36,923</u>	<u>-</u>	<u>36,923</u>
<i>Expenditures</i>			
Capital outlay		473,013	473,013
<i>Total expenditures</i>	<u>-</u>	<u>473,013</u>	<u>473,013</u>
<i>Excess (deficiency) of revenues over (under) expenditures before other financing sources</i>	<u>36,923</u>	<u>(473,013)</u>	<u>(436,090)</u>
<i>Other financing sources</i>			
Transfers from other funds	-	164,000	164,000
<i>Total other financing sources</i>	<u>-</u>	<u>164,000</u>	<u>164,000</u>
<i>Net change in fund balances</i>	36,923	(309,013)	(272,090)
<i>Fund balances - beginning of year</i>	<u>369,853</u>	<u>315,013</u>	<u>684,866</u>
<i>Fund balances - end of year</i>	<u>\$ 406,776</u>	<u>\$ 6,000</u>	<u>\$ 412,776</u>

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

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

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2014

	<i>Emily Anthony Funds</i>	<i>Edwin Anthony Funds</i>	<i>Crawley Property</i>	<i>Senior Activities</i>	<i>Cemetery Funds</i>	<i>Wood River Cemetery Funds</i>
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	55,407	10,009	4,020	108	38,959	8,785
Total assets	55,407	10,009	4,020	108	38,959	8,785
 Net Position						
Restricted for other purposes	<u>\$ 55,407</u>	<u>\$ 10,009</u>	<u>\$ 4,020</u>	<u>\$ 108</u>	<u>\$ 38,959</u>	<u>\$ 8,785</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Net Position (Continued)
Private Purpose Trust Funds
June 30, 2014

	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Henry D. Hoyle Grant</i>	<i>J Crawford Fenner Fund</i>	<i>Total</i>
Assets							
Cash and cash equivalents	\$ -	\$ 22,364	\$ -	\$ -	\$ -	\$ -	\$ 22,364
Investments	-	101,578	-	-	-	-	101,578
Due from other funds	9,532	-	1,244	824	633	3,524	133,045
Total assets	9,532	123,942	1,244	824	633	3,524	256,987
 Net Position							
Restricted for other purposes	<u>\$ 9,532</u>	<u>\$ 123,942</u>	<u>\$ 1,244</u>	<u>\$ 824</u>	<u>\$ 633</u>	<u>\$ 3,524</u>	<u>\$ 256,987</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2014

	<i>Emily Anthony Funds</i>	<i>Edwin Anthony Funds</i>	<i>Crawley Property</i>	<i>Senior Activities</i>	<i>Cemetery Funds</i>	<i>Wood River Cemetery Funds</i>
Additions						
Gifts and contributions	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -
Investment earnings:						
Net increase (decrease) in fair value of investments	-	-	-	-	-	-
Interest and dividends	131	36	10	-	106	22
Net investment earnings	131	36	10	-	106	22
Total additions	131	36	10	-	506	22
Deductions						
Miscellaneous	200	1,458	-	-	3,834	58
Total deductions	200	1,458	-	-	3,834	58
Change in net position	(69)	(1,422)	10	-	(3,328)	(36)
Net position - beginning of year	55,476	11,431	4,010	108	42,287	8,821
Net position - end of year	\$ 55,407	\$ 10,009	\$ 4,020	\$ 108	\$ 38,959	\$ 8,785

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position (Continued)
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2014

	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Henry D. Hoyle Grant</i>	<i>J Crawford Fenner Fund</i>	<i>Total</i>
Additions							
Gifts and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400
Investment earnings:							
Net increase (decrease) in fair value of investments	-	8,944	-	-	-	-	8,944
Interest and dividends	24	2,807	3	2	1	9	3,151
Net investment earnings	24	11,751	3	2	1	9	12,095
Total additions	24	11,751	3	2	1	9	12,495
Deductions							
Miscellaneous	-	2,613	-	-	-	23	8,186
Total deductions	-	2,613	-	-	-	23	8,186
Change in net position	24	9,138	3	2	1	(14)	4,309
Net position - beginning of year	9,508	114,804	1,241	822	632	3,538	252,678
Net position - end of year	\$ 9,532	\$ 123,942	\$ 1,244	\$ 824	\$ 633	\$ 3,524	\$ 256,987

A G E N C Y F U N D S

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

TOWN OF RICHMOND, RHODE ISLAND

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2014

	<u><i>Landscape Escrows</i></u>	<u><i>Curb Cut Bonds</i></u>	<u><i>Fairside Drive Bonds</i></u>	<u><i>Safety Markings</i></u>	<u><i>Probate Court</i></u>	<u><i>Camelot Performance Bond</i></u>	<u><i>Total Agency Funds</i></u>
Assets							
Due from other funds	<u>\$ 10,165</u>	<u>\$ 7,879</u>	<u>\$ 22,870</u>	<u>\$ 2,206</u>	<u>\$ 2,408</u>	<u>\$ 190,000</u>	<u>\$ 235,528</u>
Total assets	<u><u>\$ 10,165</u></u>	<u><u>\$ 7,879</u></u>	<u><u>\$ 22,870</u></u>	<u><u>\$ 2,206</u></u>	<u><u>\$ 2,408</u></u>	<u><u>\$ 190,000</u></u>	<u><u>\$ 235,528</u></u>
Liabilities							
Deposits held in custody for others	<u>\$ 10,165</u>	<u>\$ 7,879</u>	<u>\$ 22,870</u>	<u>\$ 2,206</u>	<u>\$ 2,408</u>	<u>\$ 190,000</u>	<u>\$ 235,528</u>
Total liabilities	<u><u>\$ 10,165</u></u>	<u><u>\$ 7,879</u></u>	<u><u>\$ 22,870</u></u>	<u><u>\$ 2,206</u></u>	<u><u>\$ 2,408</u></u>	<u><u>\$ 190,000</u></u>	<u><u>\$ 235,528</u></u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Landscape Escrows				
Assets				
Due from other funds	\$ 10,140	\$ 25	\$ -	\$ 10,165
Total assets	<u>\$ 10,140</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 10,165</u>
Liabilities				
Deposits held in custody for others	\$ 10,140	\$ 25	\$ -	\$ 10,165
Total liabilities	<u>\$ 10,140</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 10,165</u>
 Curb Cut Bonds				
Assets				
Due from other funds	\$ 5,864	\$ 7,515	\$ 5,500	\$ 7,879
Total assets	<u>\$ 5,864</u>	<u>\$ 7,515</u>	<u>\$ 5,500</u>	<u>\$ 7,879</u>
Liabilities				
Deposits held in custody for others	\$ 5,864	\$ 7,515	\$ 5,500	\$ 7,879
Total liabilities	<u>\$ 5,864</u>	<u>\$ 7,515</u>	<u>\$ 5,500</u>	<u>\$ 7,879</u>
 Fairside Drive Bond				
Assets				
Due from other funds	\$ 22,813	\$ 57	\$ -	\$ 22,870
Total assets	<u>\$ 22,813</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 22,870</u>
Liabilities				
Deposits held in custody for others	\$ 22,813	\$ 57	\$ -	\$ 22,870
Total liabilities	<u>\$ 22,813</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 22,870</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Safety Markings				
Assets				
Due from other funds	\$ 2,200	\$ 6	\$ -	\$ 2,206
Total assets	<u>\$ 2,200</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,206</u>
Liabilities				
Deposits held in custody for others	\$ 2,200	\$ 6	\$ -	\$ 2,206
Total liabilities	<u>\$ 2,200</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,206</u>
 Probate Court				
Assets				
Due from other funds	\$ 2,402	\$ 6	\$ -	\$ 2,408
Total assets	<u>\$ 2,402</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,408</u>
Liabilities				
Deposits held in custody for others	\$ 2,402	\$ 6	\$ -	\$ 2,408
Total liabilities	<u>\$ 2,402</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,408</u>
 Camelot Performance Bond				
Assets				
Due from other funds	\$ -	\$ 190,000	\$ -	\$ 190,000
Total assets	<u>\$ -</u>	<u>\$ 190,000</u>	<u>\$ -</u>	<u>\$ 190,000</u>
Liabilities				
Deposits held in custody for others	\$ -	\$ 190,000	\$ -	\$ 190,000
Total liabilities	<u>\$ -</u>	<u>\$ 190,000</u>	<u>\$ -</u>	<u>\$ 190,000</u>
 Total Agency Funds				
Assets				
Due from other funds	\$ 43,419	\$ 197,609	\$ 5,500	\$ 235,528
Total assets	<u>\$ 43,419</u>	<u>\$ 197,609</u>	<u>\$ 5,500</u>	<u>\$ 235,528</u>
Liabilities				
Deposits held in custody for others	\$ 43,419	\$ 197,609	\$ 5,500	\$ 235,528
Total liabilities	<u>\$ 43,419</u>	<u>\$ 197,609</u>	<u>\$ 5,500</u>	<u>\$ 235,528</u>

TOWN OF RICHMOND, RHODE ISLAND

*Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2014*

Real Estate and Personal Property Taxes

<u>Tax Year</u>	<u>Balance June 30, 2013</u>	<u>Current year Assessment</u>	<u>Refunds</u>	<u>Abatements/ Adjustments</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance June 30, 2014</u>
2014	\$ -	\$ 16,740,540	\$26,865	\$ (34,483)	\$ 16,732,922	\$ 16,019,946	\$ 712,976
2013	615,531	-	873	14,036	630,440	484,376	146,064
2012	175,297	-	181	26,663	202,141	117,473	84,668
2011	117,850	-	187	(1,122)	116,915	68,858	48,057
2010	59,140	-	1,169	(23,307)	37,002	9,763	27,239
2009	39,958	-	-	(733)	39,225	10,890	28,335
2008	24,455	-	-	616	25,071	2,408	22,663
2007	18,701	-	-	(448)	18,253	262	17,991
2006	18,581	-	-	(80)	18,501	577	17,924
2005	15,697	-	-	(181)	15,516	239	15,277
	<u>\$ 1,085,210</u>	<u>\$ 16,740,540</u>	<u>\$ 29,275</u>	<u>\$ (19,039)</u>	<u>\$ 17,835,986</u>	<u>\$ 16,714,792</u>	<u>\$ 1,121,194</u>
					Allowance for Uncollectible Accounts		<u>(150,000)</u>
					Net Property Tax Receivable		<u>\$ 971,194</u>

Schedule of Most Recent Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuation</u>	<u>Levy</u>
Real property	\$ 784,433,950	\$ 15,061,874
Motor vehicle	\$ 83,144,997	\$ 1,882,403
Tangible personal property	19,115,290	377,718
Total	886,694,237	17,321,995
Exemptions and tax freeze	(47,868,419)	(581,455)
Net assessed value	<u>\$ 838,825,818</u>	<u>\$ 16,740,540</u>

STATISTICAL SECTION

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

**TOWN OF RICHMOND
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit 1

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net investment in capital assets	\$10,596,654	\$11,372,800	\$10,117,906	\$10,822,388	\$11,644,019	\$12,700,301	\$ 2,054,119	\$ 680,618	\$ 1,664,014	\$ 1,442,231
Restricted	142,346	158,793	-	-	-	-	-	-	3,507,745	3,975,530
Unrestricted	5,055,335	5,086,922	5,662,225	6,034,135	6,434,399	5,985,444	5,429,271	6,792,210	2,710,314	3,079,229
Total governmental activities net position	<u>\$15,794,335</u>	<u>\$16,618,515</u>	<u>\$15,780,131</u>	<u>\$16,856,523</u>	<u>\$18,078,418</u>	<u>\$18,685,745</u>	<u>\$ 7,483,390</u>	<u>\$ 7,472,828</u>	<u>\$ 7,882,073</u>	<u>\$ 8,496,990</u>
Business-type activities										
Net investment in capital assets	\$ 1,333,901	\$ 1,250,298	\$ 1,191,096	\$ 588,288	\$ 579,071	\$ 607,907	\$ 665,579	\$ 636,742	\$ 694,414	\$ 723,249
Unrestricted	504,742	562,537	536,798	476,495	468,970	434,513	379,946	424,845	313,798	278,393
Total business-type activities net position	<u>\$ 1,838,643</u>	<u>\$ 1,812,835</u>	<u>\$ 1,727,894</u>	<u>\$ 1,064,783</u>	<u>\$ 1,048,041</u>	<u>\$ 1,042,420</u>	<u>\$ 1,045,525</u>	<u>\$ 1,061,587</u>	<u>\$ 1,008,212</u>	<u>\$ 1,001,642</u>
Primary government										
Net investment in capital assets	\$11,930,555	\$12,623,098	\$11,309,002	\$11,410,676	\$12,223,090	\$13,308,208	\$ 2,719,698	\$ 1,317,360	\$ 2,358,428	\$ 2,165,480
Restricted	142,346	158,793	-	-	-	-	-	-	3,507,745	3,975,530
Unrestricted	5,560,077	5,649,459	6,199,023	6,510,630	6,903,369	6,419,957	5,809,217	7,217,055	3,024,112	3,357,622
Total primary government net position	<u>\$17,632,978</u>	<u>\$18,431,350</u>	<u>\$17,508,025</u>	<u>\$17,921,306</u>	<u>\$19,126,459</u>	<u>\$19,728,165</u>	<u>\$ 8,528,915</u>	<u>\$ 8,534,415</u>	<u>\$ 8,890,285</u>	<u>\$ 9,498,632</u>

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

Exhibit 2

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
General government	\$ 1,396,108	\$ 1,386,225	\$ 1,202,400	\$ 1,211,012	\$ 1,112,240	\$ 1,381,725	\$ 1,285,864	\$ 1,050,620	\$ 1,201,615	\$ 1,079,622
Public safety	1,781,017	1,853,424	1,672,730	1,498,832	1,438,854	1,359,604	1,255,025	1,212,587	1,102,273	862,348
Public works	2,103,662	1,643,344	2,180,519	2,123,184	2,296,905	2,069,878	524,205	570,471	681,350	576,889
General public assistance	-	-	769,187	726,279	332,833	426,905	320,111	50,591	48,940	48,384
Recreation and culture	55,117	58,270	52,129	57,159	47,559	83,777	82,319	62,150	100,571	73,868
Education	18,300,639	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
Transfer station/recycling area	151,885	145,665	-	-	-	-	-	-	-	-
Community services	277,513	564,606	153,049	143,870	173,810	176,777	177,827	166,327	162,105	137,350
Other	3,921	9,595	71,712	198,390	103,966	353,697	287,727	782,864	993,166	370,137
Interest	54,800	102,443	85,817	82,831	73,311	125,009	77,294	57,965	18,482	78,515
Total governmental activities expenses	<u>24,124,662</u>	<u>23,850,392</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>
Business-type activities:										
Water Supply Board	157,750	65,015	79,645	73,599	93,202	74,475	102,991	66,572	66,091	57,042
Total business-type activities expenses	<u>157,750</u>	<u>65,015</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>
Total primary government expenses	<u>\$ 24,282,412</u>	<u>\$ 23,915,407</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>
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
General government	\$ 319,272	\$ 216,997	\$ 270,050	\$ 309,441	\$ 338,242	\$ 236,515	\$ 504,495	\$ 181,052	\$ 654,515	\$ 608,584
Public safety	147,545	50,425	86,792	5,987	87,349	67,013	64,418	58,126	47,125	11,710
Public works	-	-	-	-	-	-	-	81,812	1,700	27,588
Recreation and culture	19,203	-	-	-	-	-	-	-	-	-
Transfer station/recycling area	137,403	-	-	-	-	-	-	-	-	-
Education	-	70,516	50,138	42,103	71,232	-	-	-	-	-
Other activities	16,583	213,032	111,365	106,774	16,358	8,632	12,650	1,177,555	1,124,466	779,519
Operating grants and contributions	5,604,383	5,962,795	6,099,529	5,546,692	5,495,190	622,113	6,303,066	6,028,634	5,785,334	5,525,031
Capital grants and contributions	-	49,315	559,037	641,878	283,430	-	-	-	-	-
Total governmental activities program revenues	<u>6,244,389</u>	<u>6,563,080</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>
Business-type activities:										
<i>Charges for services:</i>										
Water Supply Board	109,522	130,654	117,031	87,050	98,823	98,904	84,870	85,140	74,536	119,304
Operating and capital grants and contributions	74,036	65,000	625,725	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>183,558</u>	<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>
Total primary government program revenues	<u>\$ 6,427,947</u>	<u>\$ 6,758,734</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>
Net (Expense)/Revenue										
Governmental activities	\$ (17,880,273)	\$ (17,287,312)	\$ (17,108,712)	\$ (16,460,840)	\$ (15,851,784)	\$ (22,230,703)	\$ (14,459,253)	\$ (13,329,219)	\$ (12,375,973)	\$ (11,152,731)
Business-type activities	25,808	130,639	663,111	13,451	5,621	24,429	(18,121)	18,568	8,445	62,262
Total primary government net expenses	<u>\$ (17,854,465)</u>	<u>\$ (17,156,673)</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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes and other	\$ 16,717,549	\$ 16,232,872	\$ 15,881,815	\$ 15,166,543	\$ 14,504,920	\$ 14,033,839	\$ 13,312,636	\$ 12,276,621	\$ 11,331,829	\$ 10,490,957
Unrestricted investment earnings	8,276	8,009	6,328	14,260	26,392	-	-	-	-	-
State aid	324,007	-	57,421	58,142	713,145	6,158,139	993,406	-	-	-
Other revenues	6,261	281,604	-	-	-	-	103,825	248,346	425,679	720,765
Transfers	-	35,698	-	-	-	-	-	-	-	-
Total governmental activities	<u>17,056,093</u>	<u>16,558,183</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>
Business-type activities:										
Unrestricted investment earnings	-	-	-	3,291	-	4,367	-	-	-	-
Transfers	-	(35,698)	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>(35,698)</u>	<u>-</u>	<u>3,291</u>	<u>-</u>	<u>4,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 17,056,093</u>	<u>\$ 16,522,485</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>
Change in Net Position										
Governmental activities	\$ (824,180)	\$ (729,129)	\$ (1,163,148)	\$ (1,221,895)	\$ (607,327)	\$ (2,038,725)	\$ (49,386)	\$ (804,252)	\$ (618,465)	\$ 58,991
Business-type activities	25,808	94,941	663,111	16,742	5,621	28,796	(18,121)	18,568	8,445	62,262
Total primary government	<u>\$ (798,372)</u>	<u>\$ (634,188)</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>

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

Exhibit 3

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	2,778,282	2,524,045	2,399,060	2,273,372	2,900,303	3,215,975
Nonspendable fund balances	9,556	75	2,663	30,350	-	-	-	-	-	-
Restricted fund balances	-	-	-	-	-	-	-	-	-	-
Committed fund balances	733,424	728,577	-	-	-	-	-	-	-	-
Assigned fund balances	-	-	571,144	734,310	-	-	-	-	-	-
Unassigned fund balances	3,214,276	3,126,696	3,178,062	2,957,716	-	-	-	-	-	-
Total general fund	<u>3,957,256</u>	<u>3,855,348</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>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Reserved, reported in:										
Special Revenue Funds	-	-	-	-	2,011,989	1,765,404	2,340,203	3,213,368	3,507,745	3,975,530
Capital Projects Funds	-	-	-	-	984,425	1,011,190	1,474,091	-	-	-
Restricted fund balances	142,346	158,793	382,778	539,986	-	-	-	-	-	-
Committed	619,564	847,594	688,711	952,018	-	-	-	-	-	-
Unassigned	(10,826)	(8,329)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>751,084</u>	<u>998,058</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>
Total governmental funds	<u>\$ 4,708,340</u>	<u>\$ 4,853,406</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>

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)
(Unaudited)

Exhibit 4

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Property tax revenue	\$ 16,722,055	\$ 16,316,284	\$ 15,656,682	\$ 14,845,065	\$ 14,277,199	\$ 13,923,630	\$ 12,836,071	\$ 11,999,417	\$ 11,113,712	\$ 10,302,445
Interest on late payments	117,179	144,601	185,525	143,588	158,260	-	-	258,459	208,552	186,080
Intergovernmental and department revenue	5,901,511	6,375,962	6,771,428	6,227,798	6,314,625	6,747,742	7,351,551	6,028,634	5,785,334	5,782,255
Licenses, fees, and permits	520,938	384,988	265,661	284,861	312,605	256,401	557,022	320,990	718,640	390,658
Investment Income	8,276	8,009	6,328	14,260	26,392	79,520	218,274			
Other revenues	152,208	83,734	197,243	198,358	377,716	88,269	62,317	1,425,901	1,547,958	1,500,284
Total revenues	<u>23,422,167</u>	<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>	<u>21,025,235</u>	<u>20,033,401</u>	<u>19,374,196</u>	<u>18,161,722</u>
Expenditures										
General government	1,293,863	1,102,101	1,114,763	1,097,331	1,111,867	1,154,554	1,219,531	1,116,437	1,080,676	997,435
Public safety	1,774,776	1,758,543	1,621,378	1,470,750	1,412,216	1,329,750	1,237,818	1,181,807	1,062,315	827,705
Public works	799,073	715,313	703,440	674,584	853,258	614,233	515,637	478,435	588,834	469,770
Grants expenditures and land acquisition	-	612,434	769,187	1,308,592	332,833	426,905	320,111	50,591	48,940	48,384
Recreation and culture	55,117	58,270	52,129	57,159	47,559	83,777	82,319	62,150	100,571	73,868
Education	18,300,639	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
Recycling area	151,885	145,665	55,875	55,128	38,738	39,822	40,341	34,410	24,485	18,204
Community services	277,513	156,182	153,049	143,870	173,810	176,777	177,827	166,327	162,105	137,350
Canvassing authority	3,921	9,595	10,073	6,401	2,125	-	-	-	-	-
Landfill closure			-	-	-	9,146	5,213	8,107	17,150	43,207
Capital outlay	473,013	203,450	570,447	1,100,244	60,578	535,344	226,763	135,896	110,389	129,455
Program Expenditures								740,347	951,531	308,726
Debt Service - principal	371,455	371,642	325,000	325,000	315,355	304,759	329,056	304,237	311,564	312,993
Debt Service - interest	64,453	97,237	85,349	82,174	79,769	92,056	77,294	57,965	18,482	78,515
Debt Service - other	1,525	1,975	1,875	30,855	525	525	14,910			
Total expenditures	<u>23,567,233</u>	<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>	<u>21,580,330</u>	<u>21,239,532</u>	<u>20,157,653</u>	<u>18,323,662</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(145,066)</u>	<u>(5,649)</u>	<u>(477,778)</u>	<u>(1,710,316)</u>	<u>474,057</u>	<u>(859,690)</u>	<u>(555,095)</u>	<u>(1,206,131)</u>	<u>(783,457)</u>	<u>(161,940)</u>
Other financing sources (uses)										
Proceeds from debt issuance	-	35,698	-	1,150,000	-	-	1,400,000			
Transfers From (to) other funds	-	-	-	-	-	-	-	284,823		
Total other financing sources (uses)	<u>-</u>	<u>35,698</u>	<u>-</u>	<u>1,150,000</u>	<u>-</u>	<u>-</u>	<u>1,400,000</u>	<u>284,823</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (145,066)</u>	<u>\$ 30,049</u>	<u>\$ (477,778)</u>	<u>\$ (560,316)</u>	<u>\$ 474,057</u>	<u>\$ (859,690)</u>	<u>\$ 844,905</u>	<u>\$ (921,308)</u>	<u>\$ (783,457)</u>	<u>\$ (161,940)</u>
Debt service as a percentage of noncapital expenditures	<u>1.92%</u>	<u>2.07%</u>	<u>1.83%</u>	<u>2.00%</u>	<u>1.93%</u>	<u>1.89%</u>	<u>2.01%</u>	<u>1.81%</u>	<u>1.76%</u>	<u>2.24%</u>

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

**TOWN OF RICHMOND
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit 5

		Real Estate - Residential	Real Estate - Commercial	Personal Property - Motor Vehicle	Personal Property - Tangible	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
(2)	12/31/2013	\$ 683,490,350	\$ 77,159,100	\$ 83,780,528	19,480,110	47,726,523	\$ 816,183,565	19.76	884,855,220	92%
	12/31/2012	\$ 701,234,150	\$ 83,199,800	\$ 83,144,997	19,115,290	47,868,419	\$ 838,825,818	19.02	907,480,486	92%
	12/31/2011	\$ 700,787,050	\$ 83,424,000	\$ 81,745,590	20,841,340	46,258,219	\$ 840,539,761	18.46	907,234,378	93%
(1)	12/31/2010	\$ 699,650,750	\$ 83,426,300	\$ 78,391,069	20,982,590	44,000,360	\$ 838,450,349	14.99	902,048,476	93%
	12/31/2009	\$ 836,474,450	\$ 89,695,800	\$ 77,155,733	19,800,400	45,099,929	\$ 978,026,454	14.94	1,042,415,316	94%
	12/31/2008	\$ 835,178,250	\$ 87,721,670	\$ 64,106,902	19,248,440	56,293,676	\$ 949,961,586	14.31	1,022,281,988	93%
(2)	12/31/2007	\$ 837,393,650	\$ 78,935,800	\$ 71,672,259	19,308,660	56,484,676	\$ 950,825,693	14.11	1,025,228,434	93%
	12/31/2006	\$ 785,891,300	\$ 72,888,600	\$ 68,347,887	22,674,610	54,689,138	\$ 895,113,259	13.54	966,889,369	93%
	12/31/2005	\$ 775,223,450	\$ 72,069,700	\$ 67,463,132	23,297,110	54,088,850	\$ 883,964,542	12.44	954,919,175	93%
	12/31/2004	\$ 761,392,170	\$ 70,984,200	\$ 58,815,758	22,974,440	41,907,706	\$ 872,258,862	18.83	928,870,508	94%

⁽¹⁾ Revaluation

⁽²⁾ Statistical Revaluation

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

**TOWN OF RICHMOND
PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit 6

Tax Rate, Levy and Collection Record

Fiscal Year June 30,	Current Tax Levy	Current Tax Collections	% of Levy Collected	Current and Total		Uncollected Taxes	Tax Rate	% Rate Increase	\$ Levy Increase	% Levy Increase
				Delinquent Collections	Collections % of Levy					
2014	16,740,540	16,019,946	95.70	16,714,792	99.85	1,121,194	19.76	3.89%	548,468	3.39%
2013	16,192,072	15,568,651	96.15	16,345,896	100.95	1,085,210	19.02	3.03%	486,457	3.10%
2012 ⁽¹⁾	15,705,615	15,662,363	99.72	15,792,314	100.55	1,286,328	18.46	23.15%	631,638	4.19%
2011	15,073,977	14,306,567	94.91	14,799,888	98.18	1,261,083	14.99	0.33%	697,174	4.85%
2010	14,376,803	13,753,597	95.67	14,058,031	97.78	1,141,296	14.94	4.40%	524,420	3.79%
2009 ⁽²⁾	13,852,383	13,149,523	94.93	13,711,122	98.98	1,077,973	14.31	1.42%	1,030,292	8.04%
2008	12,822,091	12,245,003	95.50	12,924,576	100.80	679,573	14.11	4.21%	631,725	5.18%
2007	12,190,366	11,704,160	96.01	12,324,356	101.10	486,206	13.54	8.84%	1,037,720	9.30%
2006 ⁽²⁾	11,152,646	10,510,429	94.24	10,941,316	98.11	642,217	12.44	-33.94%	843,255	8.18%
2005	10,309,391	9,969,046	96.70	10,456,579	101.43	340,345	18.83	5.20%	576,748	5.93%

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) Statistical Revaluation.

**TOWN OF RICHMOND
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
JUNE 30, 2014
(Unaudited)**

Exhibit 7

2014			
Taxpayer	Rank	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
Kingstown Richmond LP	1	6,792,200	0.81%
Narragansett Electric	2	4,914,520	0.59%
Richmond Country Club	3	3,254,000	0.39%
Cox Com Inc.	4	2,832,610	0.34%
New Castle Realty Company	5	2,685,100	0.32%
CVS 8320 RI LLC	6	2,263,300	0.27%
Rolling Greens Corporation	7	2,242,200	0.27%
Richmond Realty Associates	8	2,241,300	0.27%
The Preserve at Boulder Hills	9	2,083,600	0.25%
Stop & Shop Supermarket	10	2,078,270	0.25%

Information is unavailable for 2005.

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

Exhibit 8

	Debt Ratios									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Population	7,708	7,708	7,708	7,708	7,708	7,222	7,222	7,222	7,222	7,222
Direct Debt	2,604,674	2,987,405	3,190,000	2,700,000	3,025,000	2,190,355	2,495,114	2,824,171	1,677,563	1,990,312
Overlapping Debt	-	-	-	-	-	-	-	-	-	-
Direct Debt Per Capita	338	388	414	350	392	303	345	391	232	276
Overall Debt(1)	2,604,674	2,987,405	3,190,000	2,700,000	3,025,000	2,190,355	2,495,114	2,824,171	1,677,563	1,990,312
Overall Debt Per Capita	338	388	414	350	392	303	345	391	232	276
Estimated Full Market Value	863,910,088	886,694,237	840,539,761	838,450,349	949,961,586	950,825,693	895,113,259	883,964,542	874,048,015	544,001,139
Direct Debt as % of EFMV	0.301%	0.337%	0.380%	0.322%	0.318%	0.230%	0.279%	0.319%	0.192%	0.366%
Overall Debt as % of EFMV	0.301%	0.337%	0.380%	0.322%	0.318%	0.230%	0.279%	0.319%	0.192%	0.366%

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
FUND BALANCE RATIOS
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit 9

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

Note FY2011 includes new reporting for Fund Balance

TOWN OF RICHMOND
MISCELLANEOUS STATISTICS
JUNE 30, 2014
(Unaudited)

Exhibit 10

Founded: 1669
Town Incorporation: 1747

Type of Government: Council / appointed Town Administrator

Fiscal Year begins: July 1

Population:

Official US Census	
1950	1,772
1960	1,986
1970	2,625
1980	4,018
1990	5,351
2000	7,222
2010	7,708

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

Police Protection

Buildings: 1

Employees:

Law Enforcement 12

Civilian

Full Time 4

Part Time 7

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

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

Independent Auditor's Report

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Richmond, Rhode Island's basic financial statements, and have issued our report thereon dated December 11, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2014-001 and 2014-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2014-003 to be a significant deficiency.

Compliance and Other Matters

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

Town of Richmond, Rhode Island's Response to Findings

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

Purpose of this Report

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



Warwick, Rhode Island
December 11, 2014

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2014

SEGREGATION OF DUTIES

2014-001 **Material Weakness** - The Tax Collector has job responsibilities that result in a lack of segregation of duties and as a result a weakness in internal controls. Due to staff limitations, the Tax Collector is responsible for accepting and recording tax payments, reconciling the daily receipts, preparing the daily deposit, posting abatements and monitoring delinquent accounts. The Tax Collector has custody of assets and is also responsible for initiating and recording transactions. In addition there is no reconciliation of the property tax subsidiary ledger maintained by the Tax Collector and the general ledger maintained by the Finance Office. See material weakness 2014-002 regarding the lack of reconciliation procedures.

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

Management Response - The Town will implement a remedy regarding the suggested weakness of internal controls in the way reconciliation is done in the Tax Collector's office. The Finance department will reconcile deposits from the Tax Collector's office on a weekly basis. The Town Administrator will also review delinquent accounts.

PROPERTY TAX AND WATER USE RECEIVABLE RECONCILIATIONS

2014-002 **Material Weakness** - An entity's system of internal controls should be designed and operate to allow the entity to prepare accurate and timely financial statements in conformance with generally accepted accounting principles and be designed to prevent, detect and correct misstatements in the financial statements.

The Town does not have procedures in place to reconcile the property tax and water use receivable ledger to the general ledger. The Town only records to the general ledger the collections received for property taxes and water fees to the property tax and water fee revenue accounts and the cash account. The Town does not record to the general ledger any of the transactions related to the receivable balance, including the tax levy, water use billing, abatements, adjustments and the related collections. As a result the Town is unable to reconcile the general ledger to the subsidiary ledgers.

The Town makes one net entry at year end to the accounts receivable balance to agree with the subsidiary ledger. For the current year this entry was only made for the Water receivable account and we had to propose an audit adjustment to the Property Tax receivable account. In addition we had to propose an entry to correct the water receivable and related revenue accounts.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2014

The lack of formal reconciliation procedures could result in material misstatements from not being prevented, detected and corrected in a timely manner and therefore is a material weakness in internal control.

Recommendation - We recommend that the Town implement procedures to properly account for the property tax and water use receivable accounts in the general ledger. The Town should record the property tax levy, abatements and adjustments to the property tax receivable account and related deferred inflow account in the general ledger from information provided from the Tax Assessor. In addition to recording the tax collections to the revenue and cash accounts the collections should also be recorded to the property tax receivable and deferred inflow account. The Water Fund is accounted for on an accrual basis of accounting, therefore the water use billing should be recorded to the accounts receivable and corresponding revenue accounts in the general ledger and the collections should only be recorded to the accounts receivable and cash account.

The Town should then perform a monthly reconciliation between the receivable subsidiary ledgers and the general ledger. Any variances should be investigated and resolved. In addition, the Town Finance Director is currently responsible for recording all transactions to the water subsidiary ledger and maintaining the general ledger, which results in a lack of segregation of duties and a weakness in internal control. The Town should try to segregate these two functions.

Management Response - The Town has installed utility software that is linked to the general ledger as of July 1, 2014 that will address the concerns for the water use billings. The billings are now quarterly and collections are posted directly to the receivables by the Collector and then posted to the general ledger by Finance. The Town will establish procedures to record the property tax levy, abatements and adjustments to the property tax receivable account and related deferred inflow account in the general ledger from information provided from the Tax Assessor. The collections will also be recorded to the property tax receivable and deferred inflow account. Finance will perform a monthly reconciliation between the receivable subsidiary ledgers and the general ledger.

SPECIAL REVENUE AND TRUST FUND REPORTING

2014-003 Significant Deficiency - The Town accounts for the revenues and expenditures reported in Funds 04 and 05 in one general ledger account for each sub-fund accounted within those funds and does not separate the revenue and expenditures, which is not in conformance with generally accepted accounting principles. The trial balances only report a net balance, which in some cases nets out to zero, which does not properly report the transactions for the particular grant or program. It becomes necessary to examine all the transactions posted to the general ledger account to identify the revenues and expenditures for each fund to be able to report the funds in the financial statements. The Town also does not monitor the sub-funds transactions to determine if any amount are due from funding sources and should be reported as receivables or if the fund is in a deficit. We had to propose several audit adjustments to correct these funds.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2014

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

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