

TOWN OF RICHMOND, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ending
June 30, 2020**



Along the Meadowbrook Trail in the Carolina Management Area
Photo courtesy of Ernest Germani IV



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

TOWN OF RICHMOND, RHODE ISLAND

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ending
June 30, 2020**

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

INTRODUCTORY SECTION

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TOWN OF RICHMOND, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Town of Richmond, Rhode Island

FINANCE OFFICE

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December 28, 2020

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, 2020, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the information as presented, is accurate in all material respects and is presented in a manner designed to fairly present the financial position and results of operations and cash flows of the Town of Richmond; and that all disclosures necessary to enable the readers to gain an adequate understanding of the Town's financial affairs have been included. The reader should see the following Management's Discussion & Analysis section of this report in order to gain a broader understanding of the Town and its activities.

THE TOWN OF RICHMOND

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

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

The Town of Richmond's municipal government provides a full range of services including education through the Chariho Regional School District, police, planning, zoning, construction and maintenance of highways, streets, and infrastructure, social services, parks and recreational activities and cultural activities. Approximately 50 full-time municipal employees provide services to a community of 40.8 square miles and 7,708 residents.

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

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

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

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

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

ECONOMIC CONDITIONS

General

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

Population

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

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

Source: U.S. Bureau of the Census

Median Family Income

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

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

Source: U.S. Bureau of the Census.

Unemployment

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

Average Annual Unemployment Rates							
2013 - Present							
Year	2019	2018	2017	2016	2015	2014	2013
	Rate	Rate	Rate	Rate	Rate	Rate	Rate
United States	3.7	3.9	4.4	4.9	5.3	6.2	7.4
Rhode Island	3.6	4.0	4.4	5.2	6.0	7.7	9.3

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

Richmond Labor Force Statistics

Month	Year	Labor Force	Employed	Unemployed	Unemployment Rate
December	2019	4,334	4,237	97	2.2
November		4,353	4,248	105	2.4
October		4,320	4,239	81	1.9
September		4,302	4,217	85	2.0
August		4,348	4,219	129	3.0
July		4,346	4,224	122	2.8
June		4,308	4,218	90	2.1
May		4,257	4,167	90	2.1
April		4,234	4,158	76	1.8
March		4,251	4,138	113	2.7
February		4,266	4,142	124	2.9
January		4,268	4,129	139	3.3
Richmond Annual Average		4,299	4,195	104	2.4
State Rhode Island Annual Average		555,554	535,768	19,786	3.6

Source:

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

Rhode Island Department of Labor & Training City and Town Quarterly Report 2019 Annual Census of U.I. Covered Employment and Wages

		# Units	Aver. Employ	Wages
Richmond	Total Private & Government	165	2,033	90,615,670
Richmond	Total Private Only	156	1,364	48,079,495
Richmond	Agriculture, Forestry, Fishing & Hunting	9	49	2,617,557
Richmond	Mining	1	*	*
Richmond	Utilities			
Richmond	Construction	27	113	5,634,391
Richmond	Manufacturing	5	88	3,868,416
Richmond	Wholesale Trade	6	64	4,004,340
Richmond	Retail Trade	23	290	8,748,482
Richmond	Transportation & Warehousing	4	108	2,695,604
Richmond	Information	2	*	*
Richmond	Finance & Insurance	6	50	5,843,683
Richmond	Real Estate & Rental & Leasing	0	*	*
Richmond	Professional & Technical Services	15	102	2,769,481
Richmond	Management of Companies & Enterprises			
Richmond	Administrative Support & Waste Mngmnt.	11	71	2,769,481
Richmond	Educational Services			
Richmond	Health Care & Social Assistance	10	35	1,359,749
Richmond	Arts, Entertainment, & Recreation	6	103	1,600,241
Richmond	Accommodation & Food Services	20	236	4,154,155
Richmond	Other services (except Public Admin.)	15	33	897,422
Richmond	Unclassified Establishments			
Richmond	Government	9	669	42,536,175

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

** Statewide: employment in multiple towns, at unknown locations, or outside RI. Data may not add due to rounding variations.

Data compiled May 2020, subject to revision.

Major Employers

Kenyon Industries (finishing plant) employs 245 employees, located on the Charlestown/Richmond border, is the largest employer in Richmond, followed by a grocery retailer The Stop and Shop Supermarket Company LLC which employs 140 employees and VIBCO, Construction Machinery company which employs 100.

A majority of the businesses in Richmond are small and employ fewer than 50 people. According to RIDLT, the number of private businesses in Richmond over the past five years has fluctuated between 148 and 154, with most jobs in the Construction, Retail, and Other Services (excluding Public Administration) industries. Business growth occurred primarily in Professional and Technical Services as well as Other Services (excluding Public Administration). Statewide, RIDLT anticipates trends of future employment to be in Health Care and Social Assistance; Professional, Scientific, and Technical Services; Educational Services; Retail Trade; and Accommodation and Food Services sectors.

Source: Rhode Island Economic Development Corporation as of August 29, 2011 and Richmond Comprehensive Community Plan, draft September 2020.

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%. It is estimated that in 2017 the total housing units in Richmond totaled 3,025 according to ACS 5-year estimates. The median selling price of existing single family homes in the town for 2019 was \$305,000 according to RI Living realtors association.

Impact of the novel coronavirus (COVID-19)

The Town of Richmond has not been impacted by the virus as much as larger more urban communities. According to the RI Dept. of Health data the reported positive cases in Richmond total 52 as of November 17, 2020. The State of Rhode Island as a total had 44,528 positive cases reported. It could be the rural nature of the Richmond that has helped to lessen the impact of the pandemic on the community. There has been no substantial impact to the community services provided for the residents aside from the decision to not offer a summer camp or continue senior classes during the pandemic. The financial impact has been minimal for the Town as our Public Safety and Public Works departments were able to offer the same service to the community during this event as before.

Building Permits

Below is a schedule of residential building permits issued by the Town's Building Inspector for the years ending 2010 through 2019. The Town has had 3 new construction projects in recent years. In calendar year 2020 there were 12 permits applied for in Fox Run, 17 permits for The Preserve, and 32 permits for Richmond Ridge.

Fiscal Year	Number	Value
2020	43	5,963,878
2019	122	15,338,893
2018	54	7,812,968
2017	49	8,617,938
2016	40	6,352,965
2015	18	3,542,416
2014	15	2,802,348
2013	14	2,495,050
2012	6	1,241,325
2011	8	1,619,877
2010	8	1,352,830

Source: Town Building Officials.

BUDGET PREPARATION AND PLANNING

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

INTERNAL CONTROLS

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

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

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

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

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

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

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

INDEPENDENT AUDIT

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

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Richmond for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This was the fifth year that the government had achieved this prestigious award. The Town has applied for the Certificate for the fiscal year ended June 30, 2019.

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

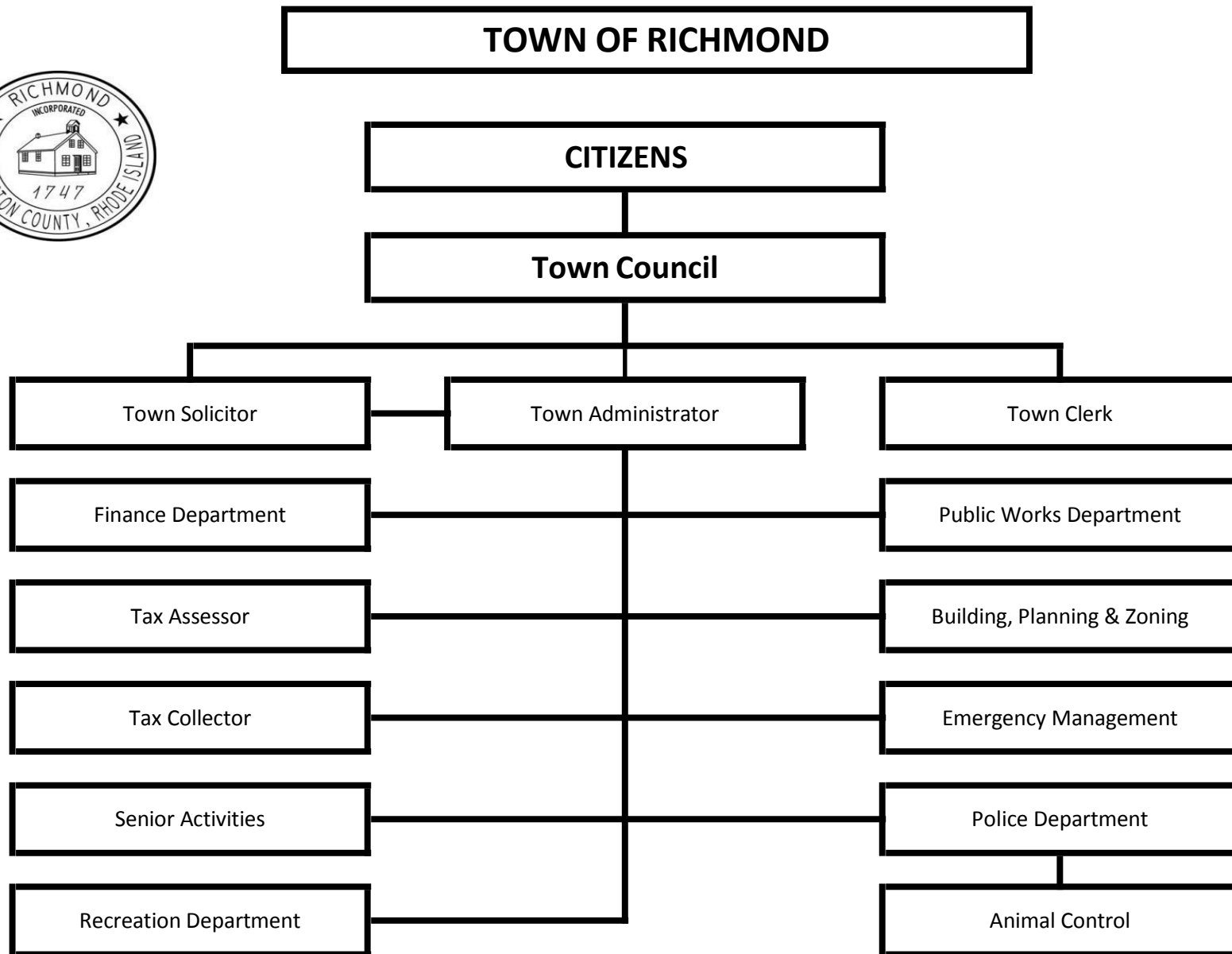
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

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

Respectfully Submitted,

Laura K Kenyon
Finance Director



TOWN OF RICHMOND, RHODE ISLAND

LIST OF TOWN OFFICIALS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TOWN COUNCIL

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

TOWN ADMINISTRATOR

Karen Pinch

TOWN CLERK

Sarah Rapose

FINANCE DIRECTOR

Laura Kenyon

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, 2020, 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, 2020, 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 55 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Richmond, Rhode Island's basic financial statements. The combining General Fund financial statements, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, the Annual Supplemental Transparency Report (MTP2), other supplementary information, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining General Fund financial statements, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, the Annual Supplemental Transparency Report (MTP2), and other supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the combining General Fund financial statements, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, the Annual Supplemental Transparency Report (MTP2), and other supplementary information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020 on our consideration of the Town of Richmond, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Richmond, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Richmond, Rhode Island's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
December 28, 2020

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

The Town of Richmond's Management Discussion and Analysis (MDA) is designed to assist the reader in focusing on significant issues in the audit report. The financial statements appear in two categories, Government - Wide Financial Statements and Fund Financial Statements. This format focuses on the Town's Finances as a whole including other business activities as well as its government-wide funds. Our discussion and analysis of the Town of Richmond, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020.

Financial Highlights

- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$3,691,769, or 14% of the total general fund budgeted expenditures and transfers out for the fiscal year. An unassigned fund balance is available for use or may be specifically set aside for some future action. It is essential for maintaining the Town's cash flow for the first two months of the fiscal year, without issuing tax anticipation notes, because new taxes are not received until September, and approximately 14% of the Town's budget is expended to the Chariho Regional School District by September 1st. The Town's unassigned fund balance can be deemed adequate based on the size of the Town budget, as a healthy fund balance is usually around 10% of General Fund budgeted expenditures, although the Town's policy is to have 15%. Additionally, the non-spendable, committed, and assigned fund balances amounted to \$49,909, \$454,161 and \$165,987 respectively, which is comprised of non-spendable amounts for prepaid expenditures, amounts committed to be spent on specific purposes in future years and assignment of fund balance for the 2021 budget.
- ❖ The Town's Government-wide (Governmental and Business-Type Activities) operating expenses were \$27,112,631, a 2.4% increase from the prior year, while revenues were \$26,882,582, a 3.3% increase.
- ❖ The current fiscal year General Fund expenditures and transfers exceeded revenues and transfers by \$57,749.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,678,881. Included in this amount is the general fund unassigned balance of \$3,691,769, restricted fund balances of \$1,018,056, committed fund balance of \$1,757,474, non-spendable fund balances of \$49,909 and assigned fund balance of \$165,987.
- ❖ The Town's net position decreased \$230,049 or 1.2% as a result of this year's operations. The general revenues and other changes in net position are totaled and added to the net (expense) revenue totals to produce the total change in net position. On a Government-wide basis the assets and deferred outflows of resources of the Town of Richmond exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$18,466,980. Net position of Business-Type Activities decreased by \$100,741, or 4.3%, while net position of Governmental Activities decreased by \$129,308 or .8%.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

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

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

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

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

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

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

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 25 through 54.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary pension information is presented on pages 55-57. A detail budgetary comparison can be found on pages 58 through 59.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 65 through 72.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

Government-wide Financial Analysis

Analysis of the Town of Richmond's Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. The Town of Richmond, Governmental Activities assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$16,251,512 as of June 30, 2020. This is a decrease of \$129,308 from the previous year.

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

	June 30, 2020			June 30, 2019		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Other Assets	\$ 7,802,993	\$ 217,369	\$ 8,020,362	\$ 8,724,283	\$ 275,359	\$ 8,999,642
Capital Assets Net	13,672,065	3,960,144	17,632,209	13,765,215	4,035,640	17,800,855
Total Assets	<u>21,475,058</u>	<u>4,177,513</u>	<u>25,652,571</u>	<u>22,489,498</u>	<u>4,310,999</u>	<u>26,800,497</u>
Deferred Outflows of resources	485,876		485,876	538,027	-	538,027
Current liabilities	1,307,881	61,986	1,369,867	1,482,111	60,686	1,542,797
Non-Current Liabilities	3,993,187	1,900,059	5,893,246	4,736,361	1,934,104	6,670,465
Total Liabilities	<u>5,301,068</u>	<u>1,962,045</u>	<u>7,263,113</u>	<u>6,218,472</u>	<u>1,994,790</u>	<u>8,213,262</u>
Deferred Inflows of resources	408,354	-	408,354	428,233	-	428,233
Net investment in capital assets	10,870,550	2,026,038	12,896,588	10,971,031	2,068,473	13,039,504
Restricted	227,923		227,923	212,954	-	212,954
Unrestricted	5,153,039	189,430	5,342,469	5,196,835	247,736	5,444,571
Total Net Position	<u>\$ 16,251,512</u>	<u>\$ 2,215,468</u>	<u>\$ 18,466,980</u>	<u>\$ 16,380,820</u>	<u>\$ 2,316,209</u>	<u>\$ 18,697,029</u>

A portion of the Town's net position, \$10,870,550 consists of its investment in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

As of June 30, 2020 the Town of Richmond reports positive balances in all categories of net position for the government as a whole.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

Analysis of the Town of Richmond's Operations

The analysis on the following page provides a summary of the Town's operations for the year ended June 30, 2020. Governmental activities decreased the Town's net position by \$129,308 for the current period, accounting for a .8% decrease in the Town's governmental net position, while business-type activities decreased the Town's net position by \$100,741, accounting for 4.3% decrease in the business-type growth in net position. Overall the Town's net position decrease was \$230,049 which is a 1.2% decrease over the prior year.

In the Statement of Activities, expenditures for capital items are not recorded as expenses but instead are shown in the balance sheet, which would result in an increase net of disposed capital assets of \$1,023,591 for the Statement of Activities, while depreciation expense results in a decrease of \$1,116,741, respectively. Bonds principal payments of \$745,000 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 \$129,308. For a more detailed explanation of the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities please see page 18 of this report.

In the fund financial statements, the Town ended the year with a net decrease in the General Fund balance of \$57,749 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 17. This decreased the cumulative General Fund balance surplus to \$4,361,826, which is 16.6% of the 2019-2020 General Fund revised budgeted expenditures and transfers. Total changes in fund balances for the Town were (\$776,446) decreasing the cumulative Governmental Fund surplus to \$6,678,881, primarily due to the decrease in the Capital Bond Fund as a result of expenditures in excess of revenues and transfer in in the amount of \$767,429.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

Changes in Net Position

	June 30, 2020			June 30, 2019		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Revenues						
Program Revenues						
Charges for services	\$ 955,759	\$ 165,142	\$ 1,120,901	\$ 925,995	\$ 151,279	\$ 1,077,274
Operating grants	5,077,105		5,077,105	4,910,385	-	4,910,385
Capital grants		41,601	41,601	0	41,601	41,601
General Revenues/transfers						
Property taxes	19,859,345		19,859,345	19,312,424		19,312,424
Investment earnings	50,249		50,249	68,801		68,801
State aid	720,978		720,978	610,565		610,565
Miscellaneous revenue	12,403		12,403	9,694		9,694
Total revenues	26,675,839	206,743	26,882,582	25,837,864	192,880	26,030,744
Expenses						
General government	1,792,493		1,792,493	1,557,307	-	1,557,307
Public safety	2,289,278		2,289,278	2,264,729	-	2,264,729
Public works	2,220,286		2,220,286	2,302,854	-	2,302,854
Recreation and culture	26,981		26,981	27,456	-	27,456
Education	19,813,469		19,813,469	19,497,566	-	19,497,566
Community services	581,336		581,336	422,020	-	422,020
Other	3,906		3,906	7,766	-	7,766
Interest	77,398		77,398	93,404	-	93,404
Water operations		307,484	307,484	-	306,660	306,660
Total expenses	26,805,147	307,484	27,112,631	26,173,102	306,660	26,479,762
Change in net position	(129,308)	(100,741)	(230,049)	(335,238)	(113,780)	(449,018)
Net position - beginning	16,380,820	2,316,209	18,697,029	16,716,058	2,429,989	19,146,047
Net position - ending	\$ 16,251,512	\$ 2,215,468	\$ 18,466,980	\$ 16,380,820	\$ 2,316,209	\$ 18,697,029

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 \$6,678,881. Included in this amount is the general fund unassigned balance of \$3,691,769 non-spendable fund balances of \$49,909, restricted fund balance of \$1,018,056 for purposes externally imposed by grantors, contributors or laws and regulations, committed fund balance of \$1,757,474 for capital and other specific purposes, and \$165,987 assigned for the 2021 budget.

Proprietary Funds - The Town of Richmond's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Total net position of the proprietary funds is \$2,215,468.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

General Fund Budgetary Highlights

Revenues:

General Miscellaneous Revenue –The net revenue expected for the Police Detail work was higher than anticipated resulting in the miscellaneous revenue being over budget by \$74,671.

Expenditures:

The General Fund expenditures ended the fiscal year with a favorable budgetary variance of \$230,342 as a net result of the following:

General Government - expenditures were under budget by \$206,193 as a result of positive budgetary variance in contingency and building/planning due to a vacant personnel position.

Recreation and Senior activities – expenditures were under budget due to the covid virus halting spring activities for an amount of \$15,244.

Public Works - expenditures were under budget by \$31,844 due to overtime not being needed along with the snow expenses, as it was a milder winter.

Public Safety – expenditures were over budget by \$26,083 primarily due to taxes and wages being higher than budgeted.

The Town of Richmond's Capital Assets

The Town of Richmond's net investment in capital assets for its governmental and business-type activities amounts to \$17,632,209 net of accumulated depreciation at June 30, 2020. Included are land, land improvements, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure.

Additional information on the Town of Richmond's capital assets is located in Note 6 of the Notes to the Financial Statements on page 36.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

Capital Assets (Net of Accumulated Depreciation)

	June 30, 2020			June 30, 2019		
	<u>Governmental</u>	<u>Business-Type</u>		<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Land	\$ 4,390,750	\$ 59,254	\$ 4,450,004	\$ 3,916,999	\$ 59,254	\$ 3,976,253
Construction in Progress	-	53,779	53,779	4,057	-	4,057
Infrastructure	7,190,364		7,190,364	7,654,133	-	7,654,133
Land improvements	463,542		463,542	495,525	-	495,525
Buildings and improvements	625,512	147,483	772,995	688,564	170,125	858,689
Furniture and equipment	143,011		143,011	141,294	-	141,294
Motor vehicles	858,886		858,886	864,643	-	864,643
Main extension		1,283,116	1,283,116	-	1,295,009	1,295,009
Water Tank		2,284,349	2,284,349	-	2,371,042	2,371,042
Equipment and machinery		132,163	132,163	-	140,210	140,210
Total	<u>\$ 13,672,065</u>	<u>\$ 3,960,144</u>	<u>\$ 17,632,209</u>	<u>\$ 13,765,215</u>	<u>\$ 4,035,640</u>	<u>\$ 17,800,855</u>

The Town of Richmond's Debt Administration

At the end of the current fiscal year, the Town of Richmond's Governmental Activities had total bonded debt of \$3,525,000 and the Business-Type Activities USDA loans amounted to \$1,934,104. Of the Governmental Activity debt amount, 100% comprises bonded debt backed by the full faith and credit of the government.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2017 is Aa3. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Richmond's limit is \$27,070,988 at year-end. The Town's outstanding general obligation debt subject to the debt limit is \$5,459,104 at year-end, which is \$21,611,884 under the State imposed limitation.

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

	June 30, 2020			June 30, 2019		
	<u>Governmental</u>	<u>Business-Type</u>		<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
General Obligation Bonds	\$ 3,525,000	\$ -	\$ 3,525,000	\$ 4,270,000	\$ -	\$ 4,270,000
Loans Payable	-	1,934,104	1,934,104	-	1,967,167	1,967,167
Capital leases	3,271	-	3,271	5,063	-	5,063
Totals	<u>\$ 3,528,271</u>	<u>\$ 1,934,104</u>	<u>\$ 5,462,375</u>	<u>\$ 4,275,063</u>	<u>\$ 1,967,167</u>	<u>\$ 6,242,230</u>

Additional information on the Town's long-term debt can be found in Note 7 of the Notes to the Financial Statements on pages 37-39.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2020
(Unaudited)

Economic Factors and Next Year's Budgets and Rates

The Town of Richmond's total general fund budget for fiscal year 2021 amounts to \$26,883,814, which reflects an increase of \$495,862 over the fiscal 2020 budget of \$26,387,952. Of the Town's 2021 budget, \$20,098,301, or 74.8% is budgeted for educational purposes and \$6,785,513, or 25.2% is budgeted for all other purposes.

The Town's tax rate for fiscal 2021 is \$20.38/1000 of assessed value while in fiscal 2020 the Town's tax rate was \$21.88. The Town performed a full revaluation in the year ending December 31, 2019 and a statistical update in 2013 and 2017 which changed the total assessed value for property in the Town.

Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in between. The last full revaluation was performed as of December 31, 2019, which was the basis of the 2020 tax bills collected in the 2021 fiscal year end. The Town also completed a statistical revaluation that was reflected in the 2017 tax bills collected in the 2018 fiscal year end. The Town's tax rates for 2020 and 2021 with their differences are listed below. The tax on Motor Vehicles has been frozen at \$22.64. The tax on Inventory has been phased out. Rates are per \$1,000.

Tax Rates			
	2020	2021	Increase (Decrease)
Real Property	\$ 21.88	\$ 20.38	\$ (1.50)
Motor Vehicles	\$ 22.64	\$ 22.64	\$ -
Tangibles	\$ 21.88	\$ 21.36	\$ (1.50)

Request for Information

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Treasurer's Office, Town of Richmond, 5 Richmond Townhouse Road, Richmond RI 02898.

Laura K Kenyon
Finance Director

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

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

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 6,561,239	\$ -	\$ 6,561,239
Property taxes, net of allowance for uncollectible accounts	981,089	-	981,089
Accounts receivable - net	276,371	37,914	314,285
Due from federal and state government	110,714	-	110,714
Internal balances	(176,329)	176,329	-
Prepaid expenses	49,909	-	49,909
Other assets	-	3,126	3,126
Total current assets	7,802,993	217,369	8,020,362
Noncurrent assets:			
Capital assets: (Note 6)			
Land and land rights	4,390,750	59,254	4,450,004
Construction in progress	-	53,779	53,779
Depreciable buildings, equipment and infrastructure, net	9,281,315	3,847,111	13,128,426
Total noncurrent assets	13,672,065	3,960,144	17,632,209
Total assets	21,475,058	4,177,513	25,652,571
Deferred Outflows of Resources			
Deferred pension amounts	485,876	-	485,876
Total deferred outflows of resources	485,876	-	485,876
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	446,627	3,839	450,466
Accrued interest payable	26,363	24,102	50,465
Compensated absences payable	77,842	-	77,842
Capital lease payable	2,049	-	2,049
Long-term debt - due within one year (Note 7)	755,000	34,045	789,045
Total current liabilities	1,307,881	61,986	1,369,867
Noncurrent liabilities:			
Compensated absences payable	181,631	-	181,631
Capital lease payable	1,222	-	1,222
Line of credit	27,168	-	27,168
Long-term debt - due in more than one year (Note 7)	2,833,377	1,900,059	4,733,436
Net pension liabilities	949,789	-	949,789
Total noncurrent liabilities	3,993,187	1,900,059	5,893,246
Total liabilities	5,301,068	1,962,045	7,263,113
Deferred Inflows of Resources			
Deferred pension amounts	408,354	-	408,354
Total deferred inflows of resources	408,354	-	408,354
Net position			
Net investment in capital assets	10,870,550	2,026,038	12,896,588
Restricted for:			
Historical records preservation	36,248	-	36,248
Land trust	9,983	-	9,983
Senior activities	33,833	-	33,833
Public safety programs	15,272	-	15,272
Community service programs	30,682	-	30,682
Dog park	5,065	-	5,065
Capital	96,840	-	96,840
Unrestricted	5,153,039	189,430	5,342,469
Total net position	\$ 16,251,512	\$ 2,215,468	\$ 18,466,980

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, 2020

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	\$ 1,792,493	\$ 508,161	\$ 875	\$ -	\$ (1,283,457)	\$ -	\$ (1,283,457)
Public safety	2,289,278	248,182	11,392	-	(2,029,704)	-	(2,029,704)
Public works	2,220,286	186,968	-	-	(2,033,318)	-	(2,033,318)
Recreation and culture	26,981	2,320	-	-	(24,661)	-	(24,661)
Education	19,813,469	-	4,640,537	-	(15,172,932)	-	(15,172,932)
Community services	581,336	10,128	424,301	-	(146,907)	-	(146,907)
Canvassing authority	3,906	-	-	-	(3,906)	-	(3,906)
Interest and other charges	77,398	-	-	-	(77,398)	-	(77,398)
Total governmental activities	26,805,147	955,759	5,077,105	-	(20,772,283)	-	(20,772,283)
Business-Type Activities:							
Water fund	307,484	165,142	-	41,601	-	(100,741)	(100,741)
Total business-type activities	307,484	165,142	-	41,601	-	(100,741)	(100,741)
Total	\$ 27,112,631	\$ 1,120,901	\$ 5,077,105	\$ 41,601	(20,772,283)	(100,741)	(20,873,024)
General Revenues:							
Property taxes					19,859,345	-	19,859,345
State aid and in lieu of taxes, not restricted for a specific purpose					720,978	-	720,978
Investment earnings					50,249	-	50,249
Miscellaneous revenue					12,403	-	12,403
Total general revenues					20,642,975	-	20,642,975
Change in net position					(129,308)	(100,741)	(230,049)
Net position - beginning of year					16,380,820	2,316,209	18,697,029
Net position - end of year					\$ 16,251,512	\$ 2,215,468	\$ 18,466,980

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

TOWN OF RICHMOND, RHODE ISLAND

**Balance Sheet
Governmental Funds
June 30, 2020**

	General Fund	Capital Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 6,561,239	\$ -	\$ -	\$ 6,561,239
Property taxes, net of allowance for doubtful accounts of \$300,000	981,089	-	-	981,089
Accounts receivable	249,152	-	27,168	276,320
Due from federal and state government	98,619	-	12,095	110,714
Due from other funds	4,365	1,008,827	1,300,447	2,313,639
Prepaid items	49,909	-	-	49,909
Total assets	\$ 7,944,373	\$ 1,008,827	\$ 1,339,710	\$ 10,292,910
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)				
Liabilities				
Accounts payable and accrued expenditures	\$ 194,848	\$ -	\$ -	\$ 194,848
Due to other funds	2,737,382	-	4,314	2,741,696
Total liabilities	2,932,230	-	4,314	2,936,544
Deferred Inflows of Resources				
Unavailable revenue-property taxes	650,317	-	-	650,317
Other deferred inflows	-	-	27,168	27,168
Total deferred inflows of resources	650,317	-	27,168	677,485
Fund balances (deficits)				
Nonspendable:				
Prepaid items	49,909	-	-	49,909
Restricted for:				
Capital projects	-	886,973	-	886,973
Historical records preservation	-	-	36,248	36,248
Senior activities	-	-	33,833	33,833
Public safety programs	-	-	15,272	15,272
Community service programs	-	-	30,682	30,682
Dog park	-	-	5,065	5,065
Land trust	-	-	9,983	9,983
Committed for:				
Planning and inspections	-	-	74,745	74,745
Public facilities	-	-	1,092,632	1,092,632
Public safety programs	-	-	14,082	14,082
Revaluation	156,384	-	-	156,384
Comprehensive Plan	30,995	-	-	30,995
Capital projects	-	121,854	-	121,854
Capital - Alton Water	19,291	-	-	19,291
Capital - Foster Woods recreation	12,794	-	-	12,794
Landscaping projects	675	-	-	675
Landfill	50,000	-	-	50,000
Public works projects	2,671	-	-	2,671
Police programs	4,811	-	-	4,811
Snow removal	12,740	-	-	12,740
School budget	17,846	-	-	17,846
Legal fees	10,000	-	-	10,000
Future state aid funding shortfalls	135,954	-	-	135,954
Assigned for 2021 budget	165,987	-	-	165,987
Unassigned	3,691,769	-	(4,314)	3,687,455
Total fund balances (deficits)	4,361,826	1,008,827	1,308,228	6,678,881
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 7,944,373	\$ 1,008,827	\$ 1,339,710	\$ 10,292,910

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, 2020

Total Fund Balances - Total Governmental Funds \$ 6,678,881

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. (See note 6 to the financial statements) 13,672,065

Long-term liabilities (including bonds payable, capital lease payable, compensated absences, net pension liabilities, line of credit) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet (see note 7 to the financial statements) (4,828,078)

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. (26,363)

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. 650,317

Deferred pension amounts are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements as follows:

Deferred outflows of resources 485,876

Deferred inflows of resources (408,354)

Other accounts receivable and revenues are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the Governmental Funds Financial Statements. 27,168

Net Position - Governmental Activities \$ 16,251,512

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, 2020

	General Fund	Capital Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 19,795,368	\$ -	\$ -	\$ 19,795,368
Intergovernmental revenue	5,361,515	-	423,393	5,784,908
License, permits and fees	653,492	-	95,609	749,101
Interest on investments	50,249	-	-	50,249
Other revenues	222,701	-	12,067	234,768
Total revenues	<u>26,083,325</u>	<u>-</u>	<u>531,069</u>	<u>26,614,394</u>
Expenditures:				
Current:				
General government	1,612,835	-	47,448	1,660,283
Public safety	2,173,177	-	8,905	2,182,082
Public works	1,243,328	-	-	1,243,328
Recreation and culture	26,981	-	-	26,981
Education	19,813,469	-	-	19,813,469
Community services	168,184	-	413,152	581,336
Canvassing authority	3,906	-	-	3,906
Capital outlay	-	1,065,845	-	1,065,845
Debt service:				
Principal	745,000	-	2,532	747,532
Interest and other charges	95,778	-	-	95,778
Total expenditures	<u>25,882,658</u>	<u>1,065,845</u>	<u>472,037</u>	<u>27,420,540</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>200,667</u>	<u>(1,065,845)</u>	<u>59,032</u>	<u>(806,146)</u>
Other financing sources (uses):				
Debt issued	-	-	29,700	29,700
Transfers in	40,000	298,416	-	338,416
Transfers out	(298,416)	-	(40,000)	(338,416)
Total other financing sources (uses)	<u>(258,416)</u>	<u>298,416</u>	<u>(10,300)</u>	<u>29,700</u>
Net change in fund balances	(57,749)	(767,429)	48,732	(776,446)
Fund balances - beginning of year	<u>4,419,575</u>	<u>1,776,256</u>	<u>1,259,496</u>	<u>7,455,327</u>
Fund balances (deficits) - end of year	<u>\$ 4,361,826</u>	<u>\$ 1,008,827</u>	<u>\$ 1,308,228</u>	<u>\$ 6,678,881</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, 2020

Net Changes in Fund Balances - Total Governmental Funds \$ (776,446)

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. 1,023,591

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. (1,116,741)

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. (47,559)

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. 745,000

Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year. 5,705

Capital lease and line of credit 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 and line of credit 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 and line of credit principal payments during the current period. 4,324

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. 61,445

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

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

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

This is the amount of the change in long-term net pension liabilities and related deferred pension amounts in the current period. (41,302)

Change in Net Position of Governmental Activities \$ (129,308)

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, 2020

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
Assets	
Current assets:	
Accounts receivable, user fees - net	\$ 14,421
Accrued revenue	13,781
Other receivables	9,712
Due from other funds	176,329
Other assets	3,126
Total current assets	<u>217,369</u>
Noncurrent assets:	
Capital assets:	
Land	59,254
Construction in progress	53,779
Depreciable buildings, equipment and infrastructure, net	<u>3,847,111</u>
Total noncurrent assets	<u>3,960,144</u>
Total assets	<u>4,177,513</u>
 Liabilities	
Current liabilities	
Accounts payable and accrued expenses	3,839
Accrued interest payable	24,102
Long-term debt -due within one year	<u>34,045</u>
Total current liabilities	<u>61,986</u>
Noncurrent liabilities	
Long-term debt -due in more than one year	<u>1,900,059</u>
Total noncurrent liabilities	<u>1,900,059</u>
Total liabilities	<u>1,962,045</u>
 Net position	
Net investment in capital assets	2,026,038
Unrestricted	<u>189,430</u>
Total net position	<u><u>\$2,215,468</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, 2020

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
Operating revenues	
User fees	\$ 165,142
Total operating revenues	<u>165,142</u>
Operating expenses	
Utilities	17,603
Administrative expenses	16,816
Materials, supplies and operations	59,640
Depreciation	155,470
Total operating expenses	<u>249,529</u>
Operating loss	<u>(84,387)</u>
Nonoperating expenses	
Interest expense	<u>(57,955)</u>
Total nonoperating expenses	<u>(57,955)</u>
	-
Net loss before capital contributions	(142,342)
Capital contributions - Chariho and Hopkinton	41,601
Change in net position	(100,741)
Total net position - beginning of year	<u>2,316,209</u>
Total net position - end of year	<u><u>\$ 2,215,468</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, 2020

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
<i>Cash flows from operating activities</i>	
Receipts from customers for user fees	\$ 178,138
Payments to suppliers for goods and services	(78,241)
Payments to other funds for services provided	(15,818)
Other payments	(3,126)
<i>Net cash provided by operating activities</i>	<u>80,953</u>
<i>Cash flows from non-capital financing activities</i>	
Interfund transactions	48,849
<i>Net cash provided by non-capital financing activities</i>	<u>48,849</u>
<i>Cash flows from capital and related financing activities</i>	
Acquisition and construction of capital assets	(79,972)
Capital contributions	41,601
Principal paid on loan	(33,063)
Interest paid on loan	(58,368)
<i>Net cash used for capital and related financing activities</i>	<u>(129,802)</u>
<i>Net increase in cash and cash equivalents</i>	-
<i>Cash and cash equivalents - beginning of year</i>	<u>-</u>
<i>Cash and cash equivalents - end of year</i>	<u><u>\$ -</u></u>

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
<i>Reconciliation of operating loss to net cash provided by operating activities:</i>	
Operating loss	\$ (84,387)
<i>Adjustments to reconcile operating loss to net cash provided by operating activities:</i>	
Depreciation	155,470
Changes in assets and liabilities:	
Decrease in accounts receivable and accrued revenue, user fees	12,878
Increase in other assets	(3,126)
Increase in accounts payable and accrued expenses	<u>118</u>
<i>Net cash provided by operating activities</i>	<u><u>\$ 80,953</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, 2020

	<i>Private-Purpose Trust Funds</i>	<i>Agency Funds</i>
Assets		
Cash and cash equivalents	\$ 1,410	\$ -
Investments	141,873	-
Due from other funds	120,090	131,689
Total assets	<u>263,373</u>	<u>131,689</u>
Liabilities		
Due to other funds	51	-
Deposits held in custody for others	-	131,689
Total liabilities	<u>51</u>	<u>131,689</u>
Net Position		
Restricted for other purposes	<u>\$ 263,322</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, 2020

	<u>Private-Purpose Trust Funds</u>
Additions	
Gifts and contributions	\$ 2,265
Investment earnings:	
Net increase (decrease) in fair value of investments	4,686
Interest and dividends	4,793
Total investment earnings	<u>9,479</u>
Less investment expenses	<u>1,927</u>
Net investment earnings	<u>7,552</u>
Total additions	<u>9,817</u>
Deductions	
Miscellaneous	<u>7,451</u>
Total deductions	<u>7,451</u>
Change in net position	2,366
Net position - beginning of year	<u>260,956</u>
Net position - end of year	<u><u>\$ 263,322</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, 2020

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Governmental Fund Financial Statements

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

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

Major Governmental Funds:

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

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

Proprietary Fund Financial Statements

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

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

The Town has one Enterprise Fund as follows:

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

Fiduciary Fund Financial Statements

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

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

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

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*, effective for the Town's fiscal year ending June 30, 2020.

The adoption of GASB Statements No. 95 did not have an impact on the Town's financial position or results of operations.

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

- GASB Statement No. 84 – *Fiduciary Activities*, effective for the Town's fiscal year ending June 30, 2021.
- GASB Statement No. 87 – *Leases*, effective for the Town's fiscal year ending June 30, 2022.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Town's fiscal year ending June 30, 2022.
- GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for the Town's fiscal year ending June 30, 2021.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the Town’s fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3 which are effective upon issuance.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, effective for the Town’s fiscal year ending June 30, 2021, except for paragraphs 11b, 13 and 14 which are effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for the Town’s fiscal year ending June 30, 2022, except for paragraphs 4 and 5 which are effective upon issuance.

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

D. CASH AND CASH EQUIVALENTS

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

E. INVESTMENTS

The Town reports investments at fair value, except for money market funds which are reported at net asset value per share (which approximates fair value).

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

G. PREPAID ITEMS

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

H. UNBILLED SERVICES – ACCRUED REVENUE

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

I. CAPITAL ASSETS

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

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

Capitalized assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The Town retroactively accounted for infrastructure capital assets in fiscal year 2007. Infrastructure assets are defined generally as capital assets that are immovable and of value only to the governmental unit, including roads, bridges, sidewalks and street lighting.

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

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

J. DEBT PREMIUMS

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

K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

In the Governmental Fund Financial Statements, deferred inflows of resources are reported for receivables recorded in the Governmental Fund Financial Statements for which the revenue is not available or amounts received before the period for which property taxes are levied. In the Government-Wide Financial Statements, deferred outflows of resources and deferred inflows of resources are reported for amounts related to the Town's pension plans that will be amortized as a component of pension expense in future years.

L. PROPERTY TAXES

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 96.3% of the total 2019 levy. The tax levy of the Town is approved by the citizens at the Financial Town Meeting.

The Town's fiscal 2019-2020 property taxes were levied in July 2019 on assessed valuation as of December 31, 2018. Upon levy, taxes are due and payable on September 7 or may be paid quarterly on September 7, December 7, March 7, and June 7. Failure to mail payments by due dates will result in lien on taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at approximately 100% of current market value for real estate and motor vehicles.

M. COMPENSATED ABSENCES

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

Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. The liability is calculated at the rate of pay in effect at June 30, 2020. Sick leave is not paid upon termination or retirement, therefore, no liability is accrued for sick leave.

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

N. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

O. PENSIONS

For the purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System plans and the additions to/ deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. USE OF ESTIMATES

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value, which approximates \$27,070,988. As of June 30, 2020, the Town's debt subject to the legal debt margin is \$5,459,104 and the Town is under the debt limit by \$21,611,884. The debt subject to the debt limitation is based on the type of debt that is issued.

NOTE 3 – CASH DEPOSITS

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

	<i>Carrying Amount</i>
Total Deposits	\$6,547,746
Add: Petty cash and cash on hand	13,493
Investments classified as cash and cash equivalents	<u>1,410</u>
<i>Total Cash and Cash Equivalents Reported in the Financial Statements</i>	<u><u>\$6,562,649</u></u>

CUSTODIAL CREDIT RISK – custodial credit risk is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have

TOWN OF RICHMOND, RHODE ISLAND
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a formal deposit policy for custodial credit risk, but is governed by State laws as described below. As of June 30, 2020, \$3,859,431 of the Town's bank balance of \$6,675,258 was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>
Insured (Federal depository insurance funds)	\$2,815,827
Collateralized with securities, held by pledging financial Institution or its agent, in the Town's name	1,661,305
Uninsured and uncollateralized	<u>2,198,126</u>
Total	<u>\$6,675,258</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, 2020, the uninsured and uncollateralized deposits with institutions were \$2,198,126. These deposits are not time deposits with maturities greater than 60 days and are held by an institution that meets the minimum capital standards prescribed by federal regulators.

The Town subsequent to year end amended its collateral agreement with one of the pledging financial institutions to collateralize all of the Town's uninsured deposits held by the financial institution.

NOTE 4 – INVESTMENTS

At June 30, 2020, the Town's investments were as follows:

<u>Investment</u>	<u>Weighted Average Maturity</u>	<u>Fair Value</u>	<u>Rating</u>
Fidelity Investment Money Market Fund			
- Government Portfolio Funds	45 days	\$ 1,410	AAAm
ETFs - Domestic Equity Funds	N/A	65,097	Not Rated
ETFs - Real Estate Funds	N/A	2,761	Not Rated
ETFs - International Equity Funds	N/A	942	Not Rated
ETFs - Domestic Fixed Income	not availalbe	13,949	Not Rated
ETFs - Domestic Fixed Income	not availalbe	5,781	Not Rated
Mutual Funds - Domestic Fixed Income	7.59 years	37,963	BBB
Mutual Funds - Domestic Fixed Income	2.90 years	<u>15,380</u>	BBB
		143,283	
Investments classified as cash and cash equivalents		<u>(1,410)</u>	
Total Investments Reported in the Financial Statements		<u>\$ 141,873</u>	

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The money market investments have a maturity of less than one year. The fair value of the money market funds reflects the net asset value reported by the fund administrator which is a stable \$1 per unit. The underlying investments, which are short-term cash equivalent type investments are generally carried at amortized cost which approximates fair value. There are no participant withdrawal limitations.

The Town has an investment policy that applies to all financial assets of the Town's governmental and enterprise funds. The investment policy seeks to ensure that capital losses are avoided either from security defaults or erosion of market value. All investments are to meet the "prudent investor" rule which states "Investments shall be made with judgment and care, under circumstance then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering probable safety of capital as well as probable income to be derived," which simply means that under varying economic conditions the portfolio will be adjusted to ensure safety of principal.

General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State's General Laws. This law generally allows for short-term investments, such as certificates of deposit, money market funds, obligations guaranteed by the U.S. government, etc. with the goal of seeking reasonable income while preserving capital.

Capital Project funds (Reserve Funds) are governed by Title 45, Chapter 11, Section 1 of the State's General Laws. This law permits, with advice from the Town Council, savings accounts, certificate of deposits, obligations of the U.S. government or its agencies or in any other short-term investment, as would be made by prudent persons of discretion and intelligence.

The Town's policy permits the following investments: U.S. Treasury Bills, short-term obligations of U.S. government agencies, federally insured or collateralized certificates of deposit, repurchase agreements collateralized by U.S. Treasury securities, State investment pools, and money market funds consisting of U.S. government securities. The certificate of deposits and repurchase agreements are to be federally insured or collateralized in an amount at least 102% in market value to the amount of the deposit.

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

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

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

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

NOTE 5 – FAIR VALUE MEASUREMENTS

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2020:

- The following investments are valued using prices quoted in active markets for those investments (Level 1 inputs): Equity ETFs \$67,858, Real Estate ETFs \$942 and Fixed Income Mutual Funds and ETFs \$73,073.

TOWN OF RICHMOND, RHODE ISLAND
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NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June, 30, 2020 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	\$ 3,916,999	\$ 473,751	\$ -	\$ 4,390,750
Construction in progress	4,057	250,750	254,807	-
	<u>3,921,056</u>	<u>724,501</u>	<u>254,807</u>	<u>4,390,750</u>
Depreciable assets:				
Infrastructure	34,626,366	254,807	307,827	34,573,346
Land improvements	639,655	-	-	639,655
Buildings and improvements	2,969,474	-	-	2,969,474
Furniture and equipment	712,910	31,940	5,720	739,130
Motor vehicles	2,704,474	267,150	28,722	2,942,902
	<u>41,652,879</u>	<u>553,897</u>	<u>342,269</u>	<u>41,864,507</u>
<i>Total capital assets</i>	<u>45,573,935</u>	<u>1,278,398</u>	<u>597,076</u>	<u>46,255,257</u>
Less accumulated depreciation for:				
Infrastructure	26,972,233	718,576	307,827	27,382,982
Land improvements	144,130	31,983	-	176,113
Buildings and improvements	2,280,910	63,052	-	2,343,962
Furniture and equipment	571,616	30,223	5,720	596,119
Motor vehicles	1,839,831	272,907	28,722	2,084,016
<i>Total accumulated depreciation</i>	<u>31,808,720</u>	<u>1,116,741</u>	<u>342,269</u>	<u>32,583,192</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 13,765,215</u>	<u>\$ 161,657</u>	<u>\$ 254,807</u>	<u>\$ 13,672,065</u>
<i>Business-Type Activities</i>				
Nondepreciable assets:				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
Construction in progress	-	53,779	-	53,779
	<u>59,254</u>	<u>53,779</u>	<u>-</u>	<u>113,033</u>
Depreciable assets:				
Buildings	905,694	-	-	905,694
Main extension	1,523,539	26,195	-	1,549,734
Water Tank	2,600,783	-	-	2,600,783
Equipment and machinery	281,026	-	-	281,026
	<u>5,311,042</u>	<u>26,195</u>	<u>-</u>	<u>5,337,237</u>
<i>Total capital assets</i>	<u>5,370,296</u>	<u>79,974</u>	<u>-</u>	<u>5,450,270</u>
Less accumulated depreciation for:				
Buildings	735,569	22,642	-	758,211
Main extension	228,530	38,088	-	266,618
Water Tank	229,741	86,693	-	316,434
Equipment and machinery	140,816	8,047	-	148,863
<i>Total accumulated depreciation</i>	<u>1,334,656</u>	<u>155,470</u>	<u>-</u>	<u>1,490,126</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 4,035,640</u>	<u>\$ (75,496)</u>	<u>\$ -</u>	<u>\$ 3,960,144</u>

TOWN OF RICHMOND, RHODE ISLAND
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Depreciation expense was charged as follows:

Governmental activities:

General government	\$ 70,956
Public safety	92,066
Public works	953,719
Total depreciation expense, governmental activities	\$ 1,116,741

Business-type activities:

Water fund	\$ 155,470
Total depreciation expense, business-type activities	\$ 155,470

NOTE 7 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES:

Changes in long-term liabilities during the year ended June 30, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Bonds payable	\$ 2,020,000	\$ -	\$ 495,000	\$ 1,525,000	\$ 505,000
Bonds from direct placements	2,250,000	-	250,000	2,000,000	250,000
	4,270,000	-	745,000	3,525,000	755,000
Plus amortized premiums on bonds	76,052	-	12,675	63,377	-
Total bonds	4,346,052	-	757,675	3,588,377	755,000
Other liabilities:					
Capital leases	5,063	-	1,792	3,271	2,049
Accrued compensated absences	211,914	111,133	63,574	259,473	77,842
Line of credit	-	29,700	2,532	27,168	-
Net pension liabilities	940,759	9,030	-	949,789	-
Total Governmental Activities					
Long-Term Liabilities	\$ 5,503,788	\$ 149,863	\$ 825,573	\$ 4,828,078	\$ 834,891
Business-type activities:					
Loans payable:					
Loans from direct borrowings	\$ 1,967,167	\$ -	\$ 33,063	\$ 1,934,104	\$ 34,045
Total Business-type activities					
Long-Term Liabilities	\$ 1,967,167	\$ -	\$ 33,063	\$ 1,934,104	\$ 34,045

All debt of the Government Activities is general obligation debt. The payments on the bonds is paid from the General Fund. The compensated absences and net pension liabilities are paid from the General Fund. The capital leases are paid from the Capital Bond Fund. The payments on the bonds in the Business-type activities are paid from the Water Fund. The line of credit is paid from the Community Septic Loan Fund.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

B. BONDS AND LOANS PAYABLE

Outstanding bonds and loans payable 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, 2019</i>	<i>New Issues</i>	<i>Maturities During Year</i>	<i>Outstanding June 30, 2020</i>
Governmental activities:								
Bonds payable:								
2010 Capital Improvement Bonds	8/15/2010	1.15-3.00%	8/15/2020	\$ 1,150,000	\$ 525,000	\$ -	\$ 260,000	\$ 265,000
2014 Capital Improvement Bonds	8/6/2014	2.00%	8/1/2024	2,410,000	1,495,000	-	235,000	1,260,000
Bonds from direct placements:								
2017 Capital Improvement Bonds	10/17/2017	2.11%	6/30/2028	2,501,000	2,250,000	-	250,000	2,000,000
Total governmental activities bonds payable				\$ 6,061,000	\$ 4,270,000	\$ -	\$ 745,000	\$ 3,525,000
Business type activities:								
Loans from direct borrowings:								
2012 Water capital improvements	2/28/2012	3.75%	2/28/2052	\$ 825,000	\$ 741,113	\$ -	\$ 13,465	\$ 727,648
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	744,000	702,696	-	11,112	691,584
2014 Water capital improvements	1/9/2015	2.75%	1/9/2055	275,000	258,904	-	4,304	254,600
2014 Water capital improvements	1/9/2015	3.00%	1/9/2055	280,000	264,454	-	4,182	260,272
Total business-type activities loans payable				\$ 2,124,000	\$ 1,967,167	\$ -	\$ 33,063	\$ 1,934,104

At June 30, 2020 annual debt service requirements to maturity for bonds and loans payable are as follows:

<i>Year ending June 30,</i>	<i>Governmental Activities</i>			<i>Governmental Activities</i>			<i>Business- Type Activities</i>		
	<i>Bonds payable</i>			<i>Bonds from direct placements</i>			<i>Loans from direct borrowings</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 505,000	\$ 36,975	\$ 541,975	\$ 250,000	\$ 39,488	\$ 289,488	\$ 34,045	\$ 57,386	\$ 91,431
2022	245,000	26,925	271,925	250,000	34,222	284,222	36,365	56,376	92,741
2023	250,000	19,500	269,500	250,000	28,958	278,958	36,134	55,297	91,431
2024	260,000	11,850	271,850	250,000	23,692	273,692	37,207	54,224	91,431
2025	265,000	3,975	268,975	250,000	18,428	268,428	38,311	53,120	91,431
2026-2030	-	-	-	750,000	23,693	773,693	209,300	247,854	457,154
2031-2035	-	-	-	-	-	-	242,262	214,893	457,155
2036-2040	-	-	-	-	-	-	280,418	176,737	457,155
2041-2045	-	-	-	-	-	-	324,590	132,565	457,155
2046-2050	-	-	-	-	-	-	375,727	81,428	457,155
2051-2055	-	-	-	-	-	-	319,745	25,520	345,265
	\$ 1,525,000	\$ 99,225	\$ 1,624,225	\$ 2,000,000	\$ 168,481	\$ 2,168,481	\$ 1,934,104	\$ 1,155,400	\$ 3,089,504

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

C. CAPITAL LEASE OBLIGATIONS

The Town acquired equipment valued at \$8,574 that were financed with lease-purchase agreements. Amortization of assets acquired under capital leases is included in depreciation expense for the year ended June 30, 2020.

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, 2019</i>	<i>New Issues</i>	<i>Retirements During Year</i>	<i>Outstanding June 30, 2020</i>
Savin Copier	1/19/2017	13.49%	1/19/2022	\$ 8,574	\$ 5,063	-	\$ 1,792	\$ 3,271
Total governmental activities capital leases				<u>\$ 8,574</u>	<u>\$ 5,063</u>	<u>\$ -</u>	<u>\$ 1,792</u>	<u>\$ 3,271</u>

Obligations of governmental activities under capital leases at June 30, 2020 were as follows:

<i>Fiscal Year Ended June 30,</i>	<i>Lease Payment Requirements</i>
2021	\$ 2,367
2022	<u>1,274</u>
Total minimum lease payments	3,641
Less: Amount representing interest cost	<u>(370)</u>
Present value of minimum lease payments	<u>\$ 3,271</u>

D. LINE OF CREDIT

On January 16, 2018, the Town entered into a loan agreement with the RI Infrastructure Bank for a non restoring line of credit up to \$300,000 to be used for the Community Septic System Loan Program (CSSLP). The loan bears interest of 0% and discharge of the loan is the later of the date on which all loans made by the Town under the CSSLP have been paid back or January 1, 2028. The balance of the line of credit as of June 30, 2020 is \$27,168.

TOWN OF RICHMOND, RHODE ISLAND
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NOTE 8 – INTERFUND BALANCES

The Town reports interfund balances between many of its funds. Interfund balances at June 30, 2020 were as follows:

	<i>Due From:</i>			<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Private Purpose Trust Funds</i>	
<i>Due To:</i>				
General Fund	\$ -	\$ 4,314	\$ 51	\$ 4,365
Capital Bond Fund	1,008,827	-	-	1,008,827
Nonmajor Governmental Funds	1,300,447	-	-	1,300,447
Enterprise Fund	176,329	-	-	176,329
Private Purpose Trust	120,090	-	-	120,090
Agency Funds	131,689	-	-	131,689
<i>Total</i>	\$ 2,737,382	\$ 4,314	\$ 51	\$ 2,741,747

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

NOTE 9 – INTERFUND TRANSFERS

	<i>Transfer From:</i>		<i>Total</i>
	<i>General Fund</i>	<i>Other Governmental Funds</i>	
<i>Transfer To:</i>			
General Fund	\$ -	\$ 40,000	\$ 40,000
Capital Bond Fund	\$ 298,416	\$ -	298,416
<i>Total</i>	\$ 298,416	\$ 40,000	\$ 338,416

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

NOTE 10 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for the community septic loans, which are due in accordance with the individual loan amortization schedules. The real estate and personal property taxes include an allowance for doubtful accounts of \$300,000.

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
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B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2020, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 108,928	\$ 85,920	\$ 251,779	\$ 446,627
Total Governmental Activities	<u>\$ 108,928</u>	<u>\$ 85,920</u>	<u>\$ 251,779</u>	<u>\$ 446,627</u>
Business-Type Activities:				
Water Fund				
Total Business-Type Activities	\$ -	\$ -	\$ 3,839	\$ 3,839
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,839</u>	<u>\$ 3,839</u>

NOTE 11 – NET POSITION/FUND BALANCES

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

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

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

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

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

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

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

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

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

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

Unassigned Fund Balance – This classification is the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to another fund and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. It is not appropriate to report a positive unassigned fund balance in other governmental funds. However, in other governmental funds if the expenditures incurred exceed the restricted, committed, or assigned amounts it may be necessary to report a negative unassigned fund balance. The SNEP Beaver River Fund had a deficit fund balance of \$ (4,314) as of June 30, 2020.

Committed fund balances are established, modified or rescinded by either of the following formal actions: a resolution approved by the tax payers at a Financial Town Meeting or an ordinance adopted by the Town Council. The committed fund balance can only be removed by the same formal action used to establish the commitment. Both actions are considered equally binding. The Town Council has authorized the Town Administrator or his/her/their designee to assign fund balance. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

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

NOTE 12 – CHARIHO REGIONAL SCHOOL DISTRICT

The Chariho Regional School District (Regional School) was created to include a regional school for the Towns of Hopkinton, Charlestown and Richmond (the Towns), which encompasses grades K-12. The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional

TOWN OF RICHMOND, RHODE ISLAND
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School, which contribute funds according to a financial formula based upon each Town's enrollment, and from State aid to education. As of October 2018, the District had a total enrollment of 3,273 of which 1,184 were students from Richmond. This number was used for calculating the Town's fiscal year 2019 – 2020 contribution to the District. Financial statements for the Regional School District are issued separately and may be obtained from the Chariho Regional School District, 455A Switch Road, Wood River Junction, Rhode Island 02894.

NOTE 13 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town has purchased commercial insurance to insure its risk of loss. Settled claims resulting from these risks have not exceeded the insurance coverage in any of the past three fiscal years.

NOTE 14 – LITIGATION AND CONTINGENCIES

A. LITIGATION:

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

B. FEDERALLY FUNDED PROGRAMS:

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

NOTE 15 – TAX ABATEMENTS

The Town established in 2014 by ordinance a tax stabilization program for qualifying property that is used for renewable energy production pursuant to Section 44-3-9 of Rhode Island General Laws. The purpose of the program is to encourage the development of cost-effective, domestically-produced renewable energy, and to increase the Town's non-residential tax base, by exempting or stabilizing personal property taxes on facilities that qualify for such an exemption or stabilization. Renewable energy means energy produced by sunlight, wind or geothermal heat.

The Town Council has the authority to exempt from payment of personal property taxes, in whole or in part, or to stabilize the amount of personal property taxes on property that will be used exclusively for the production of renewable energy. An applicant for the tax exemption or stabilization under this program must submit a written proposal to the Town Clerk describing the property, the proposed use and the exemption or stabilization sought. The Town shall conduct a public hearing on the proposal before being approved. The exemption or stabilization must be established by a resolution approved by the Town Council and shall be effective for a period not to exceed fifteen (15) years.

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The Town Council will adopt the resolution only if it finds that adopting the tax exemption or stabilization:

- Will induce or encourage a producer of renewable energy to locate its facility in Richmond, or
- Will increase the manufacturing infrastructure of Richmond, resulting in a long-term benefit to Richmond or the State of Rhode Island, and
- Will benefit the Town by encouraging the renewable energy producer to construct and equip a new facility, representing an investment of not less than \$500,000 in tangible property, and
- Will not give the renewable energy producer an unfair advantage in relation to existing competing businesses in Richmond.

The Town Council has the authority to terminate the tax exemption or stabilization if the owner of the personal property, or real property on which it is located, is delinquent in the payment of any property taxes, or if the real or personal property is no longer used for the purpose for which the exemption or stabilization was approved, or if the facility or the real property on which it is located is sold.

The Town had one taxpayer participating in the tax stabilization program in fiscal year 2020. The tax stabilization agreement is on the tangible property owned by the taxpayer which will be taxed at \$3,750 per year for 12 ½ years starting in fiscal year 2017. The total value of the tax abatement granted under this agreement in fiscal year 2020 was \$23,765.

As the result of a recent change in the Rhode Island General Laws, which changes how cities and towns tax “renewable energy resources and associated equipment” the Town repealed in July 2017 the ordinance establishing the tax stabilization program described above. The one taxpayer that has an agreement with the Town under the repealed ordinance would not be effected by the change and will continue to pay taxes under the existing stabilization agreement.

NOTE 16 – PENSION PLANS

A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plans

General Information about the Pension Plan

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

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MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the ERSRI website at www.ersri.org.

Benefits Provided – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable. The Town of Richmond has only general employees and police officers that participate in the MERS Plan.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

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

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

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

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

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

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

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

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.00% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.00% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

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

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

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

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

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

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

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

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

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

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

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

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

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

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c.) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

The Town of Richmond has not elected the optional cost-of-living provision for either the general employees or police officers.

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

Richmond Police – Rhode Island General Law §§ 45-21.2-6.3

Under these special provisions, members are eligible to retire after attaining 22 years of service. The retirement benefit for a member with 22 or more years of service was improved to 50.00% x Final Average Compensation (FAC), plus 2.2727% x FAC x Years of Service in excess of 22, with a maximum benefit equal to 75% of FAC.

Employees Covered by Benefit Terms - At the June 30, 2018 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries	18	1
Inactive, Nonretired		
Members	29	5
Active Members	25	13
Total	72	19

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Police officers are required to contribute 9% of their salaries. The Town of Richmond contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Richmond contributed the following amounts in the year ended June 30, 2020: general employees plan - \$131,613 and police officers plan - \$100,778. The Town's contributions represented the following

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percentages of annual covered payroll: general employees plan – 9.86%; police officers plan – 11.65%.

Net Pension Liability - The total pension liability was determined by actuarial valuations performed as of June 30, 2018 and rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2019 Measurement Date (June 30, 2018 valuation rolled forward to June 30, 2019)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions:	
Investment Rate of Return	7.0%
Projected Salary Increases	General Employees - 3.5% to 7.5% ; Police Officers - 4.0% to 14.0%
Inflation	2.5%
Mortality	Variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

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Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Sub-total	<u>40.00%</u>	
Private Growth		
Private Equity	11.25%	9.81%
Non-Core Real Estate	2.25%	5.51%
Opportunistic Private Credit	1.50%	9.81%
Sub-total	<u>15.00%</u>	
INCOME		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Sub-total	<u>8.00%</u>	
STABILITY		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Sub-total	<u>8.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Sub-total	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
Sub-total	<u>21.00%</u>	
Total	<u>100.00%</u>	

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

Discount Rate - The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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June 30, 2020

General Employees Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2018	\$2,916,423	\$2,425,728	\$490,695
Changes for the Year:			
Service cost	93,121	-	93,121
Interest on the total pension liability	201,829	-	201,829
Changes in benefits	-	-	-
Difference between expected and actual experience	(27,698)	-	(27,698)
Changes in assumptions	-	-	-
Employer contributions	-	99,782	(99,782)
Employee contributions	-	26,464	(26,464)
Net investment income	-	156,940	(156,940)
Benefit payments, including employee refunds	(159,437)	(159,437)	-
Administrative expense	-	(2,453)	2,453
Other changes	-	(12,398)	12,398
Net changes	107,815	108,898	(1,083)
Balances as of June 30, 2019	\$3,024,238	\$2,534,626	\$489,612

Police Officers Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2018	\$2,510,035	\$2,059,971	\$450,064
Changes for the Year:			
Service cost	145,157	-	145,157
Interest on the total pension liability	179,442	-	179,442
Changes in benefits	-	-	-
Difference between expected and actual experience	(26,545)	-	(26,545)
Changes in assumptions	-	-	-
Employer contributions	-	74,712	(74,712)
Employee contributions	-	72,458	(72,458)
Net investment income	-	143,007	(143,007)
Benefit payments, including employee refunds	(38,304)	(38,304)	-
Administrative expense	-	(2,235)	2,235
Other changes	-	(1)	1
Net changes	259,750	249,637	10,113
Balances as of June 30, 2019	\$2,769,785	\$2,309,608	\$460,177

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the employer calculated using the discount rate of 7.0 percent, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Plan	1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
General Employees	\$808,626	\$489,612	\$228,510
Police Officers	\$741,014	\$460,177	\$230,413

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

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

For the year ended June 30, 2020, the Town recognized pension expense as follows: general employees plan - \$177,582; and police officers plan - \$96,101. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General Employees Plan	Police Officers Plan
Deferred Outflows of Resources:		
Change in assumptions	\$ 31,031	\$ 109,121
Difference between expected and actual experience	113,333	-
Contributions subsequent to the measurement date	131,613	100,778
Total	\$275,977	\$ 209,899
Deferred Inflows of Resources:		
Change in assumptions	\$ -	\$ 26,772
Net difference between projected and actual investment earnings	9,698	13,783
Difference between expected and actual experience	42,989	315,112
Total	\$52,687	\$355,667

\$232,391 reported as deferred outflows of resources related to pensions resulting from the Town of Richmond contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources	
	General Employees Plan	Police Officers Plan
2021	\$68,193	\$(24,878)
2022	29,760	(49,076)
2023	(6,089)	(35,507)
2024	(187)	(30,582)
2025	-	(31,565)
Thereafter	-	(74,938)

Defined Contribution Pension Plan

Plan Description

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

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

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

The Town of Richmond recognized pension expense of \$11,667 and employees contributed \$57,407 for the fiscal year ended June 30, 2020.

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

B. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Liability	Pension Expense
General Employees Plan	\$275,977	\$52,687	\$489,612	\$177,582
Police Officers Plan	209,899	355,667	460,177	96,101
Total	<u>\$485,876</u>	<u>\$408,354</u>	<u>\$949,789</u>	<u>\$273,683</u>

NOTE 17 – UNCERTAINTIES

The United States and State of Rhode Island declared a State of Emergency in March 2020 due to the global Coronavirus Disease (COVID-19) pandemic. In the weeks and months following the declaration, precautionary measures to slow the spread of the virus were ordered that have affected the Town's operations in fiscal year 2020. The length of time these measures will be in place and the extent of any future financial impact to the Town are unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Town Contributions

Budgetary Comparison Schedule - General Fund

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

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

Fiscal Year	2020	2019	2018	2017	2016	2015
Total pension liability:						
Service cost	\$ 93,121	\$ 96,436	\$ 89,022	\$ 84,243	\$ 78,867	\$ 82,980
Interest	201,829	177,200	176,585	173,801	169,745	159,161
Changes of benefit terms	-	-	-	-	7,172	-
Differences between expected and actual experience	(27,698)	223,515	(81,013)	(89,581)	(80,463)	-
Changes of assumptions	-	-	116,324	-	-	8,897
Benefits payments, including refunds of member contributions	(159,437)	(127,885)	(127,446)	(140,013)	(107,834)	(107,897)
Net change in total pension liability	107,815	369,266	173,472	28,450	67,487	143,141
Total pension liability - beginning	2,916,423	2,547,157	2,373,685	2,345,235	2,277,748	2,134,607
Total pension liability - ending (a)	\$ 3,024,238	\$ 2,916,423	\$ 2,547,157	\$ 2,373,685	\$ 2,345,235	\$ 2,277,748
Plan fiduciary net position:						
Contributions - employer	\$ 99,782	\$ 98,796	\$ 102,529	\$ 105,589	\$ 105,664	\$ 96,455
Contributions - employee	26,464	24,576	23,739	21,668	10,150	9,770
Net investment income	156,940	181,512	234,153	(702)	47,756	264,216
Benefits payments, including refunds of member contributions	(159,437)	(127,885)	(127,446)	(140,013)	(107,834)	(107,897)
Administrative expense	(2,453)	(2,416)	(2,212)	(1,888)	(1,701)	(1,655)
Other	(12,398)	46,243	(48,318)	(1)	-	60
Net change in plan fiduciary net position	108,898	220,826	182,445	(15,347)	54,035	260,949
Plan fiduciary net position - beginning	2,425,728	2,204,902	2,022,457	2,037,804	1,983,769	1,722,820
Plan fiduciary net position - ending (b)	\$ 2,534,626	\$ 2,425,728	\$ 2,204,902	\$ 2,022,457	\$ 2,037,804	\$ 1,983,769
Town's net pension liability (asset) - ending (a) - (b)	\$ 489,612	\$ 490,695	\$ 342,255	\$ 351,228	\$ 307,431	\$ 293,979
Plan fiduciary net position as a percentage of the total pension liability	83.81%	83.17%	86.56%	85.20%	86.89%	87.09%
Covered employee payroll	\$ 1,282,665	\$ 1,180,362	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021	\$ 972,797
Net pension liability as a percentage of covered employee payroll	38.17%	41.57%	30.22%	33.40%	30.29%	30.22%

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

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

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

<i>Fiscal Year</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Total pension liability:						
Service cost	\$ 145,157	\$ 135,620	\$ 125,571	\$ 117,007	\$ 110,292	\$ 98,579
Interest	179,442	172,525	157,222	145,968	130,490	121,078
Changes of benefit terms	-	-	-	-	86,007	-
Differences between expected and actual experience	(26,545)	(181,743)	(43,450)	(90,309)	(97,139)	-
Changes of assumptions	-	-	150,620	-	-	(54,846)
Benefits payments, including refunds of member contributions	(38,304)	(26,392)	(26,892)	(26,892)	(26,394)	(63,940)
Net change in total pension liability	259,750	100,010	363,071	145,774	203,256	100,871
Total pension liability - beginning	2,510,035	2,410,025	2,046,954	1,901,180	1,697,924	1,597,053
Total pension liability - ending (a)	\$ 2,769,785	\$ 2,510,035	\$ 2,410,025	\$ 2,046,954	\$ 1,901,180	\$ 1,697,924
Plan fiduciary net position:						
Contributions - employer	\$ 74,712	\$ 72,114	\$ 85,456	\$ 90,160	\$ 87,587	\$ 57,398
Contributions - employee	72,458	67,961	70,238	65,623	50,296	60,573
Net investment income	143,007	154,144	190,537	(579)	36,131	185,875
Benefits payments, including refunds of member contributions	(38,304)	(26,392)	(26,892)	(26,892)	(26,394)	(63,940)
Administrative expense	(2,235)	(2,052)	(1,800)	(1,558)	(1,448)	(1,164)
Other	(1)	-	(191,845)	(1)	-	1
Net change in plan fiduciary net position	249,637	265,775	125,694	126,753	146,172	238,743
Plan fiduciary net position - beginning	2,059,971	1,794,196	1,668,502	1,541,749	1,395,577	1,156,834
Plan fiduciary net position - ending (b)	\$ 2,309,608	\$ 2,059,971	\$ 1,794,196	\$ 1,668,502	\$ 1,541,749	\$ 1,395,577
Town's net pension liability - ending (a) - (b)	\$ 460,177	\$ 450,064	\$ 615,829	\$ 378,452	\$ 359,431	\$ 302,347
Plan fiduciary net position as a percentage of the total pension liability	83.39%	82.07%	74.45%	81.51%	81.09%	82.19%
Covered employee payroll	\$ 805,085	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512	\$ 644,730
Net pension liability as a percentage of covered employee payroll	57.16%	59.60%	78.91%	52.04%	50.02%	46.90%

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

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

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

<i>Fiscal Year</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>General Employees Plan</u>						
Actuarially determined contribution	\$ 131,613	\$ 99,782	\$ 98,796	\$ 102,529	\$ 105,589	\$ 105,664
Contributions in relation to the actuarially determined contribution	131,613	99,782	98,796	102,529	105,589	105,664
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered employee payroll	\$ 1,334,363	\$ 1,282,665	\$ 1,180,362	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021
Contributions as a percentage of covered employee payroll	9.86%	7.78%	8.37%	9.05%	10.04%	10.41%
<u>Police Officers Plan</u>						
Actuarially determined contribution	\$ 100,778	\$ 74,712	\$ 72,114	\$ 85,456	\$ 90,160	\$ 87,587
Contributions in relation to the actuarially determined contribution	100,778	74,712	72,114	85,456	90,160	87,587
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered employee payroll	\$ 865,043	\$ 805,085	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512
Contributions as a percentage of covered employee payroll	11.65%	9.28%	9.55%	10.95%	12.40%	12.19%

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

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 19,783,962	\$ 19,783,962	\$ 19,795,368	\$ 11,406
State aid and local	5,364,886	5,364,886	5,361,515	(3,371)
Permits & fees	212,500	212,500	219,946	7,446
Licenses & fees	31,525	31,525	26,128	(5,397)
User Fees	336,100	336,100	342,796	6,696
Fines & forfeitures	47,700	47,700	38,676	(9,024)
Interest income	45,000	45,000	50,249	5,249
Miscellaneous income	148,030	148,030	222,701	74,671
Senior activities	16,000	16,000	10,128	(5,872)
Appropriated reserves	255,000	255,000	255,000	-
Total revenues	26,240,703	26,240,703	26,322,507	81,804
Expenditures				
General government				
Town council	7,120	7,120	7,120	-
Building/planning/zoning	298,235	298,235	238,583	59,652
Town clerk's department	211,945	211,945	202,106	9,839
Information technology	156,550	156,550	141,586	14,964
Legal services	109,000	109,000	111,055	(2,055)
Finance department	176,579	176,579	179,492	(2,913)
Tax assessor's department	128,795	128,795	125,293	3,502
Tax collector's department	72,169	72,169	65,247	6,922
Town hall/general government	58,133	58,133	45,036	13,097
Building maintenance department	95,124	95,124	75,062	20,062
Economic development	1,600	1,600	792	808
Elder affairs commission	350	350	-	350
Town sergeant	538	538	-	538
Contingency	73,000	73,000	-	73,000
Probate court	3,600	3,600	3,600	-
Town administration	106,255	106,255	107,562	(1,307)
Land trust	12,250	12,250	4,547	7,703
Conservation commission	1,890	1,890	1,601	289
Other expense	162,000	162,000	160,258	1,742
	1,675,133	1,675,133	1,468,940	206,193
Public safety				
Police department	1,991,997	1,991,997	2,035,329	(43,332)
Animal control	97,690	97,690	77,840	19,850
Emergency management	17,777	17,777	34,660	(16,883)
Police/community utilities	39,630	39,630	25,348	14,282
	2,147,094	2,147,094	2,173,177	(26,083)
Public works				
Public works	1,053,895	1,053,895	1,006,196	47,699
Transfer station and recycling	26,050	26,050	25,331	719
Public works/transfer station	195,227	195,227	211,801	(16,574)
	1,275,172	1,275,172	1,243,328	31,844
Recreation	32,619	32,619	26,981	5,638

(Continued)

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

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis (Continued)
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Education	19,813,469	19,813,469	19,813,469	-
Community services				
Community services support	159,750	159,750	159,750	-
Senior activities	18,040	18,040	8,434	9,606
	<u>177,790</u>	<u>177,790</u>	<u>168,184</u>	<u>9,606</u>
Canvassing authority	5,800	5,800	3,906	1,894
Debt service	933,459	933,459	932,209	1,250
Total expenditures	<u>26,060,536</u>	<u>26,060,536</u>	<u>25,830,194</u>	<u>230,342</u>
Excess of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>180,167</u>	<u>180,167</u>	<u>492,313</u>	<u>312,146</u>
Other financing sources (uses)				
Transfers in	147,249	147,249	147,249	-
Transfers out	(298,416)	(298,416)	(298,416)	-
Revaluation restricted account	(29,000)	(29,000)	(29,000)	-
Total other financing sources (uses)	<u>(180,167)</u>	<u>(180,167)</u>	<u>(180,167)</u>	<u>-</u>
Net change in fund balance-budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,146</u>	<u>\$ 312,146</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, 2020

NOTE 1 – PENSION PLANS

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

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

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

Actuarially Determined Contributions:

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

- Actuarial cost method – Entry Age Normal
- Amortization method - Level percentage of payroll, closed
- Remaining amortization period - 18 years
- Asset valuation method – 5-year smoothed market
- Inflation – 2.5%
- Investment return - 7.0%
- Salary increases – 3.25% to 7.25% for general employees; 4% to 14% for police officers
- Retirement age – Experienced-based table of rates that are specific to the type of eligibility condition
- Mortality – Males, General and Police Officers – RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with Scale Ultimate MP-2016
- Mortality – Females, General and Police Officers – RP-2014 Combined Healthy for Females, projected with Scale Ultimate MP-2016

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

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2020

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)	\$26,469,756
Differences – budget to GAAP:	
Budgeted transfer from the Enterprise Fund is included for budgetary purposes, but is not included for financial reporting purposes.	(91,431)
Budgeted use of fund balance is included for budgetary purposes, but is not included for financial reporting purposes.	<u>(255,000)</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>\$26,123,325</u>

TOWN OF RICHMOND, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2020

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$26,157,610
Differences – budget to GAAP:	
Unbudgeted expenditure for Revaluation Fund and Comprehensive Plan Fund not included for budgetary purpose, but include for financial reporting purposes.	146,895
Budgeted payment of debt service for the Enterprise Fund is included for budgetary purposes, but is not included for financial reporting purposes.	(91,431)
Budgeted transfer to Revaluation Fund and Comprehensive Plan Fund are included for budgetary purposes, but are not included for financial reporting purposes.	<u>(32,000)</u>
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$26,181,074</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

THIS SECTION CONTAINS THE FOLLOWING:

Combining Financial Statements for General Fund

Combining Fund Financial Statements for Nonmajor Governmental Funds

Combining Fund Financial Statements for Private Purpose Trust Funds

Combining Statement of Assets and Liabilities for Agency Funds

Other Supplementary Information

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
General Fund
June 30, 2020

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Comprehensive Plan Fund</u>	<u>Elimination Entries</u>	<u>Total General Fund</u>
Assets					
Cash and cash equivalents	\$ 6,561,239	\$ -	\$ -	\$ -	\$ 6,561,239
Property taxes, net of allowance for doubtful accounts of \$300,000	981,089	-	-	-	981,089
Accounts receivable	249,152	-	-	-	249,152
Due from federal and state government	98,619	-	-	-	98,619
Due from other funds	4,365	171,064	30,995	(202,059)	4,365
Prepaid items	49,909	-	-	-	49,909
Total assets	<u>\$ 7,944,373</u>	<u>\$ 171,064</u>	<u>\$ 30,995</u>	<u>\$ (202,059)</u>	<u>\$ 7,944,373</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable and accrued expenditures	\$ 180,168	\$ 14,680	\$ -	\$ -	\$ 194,848
Due to other funds	2,939,441	-	-	(202,059)	2,737,382
Total liabilities	<u>3,119,609</u>	<u>14,680</u>	<u>-</u>	<u>(202,059)</u>	<u>2,932,230</u>
Deferred Inflows of Resources					
Deferred property taxes	650,317	-	-	-	650,317
Total deferred inflows of resources	<u>650,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,317</u>
Fund balances					
Nonspendable:					
Prepaid items	49,909	-	-	-	49,909
Committed for:					
Revaluation	-	156,384	-	-	156,384
Comprehensive Plan	-	-	30,995	-	30,995
Capital - Alton Water	19,291	-	-	-	19,291
Capital - Foster Woods recreation	12,794	-	-	-	12,794
Landscaping projects	675	-	-	-	675
Landfill	50,000	-	-	-	50,000
Public works projects	2,671	-	-	-	2,671
Police programs	4,811	-	-	-	4,811
Snow removal	12,740	-	-	-	12,740
School budget	17,846	-	-	-	17,846
Legal fees	10,000	-	-	-	10,000
Future state aid funding shortfalls	135,954	-	-	-	135,954
Assigned for 2021 budget	165,987	-	-	-	165,987
Unassigned	3,691,769	-	-	-	3,691,769
Total fund balances	<u>4,174,447</u>	<u>156,384</u>	<u>30,995</u>	<u>-</u>	<u>4,361,826</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,944,373</u>	<u>\$ 171,064</u>	<u>\$ 30,995</u>	<u>\$ (202,059)</u>	<u>\$ 7,944,373</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Comprehensive Plan Fund</u>	<u>Elimination Entries</u>	<u>Total General Fund</u>
Revenues:					
Property taxes	\$ 19,795,368	\$ -	\$ -	\$ -	\$ 19,795,368
Intergovernmental revenue	5,361,515	-	-	-	5,361,515
License, permits and fees	653,492	-	-	-	653,492
Interest on investments	50,249	-	-	-	50,249
Other revenues	222,701	-	-	-	222,701
Total revenues	<u>26,083,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,083,325</u>
Expenditures:					
Current:					
General government	1,465,940	137,762	9,133	-	1,612,835
Public safety	2,173,177	-	-	-	2,173,177
Public works	1,243,328	-	-	-	1,243,328
Recreation and culture	26,981	-	-	-	26,981
Education	19,813,469	-	-	-	19,813,469
Community services	168,184	-	-	-	168,184
Canvassing authority	3,906	-	-	-	3,906
Debt service:					
Principal	745,000	-	-	-	745,000
Interest and other charges	95,778	-	-	-	95,778
Total expenditures	<u>25,735,763</u>	<u>137,762</u>	<u>9,133</u>	<u>-</u>	<u>25,882,658</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>347,562</u>	<u>(137,762)</u>	<u>(9,133)</u>	<u>-</u>	<u>200,667</u>
Other financing sources (uses):					
Transfers in	40,000	29,000	3,000	(32,000)	40,000
Transfers out	(330,416)	-	-	32,000	(298,416)
Total other financing sources (uses)	<u>(290,416)</u>	<u>29,000</u>	<u>3,000</u>	<u>-</u>	<u>(258,416)</u>
Net change in fund balances	57,146	(108,762)	(6,133)	-	(57,749)
Fund balances - beginning of year	<u>4,117,301</u>	<u>265,146</u>	<u>37,128</u>	<u>-</u>	<u>4,419,575</u>
Fund balances - end of year	<u>\$ 4,174,447</u>	<u>\$ 156,384</u>	<u>\$ 30,995</u>	<u>\$ -</u>	<u>\$ 4,361,826</u>

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

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

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

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

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	<i>Special Revenue Funds</i>	<i>Public Facilities Construction Fund</i>	<i>Public Facilities Maintenance Fund</i>	<i>Total Nonmajor Governmental Funds</i>
ASSETS				
Due from federal and state governments	\$ 12,095	\$ -	\$ -	\$ 12,095
Other receivables	27,168	-	-	27,168
Due from other funds	207,815	886,472	206,160	1,300,447
Total assets	<u>\$ 247,078</u>	<u>\$ 886,472</u>	<u>\$ 206,160</u>	<u>\$ 1,339,710</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
Liabilities				
Due to other funds	\$ 4,314	\$ -	\$ -	\$ 4,314
Total liabilities	<u>4,314</u>	<u>-</u>	<u>-</u>	<u>4,314</u>
Deferred Inflows of Resources				
Other deferred inflows	27,168	-	-	27,168
Total deferred inflows of resources	<u>27,168</u>	<u>-</u>	<u>-</u>	<u>27,168</u>
Fund balances (deficits)				
Restricted for:				
Historical records preservation	36,248	-	-	36,248
Senior activities	33,833	-	-	33,833
Public safety programs	15,272	-	-	15,272
Community service programs	30,682	-	-	30,682
Dog park	5,065	-	-	5,065
Land trust	9,983	-	-	9,983
Committed for:				
Planning inspections	74,745	-	-	74,745
Public facilities	-	886,472	206,160	1,092,632
Public safety programs	14,082	-	-	14,082
Unassigned	(4,314)	-	-	(4,314)
Total fund balances (deficits)	<u>215,596</u>	<u>886,472</u>	<u>206,160</u>	<u>1,308,228</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 247,078</u>	<u>\$ 886,472</u>	<u>\$ 206,160</u>	<u>\$ 1,339,710</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds	Public Facilities Construction Fund	Public Facilities Maintenance Fund	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental revenue	\$ 423,393	\$ -	\$ -	\$ 423,393
License, permits and fees	19,290	76,319	-	95,609
Other revenues	12,067	-	-	12,067
Total revenues	<u>454,750</u>	<u>76,319</u>	<u>-</u>	<u>531,069</u>
Expenditures				
Current:				
General government	47,448	-	-	47,448
Public safety	8,905	-	-	8,905
Community services	413,152	-	-	413,152
Debt service	2,532	-	-	2,532
Total expenditures	<u>472,037</u>	<u>-</u>	<u>-</u>	<u>472,037</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(17,287)</u>	<u>76,319</u>	<u>-</u>	<u>59,032</u>
Other financing sources (uses):				
Debt issued	29,700	-	-	29,700
Transfers out	-	-	(40,000)	(40,000)
Total other financing sources (uses)	<u>29,700</u>	<u>-</u>	<u>(40,000)</u>	<u>(10,300)</u>
Net change in fund balances	12,413	76,319	(40,000)	48,732
Fund balances - beginning of year	<u>203,183</u>	<u>810,153</u>	<u>246,160</u>	<u>1,259,496</u>
Fund balances (deficits) - end of year	<u><u>\$ 215,596</u></u>	<u><u>\$ 886,472</u></u>	<u><u>\$ 206,160</u></u>	<u><u>\$ 1,308,228</u></u>

TOWN OF RICHMOND, RHODE ISLAND

Combining Balance Sheet

Special Revenue Funds

June 30, 2020

	<i>Historical Records Trust</i>	<i>Police Grants</i>	<i>Legislative Senior Center</i>	<i>Legislative Recreation</i>	<i>SNEP Beaver River</i>	<i>Technology Fund</i>	<i>Planning Board</i>
ASSETS							
Due from federal and state governments	\$ -	\$ -	\$ 4,944	\$ -	\$ -	\$ -	\$ -
Other receivables	-	-	-	-	-	-	-
Due from other funds	18,475	1,385	673	31	-	17,773	74,745
Total assets	<u>\$ 18,475</u>	<u>\$ 1,385</u>	<u>\$ 5,617</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 17,773</u>	<u>\$ 74,745</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 4,314	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,314</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources							
Other deferred inflows	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
Restricted for:							
Historical records preservation	18,475	-	-	-	-	17,773	-
Senior activities	-	-	5,617	-	-	-	-
Public safety programs	-	1,385	-	-	-	-	-
Community service programs	-	-	-	31	-	-	-
Dog park	-	-	-	-	-	-	-
Land trust	-	-	-	-	-	-	-
Committed for:							
Planning inspections	-	-	-	-	-	-	74,745
Public safety programs	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(4,314)	-	-
Total fund balances (deficits)	<u>18,475</u>	<u>1,385</u>	<u>5,617</u>	<u>31</u>	<u>(4,314)</u>	<u>17,773</u>	<u>74,745</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 18,475</u>	<u>\$ 1,385</u>	<u>\$ 5,617</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 17,773</u>	<u>\$ 74,745</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
June 30, 2020

	Community Development Block Grant	K-9 Grant	Bulletproof Vest Grant	Senior Crafts	Senior Activities Grant	Community Septic Loan Program	Land Trust
ASSETS							
Due from federal and state governments	\$ 7,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other receivables	-	-	-	-	-	27,168	-
Due from other funds	13,230	4,462	-	6,146	22,070	-	9,983
Total assets	\$ 20,381	\$ 4,462	\$ -	\$ 6,146	\$ 22,070	\$ 27,168	\$ 9,983
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-
Deferred Inflows of Resources							
Other deferred inflows	-	-	-	-	-	27,168	-
Total deferred inflows of resources	-	-	-	-	-	27,168	-
Fund balances (deficits)							
Restricted for:							
Historical records preservation	-	-	-	-	-	-	-
Senior activities	-	-	-	6,146	22,070	-	-
Public safety programs	-	4,462	-	-	-	-	-
Community service programs	20,381	-	-	-	-	-	-
Dog park	-	-	-	-	-	-	-
Land trust	-	-	-	-	-	-	9,983
Committed for:							
Planning inspections	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	20,381	4,462	-	6,146	22,070	-	9,983
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 20,381	\$ 4,462	\$ -	\$ 6,146	\$ 22,070	\$ -	\$ 9,983

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds
June 30, 2020

	Healthcare MEDS Grant	Opioid Crisis Grant	Dog Park Donations	Spay/Neuter Fund	ACO Adoptions	Animal Control Stray & Homeless	Total
ASSETS							
Due from federal and state governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,095
Other receivables	-	-	-	-	-	-	27,168
Due from other funds	6,770	3,500	5,065	9,425	10,991	3,091	207,815
Total assets	<u>\$ 6,770</u>	<u>\$ 3,500</u>	<u>\$ 5,065</u>	<u>\$ 9,425</u>	<u>\$ 10,991</u>	<u>\$ 3,091</u>	<u>\$ 247,078</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,314
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,314</u>
Deferred Inflows of Resources							
Other deferred inflows	-	-	-	-	-	-	27,168
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,168</u>
Fund balances (deficits)							
Restricted for:							
Historical records preservation	-	-	-	-	-	-	36,248
Senior activities	-	-	-	-	-	-	33,833
Public safety programs	-	-	-	9,425	-	-	15,272
Community service programs	6,770	3,500	-	-	-	-	30,682
Dog park	-	-	5,065	-	-	-	5,065
Land trust	-	-	-	-	-	-	9,983
Committed for:							
Planning inspections	-	-	-	-	-	-	74,745
Public safety programs	-	-	-	-	10,991	3,091	14,082
Unassigned	-	-	-	-	-	-	(4,314)
Total fund balances (deficits)	<u>6,770</u>	<u>3,500</u>	<u>5,065</u>	<u>9,425</u>	<u>10,991</u>	<u>3,091</u>	<u>215,596</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 6,770</u>	<u>\$ 3,500</u>	<u>\$ 5,065</u>	<u>\$ 9,425</u>	<u>\$ 10,991</u>	<u>\$ 3,091</u>	<u>\$ 247,078</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

	Historical Records Trust	Police Grants	Legislative Senior Center	Legislative Recreation	SNEP Beaver River	Technology Fund	Planning Board
Revenues							
Intergovernmental revenue	\$ -	\$ 1,564	\$ 9,444	\$ 3,000	\$ -	\$ -	\$ -
License, permits and fees	1,617	-	-	-	-	10,421	4,405
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>1,617</u>	<u>1,564</u>	<u>9,444</u>	<u>3,000</u>	<u>-</u>	<u>10,421</u>	<u>4,405</u>
Expenditures							
Current:							
General government	543	-	-	-	14,314	-	2,891
Public safety	-	528	-	-	-	-	-
Community services	-	-	6,884	3,000	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>543</u>	<u>528</u>	<u>6,884</u>	<u>3,000</u>	<u>14,314</u>	<u>-</u>	<u>2,891</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>1,074</u>	<u>1,036</u>	<u>2,560</u>	<u>-</u>	<u>(14,314)</u>	<u>10,421</u>	<u>1,514</u>
Other financing sources:							
Debt issued	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,074	1,036	2,560	-	(14,314)	10,421	1,514
Fund balances - beginning of year	<u>17,401</u>	<u>349</u>	<u>3,057</u>	<u>31</u>	<u>10,000</u>	<u>7,352</u>	<u>73,231</u>
Fund balances (deficits) - end of year	<u>\$ 18,475</u>	<u>\$ 1,385</u>	<u>\$ 5,617</u>	<u>\$ 31</u>	<u>\$ (4,314)</u>	<u>\$ 17,773</u>	<u>\$ 74,745</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

	<u>Community Development Block Grant</u>	<u>K-9 Grant</u>	<u>Bulletproof Vest Grant</u>	<u>Senior Crafts</u>	<u>Senior Activities Grant</u>	<u>Community Septic Loan Program</u>	<u>Land Trust</u>
Revenues							
Intergovernmental revenue	\$ 400,197	\$ -	\$ 2,188	\$ -	\$ -	\$ -	\$ -
License, permits and fees	-	-	-	-	-	-	-
Other revenues	-	4,000	-	800	2,500	2,532	875
Total revenues	<u>400,197</u>	<u>4,000</u>	<u>2,188</u>	<u>800</u>	<u>2,500</u>	<u>2,532</u>	<u>875</u>
Expenditures							
Current:							
General government	-	-	-	-	-	29,700	-
Public safety	-	3,912	2,188	-	-	-	-
Community services	400,197	-	-	252	2,202	-	-
Debt service	-	-	-	-	-	2,532	-
Total expenditures	<u>400,197</u>	<u>3,912</u>	<u>2,188</u>	<u>252</u>	<u>2,202</u>	<u>32,232</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>88</u>	<u>-</u>	<u>548</u>	<u>298</u>	<u>(29,700)</u>	<u>875</u>
Other financing sources:							
Debt issued	-	-	-	-	-	29,700	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,700</u>	<u>-</u>
Net change in fund balances	-	88	-	548	298	-	875
Fund balances - beginning of year	<u>20,381</u>	<u>4,374</u>	<u>-</u>	<u>5,598</u>	<u>21,772</u>	<u>-</u>	<u>9,108</u>
Fund balances (deficits) - end of year	<u>\$ 20,381</u>	<u>\$ 4,462</u>	<u>\$ -</u>	<u>\$ 6,146</u>	<u>\$ 22,070</u>	<u>\$ -</u>	<u>\$ 9,983</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

	Healthcare MEDS Grant	Opioid Crisis Grant	Dog Park Donations	Spay/Neuter Fund	ACO Adoptions	Animal Control Stray & Homeless	Total
Revenues							
Intergovernmental revenue	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,393
License, permits and fees	-	-	-	760	1,905	182	19,290
Other revenues	-	-	1,360	-	-	-	12,067
Total revenues	<u>7,000</u>	<u>-</u>	<u>1,360</u>	<u>760</u>	<u>1,905</u>	<u>182</u>	<u>454,750</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	47,448
Public safety	-	-	-	434	1,047	796	8,905
Community services	230	-	387	-	-	-	413,152
Debt service	-	-	-	-	-	-	2,532
Total expenditures	<u>230</u>	<u>-</u>	<u>387</u>	<u>434</u>	<u>1,047</u>	<u>796</u>	<u>472,037</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>6,770</u>	<u>-</u>	<u>973</u>	<u>326</u>	<u>858</u>	<u>(614)</u>	<u>(17,287)</u>
Other financing sources:							
Debt issued	-	-	-	-	-	-	29,700
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,700</u>
Net change in fund balances	6,770	-	973	326	858	(614)	12,413
Fund balances - beginning of year	<u>-</u>	<u>3,500</u>	<u>4,092</u>	<u>9,099</u>	<u>10,133</u>	<u>3,705</u>	<u>203,183</u>
Fund balances (deficits) - end of year	<u>\$ 6,770</u>	<u>\$ 3,500</u>	<u>\$ 5,065</u>	<u>\$ 9,425</u>	<u>\$ 10,991</u>	<u>\$ 3,091</u>	<u>\$ 215,596</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, 2020

	<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	56,655	-	4,182	112	29,986	9,139
Total assets	56,655	-	4,182	112	29,986	9,139
Liabilities						
Due to other funds	-	37	-	-	-	-
Total liabilities	-	37	-	-	-	-
Net Position						
Restricted for other purposes	\$ 56,655	\$ (37)	\$ 4,182	\$ 112	\$ 29,986	\$ 9,139

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Net Position (Continued)
Private Purpose Trust Funds
June 30, 2020

	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Henry D. Hoyle Grant</i>	<i>Clarke Cemetery Fund</i>	<i>J Crawford Fenner Fund</i>	<i>Total</i>
Assets								
Cash and cash equivalents	\$ -	\$ 1,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,410
Investments	-	141,873	-	-	-	-	-	141,873
Due from other funds	9,916	-	1,294	858	659	3,623	3,666	120,090
Total assets	9,916	143,283	1,294	858	659	3,623	3,666	263,373
Liabilities								
Due to other funds	-	14	-	-	-	-	-	51
Total liabilities	-	14	-	-	-	-	-	51
Net Position								
Restricted for other purposes	\$ 9,916	\$ 143,269	\$ 1,294	\$ 858	\$ 659	\$ 3,623	\$ 3,666	\$ 263,322

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020

	<i>Emily Anthony Funds</i>	<i>Edwin Anthony Funds</i>	<i>Crawley Property</i>	<i>Senior Activities</i>	<i>Cemetery Funds</i>	<i>Wood River Cemetery Funds</i>
Additions						
Gifts and contributions	\$ 2,265	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:						
Net increase (decrease) in fair value of investments	-	-	-	-	-	-
Interest and dividends	710	-	53	1	376	114
Total investment earnings	710	-	53	1	376	114
Less investment expenses	-	-	-	-	-	-
Net investment earnings	710	-	53	1	376	114
Total additions	2,975	-	53	1	376	114
Deductions						
Miscellaneous	2,265	1,400	-	-	2,460	-
Total deductions	2,265	1,400	-	-	2,460	-
Change in net position	710	(1,400)	53	1	(2,084)	114
Net position - beginning of year	55,945	1,363	4,129	111	32,070	9,025
Net position - end of year	\$ 56,655	\$ (37)	\$ 4,182	\$ 112	\$ 29,986	\$ 9,139

(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, 2020

	<i>Historical Cemetery Fund</i>	<i>White Brook Cemetery Fund</i>	<i>Town Farm Fund</i>	<i>Link Cemetery Fund</i>	<i>Henry D. Hoyle Grant</i>	<i>Clarke Cemetery Fund</i>	<i>J Crawford Fenner Fund</i>	<i>Total</i>
Additions								
Gifts and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,265
Investment earnings:								
Net increase (decrease) in fair value of investments	-	4,686	-	-	-	-	-	4,686
Interest and dividends	125	3,287	16	11	8	46	46	4,793
Total investment earnings	125	7,973	16	11	8	46	46	9,479
Less investment expenses	-	1,927	-	-	-	-	-	1,927
Net investment earnings	125	6,046	16	11	8	46	46	7,552
Total additions	125	6,046	16	11	8	46	46	9,817
Deductions								
Miscellaneous	-	1,326	-	-	-	-	-	7,451
Total deductions	-	1,326	-	-	-	-	-	7,451
Change in net position	125	4,720	16	11	8	46	46	2,366
Net position - beginning of year	9,791	138,549	1,278	847	651	3,577	3,620	260,956
Net position - end of year	\$ 9,916	\$ 143,269	\$ 1,294	\$ 858	\$ 659	\$ 3,623	\$ 3,666	\$ 263,322

AGENCY FUNDS

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

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020

	<u>Landscape Escrows</u>	<u>Curb Cut Bonds</u>	<u>Fairside Drive Bond</u>	<u>Wisteria Lane Bond</u>	<u>Safety Markings</u>	<u>Probate Court</u>	<u>Camelot Performance Bond</u>	<u>Solar Decommission</u>	<u>Total Agency Funds</u>
Assets									
Due from other funds	\$ 10,576	\$ 6,631	\$ 23,791	\$ 5,934	\$ 2,295	\$ 2,505	\$ 63,137	\$ 16,820	\$ 131,689
Total assets	<u>\$ 10,576</u>	<u>\$ 6,631</u>	<u>\$ 23,791</u>	<u>\$ 5,934</u>	<u>\$ 2,295</u>	<u>\$ 2,505</u>	<u>\$ 63,137</u>	<u>\$ 16,820</u>	<u>\$ 131,689</u>
Liabilities									
Deposits held in custody for others	\$ 10,576	\$ 6,631	\$ 23,791	\$ 5,934	\$ 2,295	\$ 2,505	\$ 63,137	\$ 16,820	\$ 131,689
Total liabilities	<u>\$ 10,576</u>	<u>\$ 6,631</u>	<u>\$ 23,791</u>	<u>\$ 5,934</u>	<u>\$ 2,295</u>	<u>\$ 2,505</u>	<u>\$ 63,137</u>	<u>\$ 16,820</u>	<u>\$ 131,689</u>

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Landscape Escrows				
Assets				
Due from other funds	\$ 10,443	\$ 133	\$ -	\$ 10,576
Total assets	<u>\$ 10,443</u>	<u>\$ 133</u>	<u>\$ -</u>	<u>\$ 10,576</u>
Liabilities				
Deposits held in custody for others	\$ 10,443	\$ 133	\$ -	\$ 10,576
Total liabilities	<u>\$ 10,443</u>	<u>\$ 133</u>	<u>\$ -</u>	<u>\$ 10,576</u>
Curb Cut Bonds				
Assets				
Due from other funds	\$ 4,548	\$ 2,083	\$ -	\$ 6,631
Total assets	<u>\$ 4,548</u>	<u>\$ 2,083</u>	<u>\$ -</u>	<u>\$ 6,631</u>
Liabilities				
Deposits held in custody for others	\$ 4,548	\$ 2,083	\$ -	\$ 6,631
Total liabilities	<u>\$ 4,548</u>	<u>\$ 2,083</u>	<u>\$ -</u>	<u>\$ 6,631</u>
Fairside Drive Bond				
Assets				
Due from other funds	\$ 23,493	\$ 298	\$ -	\$ 23,791
Total assets	<u>\$ 23,493</u>	<u>\$ 298</u>	<u>\$ -</u>	<u>\$ 23,791</u>
Liabilities				
Deposits held in custody for others	\$ 23,493	\$ 298	\$ -	\$ 23,791
Total liabilities	<u>\$ 23,493</u>	<u>\$ 298</u>	<u>\$ -</u>	<u>\$ 23,791</u>
Wisteria Lane Bond				
Assets				
Due from other funds	\$ 5,860	\$ 74	\$ -	\$ 5,934
Total assets	<u>\$ 5,860</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ 5,934</u>
Liabilities				
Deposits held in custody for others	\$ 5,860	\$ 74	\$ -	\$ 5,934
Total liabilities	<u>\$ 5,860</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ 5,934</u>

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)
Agency Funds
For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Safety Markings				
Assets				
Due from other funds	\$ 2,266	\$ 29	\$ -	\$ 2,295
Total assets	<u>\$ 2,266</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 2,295</u>
Liabilities				
Deposits held in custody for others	\$ 2,266	\$ 29	\$ -	\$ 2,295
Total liabilities	<u>\$ 2,266</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 2,295</u>
Probate Court				
Assets				
Due from other funds	\$ 2,474	\$ 31	\$ -	\$ 2,505
Total assets	<u>\$ 2,474</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 2,505</u>
Liabilities				
Deposits held in custody for others	\$ 2,474	\$ 31	\$ -	\$ 2,505
Total liabilities	<u>\$ 2,474</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 2,505</u>
Camelot Performance Bond				
Assets				
Due from other funds	\$ 62,345	\$ 792	\$ -	\$ 63,137
Total assets	<u>\$ 62,345</u>	<u>\$ 792</u>	<u>\$ -</u>	<u>\$ 63,137</u>
Liabilities				
Deposits held in custody for others	\$ 62,345	\$ 792	\$ -	\$ 63,137
Total liabilities	<u>\$ 62,345</u>	<u>\$ 792</u>	<u>\$ -</u>	<u>\$ 63,137</u>
Solar Decommission				
Assets				
Due from other funds	\$ 16,609	\$ 211	\$ -	\$ 16,820
Total assets	<u>\$ 16,609</u>	<u>\$ 211</u>	<u>\$ -</u>	<u>\$ 16,820</u>
Liabilities				
Deposits held in custody for others	\$ 16,609	\$ 211	\$ -	\$ 16,820
Total liabilities	<u>\$ 16,609</u>	<u>\$ 211</u>	<u>\$ -</u>	<u>\$ 16,820</u>
Total Agency Funds				
Assets				
Due from other funds	\$ 128,038	\$ 3,651	\$ -	\$ 131,689
Total assets	<u>\$ 128,038</u>	<u>\$ 3,651</u>	<u>\$ -</u>	<u>\$ 131,689</u>
Liabilities				
Deposits held in custody for others	\$ 128,038	\$ 3,651	\$ -	\$ 131,689
Total liabilities	<u>\$ 128,038</u>	<u>\$ 3,651</u>	<u>\$ -</u>	<u>\$ 131,689</u>

TOWN OF RICHMOND, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2020

<u>Fiscal Year</u>	<u>Balance June 30, 2019</u>	<u>Current year Assessment</u>	<u>Additions</u>	<u>Abatements</u>	<u>Refunds/ Adjustments</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance June 30, 2020</u>
2020	\$ -	\$ 19,776,325	\$ 92,596	\$ (37,401)	\$ (143)	\$19,831,377	\$19,051,146	\$ 780,231
2019	697,254	-	37	(934)	11,524	707,881	581,074	126,807
2018	107,519	-	-	(260)	73	107,332	62,467	44,865
2017	55,979	-	-	(229)	235	55,985	11,458	44,527
2016	42,753	-	-	(101)	170	42,822	4,599	38,223
2015	37,593	-	-	(101)	101	37,593	1,523	36,070
2014	37,531	-	-	(127)	81	37,485	797	36,688
2013	34,770	-	-	(129)	78	34,719	570	34,149
2012	27,543	-	-	(132)	76	27,487	500	26,987
2011	24,073	-	-	(126)	64	24,011	471	23,540
2010	11,272	-	-	(64)	64	11,272	-	11,272
2009	17,621	-	-	(61)	61	17,621	12	17,609
2008	16,745	-	-	(69)	69	16,745	-	16,745
2007	15,639	-	-	(66)	66	15,639	-	15,639
2006	15,071	-	-	-	-	15,071	-	15,071
2005	12,666	-	-	-	-	12,666	-	12,666
	<u>1,154,029</u>	<u>19,776,325</u>	<u>92,633</u>	<u>(39,800)</u>	<u>12,519</u>	<u>20,995,706</u>	<u>19,714,617</u>	<u>1,281,089</u>
Allowance for Uncollectible Accounts	<u>(237,000)</u>							<u>(300,000)</u>
Net Property Tax Receivable	<u>\$ 917,029</u>							<u>\$ 981,089</u>

Schedule of Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuations December 31, 2018</u>	<u>Levy July 1, 2019</u>
Real property	\$ 874,070,500	\$ 19,124,663
Motor vehicle	73,910,681	1,673,338
Tangible personal property	25,341,640	554,475
Total	<u>973,322,821</u>	<u>21,352,476</u>
Exemptions	<u>(70,956,541)</u>	<u>(1,576,151)</u>
Net assessed value	<u>\$ 902,366,280</u>	<u>\$ 19,776,325</u>

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 19,714,617
Refunds	(12,801)
July -August 2020 Collections Subject to 60-day FY 20Accrual	330,772
July -August 2019 Collections Subject to 60-day FY 19 Accrual	(330,689)
Current Year Property Tax Revenue	<u>\$ 19,701,899</u>

(continued)

TOWN OF RICHMOND, RHODE ISLAND
Tax Collector's Annual Report (Continued)
For the Fiscal Year Ended June 30, 2020

Fiscal Year 2020 Cash Collection Summary

<u>Fiscal Year</u>	<u>July - August 2019 Collections Subject to 60 day FY 19 Accrual</u>	<u>September 2019 - June 2020 Collections</u>	<u>Total FY 2020 Cash Collections</u>	<u>July - August 2020 Collections Subject to 60 day FY 20 Accrual</u>
2020	\$ -	\$ 19,051,146	\$ 19,051,146	\$ 252,874
2019	273,925	\$ 307,149	581,074	\$ 72,327
2018	53,801	\$ 8,666	62,467	3,921
2017	1,086	\$ 10,372	11,458	1,078
2016	1,656	\$ 2,943	4,599	47
2015	14	\$ 1,509	1,523	267
2014	43	\$ 754	797	117
2013	79	\$ 491	570	32
2012	60	\$ 440	500	21
2011	25	\$ 446	471	88
2010	-	\$ -	-	-
2009	-	\$ 12	12	-
2008	-	\$ -	-	-
2007	-	\$ -	-	-
2006	-	\$ -	-	-
2005	-	\$ -	-	-
	<u>\$ 330,689</u>	<u>\$ 19,383,928</u>	<u>\$ 19,714,617</u>	<u>\$ 330,772</u>

OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

Town of Richmond
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 19,304,048	\$ -
Last Year's Levy Tax Collection	368,092	-
Prior Years Property Tax Collection	29,759	-
Interest & Penalty	83,109	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	10,360	-
Licenses and Permits	246,074	-
Fines and Forfeitures	38,676	-
Investment Income	50,249	-
Departmental	368,742	-
Rescue Run Revenue	-	-
Police & Fire Detail	465,947	-
Other Local Non-Property Tax Revenues	84,017	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	-
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	-
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	-
COVID - ESSER	-	-
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	3,637	-
COVID - Other	-	-
MV Excise Tax Reimbursement	66,710	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	94,980	-
Meals & Beverage Tax / Hotel Tax	154,561	-
LEA Aid	-	-
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	4,640,537	-
Motor Vehicle Phase Out	404,727	-
Other Revenue	-	-
Local Appropriation for Education	-	-
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 26,414,225	\$ -
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	40,000	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 40,000	\$ -

Town of Richmond
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 281,307	\$ 257,110	\$ -	\$ -	\$ 173,383	\$ -	\$ 473,837	\$ 19,837	\$ 936,854
Compensation - Group B	-	-	-	-	-	-	-	-	246,519
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	4,559	-	28,045	-	149,419
Overtime - Group B	-	-	-	-	-	-	-	-	52,498
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	330,900
Active Medical Insurance - Group A	45,883	31,872	-	-	26,966	-	80,188	-	178,485
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	39,180
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	1,816	939	-	-	834	-	3,133	-	8,371
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	1,837
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	20,859	19,929	-	-	12,559	-	37,352	1,632	127,184
Life Insurance	-	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	2,481	1,903	-	-	967	-	3,313	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	2,209
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	24,591	23,298	-	-	9,547	-	46,478	-	101,431
State Defined Benefit Pension- Group B	-	-	-	-	-	-	-	-	25,053
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	126,137	52,065	-	116,630	11,208	-	112,921	3,751	6,454
Materials/Supplies	15,792	6,916	-	9,401	305	-	44,179	-	25,056
Software Licenses	-	-	-	12,855	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-
Insurance	173,397	-	-	-	-	-	-	-	-
Maintenance	4,534	-	-	-	-	-	3,253	1,050	6,120
Vehicle Operations	-	-	-	-	-	-	159,381	-	89,141
Utilities	30,694	-	-	-	450	-	37,812	-	33,802
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	12,780	-	-
Revaluation	-	137,762	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	48,668	-	-
Trash Removal & Recycling	-	-	-	-	-	-	60,517	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	16,184	-	-	-	-	-	-	-	-
Other Operation Expenditures	6,529	1,382	-	2,700	2,149	100,000	-	-	26,664
Tipping Fees	-	-	-	-	-	-	62,556	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 750,204	\$ 533,176	\$ -	\$ 141,586	\$ 242,927	\$ 100,000	\$ 1,214,413	\$ 26,270	\$ 2,387,177

Town of Richmond
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ -	\$ 54,915	\$ -	\$ -	\$ -	\$ 2,197,243	\$ -
Compensation - Group B	-	-	-	-	-	-	246,519	-
Compensation - Group C	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	1,095	-	-	-	183,118	-
Overtime - Group B	-	-	-	-	-	-	52,498	-
Overtime - Group C	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	330,900	-
Active Medical Insurance - Group A	-	-	14,315	-	-	-	377,709	-
Active Medical Insurance- Group B	-	-	-	-	-	-	39,180	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	-	-	613	-	-	-	15,706	-
Active Dental Insurance- Group B	-	-	-	-	-	-	1,837	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	4,177	-	-	-	223,692	-
Life Insurance	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	-	-	591	-	-	-	9,255	-
State Defined Contribution - Group B	-	-	-	-	-	-	2,209	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	3,691	-	-	-	209,036	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	25,053	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	-	3,548	-	-	-	432,714	-
Materials/Supplies	-	-	4,501	-	-	-	106,150	-
Software Licenses	-	-	-	-	-	-	12,855	-
Capital Outlays	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	173,397	-
Maintenance	-	-	3,960	-	-	-	18,917	-
Vehicle Operations	-	-	1,124	-	-	-	249,646	-
Utilities	-	-	3,469	-	-	-	106,227	-
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	12,780	-
Revaluation	-	-	-	-	-	-	137,762	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	48,668	-
Trash Removal & Recycling	-	-	-	-	-	-	60,517	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	16,184	-
Other Operation Expenditures	52,000	-	15,559	-	-	-	206,983	-
Tipping Fees	-	-	-	-	-	-	62,556	-
Local Appropriation for Education	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	19,813,469	-	-	19,813,469	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	745,000	-	745,000	-
Municipal Debt- Interest	-	-	-	-	95,778	-	95,778	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 52,000	\$ -	\$ 111,558	\$ 19,813,469	\$ 840,778	\$ -	\$ 26,213,558	\$ -

Financing Uses: Transfer to Capital Funds	\$ 298,416	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 298,416	\$ -
Net Change in Fund Balance¹	(57,749)	-
Fund Balance1- beginning of year	\$4,419,575	
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	4,419,575	-
Rounding		
Fund Balance¹ - end of year	\$ 4,361,826	\$ -

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

Town of Richmond
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2020

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 4,419,575	-	\$ 4,419,575	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 4,419,575</u>	<u>-</u>	<u>\$ 4,419,575</u>	
General Fund	\$ 26,083,325	\$ 40,000	\$ 25,882,658	\$ 298,416	\$ (57,749)	\$ 4,419,575	\$ -	\$ 4,419,575	\$ 4,361,826
Totals per audited financial statements	<u>\$ 26,083,325</u>	<u>\$ 40,000</u>	<u>\$ 25,882,658</u>	<u>\$ 298,416</u>	<u>\$ (57,749)</u>	<u>\$ 4,419,575</u>	<u>\$ -</u>	<u>\$ 4,419,575</u>	<u>\$ 4,361,826</u>
<u>Reconciliation from financial statements to MTP2</u>									
Police Detail payroll to expense	\$ 330,900.00	\$ -	\$ 330,900.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 26,414,225</u>	<u>\$ 40,000</u>	<u>\$ 26,213,558</u>	<u>\$ 298,416</u>	<u>\$ (57,749)</u>	<u>\$ 4,419,575</u>	<u>\$ -</u>	<u>\$ 4,419,575</u>	<u>\$ 4,361,826</u>

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

TOWN OF RICHMOND, RHODE ISLAND

Reportable Government Services with

MTP2 Notes

Fiscal Year Ended June 30, 2020

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

NOTE 1 - BASIS OF PRESENTATION

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the annual financial statements is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the Annual Supplemental Transparency Report (MTP2) was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2 - REPORTABLE GOVERNMENT SERVICES

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The Annual Supplemental Transparency Report (MTP2) includes a reconciliation to the fund level statements.

NOTE 3 - ALLOCATIONS

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the Town's budget and accounting system. To report these costs, the Town made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4 - EMPLOYEE GROUPS - COMPENSATION AND BENEFIT COSTS

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

STATISTICAL SECTION

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

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

EXHIBIT 1

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net investment in capital assets	\$10,870,550	\$10,971,031	\$11,348,556	\$12,059,872	\$12,183,492	\$11,362,540	\$11,918,950	\$11,372,800	\$10,117,906	\$10,822,388
Restricted	227,923	212,954	182,528	169,660	168,195	125,554	142,346	158,793	-	-
Unrestricted	5,153,039	5,196,835	5,184,974	5,114,226	5,250,005	4,645,969	4,378,536	5,086,922	5,662,225	6,034,135
Total governmental activities net position	\$16,251,512	\$16,380,820	\$16,716,058	\$17,343,758	\$17,601,692	\$16,134,063	\$16,439,832	\$16,618,515	\$15,780,131	\$16,856,523
Business-type activities:										
Net investment in capital assets	\$2,026,038	\$2,068,473	\$2,191,832	\$2,012,063	\$1,966,392	\$1,646,660	\$1,333,901	\$1,250,298	\$1,191,096	\$588,288
Unrestricted	189,430	247,736	238,157	541,747	698,860	650,559	516,567	562,537	536,798	476,495
Total business-type activities net position	\$2,215,468	\$2,316,209	\$2,429,989	\$2,553,810	\$2,665,252	\$2,297,219	\$1,850,468	\$1,812,835	\$1,727,894	\$1,064,783
Primary government:										
Net investment in capital assets	\$12,896,588	\$13,039,504	\$13,540,388	\$14,071,935	\$14,149,884	\$13,009,200	\$13,252,851	\$12,623,098	\$11,309,002	\$11,410,676
Restricted	227,923	212,954	182,528	169,660	168,195	125,554	142,346	158,793	-	-
Unrestricted	5,342,469	5,444,571	5,423,131	5,655,973	5,948,865	5,296,528	4,895,103	5,649,459	6,199,023	6,510,630
Total primary government net position	\$18,466,980	\$18,697,029	\$19,146,047	\$19,897,568	\$20,266,944	\$18,431,282	\$18,290,300	\$18,431,350	\$17,508,025	\$17,921,306

Source: Town of Richmond Audited Financial Statements

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

EXHIBIT 2

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$1,792,493	\$1,557,307	\$1,566,426	\$1,598,501	\$1,446,108	\$1,428,610	\$1,396,108	\$1,386,225	\$1,202,400	\$1,211,012
Public safety	2,289,278	2,264,729	2,425,780	2,113,299	2,017,079	1,917,635	1,781,017	1,853,424	1,672,730	1,498,832
Public works	2,220,286	2,302,854	2,004,272	1,831,733	1,486,652	1,677,538	2,103,662	1,643,344	2,180,519	2,123,184
General public assistance	-	-	-	-	-	-	-	-	769,187	726,279
Recreation and culture	26,981	27,456	54,230	51,277	56,564	56,787	55,117	58,270	52,129	57,159
Education	19,813,469	19,497,566	19,352,871	18,551,086	18,201,477	18,329,949	18,300,639	18,086,820	18,098,080	17,072,158
Transfer station/recycling area	-	-	179,034	162,538	158,807	160,101	151,885	145,665		
Community services	581,336	422,020	274,366	381,304	481,724	471,944	277,513	564,606	153,049	143,870
Other	3,906	7,766	3,016	9,308	4,864	6,235	3,921	9,595	71,712	198,390
Interest	77,398	93,404	117,267	71,106	85,234	165,227	54,800	102,443	85,817	82,831
Total governmental activities expenses	26,805,147	26,173,102	25,977,262	24,770,152	23,938,509	24,214,026	24,124,662	23,850,392	24,285,623	23,113,715
Business-type activities:										
Water Supply Board	307,484	306,660	293,576	284,775	206,183	186,857	157,750	65,015	79,645	73,599
Total business-type activities expenses	307,484	306,660	293,576	284,775	206,183	186,857	157,750	65,015	79,645	73,599
Total primary government expenses	\$27,112,631	\$26,479,762	\$26,270,838	\$25,054,927	\$24,144,692	\$24,400,883	\$24,282,412	\$23,915,407	\$24,365,268	\$23,187,314
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
General government	\$508,161	\$537,994	\$630,391	\$441,445	\$481,710	\$323,629	\$319,272	\$216,997	\$270,050	\$309,441
Public safety	248,182	194,068	348,365	263,069	156,603	129,702	147,545	50,425	86,792	5,987
Public works	186,968	159,005	-	-	-	-	-	-	-	-
Recreation and culture	2,320	17,596	11,950	11,025	9,654	11,362	19,203	-	-	-
Transfer station/recycling area	-	-	166,534	169,187	149,090	141,772	137,403	-	-	-
Education	-	-	-	-	-	-	-	70,516	50,138	42,103
Other activities	10,128	17,332	13,842	17,448	19,171	12,590	16,583	213,032	111,365	106,774
Operating grants and contributions	5,077,105	4,910,385	4,828,717	5,302,454	5,508,948	5,703,959	5,604,383	5,962,795	6,099,529	5,546,692
Capital grants and contributions	-	-	97,473	177,303	-	-	-	49,315	559,037	641,878
Total governmental activities program revenues	6,032,864	5,836,380	6,097,272	6,204,628	6,502,479	6,323,014	6,244,389	6,563,080	7,176,911	6,652,875
Business-type activities:										
<i>Charges for services:</i>										
Water Supply Board	165,142	151,279	128,154	122,631	117,112	123,194	127,537	130,654	117,031	87,050
Operating and capital grants and contributions	41,601	41,601	41,601	50,702	466,186	510,414	74,036	65,000	625,725	-
Total business-type activities program revenues	206,743	192,880	169,755	173,333	583,298	633,608	201,573	195,654	742,756	87,050
Total primary government program revenues	6,239,607	6,029,260	6,267,027	6,377,961	7,085,777	6,956,622	6,445,962	6,758,734	7,919,667	6,739,925
Net (Expense) / Revenue										
Governmental activities	\$(20,772,283)	\$(20,336,722)	\$(19,879,990)	\$(18,565,524)	\$(17,436,030)	\$(17,891,012)	\$(17,880,273)	\$(17,287,312)	\$(17,108,712)	\$(16,460,840)
Business-type activities	(100,741)	(113,780)	(123,821)	(111,442)	377,115	446,751	43,823	130,639	663,111	13,451
Total primary government net expenses	\$(20,873,024)	\$(20,450,502)	\$(20,003,811)	\$(18,676,966)	\$(17,058,915)	\$(17,444,261)	\$(17,836,450)	\$(17,156,673)	\$(16,445,601)	\$(16,447,389)

(Continued)

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

EXHIBIT 2

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes and other	\$19,859,345	\$19,312,424	\$18,694,052	\$17,975,939	\$17,439,301	\$17,236,054	\$16,717,549	\$16,232,872	\$15,881,815	\$15,166,543
Unrestricted investment earnings	50,249	68,801	48,849	26,938	24,938	16,214	8,276	8,009	6,328	14,260
State aid	720,978	610,565	493,359	310,829	349,599	332,054	324,007	-	57,421	58,142
Other revenues	12,403	9,694	16,030	-	924	921	6,261	281,604	-	-
Transfers	-	-	-	-	10600	-	-	35,698	-	-
Total governmental activities	20,642,975	20,001,484	19,252,290	18,313,706	17,825,362	17,585,243	17,056,093	16,558,183	15,945,564	15,238,945
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	1,518	-	-	-	-	3,291
Transfers	-	-	-	-	(10,600)	-	-	(35,698)	-	-
Total business-type activities	-	-	-	-	(9,082)	-	-	(35,698)	-	3,291
Total primary government	\$20,642,975	\$20,001,484	\$19,252,290	\$18,313,706	\$17,816,280	\$17,585,243	\$17,056,093	\$16,522,485	\$15,945,564	\$15,242,236
Change in Net Position										
Governmental activities	\$(129,308)	\$(335,238)	\$(627,700)	\$(251,818)	\$389,332	\$(305,769)	\$(824,180)	\$(729,129)	\$(1,163,148)	\$(1,221,895)
Business-type activities	\$(100,741)	\$(113,780)	\$(123,821)	\$(111,442)	368,033	446,751	43,823	94,941	663,111	16,742
Total primary government	\$(230,049)	\$(449,018)	\$(751,521)	\$(363,260)	\$757,365	\$140,982	\$(780,357)	\$(634,188)	\$(500,037)	\$(1,205,153)

Source: Town of Richmond Audited Financial Statements

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

EXHIBIT 3

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	49,909	49,703	62,422	6,384	69,701	21,017	9,556	75	2,663	30,350
Committed	454,161	639,056	870,517	1,006,017	1,054,786	696,046	733,424	728,577	-	-
Assigned	165,987	-	13,920	-	-	-	-	-	571,144	734,310
Unassigned	3,691,769	3,730,816	3,685,159	3,611,822	3,441,004	3,373,920	3,214,276	3,126,696	3,178,062	2,957,716
Total General fund	<u>\$ 4,361,826</u>	<u>\$ 4,419,575</u>	<u>\$ 4,632,018</u>	<u>\$ 4,624,223</u>	<u>\$ 4,565,491</u>	<u>\$ 4,090,983</u>	<u>\$ 3,957,256</u>	<u>\$ 3,855,348</u>	<u>\$ 3,751,869</u>	<u>\$ 3,722,376</u>
Capital Projects Funds										
Restricted	886,973	1,653,771	2,480,849	1,059,139	1,699,988	2,424,614	-	-	-	-
Committed	121,854	122,485	218,371	116,188	215,224	119,389	-	-	-	-
Total Capital Projects Fund	<u>\$ 1,008,827</u>	<u>\$ 1,776,256</u>	<u>\$ 2,699,220</u>	<u>\$ 1,175,327</u>	<u>\$ 1,915,212</u>	<u>\$ 2,544,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds										
Restricted	131,083	116,114	85,688	72,820	71,355	125,554	147,109	158,793	382,778	539,986
Committed	1,181,459	1,143,382	835,016	677,376	794,044	695,989	623,705	847,594	688,711	952,018
Unassigned	(4,314)	-	(7,628)	(5,866)	(1,411)	(10,525)	(10,826)	(8,329)	-	-
Total All Other Governmental Funds	<u>\$ 1,308,228</u>	<u>\$ 1,259,496</u>	<u>\$ 913,076</u>	<u>\$ 744,330</u>	<u>\$ 863,988</u>	<u>\$ 811,018</u>	<u>\$ 759,988</u>	<u>\$ 998,058</u>	<u>\$ 1,071,489</u>	<u>\$ 1,492,004</u>
Total governmental funds	<u><u>\$ 6,678,881</u></u>	<u><u>\$ 7,455,327</u></u>	<u><u>\$ 8,244,314</u></u>	<u><u>\$ 6,543,880</u></u>	<u><u>\$ 7,344,691</u></u>	<u><u>\$ 7,446,004</u></u>	<u><u>\$ 4,717,244</u></u>	<u><u>\$ 4,853,406</u></u>	<u><u>\$ 4,823,358</u></u>	<u><u>\$ 5,214,380</u></u>

Source: Town of Richmond Audited Financial Statements

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

EXHIBIT 4

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property tax revenue	\$19,795,368	\$19,284,567	\$18,659,341	\$18,015,962	\$17,438,274	\$17,319,305	\$16,839,234	\$16,460,885	\$15,842,207	\$14,988,653
Intergovernmental and department revenue	5,784,908	5,479,554	5,397,120	5,607,480	6,013,757	6,027,337	5,901,511	6,375,962	6,771,428	6,227,798
Licenses, fees, and permits	749,101	782,605	872,804	687,497	701,494	505,728	520,938	384,988	265,661	284,861
Investment Income	50,249	68,801	48,849	26,938	24,938	16,214	8,276	8,009	6,328	14,260
Other revenues	234,768	194,480	336,735	220,480	137,753	122,924	152,208	83,734	197,243	198,358
Total revenues	\$ 26,614,394	\$ 25,810,007	\$ 25,314,849	\$ 24,558,357	\$ 24,316,216	\$ 23,991,508	\$ 23,422,167	\$ 23,313,578	\$ 23,082,867	\$ 21,713,930
Expenditures										
General government	1,660,283	1,441,384	1,429,911	1,554,214	1,623,378	1,389,345	1,293,863	1,102,101	1,114,763	1,097,331
Public safety	2,182,082	2,147,594	2,116,593	2,039,741	1,869,226	1,849,574	1,774,776	1,758,543	1,621,378	1,470,750
Public works	1,243,328	1,284,791	932,637	834,606	681,209	843,301	799,073	715,313	703,440	674,584
Grants expenditures and land acquisition	-	-	-	-	-	-	-	612,434	769,187	1,308,592
Recreation and culture	26,981	27,456	54,230	51,277	56,564	56,787	55,117	58,270	52,129	57,159
Education	19,813,469	19,497,566	19,352,871	18,551,086	18,201,477	18,329,949	18,300,639	18,086,820	18,098,080	17,072,158
Recycling area	-	-	178,456	163,542	159,766	160,897	151,885	145,665	55,875	55,128
Community services	581,336	422,020	274,366	381,304	481,724	471,944	277,513	156,182	153,049	143,870
Canvassing authority	3,906	7,766	3,016	9,308	4,864	6,235	3,921	9,595	10,073	6,401
Landfill closure	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,065,845	922,964	1,363,340	1,192,159	763,440	307,253	473,013	203,450	570,447	1,100,244
Debt Service - principal	747,532	736,000	475,000	495,270	483,950	252,678	371,455	371,642	325,000	325,000
Debt Service - interest	95,778	111,453	124,025	89,119	100,031	141,488	64,453	97,237	85,349	82,174
Debt Service - other	-	-	-	-	2,500	2,500	1,525	1,975	1,875	30,855
Total expenditures	\$ 27,420,540	\$ 26,598,994	\$ 26,304,445	\$ 25,361,626	\$ 24,428,129	\$ 23,811,951	\$ 23,567,233	\$ 23,319,227	\$ 23,560,645	\$ 23,424,246
Excess of revenues over (under) expenditures before other financing sources (uses)	(806,146)	(788,987)	(989,596)	(803,269)	(111,913)	179,557	(145,066)	(5,649)	(477,778)	(1,710,316)
Other financing sources (uses)										
Sale of land	-	-	189,030	-	-	-	-	-	-	-
Capital lease	-	-	-	8,574	-	-	-	-	-	-
Proceeds from debt issuance	29,700	-	2,501,000	-	-	2,536,753	-	35,698	-	1,150,000
Transfers from (to) other funds	-	-	-	-	10,600	-	-	-	-	-
Total other financing sources (uses)	29,700	-	2,690,030	8,574	10,600	2,536,753	-	35,698	-	1,150,000
Net change in fund balances	\$ (776,446)	\$ (788,987)	\$ 1,700,434	\$ (794,695)	\$ (101,313)	\$ 2,716,310	\$ (145,066)	\$ 30,049	\$ (477,778)	\$ (560,316)
Debt service as a percentage of expenditures (exclude capital and debt service principal & interest)	3.306%	3.413%	2.461%	2.478%	2.530%	1.706%	1.924%	2.070%	1.817%	1.858%

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

Source: Town of Richmond Audited Financial Statements

TOWN OF RICHMOND, RHODE ISLAND
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

EXHIBIT 5

Assessment Date						Assessed Value as a				
	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	Percentage of Actual Taxable Value	Total Assessed Value Before Exemptions
12/31/2018	793,056,800	81,013,700	73,910,681	25,341,640	70,956,541	\$902,366,280	21.92	902,366,280	100%	973,322,821
12/31/2017	775,981,900	79,382,000	74,908,737	20,165,910	56,121,637	\$894,316,910	21.43	894,316,910	100%	950,438,547
(2) 12/31/2016	764,590,400	79,211,600	78,128,586	20,118,800	52,786,361	\$889,263,025	20.80	889,263,025	100%	942,049,386
12/31/2015	691,767,050	77,014,700	86,798,076	19,827,710	49,441,899	\$825,965,637	21.57	825,965,637	100%	875,407,536
12/31/2014	687,478,050	77,113,090	84,666,252	18,224,300	48,518,713	\$818,962,979	21.08	818,962,979	100%	867,481,692
(2) 12/31/2013	683,490,350	77,159,100	83,780,528	19,480,110	47,726,523	\$816,183,565	20.94	884,855,220	100%	863,910,088
12/31/2012	701,234,150	83,199,800	83,144,997	19,115,290	47,868,419	\$838,825,818	19.76	907,480,486	100%	886,694,237
12/31/2011	700,787,050	83,424,000	81,745,590	20,841,340	46,258,219	\$840,539,761	19.02	907,234,378	100%	886,797,980
(1) 12/31/2010	699,650,750	83,426,300	78,391,069	20,982,590	44,000,360	\$838,450,349	18.46	902,048,476	100%	882,450,709
12/31/2009	836,474,450	89,695,800	77,155,733	19,800,400	45,099,929	\$978,026,454	14.99	1,042,415,316	100%	1,023,126,383

(1) Revaluation

(2) Statistical Revaluation

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

Source: Tax Assessor's Annual Report to the State of Rhode Island

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

EXHIBIT 6

<u>Fiscal Year</u>	<u>General Fund</u>
2020	21.88
2019	21.36
2018	20.80
2017	21.57
2016	21.08
2015	20.94
2014	19.76
2013	19.02
2012	18.46
2011	14.99

Note:

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

EXHIBIT 7

Total Assessed Value	\$ 902,366,280	\$978,026,454
Tax Rate	\$ 21.88	\$ 14.99

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

EXHIBIT 8

Fiscal Year Ended June 30	Total Initial Tax Levy Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2020	19,776,325	19,051,146	96.3%	19,051,146	96.3%
2019	19,163,624	18,512,366	96.6%	19,036,817	99.3%
2018(1)	18,594,046	17,995,965	96.8%	18,549,181	99.8%
2017	17,880,304	17,290,235	96.7%	17,835,777	99.8%
2016	17,354,620	16,750,448	96.5%	17,316,397	99.8%
2015 ⁽¹⁾	17,189,267	16,525,473	96.1%	17,153,197	99.8%
2014	16,740,540	16,019,946	95.7%	16,703,852	99.8%
2013	16,192,072	15,568,651	96.1%	16,157,923	99.8%
2012 ⁽¹⁾	15,705,615	14,916,850	95.0%	15,678,628	99.8%
2011	15,073,977	14,306,567	94.9%	15,050,437	99.8%

(1) Statistical Revaluation

(2) Revaluation

Source: Town of Richmond - Tax Collector

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

EXHIBIT 9

Fiscal Year	Governmental Activities		Business Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Lease	Loans Payable			
2020	3,588,377	3,271	1,934,104	5,525,752	3.46% (b)	716.89 (a)
2019	4,346,052	5,063	1,967,167	6,318,282	3.96% (b)	819.70 (a)
2018	5,094,727	6,630	1,999,277	7,100,634	4.45% (b)	921.20 (a)
2017	3,081,403	8,000	2,030,462	5,119,865	3.21% (b)	664.23 (a)
2016	3,554,078	35,270	2,060,748	5,650,096	3.54% (b)	733.02 (a)
2015	4,016,753	69,220	2,090,161	6,176,134	3.87% (b)	801.26 (a)
2014	1,700,000	101,898	802,776	2,604,674	1.63% (b)	337.92 (a)
2013	2,040,000	133,353	814,052	2,987,405	2.03% (a)	387.57 (a)
2012	2,375,000	169,995	825,000	3,369,995	2.29% (a)	437.21 (a)
2011	2,700,000			2,700,000	1.83% (a)	350.29 (a)

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

(a) Ratio is calculated using 2010 census year.

(b) Ratio is calculated using personal income from U.S. Census Bureau's Ratio2013-2017 American Community Survey (ACS)

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

EXHIBIT 10

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Obligation Debt	3,588,377	4,346,052	5,094,727	3,081,403	3,554,078	4,016,753	1,700,000	2,040,000	\$2,375,000	2,700,000
Estimated Value of Taxable Property	902,366,280	894,316,910	889,263,025	825,965,637	818,962,979	884,855,220	907,480,486	907,234,378	\$902,048,476	1,042,415,316
Estimated value of taxable property as a % of General Obligation Debt	0.40%	0.49%	0.57%	0.37%	0.43%	0.45%	0.19%	0.22%	0.26%	0.26%

Source: Various Town Departments

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

EXHIBIT 11

Fiscal Year	Budget			Fund Balance	Ratio
End	Municipal	School	Total		
2020	6,574,483	19,813,469	26,387,952	4,361,826	16.53%
2019	6,106,094	19,628,170	25,734,264	4,419,575	17.17%
2018	5,559,951	19,352,871	24,912,822	4,632,018	18.59%
2017	5,911,795	18,551,086	24,462,881	4,624,223	18.90%
2016	5,260,313	18,539,075	23,799,388	4,565,491	19.18%
2015	5,129,162	18,329,949	23,459,111	4,090,983	17.44%
2014	5,072,828	18,300,639	23,373,467	3,957,256	16.93%
2013	4,778,454	18,086,820	22,865,274	3,855,348	16.86%
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%

Source: Town of Richmond Audited Financial Statements and budgets

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

EXHIBIT 12

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
General government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units/Vehicles	22	22	22	18	18	18	15	15	15	13
Animal Control										
Animal Shelters	1	1	1	1	1	1	1	1	1	1
Animal Patrol Unit	1	1	1	1	1	1	1	1	1	1
Public Works										
Building and garage	2	2	2	2	2	2	2	2	2	2
Transfer Station	1	1	1	1	1	1	1	1	1	1
Streets and Highways										
Street (miles)	113	113	113	113	113	113	113	113	113	113
Highways (miles, Town owned)	76	76	76	76	76	76	76	76	76	76
Highways (miles, State owned)	25	25	25	25	25	25	25	25	25	25
Streetlights (Town owned)	117	117	117	117	117	117	117	117	117	117
Streetlights (State owned)	144	144	144	144	144	144	144	144	144	144
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Parks and Recreation										
Playgrounds	1	1	1	1	1	1	1	1	1	1
Parks and Public Squares	1	1	1	1	1	1	1	1	1	1

Source: various town departments

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

EXHIBIT 13

Function/Program	Full-time Equivalent Employees not actual count as of June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Central Administration										
Town Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Town Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Town Clerk	3.6	3.6	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Probate Court	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Building/Zoning	2.0	2.0	2.3	2.3	2.8	2.8	2.8	2.8	2.8	2.8
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Financial Administration										
Treasurer's Office	2.0	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Tax Collection	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Tax Assessor	1.7	1.7	1.7	1.5	1.5	1.5	1.5	1.5	1.6	1.6
Public Safety										
Police Officers	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Civilians	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Animal Control Officers	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Emergency Management	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Highway Driver/Laborer	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Transfer Station	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Maintenance										
Custodial	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Senior Department Director	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Recreation Department										
Director	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Summer Programs (seasonal)	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	45.4	46.4	46.1	44.8	45.3	45.3	45.3	45.3	45.4	45.4

Source: Various town departments

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island as of and for the year ended June 30, 2020, 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 28, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

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

Town of Richmond, Rhode Island's Response to Findings

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

Purpose of this Report

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
December 28, 2020

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2020

MATERIAL WEAKNESSES

2020-001 Segregation of Duties-Tax Collector's Office

Criteria: Segregation of duties is an element of internal control that is designed to prevent, detect and correct misstatements in a timely manner, whether due to fraud or error.

Condition: The Tax Collector has job responsibilities that result in a lack of segregation of duties. The Tax Collector is responsible for accepting and recording tax payments, reconciling the daily receipts, preparing the daily deposit, posting abatements and monitoring delinquent accounts.

Effect: Misstatements, whether due to fraud or error, could occur and not be prevented, detected and corrected in a timely manner.

Cause: There is limited number of staff in the Tax Collector's office.

Identification of a repeat finding: This is a repeat finding from previous audits 2014-001, 2015-001, 2016-001, 2017-001, 2018-001 and 2019-001.

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

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