



TOWN OF RICHMOND, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2023



Prepared by: Finance Department

Laura Kenyon, Finance Director

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TOWN OF RICHMOND

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Town of Richmond, Rhode Island
Annual Comprehensive Financial Report
June 30, 2023

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FINANCE OFFICE

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October 25, 2023

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

The Annual Comprehensive Financial Report of the Town of Richmond, Rhode Island for the fiscal year ended June 30, 2023, 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. In November of 2022 the voters approved amendments to the Charter to include the adoption of the budget at a Budget Referendum and not as a Town Financial Meeting as previously in place.

The Charter features a 5-member Town Council headed by a Council President, a Town Administrator who reports directly to the Town Council, a Finance Board and an annual budget referendum. The Town Administrator is head of the administrative branch of the Town government and is responsible to the Town Council for the proper administration of all offices of the Town.

The Town of Richmond's municipal government provides a full range of services including education through the Chariho Regional School District, police, planning, zoning, construction and maintenance of highways, streets, and infrastructure, social services, parks and recreational activities and cultural activities. Approximately 50 full-time municipal employees provide services to a community of 40.8 square miles and 7,741 residents.

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

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

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

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

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

ECONOMIC CONDITIONS

General

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

Population

The table below shows the Town’s population and the change in its population relative to the State from 1950 to 2020.

<u>Year</u>	<u>Town</u>	<u>% Change Increase (Decrease)</u>	<u>State</u>	<u>% Change Increase (Decrease)</u>
2020	7,741	.4%	1,097,379	4.2%
2010	7,708	6.73%	1,052,567	0.41%
2000	7,222	34.97%	1,048,319	4.47%
1990	5,351	33.18%	1,003,464	5.95%
1980	4,018	53.07%	947,154	(0.27) %
1970	2,625	32.18%	949,723	10.50%
1960	1,986	12.08%	859,488	8.54%
1950	1,772	8.78%	791,896	11.01%

Source: U.S. Bureau of the Census

Median Household Income

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

	1990	2000	2021
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Richmond.....	\$40,975.00	\$59,840.00	\$100,493.00
State of Rhode Island	\$32,181.00	\$42,090.00	\$ 74,489.00
United States	\$35,225.00	\$50,046.00	\$ 69,717.00

Source: U.S. Bureau of the Census and RHODE ISLAND DEPT OF LABOR AND TRAINING www.dlt.ri.gov published April 2023

Unemployment

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

Average Annual Unemployment Rates			
Year	2006	2009	2022
	Rate	Rate	Rate
Richmond	3%	8%	2%
Rhode Island	5%	11%	3%

Source: RHODE ISLAND DEPT OF LABOR AND TRAINING www.dlt.ri.gov published April 2023

Richmond Labor Force Statistics

	Year	Labor Force	Employed	Unemployed	Unemployment Rate
Richmond Annual Average	2022	4,501	4,422	79	1.8
State Rhode Island Annual Average	2022	569,455	551,220	18,235	3.2

Source: RHODE ISLAND DEPT OF LABOR AND TRAINING www.dlt.ri.gov published April 2023

Rhode Island Department of Labor & Training
Quarterly Census of U.I. Covered Employment and Wages
City and Town Quarterly Report 2022 Annual

City Town County	Industry	Number of Units	Average Employment	Total Wages
Richmond	Total Private & Government	178	2,042	102,371,804
Richmond	Total Private Only	170	1,409	57,853,384
Richmond	Agriculture, Forestry, Fishing & Hunting	6	51	3,275,463
Richmond	Mining	1	*	*
Richmond	Utilities	0	0	0
Richmond	Construction	26	152	8,193,279
Richmond	Manufacturing	5	80	4,207,203
Richmond	Wholesale Trade	8	*	*
Richmond	Retail Trade	23	288	9,826,305
Richmond	Transportation & Warehousing	4	91	2,410,795
Richmond	Information	2	*	*
Richmond	Finance & Insurance	5	49	2,413,839
Richmond	Real Estate & Rental & Leasing	3	*	*
Richmond	Professional & Technical Services	23	58	3,689,847
Richmond	Management of Companies & Enterprises	0	0	0
Richmond	Administrative Support & Waste Management.	12	70	3,908,575
Richmond	Educational Services	2	*	*
Richmond	Health Care & Social Assistance	14	*	*
Richmond	Arts, Entertainment, & Recreation	6	86	1,728,348
Richmond	Accommodation & Food Services	18	251	5,718,134
Richmond	Other services (except Public Admin.)	12	35	1,236,511
Richmond	Unclassified Establishments	0	0	0
Richmond	Government	8	633	44,518,420

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

Date Compiled May 2023

Data may not add due to rounding variations

The QCEW program derives its data from the quarterly tax reports submitted by employers subject to RI's Unemployment Insurance Law. This information is supplemental with data collected from governmental agencies and businesses with multiple locations

Employers

Kenyon Industries (finishing plant) located on the Charlestown/Richmond town border, The Stop and Shop Supermarket Company LLC, The Preserve Sporting Club and Residences Resort and VIBCO Construction Machinery are the largest employers in the Town of Richmond.

A majority of the businesses in Richmond are small and employ fewer than 50 people. According to RIDLT labor Market Information, the number of private businesses in Richmond over the past five years has fluctuated between 154 and 170, with most jobs in the Construction, Retail, and Accommodations and Food (excluding Public Administration) industries with the 170 being the most current year.

Housing

According to the 2020 U.S. Census there were a total of 3,173 housing units compared to 2,952 in 2010. This represented an increase of 221 units or 7%. It is estimated that in 2022 the total housing units in Richmond totaled 3,125 and the median selling price of existing single-family homes was \$392,500 according to Housing Works RI with study completed by Roger Williams University.

Building Permits

Below is a schedule of residential building permits issued by the Town's Building Inspector for the years ending 2013 through 2023.

Fiscal Year	Number *	Value
2023	231	6,351,942
2022	23	5,543,175
2021	23	3,951,530
2020	43	5,963,878
2019	122	15,338,893
2018	54	7,812,968
2017	49	8,617,938
2016	40	6,352,965
2015	18	3,542,416
2014	15	2,802,348
2013	14	2,495,050

Source: Town Building Official * starting in 2023 this is a total number of building permits that were applied for and paid.

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, Hague, Sahady & Co., PC and their opinion is included herein.

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Richmond for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the ninth year that the government had achieved this prestigious award. The Town will apply for the Certificate for the fiscal year ended June 30, 2023.

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

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

ACKNOWLEDGMENTS

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the dedication and hard work of the Deputy Finance Director, Jennifer Fournier. I also express my appreciation to other personnel from various departments who assisted in its preparation. Furthermore, I appreciate the assistance and dedication of the audit team from Hague, Sahady & Co., PC. 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

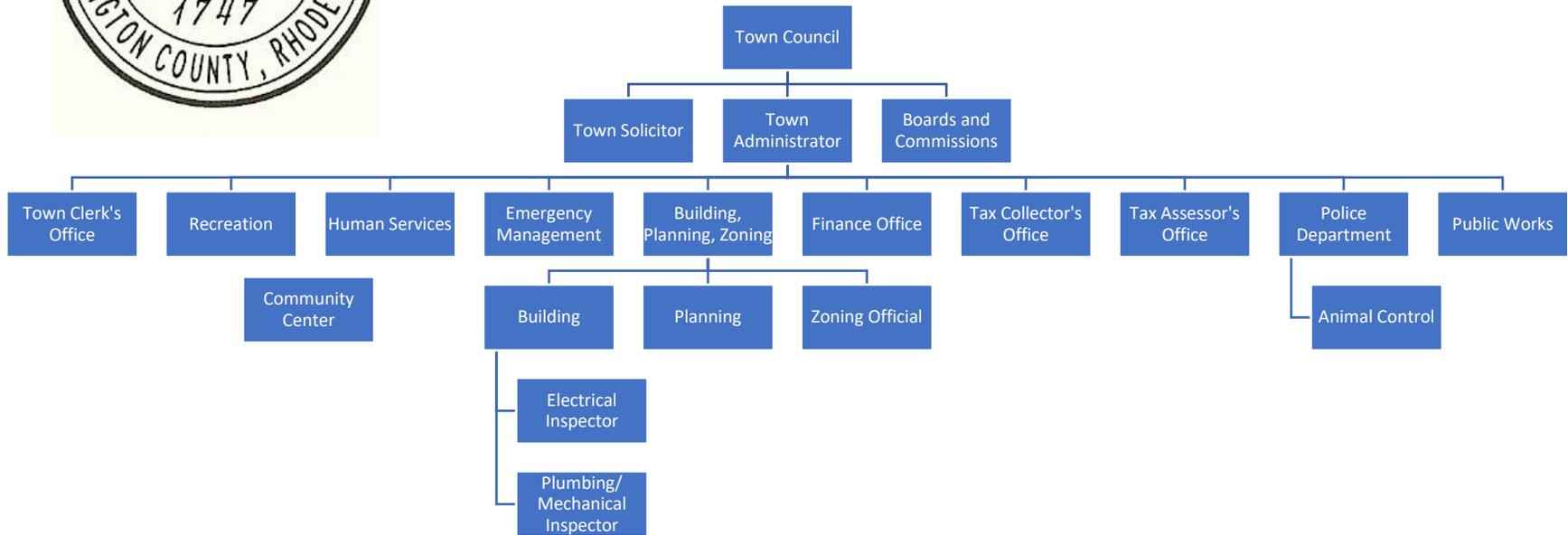
Submitted,

A handwritten signature in blue ink that reads "Laura Kenyon". The signature is written in a cursive, flowing style.

Laura Kenyon
Finance Director



TOWN OF RICHMOND ORGANIZATIONAL CHART



TOWN OF RICHMOND, RHODE ISLAND

List Of Town Officials

For The Year Ended June 30, 2023

TOWN COUNCIL

Mark Trimmer, Town Council President

Richard Nassaney, Town Council Vice President

Michael Colasante

Helen Sheehan

Samantha Wilcox

TOWN ADMINISTRATOR

Karen Pinch

TOWN CLERK

Erin Liese

FINANCE DIRECTOR

Laura Kenyon



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Richmond
Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

TOWN OF RICHMOND

Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

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Independent Auditors' Report

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

Report on the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Town of Richmond, Rhode Island basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 1 during the fiscal year 2023 the Town of Richmond adopted new accounting guidance Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Richmond, Rhode Island's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Richmond, Rhode Island's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Richmond, Rhode Island's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, tax collector's annual report and annual supplemental transparency portal (MTP2) and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, tax collector's annual report, and annual supplemental transparency portal (MTP2) and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023, on our consideration of the Town of Richmond, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Richmond, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Richmond, Rhode Island's internal control over financial reporting and compliance.

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts
October 25, 2023

Town of Richmond, Rhode Island
Management Discussion and Analysis
For the year ended June 30, 2023
(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, 2023.

Financial Highlights

- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$5,170,834 or 18.41% 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 14.7% 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 the fund balance policy is to have at least 15%. Additionally, the non-spendable and committed fund balances amounted to \$78,764 and \$747,442 respectively, which is comprised of non-spendable amounts for prepaid expenditures and amounts committed to be spent on specific purposes in future years. Included in the \$747,442 is \$409,038 as a revenue source in the FY2024 budget, \$297,257 of this amount is from the unassigned fund balance and \$119,779 from the prior year reserve for school purposes.
- ❖ The Town's Government-wide (Governmental and Business-Type Activities) operating expenses were \$28,220,068 a 2.3% increase from the prior year, while revenues were \$29,804,181 a 3.9 % increase.
- ❖ The current fiscal year General Fund revenues and transfers exceeded expenditures and transfers by \$680,785.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,565,548. Included in this amount is the general fund unassigned balance of \$5,170,834, restricted fund balances of \$403,584, committed fund balance of \$3,912,366, and non-spendable fund balances of \$78,764.
- ❖ The Town's net position increased \$1,584,113 or 7.88% 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 \$21,684,657. Net position of Business-Type Activities increased by \$165,474, or 8.3%, while net position of Governmental Activities increased by \$1,418,639 or 7.83%.

Town of Richmond, Rhode Island
Management Discussion and Analysis
For the year ended June 30, 2023
(Unaudited)

Overview of the Financial Statements

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

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

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

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

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

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

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

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

The government-wide financial statements are reported on pages 14 through 17.

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 Discussion and Analysis
For the year ended June 30, 2023
(Unaudited)

Overview of the Financial Statements (continued)

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

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

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

Proprietary Funds - The Town's proprietary funds are used to report the same functions presented as Business-Type Activities in the government-wide financial statements. The Town has one enterprise fund. The Water Fund is considered to be a major fund for financial statement purposes. The basic proprietary fund financial statements are presented on pages 22 through 24.

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 25 and 26.

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 27 through 65.

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 70 through 76. A detail budgetary comparison can be found on pages 66 through 69.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 77 through 90. The tax collector's annual report is presented on pages 91 and 92.

Town of Richmond, Rhode Island
Management Discussion and Analysis
For the year ended June 30, 2023
(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, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by 21,684,657 as of June 30, 2023. This is an increase of \$1,584,113 from the previous year.

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

	June 30, 2023			June 30, 2022			\$ Change
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	
Assets							
Other Assets	\$ 12,326,134	\$ (10,346)	\$ 12,315,788	\$ 11,103,350	\$ 49,728	\$ 11,153,078	\$ 1,162,710
Capital Assets Net	12,036,413	4,025,947	16,062,360	12,149,850	3,869,056	16,018,906	43,454
Total Assets	<u>24,362,547</u>	<u>4,015,601</u>	<u>28,378,148</u>	<u>23,253,200</u>	<u>3,918,784</u>	<u>27,171,984</u>	<u>1,206,164</u>
Deferred Outflows of resources	<u>438,510</u>	<u>-</u>	<u>438,510</u>	<u>431,300</u>	<u>-</u>	<u>431,300</u>	<u>7,210</u>
Liabilities							
Current liabilities	1,005,022	70,959	1,075,981	2,139,167	102,450	2,241,617	(1,165,636)
Non-Current Liabilities	1,929,260	1,791,703	3,720,963	2,125,924	1,828,869	3,954,793	(233,830)
Total Liabilities	<u>2,934,282</u>	<u>1,862,662</u>	<u>4,796,944</u>	<u>4,265,091</u>	<u>1,931,319</u>	<u>6,196,410</u>	<u>(1,399,466)</u>
Deferred Inflows of resources	<u>2,303,320</u>	<u>-</u>	<u>2,303,320</u>	<u>1,306,330</u>	<u>-</u>	<u>1,306,330</u>	<u>996,990</u>
Net Position							
Net investment in capital assets	9,894,816	2,197,078	12,091,894	10,250,555	2,004,053	12,254,608	(162,714)
Restricted	403,584	-	403,584	726,406	-	726,406	(322,822)
Unrestricted	9,233,318	(44,139)	9,189,179	7,136,118	(16,588)	7,119,530	2,069,649
Total Net Position	<u>\$ 19,531,718</u>	<u>\$ 2,152,939</u>	<u>\$ 21,684,657</u>	<u>\$ 18,113,079</u>	<u>\$ 1,987,465</u>	<u>\$ 20,100,544</u>	<u>\$ 1,584,113</u>

A portion of the Town's net position, \$12,091,894 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, 2023 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 Discussion and Analysis
For the year ended June 30, 2023
(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, 2023. Governmental activities increased the Town's net position by \$1,418,639 for the current period, accounting for a 7.83% increase in the Town's governmental net position, while business-type activities increased the Town's net position by \$165,474, accounting for 8.3% increase in the business-type growth in net position. Overall the Town's net position increase was \$1,584,113 which is a 7.88% increase over the prior year.

In the Statement of Activities, expenditures for capital items are not recorded as expenses but instead are reported as increases to capital assets in the Statement of Net Position, the change in net investment in capital assets for the governmental activities and business-type activities from the prior year is \$355,739 and \$193,025, respectively.

The overall effect was an increase in the Town's Governmental activities net position by \$1,418,639. For a more detailed explanation of the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities please see page 16 and 17 of this report. The General Funds also contributed to the increase in net position as discussed in the budgetary highlights.

In the fund financial statements, the Town ended the year with a net increase in the General Fund balance of \$680,785 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 20. This increased the cumulative General Fund balance surplus to \$5,997,040, which is 21% of the 2022-2023 General Fund revised budgeted expenditures and transfers. Total changes in fund balances for the Town were \$1,152,887 increasing the cumulative Governmental Fund surplus to \$9,565,548, primarily due to the increase in the General Fund as a result of revenues and transfers in excess of expenditures and transfers out in the amount of \$680,785.

Town of Richmond, Rhode Island
Management Discussion and Analysis
For the year ended June 30, 2023
(Unaudited)

Analysis of the Town of Richmond's Operations (continued)

	June 30, 2023			June 30, 2022			\$ Change
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	
Revenues							
Program Revenues							
Charges for services	\$ 986,809	\$ 180,515	\$ 1,167,324	\$ 1,143,309	\$ 172,874	\$ 1,316,183	\$ (148,859)
Operating grants	5,623,510		5,623,510	5,227,686	-	5,227,686	395,824
Capital grants	586,161	9,101	595,262	235,000	9,101	244,101	351,161
General Revenues/transfers							
Property taxes	20,490,053	-	20,490,053	20,937,736	-	20,937,736	(447,683)
Investment earnings	126,236	-	126,236	9,397	-	9,397	116,839
State aid	1,801,796	-	1,801,796	937,393	-	937,393	864,403
Transfers	-	299,336	299,336	-	-	-	299,336
Miscellaneous revenue	-	-	-	14,664	-	14,664	(14,664)
Total revenues	29,614,565	488,952	30,103,517	28,505,185	181,975	28,687,160	1,416,357
Expenses							
General government	1,770,513	-	1,770,513	1,888,270	-	1,888,270	(117,757)
Public safety	2,427,180	-	2,427,180	2,198,591	-	2,198,591	228,589
Public works	2,323,278	-	2,323,278	2,252,001	-	2,252,001	71,277
Recreation and culture	52,123	-	52,123	34,158	-	34,158	17,965
Education	20,885,843	-	20,885,843	20,633,430	-	20,633,430	252,413
Community services	392,301	-	392,301	223,925	-	223,925	168,376
Interest and other charges	45,352	-	45,352	53,414	-	53,414	(8,062)
Transfers	299,336	-	299,336	-	-	-	299,336
Water operations	-	323,478	323,478	-	309,766	309,766	13,712
Total expenses	28,195,926	323,478	28,519,404	27,283,789	309,766	27,593,555	925,849
Change in net position	1,418,639	165,474	1,584,113	1,221,396	(127,791)	1,093,605	490,508
Net position - beginning	18,113,079	1,987,465	20,100,544	16,891,683	2,115,256	19,006,939	1,093,605
Net position - ending	\$ 19,531,718	\$ 2,152,939	\$ 21,684,657	\$ 18,113,079	\$ 1,987,465	\$ 20,100,544	\$ 1,584,113

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 \$9,565,548. Included in this amount is the general fund unassigned balance of \$5,170,834, restricted fund balances of \$403,584 for purposes externally imposed by grantors, contributors or laws and regulations, committed fund balance of \$3,912,366 for capital and other specific purposes, and non-spendable fund balances of \$78,764.

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 \$2,152,939.

Town of Richmond, Rhode Island
Management Discussion and Analysis
For the year ended June 30, 2023
(Unaudited)

General Fund Budgetary Highlights

Revenues:

General Revenue –There was more revenue for the collection of taxes than anticipated by \$234,260. The Hotel tax, meal tax, and corporate tax, which are a passthrough to the Town from the State, was higher than budgeted by \$155,530. The State Aid for Education was increased by \$222,625. The Town has expanded the Transfer Station to include any Hopkinton residents and as a result the revenue for that service was higher than budgeted by \$129,437. The total budgetary revenue surplus in the General Fund totaled \$751,282.

Expenditures:

The General Fund expenditures ended the fiscal year with a favorable budgetary variance of \$57,682 as a net result of the following:

General Government - expenditures were under budget by \$132,133 as a result of positive budgetary variance in contingency and technology with less capital purchases.

Public Safety – expenditures were under budget for police patrol budgeted overtime but the dispatch services were over budget due to absences, The year had a favorable variance of \$72,961.

Recreation activities – expenditures were under budget due to less activities conducted this year totaling \$5,359

Public Works - expenditures were over budget by \$70,712 mostly due to the additional services and equipment needed when the services were expanded to include all Hopkinton residents. There is an offset increase of revenue as noted in General Revenue.

Education – expenditures were over budget by \$201,223 Due to an increase in State Aid for Education that must be passed through to the CHARIHO School District.

The total budgetary surplus totaled \$693,600 or 2.5% of the total budget. This increase allows for the continued reserve for unanticipated events in the future and/or a contribution to offset any future tax increase for capital projects.

The Town of Richmond's Capital Assets

The Town of Richmond's net investment in capital assets, net of accumulated depreciation for its governmental and business-type activities amounts to \$16,062,360 on June 30, 2023. 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 45 and 46.

Town of Richmond, Rhode Island
Management Discussion and Analysis
For the year ended June 30, 2023
(Unaudited)

Capital Assets (Net of Accumulated Depreciation)

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 4,390,750	\$ 59,254	\$ 4,450,004	\$ 4,390,750	\$ 59,254	\$ 4,450,004
Construction in Progress	26,011	428,967	454,978	-	110,316	110,316
Infrastructure	5,469,962	-	5,469,962	5,827,641	-	5,827,641
Land improvements	451,625	-	451,625	488,030	-	488,030
Buildings and improvements	436,356	79,555	515,911	499,408	102,199	601,607
Furniture and equipment	237,809	-	237,809	172,479	-	172,479
Motor vehicles	726,468	-	726,468	771,542	-	771,542
Technology Subscription	297,432	-	297,432	-	-	-
Main extension	-	1,166,887	1,166,887	-	1,205,630	1,205,630
Water Tank	-	2,024,270	2,024,270	-	2,110,963	2,110,963
Equipment and machinery	-	267,014	267,014	-	280,694	280,694
Totals	\$ 12,036,413	\$ 4,025,947	\$ 16,062,360	\$ 12,149,850	\$ 3,869,056	\$ 16,018,906

The Town of Richmond's Debt Administration

At the end of the current fiscal year, the Town of Richmond's Governmental Activities had total bonded debt of \$1,775,000 and the Business-Type Activities USDA loans amounted to \$1,828,908. Of the Governmental Activity debt amount, 100% comprises bonded debt backed by the full faith and credit of the government.

The Town's general obligation bond rating as assigned by Moody's Investors Service in the annual review is Aa3. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Richmond's limit is \$29,686,292 at year-end. The Town's outstanding debt subject to the debt limit is \$3,603,869 at year-end, which is \$26,082,423 under the State imposed limitation.

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

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 1,775,000	\$ -	\$ 1,775,000	\$ 2,275,000	\$ -	\$ 2,275,000
Loans Payable	-	1,828,869	1,828,869	-	1,865,003	1,865,003
Totals	\$ 1,775,000	\$ 1,828,869	\$ 3,603,869	\$ 2,275,000	\$ 1,865,003	\$ 4,140,003

Additional information on the Town's long-term debt can be found in Note 7 of the Notes to the Financial Statements on pages 47 through 49.

Town of Richmond, Rhode Island
Management Discussion and Analysis
For the year ended June 30, 2023
(Unaudited)

Economic Factors and Next Year's Budgets and Rates

The Town of Richmond's total general fund budget for fiscal year 2024 amounts to \$29,402,350, which reflects an increase of \$1,330,578 over the fiscal 2023 amended budget of \$28,071,772. Of the Town's 2024 budget, \$21,684,758 or 73.75% is budgeted for educational purposes and \$7,717,592, or 26.25% is budgeted for all other purposes.

The Town's tax rate for fiscal 2024 is \$14.76/1000 of assessed value while in fiscal 2023 the Town's tax rate was \$20.58. There was a statistical revaluation of the property values for 12/31/2022 impacting the 2024 tax rate.

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

Tax Rates			
	2024	2023	Increase (Decrease)
Real Property	\$ 14.76	\$ 20.58	\$ (5.82)
Motor Vehicles	NA	NA	
Tangibles	\$ 14.76	\$ 20.58	\$ (5.82)

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.

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TOWN OF RICHMOND

Basic Financial Statements

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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 10,801,133	\$ -	\$ 10,801,133
Receivables, net			
Property taxes net	1,058,698	-	1,058,698
Accounts receivable	113,836	58,374	172,210
Due from other governments	204,983	-	204,983
Internal balances	68,720	(68,720)	-
Prepaid expenses	78,764	-	78,764
Total Current Assets	12,326,134	(10,346)	12,315,788
Noncurrent Assets			
Capital assets			
Land and land rights	4,390,750	59,254	4,450,004
Construction in progress	26,011	428,967	454,978
Infrastructure and improvements, buildings and equipment, net	6,595,752	3,537,726	10,133,478
Motor vehicles, net	726,468	-	726,468
Right to use, technology subscription, net	297,432	-	297,432
Total Noncurrent Assets	12,036,413	4,025,947	16,062,360
Total Assets	24,362,547	4,015,601	28,378,148
Deferred Outflows of Resources			
Deferred pension amounts	438,510	-	438,510
Total assets and deferred outflows of resources	\$ 24,801,057	\$ 4,015,601	\$ 28,816,658

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	\$ 215,668	\$ 11,002	\$ 226,670
Interfund payable-permanent trust	30,505	-	30,505
Other liabilities	92,718	-	92,718
Accrued interest	12,077	22,791	34,868
Right to use, SBITA due within one year	105,655	-	105,655
Long-term debt due within one year	522,675	37,166	559,841
Compensated absences payable	25,724	-	25,724
Total Current Liabilities	1,005,022	70,959	1,075,981
Noncurrent Liabilities			
Right to use, SBITA	191,777	-	191,777
Bonds and notes payable	1,309,413	1,791,703	3,101,116
Compensated absences	256,416	-	256,416
Net pension liability	203,391	-	203,391
Total Noncurrent Liabilities	1,960,997	1,791,703	3,752,700
Total Liabilities	2,966,019	1,862,662	4,828,681
Deferred Inflows of Resources			
Other deferred revenues	1,759,414		1,759,414
Deferred pension inflows	543,906	-	543,906
Total deferred inflows	2,303,320	-	2,303,320
Net Position			
Net investment in capital assets	9,894,816	2,197,078	12,091,894
Restricted for			
Historical records preservation	34,884	-	34,884
Land trust	18,690	-	18,690
Senior activities	28,271	-	28,271
Public safety programs	19,036	-	19,036
Community service programs	22,699	-	22,699
Dog park	3,511	-	3,511
Scholarships	61,084	-	61,084
Affordable housing	188,161	-	188,161
Other programs	27,248	-	27,248
Unrestricted	9,233,318	(44,139)	9,189,179
Total Net Position	19,531,718	2,152,939	21,684,657
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 24,801,057	\$ 4,015,601	\$ 28,816,658

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Statement of Activities

For the Year Ended June 30, 2023

	<u>Net (Expense) Revenue and Changes in Net Position</u>						
	<u>Program Revenues</u>			<u>Primary Government</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
General government	\$ 1,770,513	\$ 497,803	\$ 79,161	\$ 586,161	\$ (607,388)	\$ -	\$ (607,388)
Public safety	2,427,180	89,728	50,496	-	(2,286,956)	-	(2,286,956)
Public works	2,323,278	393,880	-	-	(1,929,398)	-	(1,929,398)
Recreation and culture	52,123	-	5,210	-	(46,913)	-	(46,913)
Education	20,885,843	-	5,414,857	-	(15,470,986)	-	(15,470,986)
Community services	392,301	5,398	73,786	-	(313,117)	-	(313,117)
Canvassing authority	-	-	-	-	-	-	-
Interest and other charges	45,352	-	-	-	(45,352)	-	(45,352)
Total governmental activities	<u>27,896,590</u>	<u>986,809</u>	<u>5,623,510</u>	<u>586,161</u>	<u>(20,700,110)</u>	<u>-</u>	<u>(20,700,110)</u>
Business-Type Activities							
Water fund	323,478	180,515	-	9,101	-	(133,862)	(133,862)
Total business-type activities	<u>323,478</u>	<u>180,515</u>	<u>-</u>	<u>9,101</u>	<u>-</u>	<u>(133,862)</u>	<u>(133,862)</u>
Total Town of Richmond	<u>\$ 28,220,068</u>	<u>\$ 1,167,324</u>	<u>\$ 5,623,510</u>	<u>\$ 595,262</u>	<u>\$ (20,700,110)</u>	<u>\$ (133,862)</u>	<u>\$ (20,833,972)</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Statement of Activities

For the Year Ended June 30, 2023

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Total Expenditure for the Town of Richmond	\$ (20,700,110)	\$ (133,862)	\$(20,833,972)
General revenues			
Real estate and personal property, net of reserve for abatements	\$ 20,490,053	\$ -	\$ 20,490,053
State aid and in lieu of taxes, not restrictions for a specific purpose	1,801,796	-	1,801,796
Investment earnings	126,236	-	126,236
Total general revenues	<u>22,418,085</u>	<u>-</u>	<u>22,418,085</u>
Other Financing Sources			
Transfers	<u>(299,336)</u>	<u>299,336</u>	<u>-</u>
Total general revenues, special items, and transfers	<u>22,118,749</u>	<u>299,336</u>	<u>22,418,085</u>
Changes in net position	1,418,639	165,474	1,584,113
Net position - July 1, 2022	<u>18,113,079</u>	<u>1,987,465</u>	<u>20,100,544</u>
Net position - June 30, 2023	<u>\$ 19,531,718</u>	<u>\$ 2,152,939</u>	<u>\$ 21,684,657</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Governmental Funds

Balance Sheet

June 30, 2023

	Governmental - Major Fund			Non-Major	Total Governmental Funds
	General Fund	American Rescue Plan Act	Capital Bond Fund	Governmental Funds	
Assets					
Cash and cash equivalents	\$ 8,824,269	1,788,703	\$ -	\$ 188,161	\$ 10,801,133
Receivables					
Property taxes, net	1,058,698	-	-	-	1,058,698
Account receivables	82,099	-	-	31,737	113,836
Due from federal and state governments	179,378	-	23,605	2,000	204,983
Due from other funds	-	-	1,646,158	1,654,724	3,300,882
Prepaid expenses	78,764	-	-	-	78,764
Total assets	<u>10,223,208</u>	<u>1,788,703</u>	<u>1,669,763</u>	<u>1,876,622</u>	<u>15,558,296</u>
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total assets and deferred outflows of resources	<u>10,223,208</u>	<u>1,788,703</u>	<u>1,669,763</u>	<u>1,876,622</u>	<u>15,558,296</u>
Liabilities					
Accounts payable and accrued expenses	215,668	-	-	-	215,668
Other liabilities	92,718	-	-	-	92,718
Interfund payable	30,505	-	-	-	30,505
Due to other funds	3,224,996	6,292	-	874	3,232,162
Total liabilities	<u>3,563,887</u>	<u>6,292</u>	<u>-</u>	<u>874</u>	<u>3,571,053</u>
Deferred inflows of resources					
Other Deferred revenue	-	1,727,677	-	31,737	1,759,414
Deferred property tax	662,281	-	-	-	662,281
Total deferred inflows of resources	<u>662,281</u>	<u>1,727,677</u>	<u>-</u>	<u>31,737</u>	<u>2,421,695</u>
Fund balances					
Nonspendable	78,764	-	-	-	78,764
Restricted	-	-	-	403,584	403,584
Committed	747,442	54,734	1,669,763	1,440,427	3,912,366
Assigned	-	-	-	-	-
Unassigned	5,170,834	-	-	-	5,170,834
Total fund balances	<u>5,997,040</u>	<u>54,734</u>	<u>1,669,763</u>	<u>1,844,011</u>	<u>9,565,548</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 10,223,208</u>	<u>\$ 1,788,703</u>	<u>\$ 1,669,763</u>	<u>\$ 1,876,622</u>	<u>\$ 15,558,296</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Reconciliation of the Governmental Funds Balance Sheet

to the Statement of Net Position

June 30, 2023

Total governmental fund balances		\$ 9,565,548
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Capital assets, net		12,036,413
Deferred property taxes and taxes paid in advance are not available to pay for current period expenditures and, therefore, are deferred outflows of resources in the funds		662,281
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position. The Town's long-term obligations are:		
General obligation bonds	(1,775,000)	
Bonds premium	(25,351)	
Compensated absences	(282,140)	
Right to use- SBITA liability	(297,432)	
Accrued interest	(12,077)	
Community Septic loan	<u>(31,737)</u>	(2,423,737)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds		
Deferred outflows-pension	438,510	
Deferred inflows-pension	(543,906)	
Net pension liability	<u>(203,391)</u>	(308,787)
Net position of governmental activities		<u>\$ 19,531,718</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2023

	Governmental - Major Fund			Non-Major	Total
	General Fund	American Plan Act	Capital Fund	Governmental Funds	Governmental Funds
Revenues					
Property taxes	\$ 20,490,053	\$ -	\$ -	\$ -	\$ 20,490,053
Intergovernmental	7,288,874	586,161	-	40,732	7,915,767
Licenses, permits, and fees	802,240	-	-	163,545	965,785
Interest on investments	73,849	52,387	-	12,165	138,401
Other revenue	117,126	-	-	7,502	124,628
Total revenue	28,772,142	638,548	-	223,944	29,634,634
Expenditures					
General government	1,511,180	286,825	-	20,841	1,818,846
Public safety	2,420,311	-	-	-	2,420,311
Public works	1,585,663	-	3,000	5,919	1,594,582
Recreation and culture	49,908	-	-	2,215	52,123
Education	20,882,739	-	-	3,104	20,885,843
Community services	356,084	-	-	36,217	392,301
Canvassing authority	11,478	-	-	-	11,478
Capital outlay	-	-	452,824	-	452,824
Debt service					-
Principal	500,000	-	-	4,645	504,645
Interest and other charges	49,458	-	-	-	49,458
Total expenditures	27,366,821	286,825	455,824	72,941	28,182,411
Excess (deficiency) of revenues over (under) expenditures before other financing source (uses)	1,405,321	351,723	(455,824)	151,003	1,452,223
Other financing sources (uses)					
Transfers in	-	-	724,536	-	724,536
Transfers out	(724,536)	(299,336)	-	-	(1,023,872)
Other financing sources (uses)	(724,536)	(299,336)	724,536	-	(299,336)
Excess of revenue and other sources over expenditures and other uses	680,785	52,387	268,712	151,003	1,152,887
Fund balance, July 1, 2022	5,316,255	2,347	1,401,051	1,693,008	8,412,661
Fund balance, June 30, 2023	\$ 5,997,040	\$ 54,734	\$ 1,669,763	\$ 1,844,011	\$ 9,565,548

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds		\$ 1,152,887
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets, which meet the capitalization requirement, is allocated over their estimated useful lives and reported as depreciation/amortization expense:</p>		
Capital assets additions	\$ 908,387	
Depreciation/amortization expense	<u>(1,021,824)</u>	(113,437)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</p>		
		(20,068)
<p>The long-term liability for compensated absences is not recorded in the funds, but is reported in the statement of activities. This amount is the current year change in the liability, reported as an expense in the statement of activities.</p>		
		9,922
<p>Repayment of bond, loan, and lease principal is an expenditure in the governmental funds, but the repayment reduces liabilities on the statement of net position.</p>		
		170,831
<p>In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in the funds, an interest expenditure is reported when due.</p>		
Accrued interest payable	4,106	
Amortization on bond premium	<u>12,675</u>	16,781
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds:</p>		
Net pension liability	(567,911)	
Changes in deferred inflows	762,424	
Changes in deferred outflows	<u>7,210</u>	<u>201,723</u>
Change in net position of governmental activities		<u>\$ 1,418,639</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Proprietary Funds

Statement of Net Position

June 30, 2023

	<u>Enterprise Funds</u>
	<u>Water Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ -
Accounts receivable, user fees, net	18,131
Accrued revenue	31,142
Other receivables	9,101
Due from other funds	-
Total current assets	<u>58,374</u>
Non-current assets	
Land	59,254
Construction on progress	428,967
Building, equipment and infrastructure, net	<u>3,537,726</u>
Total non-current assets	<u>4,025,947</u>
Total assets	<u>4,084,321</u>
Deferred outflows of resources	
Deferred outflows	-
Total assets and deferred outflows of resources	<u>4,084,321</u>
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	11,002
Accrued interest payable	22,791
Long-term debt due within one year	37,166
Due to other funds	<u>68,720</u>
Total current liabilities	<u>139,679</u>
Non-current liabilities	
Long-term debt, due in more than one year	<u>1,791,703</u>
Total non-current liabilities	<u>1,791,703</u>
Total liabilities	<u>1,931,382</u>
Deferred inflows of resources	
Deferred inflows	-
Total deferred inflows of resources	-
Net position	
Net investment in capital assets	2,197,078
Unrestricted	<u>(44,139)</u>
Total net position	<u>2,152,939</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,084,321</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2023

	Enterprise Funds
	Water Fund
Operating revenues	
User fees	\$ 180,050
Other revenues	465
Total operating revenues	<u>180,515</u>
Operating expenses	
Utilities	14,126
Administrative expenses	20,636
Materials, supplies and operations	72,094
Depreciation	161,759
Total operating expenses	<u>268,615</u>
Nonoperating expenses	
Interest expense	(54,863)
Total nonoperating expenses	<u>(54,863)</u>
Net income (loss) before capital contributions	(142,963)
Capital contributions - Hopkinton	<u>9,101</u>
Transfers	
Transfers in (out)	299,336
Total transfers	<u>299,336</u>
Change in net position	165,474
Net position, July 1, 2022	<u>1,987,465</u>
Net position, June 30, 2023	<u>\$ 2,152,939</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Proprietary Fund

Statement of Cash Flows

For the Year Ended June 30, 2023

	Enterprise Funds
	Water Fund
Cash flows from operating activities	
Cash received from customers	\$ 177,040
Payments to suppliers and employees	(139,457)
Payments to/(from) other funds for services provided	64,102
Net cash provided (used) by operating activities	<u>101,685</u>
Cash flows from non-capital financing activities	
Interfund transfers	<u>299,336</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(318,651)
Capital contribution	9,101
Principal paid on loan	(36,135)
Interest paid on loan	(55,336)
Net cash provided (used) by financing activities	<u>(401,021)</u>
Net increase in cash and cash equivalents	-
Cash balances-beginning of the year	<u>-</u>
Cash balances-end of the year	<u>-</u>
Displayed as:	
Cash and cash equivalents	<u>-</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(88,100)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	161,759
Change in assets and liabilities:	
(Increase) decrease in accounts receivable and accrued revenue, user fees	(9,509)
(Increase) decrease in due to/from other funds	69,582
Increase (decrease) accounts payable and accrued expenses	(32,047)
Net cash provided (used) by operating activities	<u>\$ 101,685</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2023

	Private Purpose Trust Funds
Assets	
Cash and cash equivalents	\$ 2,922
Investments	151,841
Interfund receivable	30,518
Total assets	<u>185,281</u>
Deferred outflows of resources	
Deferred outflows	<u>-</u>
Total assets and deferred outflows of resources	<u>185,281</u>
Liabilities	
Other payable	<u>13</u>
Total liabilities	<u>13</u>
Deferred inflows of resources	
Deferred inflows	<u>-</u>
Net position	
Restricted for individuals and other organizations	<u>185,268</u>
Total net position	<u>185,268</u>
Total liabilities and net position	<u>\$ 185,281</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2023

	<u>Private Purpose Trust Funds</u>
Additions	
Net increase (decrease) in fair value of investments	\$ 6,997
Interest and dividends	6,663
Total additions	<u>13,660</u>
Deductions	
Miscellaneous	<u>5,930</u>
Total deductions	<u>5,930</u>
Changes in net position	7,730
Net position, July 1, 2022	<u>177,538</u>
Net position, June 30, 2023	<u>\$ 185,268</u>

The accompanying notes are an integral part of this statement

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies:

The accompanying basic financial statements of the Town of Richmond, Rhode Island (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental entities (U.S. GAAP). In certain circumstances, summaries of the Town's significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate.

Financial 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.

Basis of presentation:

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major and other funds.) Both the government-wide and fund financial statements are required to categorize primary activities as either governmental or business-type. The Town's public safety, public works, community services, education and general and financial administrative services are classified as governmental activities. The Town's Water Fund is classified as a business-type activity.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Government-wide financial statements:

The Statement of Net Position and Statement of Activities display information about the Town as a whole and distinguish between governmental and business-type activities. They include all funds of the Town except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (public safety, public works, etc.) The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with functions (public safety, public works, community and economic development, etc.) Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenues (property, sales taxes, intergovernmental revenues, interest income, etc.)

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 regard 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.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Basic Financial Statements - 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 those 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.

Financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances/net position, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. Separate fund financial statements are provided for governmental, proprietary and fiduciary funds. However, fiduciary funds are not included in the government-wide financial statements since these assets are held for the benefit of private parties and cannot be used to satisfy obligations of the primary government.

Major individual governmental and proprietary funds are emphasized by being reported as separate columns in the fund financial statements. Non-major governmental funds are reported in the aggregate in a separate column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Town or meets both of the following criteria:

- (a) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type; and

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

- (b) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Fund types used by the Town and a description of the funds comprising each are as follows:

Governmental funds:

Governmental funds are used to account for operations that supply basic government services. The Town uses the following governmental funds:

General fund:

The **General fund** is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources and activities not accounted for and reported in another fund. The General fund is the only fund that operates with a positive unassigned fund balance.

Special revenue funds:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Town's special revenue funds are all considered nonmajor funds.

Capital projects funds:

Capital projects funds are used to account for and report financial resources to be used for the acquisition or construction of major capital facilities or specific capital outlays. The Town's aggregate capital project funds are all classified as non-major funds.

Permanent funds:

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings and not principal may be used for purposes that support the Town's programs. The Town's permanent funds are all considered non-major funds.

Proprietary funds:

Proprietary funds are used to account for business-like activities provided to the general public ("enterprise funds") or within the government ("internal service funds"). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town's only enterprise fund, the **Water fund**, is considered a major fund. The Town has no internal service funds.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Fiduciary funds:

Fiduciary funds are used to report assets held by the Town in a trustee or agency capacity and, therefore, cannot be used to support the Town's own programs. The following fiduciary funds are used by the Town:

Private purpose trust:

The Town's **private purpose trust funds** are used to account for resources legally held in trust for use by parties outside of the Town in accordance with a donor's instructions, and cannot be used at the Town's discretion or to support the Town's general operations. These trusts are for the benefit of local educational organizations, social benefit groups, and other private parties.

Custodial:

Custodial funds are established when the Town holds assets in custody for others.

Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

Under Rhode Island General Law, 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 100% of the deposits which are time deposits with maturities greater than 60 days. Any institution not meeting certain minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to 100% of the deposits, regardless of maturities. The Town complied with these requirements. The Town does not have a deposit policy for custodial credit risk or other risks.

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).

Fair value measurements:

The Town categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. 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 inputs, other than quoted prices, that are observable for the asset, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Interfund transactions:

Transactions between funds have been eliminated in the government-wide financial statements but fully presented within the governmental fund financial statements with no elimination made between or within funds. Reimbursements are accounted for as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund. All other interfund transactions in the governmental fund financial statements are operating transfers on the operating statements of the funds involved.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due from/to other funds" (current portion) or "advances from/to other funds" (noncurrent portion). All other outstanding balances between funds are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Intergovernmental receivables:

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure-driven grants, receivables are recorded when the qualifying expenditures are incurred, and all other grants requirements are met.

These receivables are considered 100% collectible; therefore, the Town has not reported an allowance for uncollectible grants.

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.

Unbilled Services-Accrued Revenue:

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

Capital assets:

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at the price that would be paid to acquire an asset or liquidate a liability at the date of donation (acquisition value).

Capitalizable fixed 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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

constructed. The Town retroactivity 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets estimated useful lives using the straight-line method.

The ranges of estimated useful lives by type of asset are as follows:

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

Capital assets acquired by governmental funds are accounted for as capital outlay expenditures.

Leases:

A lease is a contract that conveys the controls of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transactions. Lessors recognize a lease receivable and a deferred inflow of resources. Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease cannot be readily determined from the lease agreement, the Town would use its incremental borrowing rate.

A right to use lease asset with a lease term greater than one year are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet the criteria are recognized as current period revenues and expenses.

Subscription-based information technology arrangements (SBITA):

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in conjunction with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Subscription-based information technology arrangements (SBITA)(continued) :

The subscription term includes the period in which the municipality has a noncancellable right to use the IT asset. The subscription also includes the periods covered by an option to extend or to terminate the contract. The Town would recognize a right-to-use subscription based asset as an intangible asset with a corresponding subscription based liability. The liability should be initially measured at the present value of the payments expected to be made during the term. Future payments should be discounted using the interest rate the Software vendor charges or the government's incremental borrowing rate.

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, 2023. 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.

Long-term obligations:

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations (including compensated absences) are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the term of the related debt using the effective interest method. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental

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.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Deferred inflows and outflows of resources:

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

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

Accrued liabilities:

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.

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.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Fund balance / net position:

Government-wide and proprietary fund financial statements:

The Town of Richmond's net position has been segregated into the following three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.

Restricted – assets that have been limited to uses specified either externally by creditors, contributors, laws or regulations of other governments or internally by enabling legislation or law; reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted – a residual category for the balance of net position. All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

Governmental fund financial statements:

Governmental fund equity is classified as fund balance. The Town’s fund balance is reported in the following categories:

Non-spendable – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact (such as corpus of an endowment fund).

Restricted – amounts that have been restricted to specific purposes either by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Town’s restricted fund balance consists principally of bond funds restricted for capital projects, amounts in permanent funds restricted for specific uses, and grant funds restricted for specific grant expenditures.

Committed – amounts constrained to specific purposes by the Town, using its highest level of decision-making authority. Commitments will only be used for specific purposes pursuant to a formal action of the Town Council. A majority vote is required to approve, modify, or rescind a fund balance commitment.

Assigned – amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. The Town Council delegates to the Town Administrator the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned – amounts available for any purpose; these amounts are reported only in the General fund.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Property taxes:

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 96% of the total 2022 levy. The tax levy of the Town is approved by the citizens at the Financial Town Meeting.

The Town's fiscal 2022-2023 property taxes were levied in July 2022 on assessed valuation as of December 31, 2021. 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.

Intergovernmental revenues:

State aid is recognized as revenue in the year in which funds are appropriated by the Rhode Island General Assembly, provided they are collected during the fiscal year.

Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance will be determined by applying the following: In those instances where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first (as allowed and in compliance with stated and specified terms or requirements), followed by committed amounts, followed by assigned amounts, and then unassigned amounts.

Use of estimates:

The preparation of basic 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 basic financial statements. Estimates also affect the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Accounting pronouncements implemented in the current year:

During the fiscal year June 30, 2023, the Town of Richmond has adopted the following new accounting standards issued by GASB:

Statement No. 91, "Conduit Debt Obligations". The primary objectives of GASB Statement No. 91 are to provide a single method to report conduit debt obligation and to eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. There was no financial impact for the fiscal year 2023.

Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). There was no financial impact for the fiscal year 2023.

Statement No. 96, "Subscription-Based Information Technology Arrangements". GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. There was a financial impact for the fiscal year 2023.

Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GFASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. There was no financial impact for the fiscal year 2023.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Summary of significant accounting policies (continued):

Recently issued accounting pronouncements not yet effective:

The Town of Richmond is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

GASB Statement No. 99, Omnibus 2023, the requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pleading governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements relate to leases, PPS, and SBITAs are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The impact of this standard will be evaluated by the Town of Richmond, Rhode Island's management.

GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

GASB Statement No. 101, Compensated Absences, This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 2. Stewardship, Compliance, and Accountability:

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value.

As of June 30, 2023, the Town's debt subject to the legal debt margin is:

Net assessed valued	\$ 1,026,611,884
Less: exempt property	<u>(37,068,803)</u>
Total taxable assessed value	<u>\$ 989,543,081</u>
Debt limit - 3 % of total assessed value	\$ 29,686,292
Amount of debt applicable to debt limit:	
Total bonded debt	<u>3,603,869</u>
Legal debt margin	<u>\$ 26,082,423</u>

Note 3. Cash, and cash equivalents:

Cash and cash equivalents (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".

	Carrying
	Amount
Governmental Funds	
Total Deposits	\$ 10,798,723
Add: Petty Cash	2,410
Fiduciary Funds	
Investments classified as cash and cash equivalents	2,922
	<u>\$ 10,804,055</u>

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Cash, and cash equivalents (continued):

Custodial Credit Risk - custodial credit risk is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk, but is governed by State laws as described below.

As of June 30, 2023, the Town's bank balance was exposed to custodial credit risk as follows:

	Bank Balance
Insured (Federal depository insurance funds)	\$ 4,650,494
Collateralized with securities, held by pledging financial Institution or its agent, in the Town's name	6,674,778
Uninsured and uncollateralized	13,104
	<u>\$ 11,338,376</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, 2023, the uninsured and uncollateralized deposits with institutions were \$13,104. These deposits are not time deposits with maturities greater than 60 days and are held by an institution that meets the minimum capital standards prescribed by federal regulators.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 4. Investments:

Investments:

The Town's investments were as follows as of June 30, 2023:

<u>Investment</u>	<u>Weighted Average Maturity</u>	<u>Fair Value</u>	<u>Rating</u>
Fidelity Investment Money Market Fund			
Government Portfolio Funds	22 days	\$ 2,922	AAAm
ETFs - Domestic Equity Funds	N/A	72,444	Not Rated
ETFs - Real Estate Funds	N/A	836	Not Rated
ETFs - International Equity Funds	N/A	2,231	Not Rated
ETFs - Domestic Fixed Income	Average-not available	11,558	AA (Average)
ETFs - Domestic Fixed Income	Average-not available	7,718	AA (Average)
ETFs - Domestic Fixed Income	7.38 years	1,835	AAA (Average)
Mutual Funds - Domestic Fixed Income	Average-not available	3,464	B- (Average)
Mutual Funds - Domestic Fixed Income	7.64 years	3,672	A+ (Average)
Mutual Funds - Domestic Fixed Income	8.51 years	29,890	A+ (Average)
Mutual Funds - Domestic Fixed Income	4.83 years	4,163	A- (Average)
Mutual Funds - Domestic Fixed Income	2.90 years	14,030	A- (Average)
		154,763	
		(2,922)	
		<u>\$ 151,841</u>	

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

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

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

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 4. Investments (continued):

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.

Custodial credit risk:

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

Foreign currency risk:

The Town does not have a policy governing foreign currency risk. The Town's exposure to foreign currency risk is as follows:

	<u>Currency</u>	<u>Maturity</u>	<u>Fair Value</u>
International Equity Fund	N/A	N/A	\$ 2,231

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 4. Investments (continued):

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, 2023:

Investments at Fair Value	June 30, 2023	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity	\$ 75,510	\$ 75,510	\$ -	\$ -
Fixed Income	76,331	76,331	-	-
Total investments measured at fair value	<u>\$ 151,841</u>	<u>\$ 151,841</u>	<u>\$ -</u>	<u>\$ -</u>

Note 5. Interfund transactions:

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have sufficient resources to cover all costs with revenue generated by the fund at the time the cost is uncured, or as a matter of administrative convenience in terms of where cash is deposited and drawn from Interfund receivables and payables at June 30, 2023 are as follows:

	Due from Other Funds	Due to Other Funds	Other Financing Sources	Other Financing Uses
Major Governmental Funds				
General Fund	\$ -	\$ 3,224,996	\$ -	\$ (724,536)
American Rescue Plan	-	6,292	-	(299,336)
Capital Bond	1,646,158	-	724,536	-
Total Major Governmental Funds	<u>1,646,158</u>	<u>3,231,288</u>	<u>724,536</u>	<u>(1,023,872)</u>
Non-Major Governmental Fund				
Special Revenue	368,952	874	-	-
Capital Projects	1,285,772	-	-	-
Total Non-Major Governmental Fund	<u>1,654,724</u>	<u>874</u>	<u>-</u>	<u>-</u>
Proprietary Funds				
Water	-	68,720	299,336	-
	-	68,720	299,336	-
	<u>\$ 3,300,882</u>	<u>\$ 3,300,882</u>	<u>\$ 1,023,872</u>	<u>\$ (1,023,872)</u>

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 6. Capital assets:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Governmental Activities				
Nondepreciable assets				
Land	\$ 4,390,750	\$ -	\$ -	\$ 4,390,750
Construction in progress	-	26,011	-	26,011
Depreciable assets				
Infrastructure	34,573,346	237,279	-	34,810,625
Land Improvements	728,109	-	-	728,109
Buildings and improvement	2,969,474	-	-	2,969,474
Furniture and equipment	453,613	103,913	-	557,526
Motor Vehicles	3,245,224	138,097	-	3,383,321
Total capital assets	46,360,516	505,300	-	46,865,816
Amortized asset				
Right to Use - Subscription based technology	-	403,087	-	403,087
	-	403,087	-	403,087
Less accumulated depreciation for:				
Infrastructure	28,745,705	594,958	-	29,340,663
Land Improvements	240,079	36,405	-	276,484
Buildings and improvement	2,470,066	63,052	-	2,533,118
Furniture and equipment	281,134	38,583	-	319,717
Motor Vehicles	2,473,682	183,171	-	2,656,853
Total accumulated depreciation	34,210,666	916,169	-	35,126,835
Accumulated amortization				
Right to Use - Subscription based technology	-	105,655	-	105,655
	-	105,655	-	105,655
Governmental activities capital assets, net	\$ 12,149,850	\$ (113,437)	\$ -	\$ 12,036,413

Governmental Activities

Depreciation and Amortization by Function	
General government	\$ 191,368
Public safety	96,287
Public works	734,169
Total depreciation expense	\$ 1,021,824

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 6. Capital assets (continued):

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
<i>Business-Type Activities</i>				
Nondepreciable assets				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
Construction in progress	110,316	318,651	-	428,967
Depreciable assets				
Buildings	905,694	-	-	905,694
Main extension	1,549,734	-	-	1,549,734
Water Tank	2,600,783	-	-	2,600,783
Equipment and machinery	450,026	-	-	450,026
Total capital assets	5,675,807	318,651	-	5,994,458
Less accumulated depreciation for:				
Buildings	803,495	22,644	-	826,139
Main extension	344,104	38,743	-	382,847
Water Tank	489,820	86,693	-	576,513
Equipment and machinery	169,332	13,680	-	183,012
Total accumulated depreciation	1,806,751	161,760	-	1,968,511
Business-type activities capital assets, net	\$ 3,869,056	\$ 156,891	\$ -	\$ 4,025,947
<i>Business-type Activities</i>				
Depreciation by Function				
Water fund	\$ 161,760			
Total depreciation expense	\$ 161,760			

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 7. Long-term obligations:

Changes in long-term obligations during the year ended June 30, 2023, were as follows:

Long-term liabilities:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due within one year</u>
<i>Governmental activities</i>					
Bonds payable					
Bonds payable	\$ 775,000	\$ -	\$ 250,000	\$ 525,000	\$ 260,000
Bonds from direct placements	1,500,000	-	250,000	1,250,000	250,000
	<u>2,275,000</u>	<u>-</u>	<u>500,000</u>	<u>1,775,000</u>	<u>510,000</u>
Plus: amortized premiums on bonds	38,026		12,675	25,351	12,675
	<u>2,313,026</u>	<u>-</u>	<u>512,675</u>	<u>1,800,351</u>	<u>522,675</u>
<i>Other liabilities</i>					
Accrued compensated absences	292,062	26,756	36,678	282,140	25,724
Software- SBITA	-	403,087	105,655	297,432	105,655
Community septic sytem loan program	36,382	-	4,645	31,737	-
Net pension liability	-	203,391	-	203,391	-
	<u>328,444</u>	<u>633,234</u>	<u>146,978</u>	<u>814,700</u>	<u>131,379</u>
Total long-term obligations	<u>328,444</u>	<u>633,234</u>	<u>146,978</u>	<u>814,700</u>	<u>131,379</u>
Total government-wide obligations	<u>\$ 2,641,470</u>	<u>\$ 633,234</u>	<u>\$ 659,653</u>	<u>\$ 2,615,051</u>	<u>\$ 654,054</u>
<i>Business-Type activities</i>					
Loans payable					
Loans from direct borrowing	\$ 1,865,003	\$ -	\$ 36,134	\$ 1,828,869	\$ 37,166
Total business-type obligations	<u>\$ 1,865,003</u>	<u>\$ -</u>	<u>\$ 36,134</u>	<u>\$ 1,828,869</u>	<u>\$ 37,166</u>

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

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 7. Long-term obligations (continued):

Bonds and Loans Payable

Outstanding bonds and loans payable at June 30, 2023, are as follows:

Purpose	Date Issued	Interest Rate	Maturity Rate	Authorized and Issued	Outstanding June 30, 2022	New Issues	Maturities During Year	Outstanding June 30, 2023
<i>Governmental activities</i>								
<i>Bond payable</i>								
2014 Capital Improvement Bonds	8/6/2014	2.00%	8/1/2024	\$2,410,000	\$ 775,000	\$ -	\$ 250,000	\$ 525,000
<i>Bonds from direct placements</i>								
2017 Capital Improvement Bonds	10/17/2017	2.11%	6/30/2028	2,501,000	1,500,000		250,000	1,250,000
<i>Total governmental activities bonds payable</i>				<u>\$4,911,000</u>	<u>\$ 2,275,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 1,775,000</u>
<i>Business-type activities</i>								
<i>Loans from direct borrowings</i>								
2012 Water Capital Improvements	2/28/2012	3.75%	2/28/2052	\$ 825,000	\$ 699,494		\$ 14,713	\$ 684,781
2014 Water Capital Improvements	1/9/2015	3.00%	1/8/2055	744,000	668,348		12,182	656,166
2014 Water Capital Improvements	1/9/2015	2.75%	1/8/2055	275,000	245,634		4,669	240,965
2014 Water Capital Improvements	1/9/2015	3.00%	1/8/2055	280,000	251,527		4,570	246,957
<i>Total business-type activities loans payable</i>				<u>\$2,124,000</u>	<u>\$ 1,865,003</u>	<u>\$ -</u>	<u>\$ 36,134</u>	<u>\$ 1,828,869</u>

At June 30, 2023 annual debt service requirements to maturity for bonds and loans payable are as follows:

Year Ending June 30,	Governmental Activities Bonds Payable			Governmental Activities Bonds from direct placement			Business-type Activities Loan from direct borrowings		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 260,000	\$ 11,850	\$ 271,850	\$ 250,000	\$ 23,693	\$ 273,693	\$ 37,207	\$ 54,224	\$ 91,431
2025	265,000	3,975	268,975	250,000	18,428	268,428	38,311	53,120	91,431
2026	-	-	-	250,000	13,163	263,163	39,448	51,983	91,431
2027	-	-	-	250,000	7,898	257,898	40,619	50,812	91,431
2028	-	-	-	250,000	2,633	252,633	41,824	49,607	91,431
2029-2033	-	-	-	-	-	-	228,370	228,660	457,030
2034-2038	-	-	-	-	-	-	264,482	192,673	457,155
2039-2043	-	-	-	-	-	-	306,142	151,013	457,155
2044-2048	-	-	-	-	-	-	354,370	102,785	457,155
2049-2053	-	-	-	-	-	-	373,995	46,969	420,964
2054-2055	-	-	-	-	-	-	104,101	4,497	108,598
	<u>\$ 525,000</u>	<u>\$ 15,825</u>	<u>\$ 540,825</u>	<u>\$ 1,250,000</u>	<u>\$ 65,815</u>	<u>\$ 1,315,815</u>	<u>\$ 1,828,869</u>	<u>\$ 986,343</u>	<u>\$ 2,815,212</u>

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 7. Long-term obligations (continued):

Note Payable

On January 16, 2018, the Town entered into a loan agreement with the RI Infrastructure Bank for \$300,000 to be used to finance the Community Septic System Loan Program (CSSLP).

The \$300,000 loan is evidenced by a non-restoring line of credit promissory note. The loan bears interest of 0% and discharge of the loan is the later of the date on which all loans made by the Town under the CSSLP have been paid back or January 1, 2028. The balance of the loan as of June 30, 2023 is \$31,737 and the balance available to be draw down is \$268,263.

Bond Authorized But Unissued

Bonds authorized, but unissued at June 30, 2023 were as follows:

- Authorized June 2022 : \$2,500,000 for Road Improvement
- Authorized June 2021: \$300,000 for Chlorination System for Water Supply

Other Liabilities

The Town of Richmond currently has multiple Subscription based IT agreements. Due to the implementation of GASB 96, the agreements have been recorded at present value of the future minimum payments as of the measurement date. The schedule of payment of Subscription Based IT Agreements for June 30, 2023 are as follows:

	Principal	Interest	Total
2024	105,655	8,524	97,131
2025	105,655	8,524	97,131
2026	86,122	8,522	77,600
	\$ 297,432	\$ 25,570	\$ 271,862

Software Company	Measurement Date	Years	Ending Date
OpenGov	7/1/2022	1	6/30/2024
Clerkbase	7/1/2022	3	6/30/2026
CivicPlus	7/1/2022	3	6/30/2026
Veritkal6	7/1/2022	3	6/30/2026
Vision	7/1/2022	3	6/30/2026
WTC	7/1/2022	3	6/30/2026
UpLinkIT	7/1/2022	3	6/30/2026
CoreBusinessSolutions	7/1/2022	3	6/30/2026
Tritech	7/1/2022	3	6/30/2026

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 8. Disaggregation of Receivables and Payable Balances

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.

Accounts Payable and Accrued Expenses

The accounts payable and accrued liabilities at June 30, 2023 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 89,419	\$ 125,482	\$ 767	\$ 215,668
Capital Bond Fund	-	-	-	-
Other Nonmajor Governmental Funds	-	-	-	-
<i>Total Governmental Activities</i>	<u>\$ 89,419</u>	<u>\$ 125,482</u>	<u>\$ 767</u>	<u>\$ 215,668</u>
Business-Type Activities:				
Water Fund	\$ 11,002	\$ -	\$ -	\$ 11,002
<i>Total Business-Type Activities</i>	<u>\$ 11,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,002</u>

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 9. Net Position/Fund Balances:

	Major Funds			Non-Major Funds		Total
	General Fund	American Rescue Plan Act	Capital Bond Fund	Special Revenue	Capital Projects	
Fund Balances						
Nonspendable						
Prepaid	\$ 78,764	\$ -	\$ -	\$ -	\$ -	\$ 78,764
Restricted for						
Historical records preservation	-	-	-	34,884	-	34,884
Senior activities	-	-	-	28,271	-	28,271
Public safety programs	-	-	-	19,036	-	19,036
Recreation programs	-	-	-	1,330	-	1,330
Community service programs	-	-	-	22,699	-	22,699
Dog park	-	-	-	3,511	-	3,511
Land trust	-	-	-	18,690	-	18,690
Education scholarships	-	-	-	61,084	-	61,084
Affordable housing	-	-	-	188,161	-	188,161
Friends Cemetery	-	-	-	25,918	-	25,918
Assigned for						
Community service programs	-	54,734	-	-	-	54,734
Committed to						
Planning and inspections	-	-	-	136,861	-	136,861
Public facilities	-	-	-	-	1,285,772	1,285,772
Public safety programs	-	-	-	17,794	-	17,794
Revaluation	194,923	-	-	-	-	194,923
Comprehensive plan	7,475	-	-	-	-	7,475
Capital projects	-	-	1,669,763	-	-	1,669,763
Capital - Alton Water	19,291	-	-	-	-	19,291
Capital - Forest Woods Recreation	12,794	-	-	-	-	12,794
Landscaping projects	675	-	-	-	-	675
Landfill	50,000	-	-	-	-	50,000
COVID relief	53,246	-	-	-	-	53,246
FY24 Budget	409,038	-	-	-	-	409,038
Unassigned	5,170,834	-	-	-	-	5,170,834
	\$ 5,997,040	\$ 54,734	\$ 1,669,763	\$ 558,239	\$ 1,285,772	\$ 9,565,548

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 10. Chariho Regional School District:

The Chariho Regional School District (Regional School) was created to include a regional school for the Towns of Hopkinton, Charlestown and Richmond (the Towns), which encompasses grades K-12. The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town's enrollment, and from State aid to education. As of October 2020, the District had a total enrollment of 3,254 of which 1,157 were students from Richmond. This number was used for calculating the Town's fiscal year 2022 - 2023 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 11. 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 12. Litigation and Contingencies:

Litigation:

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

Federal 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.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 13. 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.

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

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

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

The Town had one taxpayer participating in the tax stabilization program in fiscal year 2022. The tax stabilization agreement is on the tangible property owned by the taxpayer which will be taxed at \$3,750 per year for 12 ½ years starting in fiscal year 2017. The total value of the tax abatement granted under this agreement in fiscal year 2023 was \$17,227.

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

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans:

Municipal Employees' Retirement System Plans

Defined Benefit Pension Plan

General Information about the Pension Plan

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

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

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued):

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.

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.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued):

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.

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

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued):

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.

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

c.) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,184 for 2020, \$27,608 for 2021 and \$27,901 for 2022.

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, 2022 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries	15	1
Inactive, Nonretired Members	32	3
Active Members	26	13
Subtotal	73	17

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued):

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% (2% if the employer opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (10% if employer opted to provide a COLA) 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, 2022: general employees plan - \$129,197 and police officers plan - \$108,138. The Town's contributions represented the following percentages of annual covered payroll: general employees plan - 8.77%; police officers plan - 10.77%.

Net Pension Liability (Asset) - The total pension liability (asset) was determined by actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, 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, 2022 measurement date (June 30, 2021 valuation rolled forward to June 30, 2022)	
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	7.00%
Projected Salary Increases	General Employees - 3.25% to 7.25% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

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 40 sources.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued):

The June 30, 2022 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
GROWTH		
Global equity:		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligation (CLO)	2.00%	2.95%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-total	15.00%	
	100.00%	

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued):

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

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

General Employees Plan			
Change in the Net Position Liability (Assets)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2021	\$ 3,388,575	\$ 3,532,169	\$ (143,594)
Changes for the year:			
Service cost	97,749	-	97,749
Interest on total pension liability	233,351	-	233,351
Differences between expected and actual experience of the total pension liability	55,833	-	55,833
Changes in assumptions	-	-	-
Contributions - employer	-	124,501	(124,501)
Contributions - employee	-	21,773	(21,773)
Net investment income	-	(94,554)	94,554
Benefit payments, including employee refunds	(207,729)	(207,729)	-
Administrative expense	-	(3,223)	3,223
Other changes	-	3,834	(3,834)
Net changes	179,204	(155,398)	334,602
Balance as of June 30, 2022	\$ 3,567,779	\$ 3,376,771	\$ 191,008

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued):

Police Officers Plan			
Changes in the Net Pension Liability (Asset)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of 6/30/2021	\$ 3,238,525	\$ 3,459,451	\$ (220,926)
Changes for the year:			
Service cost	165,488	-	165,488
Interest on total pension liability	231,565	-	231,565
Differences between expected and actual experience	(82,568)	-	(82,568)
Contributions - employer	-	98,067	(98,067)
Contributions - employee	-	84,866	(84,866)
Net investment income	-	(98,402)	98,402
Changes in assumptions	-	-	-
Benefit payments	(26,393)	(26,393)	-
Administrative expense	-	(3,355)	3,355
Net changes	<u>288,092</u>	<u>54,783</u>	<u>233,309</u>
Balance as of 6/30/2022	<u>\$ 3,526,617</u>	<u>\$ 3,514,234</u>	<u>\$ 12,383</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability (asset) of the employer calculated using the discount rate of 7.0 percent, as well as what the employer's net pension liability (asset) would be if it were calculated using a discount rate that is I-percentage-point lower or I-percentage-point higher than the current rate.

General Employees			
	1% Decrease	Current Discount Rate Assumption	1% Increase
	(6.00%)	(7.00%)	(8.00%)
	\$ 531,939	\$ 191,008	\$ 118,725

Police Plan			
	1% Decrease	Current Discount Rate (7.00%)	1% Increase
	(6.00%)	(7.00%)	(8.00%)
	\$ 332,224	\$ 12,383	\$ (278,081)

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued)

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, 2023, the Town recognized pension expense/(income) for the general employees plan - \$60,027; and police officers plan - \$(24,414).

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

	General Employee Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 10,389
Difference between expected and actual experience	88,460	2,422
Net difference between projected and actual earnings on pension plan investments	-	38,662
Contributions subsequent to the measurement date	129,197	-
	\$ 217,657	\$ 51,473
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ 36,987
	Year ended June 30:	
	2024	\$ 2,335
	2025	(4,558)
	2026	(32,027)
	2027	71,237
	2028	-
	Thereafter	-
	Total	\$ 36,987

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued)

Police Employee Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 106,733	\$ 12,735
Difference between expected and actual experience	5,982	448,495
Net difference between projected and actual earnings on pension plan investments	-	31,203
Contributions subsequent to the measurement date	108,138	-
	\$ 220,853	\$ 492,433
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ (379,718)
Year ended June 30:		
2024		\$ (87,508)
2025		(88,493)
2026		(101,936)
2027		19,852
2028		(43,672)
Thereafter		(77,961)
Total		\$ (379,718)

\$237,335 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.

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 14. Pension Plans (continued)

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 \$35,613 for the fiscal year ended June 30, 2023.

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>.

Note 15. Aggregate Pension Amounts Reported in the Financial Statements:

Aggregate Pension Amounts Reported in the Financial Statements:

As required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions and amendment of GASB Statement No. 34 the table below presents the aggregate amount of pension expense, pension liabilities (assets), and deferred inflows and outflows for the defined benefit plans of the Town of Tiverton, Rhode Island.

	<u>MERS General</u>	<u>MERS Police</u>	<u>Total</u>
Deferred Outflows of Resources - Pension	\$ 217,657	\$ 220,853	\$ 438,510
Deferred Inflows of Resources - Pension	51,473	492,433	543,906
Net Pension Liability	191,008	12,383	203,391
Pension Expense (income)	<u>60,027</u>	<u>(24,414)</u>	<u>35,613</u>
Total	<u>\$ 520,165</u>	<u>\$ 701,255</u>	<u>\$ 1,221,420</u>

Town of Richmond, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 16. Town of Richmond 401 (a) Plan:

Plan Description

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

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

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

The Town of Richmond recognized pension expense of \$15,378 for the fiscal year ended June 30, 2023.

Note 17. Subsequent Events:

Management has evaluated subsequent events through the report date October 25, 2023. No material events have occurred that require disclosure.

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TOWN OF RICHMOND

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:

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes in the Net Pension Liability and Related Ratios
- Schedule of Town Contributions

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

Budgetary Comparison Schedule- General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ 21,162,124	\$ 20,255,793	\$ 20,490,053	\$ 234,260
State Aid	5,932,167	6,838,498	7,216,653	378,155
Permits & fees	195,500	195,500	250,517	55,017
Licenses & fees	28,950	28,950	32,983	4,033
User fees	374,500	374,500	493,615	119,115
Fines & forfeitures	36,700	36,700	25,125	(11,575)
Interest Income	10,000	10,000	73,849	63,849
Misc Income	129,000	129,000	89,728	(39,272)
Federal Aid	87,700	87,700	34,702	(52,998)
Senior Activities	4,700	4,700	5,398	698
Appropriated reserves	-	15,794	15,794	-
Total revenues	\$27,961,341	\$27,977,135	\$ 28,728,417	\$ 751,282
Expenditures				
<i>General government</i>				
Town Council	\$ 6,997	\$ 6,997	\$ 7,005	\$ 8
Building/planning/zoning	291,973	291,973	264,894	(27,079)
Town Clerks department	238,396	238,396	265,337	26,941
Information technology	186,450	186,450	158,975	(27,475)
Legal services	127,000	127,000	208,170	81,170
Finance department	194,804	194,804	187,025	(7,779)
Tax assessor's department	134,692	134,692	119,772	(14,920)
Tax collector's department	76,323	76,323	69,784	(6,539)
Town hall/general government	55,650	55,650	55,999	349
Building maintenance department	90,558	90,558	47,671	(42,887)
Economic development	3,600	3,600	600	(3,000)
Elder affairs commission	350	350	-	(350)
Town sergeant	538	538	500	(38)
Contingency	81,000	81,000	-	(81,000)
Probate court	3,600	3,600	3,600	-
Town administration	117,492	117,492	116,676	(816)
Land trust	3,750	3,750	3,645	(105)
Conservation commission	1,900	1,900	1,617	(283)
Dog park	600	600	510	(90)
Other expense	205,000	205,000	176,768	(28,232)

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Richmond, Rhode Island
Required Supplementary Information
Budgetary Comparison Schedule- General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Public safety				
Public safety administration	109,446	109,446	102,299	(7,147)
Public safety officers	1,959,876	1,959,876	1,898,401	(61,475)
Public safety dispatch	266,712	266,712	286,101	19,389
Animal control	110,684	110,684	100,453	(10,231)
Emergency management	17,438	33,232	28,960	(4,272)
Police/community utilities	28,375	28,375	19,150	(9,225)
Public works				
Public works	1,168,362	1,168,362	1,186,923	18,561
Transfer station and recycling	250,618	250,618	322,164	71,546
Public works/transfer station	29,150	29,150	9,755	(19,395)
Recreation				
	51,112	51,112	45,753	(5,359)
Education				
	20,681,516	20,681,516	20,882,739	201,223
Community services				
Community services support	159,750	159,750	159,750	-
Senior activities	17,255	17,255	17,349	94
Canvassing authority				
	14,630	14,630	11,478	(3,152)
Debt service				
	641,639	641,639	640,889	(750)
Total expenditures	<u>\$27,327,236</u>	<u>\$27,343,030</u>	<u>\$ 27,400,712</u>	<u>\$ 57,682</u>
Excess of expenditures over revenues, budgetary basis	<u>634,105</u>	<u>634,105</u>	<u>1,327,705</u>	<u>693,600</u>
Other financing sources (uses):				
Transfers from other funds	110,431	110,431	110,431	-
Transfers to other funds	(724,536)	(724,536)	(724,536)	-
Revaluation restricted account	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>(634,105)</u>	<u>(634,105)</u>	<u>(634,105)</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 693,600</u>	<u>\$ 693,600</u>

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Richmond, Rhode Island

Required Supplementary Information

Notes to the Required Supplementary Information

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2023

Budgetary preparation and budgetary basis of accounting:

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.

The following reconciliation summarizes the difference between budgetary and GAAP basis accounting principles for the year ended June 30, 2023:

Revenues and Other Financing Sources

Actual Amount (budgetary basis)	\$ 28,838,848
Differences- Budget to GAAP:	
Unbudgeted revenues for Revaluation Fund and Comprehensive Plan Fund not included for budgetary purposes, but include for financial reporting purposes	40,519
Budgeted Transfer from the enterprise fund is included for budgetary purposes, but is not included for FS purposes	(91,431)
Budgeted use of fund balance is included for budgetary purposes but is not included for FS purposes.	<u>(15,794)</u>
<i>Total revenues and OFS as reported in the Statement of Revenues, Expenditures and changes in fund balances - governmental fund</i>	<u><u>\$ 28,772,142</u></u>

Town of Richmond, Rhode Island
Required Supplementary Information
Notes to the Required Supplementary Information
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2023

Expenditures and Other Financing Uses

Actual Amount (budgetary basis)	\$ 28,145,248
Differences- Budget to GAAP:	
Unbudgeted expenditures for Revaluation Fund and Comprehensive Plan Fund not included for budgetary purposes, but include for financial reporting purposes	57,539
Budgeted payment of debt service for the Enterprise fund is included for budgetary purposes, but is not included for FS purposes	(91,431)
Budgeted transfer to revaluation fund is included for budgetary purposes, but is not included for FS purposes	<u>(20,000)</u>
<i>Total expenditures and OFU as reported in the Statement of Revenues, Expenditures and changes in fund balances - governmental fund</i>	<u>\$ 28,091,356</u>

Town of Richmond, Rhode Island

Required Supplementary Information

General Employees' Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Years *

Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Fiscal Year Ended									
Total pension liability									
1. Service Cost	\$ 97,749	\$ 90,881	\$ 88,054	\$ 93,121	\$ 96,436	\$ 89,022	\$ 84,243	\$ 78,867	\$ 82,980
2. Interest on the Total Pension Liability	233,351	223,442	208,990	201,829	177,200	176,585	173,801	169,745	159,161
3. Changes of benefit terms	-	-	-	-	-	-	-	7,172	-
4. Difference between expected and actual experience of the Total Pension Liability	55,833	14,914	108,008	(27,698)	223,515	(81,013)	(89,581)	(80,463)	-
5. Changes of assumptions	-	-	(30,069)	-	-	116,324	-	-	8,897
6. Benefit payments, including refunds of employee contributions	(207,729)	(174,499)	(165,384)	(159,437)	(127,885)	(127,446)	(140,013)	(107,834)	(107,897)
7. Net change in total pension liability	179,204	154,738	209,599	107,815	369,266	173,472	28,450	67,487	143,141
8. Total pension liability – beginning	3,388,575	3,233,837	3,024,238	2,916,423	2,547,157	2,373,685	2,345,235	2,277,748	2,134,607
9. Total pension liability – ending (a)	3,567,779	3,388,575	3,233,837	3,024,238	2,916,423	2,547,157	2,373,685	2,345,235	2,277,748
Plan fiduciary net position									
1. Contributions – employer	124,501	117,144	131,748	99,782	98,796	102,529	105,589	105,664	96,455
2. Contributions – employee	21,773	27,891	26,878	26,464	24,576	23,739	21,668	10,150	9,770
3. Net investment income	(94,554)	763,959	95,687	156,940	181,512	234,153	(702)	47,756	264,216
4. Benefit payments, including refunds of employee contributions	(207,729)	(174,499)	(165,384)	(159,437)	(127,885)	(127,446)	(140,013)	(107,834)	(107,897)
5. Pension Plan Administrative Expense	(3,223)	(2,911)	(2,636)	(2,453)	(2,416)	(2,212)	(1,888)	(1,701)	(1,655)
6. Other	3,834	179,588	78	(12,398)	46,243	(48,318)	(1)	-	60
7. Net change in plan fiduciary net position	(155,398)	911,172	86,371	108,898	220,826	182,445	(15,347)	54,035	260,949
8. Plan fiduciary net position – beginning	3,532,169	2,620,997	2,534,626	2,425,728	2,204,902	2,022,457	2,037,804	1,983,769	1,722,820
9. Plan fiduciary net position – ending (b)	3,376,771	3,532,169	2,620,997	2,534,626	2,425,728	2,204,902	2,022,457	2,037,804	1,983,769
Net pension liability - ending (a) - (b)	\$ 191,008	\$ (143,594)	\$ 612,840	\$ 489,612	\$ 490,695	\$ 342,255	\$ 351,228	\$ 307,431	\$ 293,979
Plan fiduciary net position as a percentage of the total pension liability	94.65%	104.24%	81.05%	83.81%	83.17%	86.56%	85.20%	86.89%	87.09%
Covered employee payroll	\$ 1,445,992	\$ 1,368,684	\$ 1,336,182	\$ 1,282,665	\$ 1,180,362	\$ 1,132,597	\$ 1,051,724	\$ 1,015,021	\$ 972,797
Net pension liability as a percentage of covered payroll	13.21%	-10.49%	45.87%	38.17%	41.57%	30.22%	33.40%	30.29%	30.22%

Notes:

- Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available.
- The amounts presented for the fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Richmond, Rhode Island

Required Supplementary Information

General Employees' Pension Plan

Schedule of Contributions

*Last Ten Years **

	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 129,197	\$ 124,501	\$ 117,144	\$ 131,748	\$ 99,782	\$ 98,796	\$ 102,529	\$ 105,589	\$ 105,664
Contributions in relation to the actuarially determined contribution	129,197	124,501	117,144	131,748	99,782	98,796	102,529	105,589	105,664
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	<u>\$ 1,473,170</u>	<u>\$ 1,445,992</u>	<u>\$ 1,368,684</u>	<u>\$ 1,336,182</u>	<u>\$ 1,282,665</u>	<u>\$ 1,180,362</u>	<u>\$ 1,132,597</u>	<u>\$ 1,051,724</u>	<u>\$ 1,015,021</u>
Contributions as a percentage of covered payroll	8.77%	8.61%	8.56%	9.86%	7.78%	8.37%	9.05%	10.04%	10.41%

Notes:

- Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available.
- The amounts presented for fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

Town of Richmond, Rhode Island

Required Supplementary Information

Police Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Years *

Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Fiscal Year Ended	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Total pension liability									
1. Service Cost	\$ 165,488	\$ 157,058	\$ 155,734	\$ 145,157	\$ 135,620	\$ 125,571	\$ 117,007	\$ 110,292	\$ 98,579
2. Interest on the Total Pension Liability	231,565	207,104	198,412	179,442	172,525	157,222	145,968	130,490	121,078
3. Changes of benefit terms	-	-	-	-	-	-	-	86,007	-
4. Difference between expected and actual experience of the Total Pension Liability	(82,568)	7,464	(260,561)	(26,545)	(181,743)	(43,450)	(90,309)	(97,139)	-
5. Changes of assumptions	-	-	56,313	-	-	150,620	-	-	(54,846)
6. Benefit payments, including refunds of employee contributions	(26,393)	(26,392)	(26,392)	(38,304)	(26,392)	(26,892)	(26,892)	(26,394)	(63,940)
7. Net change in total pension liability	288,092	345,234	123,506	259,750	100,010	363,071	145,774	203,256	100,871
8. Total pension liability – beginning	3,238,525	2,893,291	2,769,785	2,510,035	2,410,025	2,046,954	1,901,180	1,697,924	1,597,053
9. Total pension liability – ending (a)	<u>3,526,617</u>	<u>3,238,525</u>	<u>2,893,291</u>	<u>2,769,785</u>	<u>2,510,035</u>	<u>2,410,025</u>	<u>2,046,954</u>	<u>1,901,180</u>	<u>1,697,924</u>
Plan fiduciary net position									
1. Contributions – employer	98,067	108,507	100,404	74,712	72,114	85,456	90,160	87,587	57,398
2. Contributions – employee	84,866	80,177	77,565	72,458	67,961	70,238	65,623	50,296	60,573
3. Net investment income	(98,402)	748,231	93,160	143,007	154,144	190,537	(579)	36,131	185,875
4. Benefit payments, including refunds of employee contributions	(26,393)	(26,392)	(26,392)	(38,304)	(26,392)	(26,892)	(26,892)	(26,394)	(63,940)
5. Pension Plan Administrative Expense	(3,355)	(2,851)	(2,567)	(2,235)	(2,052)	(1,800)	(1,558)	(1,448)	(1,164)
6. Other	-	-	1	(1)	-	(191,845)	(1)	-	1
7. Net change in plan fiduciary net position	54,783	907,672	242,171	249,637	265,775	125,694	126,753	146,172	238,743
8. Plan fiduciary net position – beginning	3,459,451	2,551,779	2,309,608	2,059,971	1,794,196	1,668,502	1,541,749	1,395,577	1,156,834
9. Plan fiduciary net position – ending (b)	<u>3,514,234</u>	<u>3,459,451</u>	<u>2,551,779</u>	<u>2,309,608</u>	<u>2,059,971</u>	<u>1,794,196</u>	<u>1,668,502</u>	<u>1,541,749</u>	<u>1,395,577</u>
Net pension liability - ending (a) - (b)	<u>\$ 12,383</u>	<u>\$ (220,926)</u>	<u>\$ 341,512</u>	<u>\$ 460,177</u>	<u>\$ 450,064</u>	<u>\$ 615,829</u>	<u>\$ 378,452</u>	<u>\$ 359,431</u>	<u>\$ 302,347</u>
Plan fiduciary net position as a percentage of the total pension liability	99.65%	106.82%	88.20%	83.39%	82.07%	74.45%	81.51%	81.09%	82.19%
Covered employee payroll	\$ 942,953	\$ 890,858	\$ 861,838	\$ 805,085	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512	\$ 644,730
Net pension liability as a percentage of covered payroll	1.31%	-24.80%	39.63%	57.16%	59.60%	78.91%	52.04%	50.02%	46.90%

Notes:

- Employers participating in the Municipal Employee’s Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available
- The amounts presented for the fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

*See accompanying notes to required supplementary information
See independent auditor’s report*

Town of Richmond, Rhode Island

Required Supplementary Information

Police Pension Plan

Schedule of Contribution

*Last Ten Years **

	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 108,138	\$ 98,067	\$ 108,507	\$ 100,404	\$ 74,712	\$ 72,114	\$ 85,456	\$ 90,160	\$ 87,587
Contributions in relation to the actuarially determined contribution	108,138	98,067	108,507	100,404	74,712	72,114	85,456	90,160	87,587
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,004,068	\$ 942,953	\$ 890,858	\$ 861,838	\$ 805,085	\$ 755,121	\$ 780,428	\$ 727,204	\$ 718,512
Contributions as a percentage of covered payroll	10.77%	10.40%	12.18%	11.65%	9.28%	9.55%	10.95%	12.40%	12.19%

Notes:

- Employers participating in the Municipal Employee’s Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available
- The amounts presented for the fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

Town of Richmond, Rhode Island

Notes to Required Supplementary Information

General Employee and Police Pension Plans

For the Year Ended June 30, 2023

Schedule of Proportionate Share of the Net Pension Liability (Asset)

The net pension liability amounts presented as of the June 30, 2023 was determined as part of the actuarial valuation performed as of June 30, 2021 and rolled forward to June 30, 2022, the measurement date. Additional information, including actuarial methods and assumptions, are presented the Notes to the financial statements.

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

The following summarizes the more significant changes in assumptions and benefit and were reflected in the determination of the net pension liability as of the:

June 30, 2022 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2022 measurement date compared to the June 30, 2021 measurement date

June 30, 2021 measurement date –

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

June 30, 2020 measurement date –

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

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

June 30, 2019 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

Town of Richmond, Rhode Island

Notes to Required Supplementary Information

General Employee and Police Pension Plans

For the Year Ended June 30, 2023

June 30, 2017 measurement date –

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

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

June 30, 2016 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

June 30, 2015 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less

Town of Richmond, Rhode Island

Notes to Required Supplementary Information

General Employee and Police Pension Plans

For the Year Ended June 30, 2023

than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.

- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

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

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

TOWN OF RICHMOND

Supplementary Information

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

- Combining Financial Statements – General Fund
- Combining Fund Financial Statements – Non-Major Governmental Funds
- Combining Financial Statements – Special Revenue Funds
- Combining Financial Statements – Private Purpose Trust Fund
- Tax Collectors Annual Report

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Town of Richmond, Rhode Island

Supplementary Information

General Fund

Combining Balance Sheet

June 30, 2023

	General Fund	Revaluation Fund	Comprehensive Plan Fund	Elimination Entries	Total General Fund
Assets					
Cash and cash equivalents	\$ 8,824,269	\$ -	\$ -	\$ -	\$ 8,824,269
Property taxes, net of allowances for doubletful accounts of \$300,000	1,058,698	-	-	-	1,058,698
Accounts receivable	82,099	-	-	-	82,099
Interfund receivable	-	-	-	-	-
Due from federal and state government	179,378	-	-	-	179,378
Due from other funds	-	194,923	7,475	(202,398)	-
Prepaid items	78,764	-	-	-	78,764
Total assets	\$ 10,223,208	\$ 194,923	\$ 7,475	\$ (202,398)	\$ 10,223,208
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable and accrued expenditures	215,668	-	-	-	215,668
Due to other funds	3,427,394	-	-	(202,398)	3,224,996
Interfund payable	30,505	-	-	-	30,505
Other liabilities	92,718	-	-	-	92,718
Total liabilities	3,766,285	-	-	(202,398)	3,563,887
Deferred Inflows of Resources					
Unavailable revenue - property taxes	662,281	-	-	-	662,281
Total deferred inflows of resources	662,281	-	-	-	662,281
Fund Balances					
Nonspendable	78,764	-	-	-	78,764
Committed for:					
Revaluation	-	194,923	-	-	194,923
Comprehensive Plan	-	-	7,475	-	7,475
Capital - Alton Water	19,291	-	-	-	19,291
Capital - Foster Woods recreation	12,794	-	-	-	12,794
Landscaping projects	675	-	-	-	675
Landfill	50,000	-	-	-	50,000
COVID relief	53,246	-	-	-	53,246
Fiscal 2024 Budget	409,038	-	-	-	409,038
Unassigned	5,170,834	-	-	-	5,170,834
Total fund balances	5,794,642	194,923	7,475	-	5,997,040
Total liabilities, deferred inflows of resources and fund balances	\$ 10,223,208	\$ 194,923	\$ 7,475	\$ (202,398)	\$ 10,223,208

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2023

	General Fund	Revaluation Fund	Comprehensive Plan Fund	Elimination Entries	Total General Fund
Revenues					
Property taxes	\$ 20,490,053	\$ -	\$ -	\$ -	\$ 20,490,053
Intergovernmental revenue	7,251,355	37,519	-	-	7,288,874
License, permits and fees	802,240	-	-	-	802,240
Interest on investments	73,849	-	-	-	73,849
Other revenue	114,126	-	3,000	-	117,126
Total revenues	28,731,623	37,519	3,000	-	28,772,142
Expenditures					
General government	1,453,641	55,597	1,942	-	1,511,180
Public safety	2,420,311	-	-	-	2,420,311
Public works	1,585,663	-	-	-	1,585,663
Recreation and culture	49,908	-	-	-	49,908
Education	20,882,739	-	-	-	20,882,739
Community services	356,084	-	-	-	356,084
Canvassing authority	11,478	-	-	-	11,478
Debt service:					
Principal	500,000	-	-	-	500,000
Interest and other charges	49,458	-	-	-	49,458
Total expenditures	27,309,282	55,597	1,942	-	27,366,821
Excess (deficiency) of revenues over (under) expenditures before other financing source (uses)	1,422,341	(18,078)	1,058	-	1,405,321
Other financing sources (uses)					
Transfer in	-	20,000	-	(20,000)	-
Transfer out	(744,536)	-	-	20,000	(724,536)
Total other financing sources (uses)	(744,536)	20,000	-	-	(724,536)
Net changes in fund balances	677,805	1,922	1,058	-	680,785
Fund balance - beginning of year	5,116,836	193,001	6,418	-	5,316,255
Fund balance - end of year	\$ 5,794,641	\$ 194,923	\$ 7,476	\$ -	\$ 5,997,040

See independent auditor's report

TOWN OF RICHMOND

Combining Fund Financial Statements

Non-Major Governmental Funds – Special Revenue

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

- Historical Records Trust
- Police Grants
- Legislative Senior Center
- Legislative Recreation
- Opioid Crisis Grant
- Technology Grant
- Community Development Block Grant
- Senior Crafts
- Senior Activities Grant
- Kimball Foundation
- Forfeitures
- Community Septic Loan Program
- Affordable Housing
- Recreation Donation
- Crawley Properties
- Friends Cemetery
- Emily Anthony
- Planning Board
- Land Trust
- Healthcare Meds Grant
- Dog Park Donations
- Spay/Neuter Fund
- ACO Adoptions
- Animal Control Stray & Homeless
- Conservation

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TOWN OF RICHMOND

Combining Fund Financial Statements

Non-Major Governmental Funds – Capital Projects

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

- Public Facilities Construction Fund
- Public Facilities Maintenance Fund

Town of Richmond, Rhode Island

Supplementary Information

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2023

	Special Revenue Funds	Capital Projects		Total Nonmajor Governmental Funds
		Public Facilities Construction Fund	Public Facilities Maintenance Fund	
Assets				
Cash and cash equivalents	\$ 188,161	\$ -	\$ -	\$ 188,161
Accounts receivable	31,737	-	-	31,737
Due from federal and state government	2,000	-	-	2,000
Due from other funds	368,952	1,190,655	95,117	1,654,724
Total assets	\$ 590,850	\$ 1,190,655	\$ 95,117	\$ 1,876,622
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -
Due to other funds	874	-	-	874
Other liabilities	-	-	-	-
Total liabilities	874	-	-	874
Deferred Inflows of Resources				
Other deferred inflows	31,737	-	-	31,737
Total deferred inflows of resources	31,737	-	-	31,737
Fund Balances				
Restricted for:				
Historical records preservation	34,884	-	-	34,884
Senior activities	28,271	-	-	28,271
Public safety programs	19,036	-	-	19,036
Recreation programs	1,330	-	-	1,330
Community service programs	22,699	-	-	22,699
Dog park	3,511	-	-	3,511
Land trust	18,690	-	-	18,690
Education scholarships	61,084	-	-	61,084
Affordable housing	188,161	-	-	188,161
Friends Cemetery	25,918	-	-	25,918
Committed for:				
Planning inspections	136,861	-	-	136,861
Public facilities	-	1,190,655	95,117	1,285,772
Public safety programs	17,794	-	-	17,794
Total fund balances	558,239	1,190,655	95,117	1,844,011
Total liabilities, deferred inflows of resources and fund balances	\$ 590,850	\$ 1,190,655	\$ 95,117	\$ 1,876,622

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects		Total Nonmajor Governmental Funds
		Public Facilities Construction Fund	Public Facilities Maintenance Fund	
Revenues				
Intergovernmental revenue	\$ 40,732	\$ -	\$ -	\$ 40,732
License, permits and fees	74,102	89,443	-	163,545
Interest on investments	7,502	-	-	7,502
Other revenue	12,165	-	-	12,165
Total revenues	<u>134,501</u>	<u>89,443</u>	<u>-</u>	<u>223,944</u>
Expenditures				
General government	20,841	-	-	20,841
Public safety	5,919	-	-	5,919
Public works	-	-	3,104	3,104
Recreation	2,215	-	-	2,215
Community service	36,217	-	-	36,217
Debt service	4,645	-	-	4,645
Total expenditures	<u>69,837</u>	<u>-</u>	<u>3,104</u>	<u>72,941</u>
Net changes in fund balances	64,664	89,443	(3,104)	151,003
Fund balance - beginning of year	<u>493,575</u>	<u>1,101,212</u>	<u>98,221</u>	<u>1,693,008</u>
Fund balance - end of year	<u>\$ 558,239</u>	<u>\$ 1,190,655</u>	<u>\$ 95,117</u>	<u>\$ 1,844,011</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Special Revenue Funds

Combining Balance Sheet

June 30, 2023

	Historical Records Trust	Police Grants	Legislative Senior Center	Legislative Recreation	Opioid Crisis Grant	Technology Grant
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivables	-	-	-	-	-	-
Due from other federal and state governments	-	-	-	-	-	-
Due from other funds	7,322	-	6,214	1,080	3,850	27,562
Total assets	<u>7,322</u>	<u>-</u>	<u>6,214</u>	<u>1,080</u>	<u>3,850</u>	<u>27,562</u>
Deferred Outflows of Resources						
None	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>7,322</u>	<u>-</u>	<u>6,214</u>	<u>1,080</u>	<u>3,850</u>	<u>27,562</u>
Liabilities						
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted	7,322	-	6,214	1,080	3,850	27,562
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>7,322</u>	<u>-</u>	<u>6,214</u>	<u>1,080</u>	<u>3,850</u>	<u>27,562</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 7,322</u>	<u>\$ -</u>	<u>\$ 6,214</u>	<u>\$ 1,080</u>	<u>\$ 3,850</u>	<u>\$ 27,562</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Special Revenue Funds

Combining Balance Sheet

June 30, 2023

	Community Development Block Grant	Senior Crafts	Senior Activities Grant	Kimball Foundation	Forfeitures	Community Septic Loan Program	Affordable Housing
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,161
Accounts receivables	-	-	-	-	-	31,737	-
Due from other federal and state governments	-	-	-	-	-	-	-
Due from other funds	11,460	8,003	14,054	8,867	1,246	-	-
Total assets	<u>11,460</u>	<u>8,003</u>	<u>14,054</u>	<u>8,867</u>	<u>1,246</u>	<u>31,737</u>	<u>188,161</u>
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>11,460</u>	<u>8,003</u>	<u>14,054</u>	<u>8,867</u>	<u>1,246</u>	<u>31,737</u>	<u>188,161</u>
Liabilities							
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources							
Deferred revenue	-	-	-	-	-	31,737	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,737</u>	<u>-</u>
Fund Balances							
Restricted	11,460	8,003	14,054	8,867	1,246	-	188,161
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>11,460</u>	<u>8,003</u>	<u>14,054</u>	<u>8,867</u>	<u>1,246</u>	<u>-</u>	<u>188,161</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 11,460</u>	<u>\$ 8,003</u>	<u>\$ 14,054</u>	<u>\$ 8,867</u>	<u>\$ 1,246</u>	<u>\$ 31,737</u>	<u>\$ 188,161</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Special Revenue Funds

Combining Balance Sheet

June 30, 2023

	Recreation Donation	Crawley Property	Friends Cemetery	Emily Anthony	Planning Board	Land Trust
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivables	-	-	-	-	-	-
Due from other federal and state governments	-	-	-	-	-	-
Due from other funds	250	4,317	25,918	61,084	136,861	14,373
Total assets	<u>250</u>	<u>4,317</u>	<u>25,918</u>	<u>61,084</u>	<u>136,861</u>	<u>14,373</u>
Deferred Outflows of Resources						
None	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>250</u>	<u>4,317</u>	<u>25,918</u>	<u>61,084</u>	<u>136,861</u>	<u>14,373</u>
Liabilities						
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted	250	4,317	25,918	61,084	-	14,373
Committed	-	-	-	-	136,861	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>250</u>	<u>4,317</u>	<u>25,918</u>	<u>61,084</u>	<u>136,861</u>	<u>14,373</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 250</u>	<u>\$ 4,317</u>	<u>\$ 25,918</u>	<u>\$ 61,084</u>	<u>\$ 136,861</u>	<u>\$ 14,373</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Special Revenue Funds

Combining Balance Sheet

June 30, 2023

	Healthcare Meds Grant	Dog Park Donations	Spay/Neuter Fund	ACO Adoptions	Animal Control Stray & Homeless	Conservation	Total
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,161
Accounts receivables	-	-	-	-	-	-	31,737
Due from other federal and state governments	-	-	-	-	-	2,000	2,000
Due from other funds	5,077	3,511	10,109	13,948	3,846	-	368,952
Total assets	<u>5,077</u>	<u>3,511</u>	<u>10,109</u>	<u>13,948</u>	<u>3,846</u>	<u>2,000</u>	<u>590,850</u>
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>5,077</u>	<u>3,511</u>	<u>10,109</u>	<u>13,948</u>	<u>3,846</u>	<u>2,000</u>	<u>590,850</u>
Liabilities							
Due to other funds	-	-	-	-	-	874	874
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>874</u>	<u>874</u>
Deferred Inflows of Resources							
Deferred revenue	-	-	-	-	-	-	31,737
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,737</u>
Fund Balances							
Restricted	5,077	3,511	10,109	-	-	1,126	403,584
Committed	-	-	-	13,948	3,846	-	154,655
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>5,077</u>	<u>3,511</u>	<u>10,109</u>	<u>13,948</u>	<u>3,846</u>	<u>1,126</u>	<u>558,239</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 5,077</u>	<u>\$ 3,511</u>	<u>\$ 10,109</u>	<u>\$ 13,948</u>	<u>\$ 3,846</u>	<u>\$ 2,000</u>	<u>\$ 590,850</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2023

	Historical Records Trust	Police Grants	Legislative Senior Center	Legislative Recreation	Opioid Crisis Grant	Technology Grant
Revenues						
Intergovernmental revenue	\$ -	\$ 293	\$ 8,906	\$ 2,000	\$ 3,350	\$ -
License, permits and fees	-	-	-	-	-	4,681
Interest on investments	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>293</u>	<u>8,906</u>	<u>2,000</u>	<u>3,350</u>	<u>4,681</u>
Expenditures						
General government	8,198	-	-	-	-	1,029
Public safety	-	1,298	-	-	3,000	-
Recreation	-	-	-	-	-	-
Community service	-	-	8,038	2,473	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>8,198</u>	<u>1,298</u>	<u>8,038</u>	<u>2,473</u>	<u>3,000</u>	<u>1,029</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	(8,198)	(1,005)	868	(473)	350	3,652
Other financing sources (uses)						
Transfers from (to) other funds	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(8,198)	(1,005)	868	(473)	350	3,652
Fund Balance, July 1, 2022	<u>15,520</u>	<u>1,005</u>	<u>5,346</u>	<u>1,553</u>	<u>3,500</u>	<u>23,910</u>
Fund Balance, June 30, 2023	<u>\$ 7,322</u>	<u>\$ -</u>	<u>\$ 6,214</u>	<u>\$ 1,080</u>	<u>\$ 3,850</u>	<u>\$ 27,562</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2023

	Community Development Block Grant	Senior Crafts	Senior Activities Grant	Kimball Foundation	Forfeitures	Community Septic Loan Program	Affordable Housing
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 15,000	\$ 1,246	\$ -	\$ -
License, permits and fees	-	-	-	-	-	-	-
Interest on investments	-	-	-	-	-	-	4,978
Other revenue	-	800	2,500	-	-	4,645	-
Total revenues	<u>-</u>	<u>800</u>	<u>2,500</u>	<u>15,000</u>	<u>1,246</u>	<u>4,645</u>	<u>4,978</u>
Expenditures							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Community service	-	999	2,939	6,133	-	-	-
Debt service	-	-	-	-	-	4,645	-
Total expenditures	<u>-</u>	<u>999</u>	<u>2,939</u>	<u>6,133</u>	<u>-</u>	<u>4,645</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	-	(199)	(439)	8,867	1,246	-	4,978
Other financing sources (uses)							
Transfers from (to) other funds	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>(199)</u>	<u>(439)</u>	<u>8,867</u>	<u>1,246</u>	<u>-</u>	<u>4,978</u>
Fund Balance, July 1, 2022	<u>11,460</u>	<u>8,202</u>	<u>14,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,183</u>
Fund Balance, June 30, 2023	<u>\$ 11,460</u>	<u>\$ 8,003</u>	<u>\$ 14,054</u>	<u>\$ 8,867</u>	<u>\$ 1,246</u>	<u>\$ -</u>	<u>\$ 188,161</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2023

	<u>Recreation Donation</u>	<u>Crawley Property</u>	<u>Friends Cemetery</u>	<u>Emily Anthony</u>	<u>Planning Board</u>	<u>Land Trust</u>
Revenues						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License, permits and fees	-	-	600	-	64,500	-
Interest on investments	-	119	727	1,678	-	-
Other revenue	-	-	-	2,530	-	1,190
Total revenues	<u>-</u>	<u>119</u>	<u>1,327</u>	<u>4,208</u>	<u>64,500</u>	<u>1,190</u>
Expenditures						
General government	-	-	1,470	-	10,144	-
Public safety	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Community service	-	-	-	1,602	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,470</u>	<u>1,602</u>	<u>10,144</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	-	119	(143)	2,606	54,356	1,190
Other financing sources (uses)						
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	119	(143)	2,606	54,356	1,190
Fund Balance, July 1, 2022	<u>250</u>	<u>4,198</u>	<u>26,061</u>	<u>58,478</u>	<u>82,505</u>	<u>13,183</u>
Fund Balance, June 30, 2023	<u>\$ 250</u>	<u>\$ 4,317</u>	<u>\$ 25,918</u>	<u>\$ 61,084</u>	<u>\$ 136,861</u>	<u>\$ 14,373</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2023

	Healthcare Meds Grant	Dog Park Donations	Spay/Neuter Fund	ACO Adoptions	Animal Control Stray & Homeless	Conservation	Total
Revenues							
Intergovernmental revenue	\$ 811	\$ -	\$ -	\$ -	\$ -	\$ 9,126	\$ 40,732
License, permits and fees	-	-	816	3,210	295	-	74,102
Interest on investments	-	-	-	-	-	-	7,502
Other revenue	-	500	-	-	-	-	12,165
Total revenues	<u>811</u>	<u>500</u>	<u>816</u>	<u>3,210</u>	<u>295</u>	<u>9,126</u>	<u>134,501</u>
Expenditures							
General government	-	-	-	-	-	-	20,841
Public safety	-	-	1,621	-	-	-	5,919
Recreation	-	-	-	2,215	-	-	2,215
Community service	1,119	4,914	-	-	-	8,000	36,217
Debt service	-	-	-	-	-	-	4,645
Total expenditures	<u>1,119</u>	<u>4,914</u>	<u>1,621</u>	<u>2,215</u>	<u>-</u>	<u>8,000</u>	<u>69,837</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	(308)	(4,414)	(805)	995	295	1,126	64,664
Other financing sources (uses)							
Transfers from (to) other funds	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(308)</u>	<u>(4,414)</u>	<u>(805)</u>	<u>995</u>	<u>295</u>	<u>1,126</u>	<u>64,664</u>
Fund Balance, July 1, 2022	<u>5,385</u>	<u>7,925</u>	<u>10,914</u>	<u>12,953</u>	<u>3,551</u>	<u>-</u>	<u>493,575</u>
Fund Balance, June 30, 2023	<u>\$ 5,077</u>	<u>\$ 3,511</u>	<u>\$ 10,109</u>	<u>\$ 13,948</u>	<u>\$ 3,846</u>	<u>\$ 1,126</u>	<u>\$ 558,239</u>

See independent auditor's report

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TOWN OF RICHMOND

Combining Fund Financial Statements

Private Purpose Trust Fund

Private Purpose Trust Fund are used 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.

- Wood River Cemetery
- Historical Cemetery
- White Brook Cemetery
- Town Farm
- Link Cemetery
- Clark Cemetery
- J. Crawford Fenner
- Matt Lindman

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Town of Richmond, Rhode Island

Supplementary Information

Private Purpose Trust Funds

Combining Statement of Net Position

June 30, 2023

	Wood River Cemetery Funds	Historical Cemetery Fund	White Brook Cemetery Fund	Town Farm Fund	Link Cemetery Fund	Clarke Cemetery Fund	J Crawford Fenner Fund	Matt Lindman Fund	Total
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ 2,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,922
Investments	-	-	151,841	-	-	-	-	-	151,841
Interfund receivable	9,338	10,235	-	1,336	885	3,740	3,746	1,238	30,518
Total assets	<u>9,338</u>	<u>10,235</u>	<u>154,763</u>	<u>1,336</u>	<u>885</u>	<u>3,740</u>	<u>3,746</u>	<u>1,238</u>	<u>185,281</u>
Liabilities									
Interfund payable	-	-	13	-	-	-	-	-	13
Total liabilities	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
Net position									
Restricted for individual and other organizations	9,338	10,235	154,750	1,336	885	3,740	3,746	1,238	185,268
Total liabilities and net position	<u>\$ 9,338</u>	<u>\$ 10,235</u>	<u>\$ 154,763</u>	<u>\$ 1,336</u>	<u>\$ 885</u>	<u>\$ 3,740</u>	<u>\$ 3,746</u>	<u>\$ 1,238</u>	<u>\$ 185,281</u>

See independent auditor's report

Town of Richmond, Rhode Island
 Supplementary Information
 Private Purpose Trust Funds
 Combining Statement of Changes in Net Position
 For the year ended June 30, 2023

	Wood River Cemetery Funds	Historical Cemetery Fund	White Brook Cemetery Fund	Town Farm Fund	Link Cemetery Fund	Clarke Cemetery Fund	J Crawford Fenner Fund	Matt Lindman Fund	Total
Additions									
Net increase/(decrease) in fair value of investments	\$ -	\$ -	\$ 6,997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,997
Interest and dividend income	257	281	5,824	37	24	103	103	34	6,663
Other	-	-	-	-	-	-	-	-	-
Total additions	<u>257</u>	<u>281</u>	<u>12,821</u>	<u>37</u>	<u>24</u>	<u>103</u>	<u>103</u>	<u>34</u>	<u>13,660</u>
Deductions									
Miscellaneous	93	-	5,800	-	-	-	37	-	5,930
Total deductions	<u>93</u>	<u>-</u>	<u>5,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>5,930</u>
Change in net position	164	281	7,021	37	24	103	66	34	7,730
Net position, July 1, 2022	<u>9,174</u>	<u>9,954</u>	<u>147,729</u>	<u>1,299</u>	<u>861</u>	<u>3,637</u>	<u>3,680</u>	<u>1,204</u>	<u>177,538</u>
Net position, June 30, 2023	<u>\$ 9,338</u>	<u>\$ 10,235</u>	<u>\$ 154,750</u>	<u>\$ 1,336</u>	<u>\$ 885</u>	<u>\$ 3,740</u>	<u>\$ 3,746</u>	<u>\$ 1,238</u>	<u>\$ 185,268</u>

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2023

Fiscal Year	Balance July 1, 2022	Current Year Assessment	Additions	Abatements	Refunds/ Adjustments	Amount to be collected	Current Year Collections	Balance, June 30, 2023	July-August 2022 Collections Subject to 60-day FY22 Accrual	September- June 2023 Collections	Total FY23 Cash Collections	July-August 2023 Collections Subject to 60-day FY22 Accrual
2023	\$ -	\$ 20,364,735	\$ 56,994	(20,891)	(3,126)	20,397,712	19,626,375	771,337	-	19,626,375	19,626,375	309,539
2022	687,184	-	1,540	(11,868)	27,964	704,819	576,454	128,365	178,896	397,558	576,454	81,648
2021	75,075	-	-	-	(47)	75,028	32,769	42,259	24,889	7,880	32,769	4,296
2020	42,933	-	-	-	306	43,239	7,097	36,142	3,430	3,667	7,097	934
2019	34,748	-	-	-	-	34,748	2,340	32,408	9	2,331	2,340	-
2018	36,885	-	-	-	-	36,885	26	36,859	8	18	26	-
2017	40,757	-	-	-	-	40,757	575	40,182	-	575	575	-
2016	34,359	-	-	-	-	34,359	779	33,580	109	670	779	-
2015	34,561	-	-	-	-	34,561	10	34,551	10	-	10	-
2014	34,284	-	-	-	-	34,284	109	34,175	-	109	109	-
2013	33,333	-	-	-	-	33,333	10	33,323	-	10	10	-
2012	26,486	-	-	-	-	26,486	15	26,471	15	-	15	-
2011	22,571	-	-	-	-	22,571	55	22,516	54	1	55	-
2010	10,458	-	-	-	-	10,458	6	10,452	-	6	6	-
2009	16,743	-	-	-	-	16,743	20	16,723	-	20	20	-
2008	16,045	-	-	-	-	16,045	37	16,008	-	37	37	-
2007	15,639	-	-	-	-	15,639	-	15,639	-	-	-	-
2006	15,066	-	-	-	-	15,066	-	15,066	-	-	-	-
2005	12,641	-	-	-	-	12,641	-	12,641	-	-	-	-
	\$ 1,189,768	\$ 20,364,735	\$ 58,534	\$ (32,759)	\$ 25,097	\$ 21,605,375	\$ 20,246,677	\$ 1,358,698	\$ 207,420	\$ 20,039,257	\$ 20,246,677	\$ 396,417
Allowance for Uncollectible Accounts	\$ (300,000)							\$ (300,000)				
Net Property Tax Receivable	\$ 889,768							\$ 1,058,698				

See independent auditor's report

Town of Richmond, Rhode Island

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2023

Schedule of Net Assessed Property, Value by Category

Description of Property	Valuations December 31, 2021	Levy July 1, 2022
Real Property	\$ 998,159,912	\$ 20,542,131
Tangible	28,451,972	585,480
Total	\$ 1,026,611,884	\$ 21,127,611
Exemptions	\$ (37,068,803)	\$ (762,876)
Net Assessed Value	\$ 989,543,081	\$ 20,364,735

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 20,246,677
July-August 2023 Collections Subject to 60-day FY23 Accrual	\$ 396,417
	\$ 20,643,094
July-Augst 2022 Collections Subject to 60-day FY22 Accrual	\$ (207,420)
	\$ 20,435,674
Current Year Property Tax Revenue	\$ 20,435,674

See independent auditor's report

TOWN OF RICHMOND

Other Supplementary Information

The Annual Supplemental Transparency Report Schedules (MTP2)
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
Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education
Department
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

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Town of Richmond, Rhode Island
Annual Supplemental Transparency Report Schedules (MTP2)

For the Year Ended June 30, 2023

<u>REVENUE</u>	<u>Municipal</u>
Current Year Levy Tax Collection	\$ 19,938,957
Last Year's Levy Tax Collection	451,095
Prior Years Property Tax Collection	20,481
Interest & Penalty	73,745
PILOT & Tax Treaty (excluded from levy) Collection	-
Other Local Property Taxes	5,775
Licenses and Permits	283,500
Fines and Forfeitures	25,125
Investment Income	126,236
Departmental	499,013
Rescue Run Revenue	-
Police & Fire Detail	155,653
Other Local Non-Property Tax Revenues	105,178
Tuition	-
Impact Aid	-
Medicaid	-
Federal Stabilization Funds	-
Federal Food Service Reimbursement	-
CDBG	-
COPS Grants	21,667
SAFER Grants	-
Other Federal Aid Funds	861
COVID - ESSER	-
COVID - CRF	-
COVID - CDBG	-
COVID - FEMA	-
COVID - Other	-
COVID - ARPA	598,335
MV Excise Tax Reimbursement	-
State PILOT Program	-
Distressed Community Relief Fund	-
Library Resource Aid	-
Library Construction Aid	-
Public Service Corporation Tax	106,875
Meals & Beverage Tax / Hotel Tax	246,821
LEA Aid	-
Group Home	-
Housing Aid Capital Projects	-
Housing Aid Bonded Debt	-
State Food Service Revenue	-
Incentive Aid	-
Property Revaluation Reimbursement	37,519
Other State Revenue	5,414,857
Motor Vehicle Phase Out	1,448,100
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	<u>\$ 29,559,793</u>
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	-
Financing Sources: Debt Proceeds	-
Financing Sources: Other	-
Rounding	-
Total Other Financing Sources	<u>\$ -</u>

See independent auditor report

Town of Richmond, Rhode Island

Supplementary Information

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2023

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 280,015	\$ 267,534	\$ -	\$ -	\$ 148,825	\$ -	\$ 591,375	\$ 33,237	\$ 1,192,308
Compensation - Group B	-	-	-	-	-	-	-	-	220,683
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	1,211	3,796	-	-	1,998	-	33,337	-	154,562
Overtime - Group B	-	-	-	-	-	-	-	-	58,367
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	149,103
Active Medical Insurance - Group A	68,172	27,692	-	-	26,334	-	110,857	-	171,975
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	42,172
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	1,345	477	-	-	555	-	2,345	-	5,646
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	687
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	20,600	20,806	-	-	10,741	-	46,507	2,543	128,269
Life Insurance	-	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	2,531	2,412	-	-	1,171	-	5,538	-	963
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	1,928
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	35,141	849	-
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	22,038	20,963	-	-	10,206	-	50,603	-	120,236
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	16,817
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	1,235	-	-	-	-
Purchased Services	237,275	25,964	-	155,212	57,254	-	78,675	254	18,402
Materials/Supplies	8,781	22,258	-	3,763	1,523	-	267,650	8,870	17,910
Software Licenses	-	-	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	5,854
Insurance	150,568	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	44,952	-	3,002
Vehicle Operations	5,250	-	-	-	-	-	58,575	-	105,903
Utilities	14,899	29,068	-	-	315	-	15,847	-	15,298
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	8,114	-	-
Revaluation	-	55,597	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	36,746	-	-
Trash Removal & Recycling	-	-	-	-	-	-	105,642	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	67,216	-	-	-	-	-	-	-	-
Other Operation Expenditures	290,976	11,545	-	-	4,737	102,000	8,160	-	5,816
Tipping Fees	-	-	-	-	-	-	74,563	-	-
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	\$ 1,170,877	\$ 488,112	\$ -	\$ 158,975	\$ 264,894	\$ 102,000	\$ 1,574,627	\$ 45,753	\$ 2,435,901

See independent auditor report

Town of Richmond, Rhode Island

Supplementary Information

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2023

<u>EXPENDITURES</u>	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal
Compensation- Group A	\$ -	\$ -	\$ 68,324	\$ -	\$ -	\$ -	\$ 2,381,818
Compensation - Group B	-	-	-	-	-	-	220,683
Compensation - Group C	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-
Overtime- Group A	-	-	4,947	-	-	-	199,831
Overtime - Group B	-	-	-	-	-	-	38,367
Overtime - Group C	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	149,103
Active Medical Insurance - Group A	-	-	14,290	-	-	-	419,320
Active Medical Insurance- Group B	-	-	-	-	-	-	42,172
Active Medical Insurance- Group C	-	-	-	-	-	-	-
Active Dental Insurance- Group A	-	-	385	-	-	-	10,733
Active Dental Insurance- Group B	-	-	-	-	-	-	687
Active Dental Insurance- Group C	-	-	-	-	-	-	-
Payroll Taxes	-	-	5,473	-	-	-	234,941
Life Insurance	-	-	-	-	-	-	-
State Defined Contribution- Group A	-	-	835	-	-	-	13,450
State Defined Contribution - Group B	-	-	-	-	-	-	1,928
State Defined Contribution - Group C	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	634	-	-	-	36,624
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	-	-	4,663	-	-	-	228,709
State Defined Benefit Pension - Group B	-	-	-	-	-	-	16,817
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	1,235
Purchased Services	-	-	1,511	-	-	-	574,547
Materials/Supplies	-	-	20,256	-	-	-	351,011
Software Licenses	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	3,834
Insurance	-	-	-	-	-	-	150,568
Maintenance	-	-	-	-	-	-	47,934
Vehicle Operations	-	-	2,877	-	-	-	172,605
Utilities	-	-	2,072	-	-	-	77,499
Contingency	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	8,114
Revaluation	-	-	-	-	-	-	53,397
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	36,746
Trash Removal & Recycling	-	-	-	-	-	-	105,642
Claims & Settlements	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	67,216
Other Operation Expenditures	-	-	2,944	-	-	-	426,178
Tipping Fees	-	-	-	-	-	-	74,363
Local Appropriation for Education	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	20,882,739	-	-	20,882,739
Supplemental Appropriation for Education	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	500,000	-	500,000
Municipal Debt- Interest	-	-	-	-	49,458	-	49,458
School Debt- Principal	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 129,413	\$ 20,882,739	\$ 549,458	\$ -	\$ 27,802,749

Financing Uses: Transfer to Capital Funds	\$ 724,336
Financing Uses: Transfer to Other Funds	299,336
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
Total Other Financing Uses	<u>\$ 1,023,672</u>
Net Change in Fund Balance¹	733,172
Fund Balance¹- beginning of year	55,318,602
Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior period adjustments	-
Misc. Adjustment	-
Fund Balance¹ - beginning of year adjusted	<u>5,318,602</u>
Rounding	
Fund Balance¹ - end of year	<u>\$ 6,051,774</u>

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

See independent auditor report

Town of Richmond, Rhode Island

Supplementary Information

Annual Supplemental Transparency Report (MTP2)

Combining Schedule of Reportable Government Services with Reconciliation to MTP2

For the Year Ended June 30, 2023

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 Balance ¹ - per MTP-2 at June 30, 2023						\$ 5,318,602	\$ -	\$ 5,318,602	
<i>No funds removed from RGS for fiscal 2022</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2022</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2022</i>						-	-	-	
Fund Balance ¹ - per MTP-2 at June 30, 2023 adjusted						<u>\$ 5,318,602</u>	<u>\$ -</u>	<u>\$ 5,318,602</u>	
General Fund	\$ 28,772,142	\$ -	\$ 27,366,821	\$ 724,536	\$ 680,785	\$ 5,316,255	\$ -	\$ 5,316,255	\$ 5,997,040
American Rescue Plan Fund	638,548	-	286,825	299,336	52,387	2,347	-	2,347	54,734
Totals per audited financial statements	<u>\$ 29,410,690</u>	<u>\$ -</u>	<u>\$ 27,653,646</u>	<u>\$ 1,023,872</u>	<u>\$ 733,172</u>	<u>\$ 5,318,602</u>	<u>\$ -</u>	<u>\$ 5,318,602</u>	<u>\$ 6,051,774</u>
Reconciliation from financial statements to MTP2									
Police detail payroll to expense	\$ 149,103	\$ -	\$ 149,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 29,559,793</u>	<u>\$ -</u>	<u>\$ 27,802,749</u>	<u>\$ 1,023,872</u>	<u>\$ 733,172</u>	<u>\$ 5,318,602</u>	<u>\$ -</u>	<u>\$ 5,318,602</u>	<u>\$ 6,051,774</u>

See independent auditor report

Town of Richmond, Rhode Island

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

For the Year Ended June 30, 2023

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 audit report 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 City’s (or Town’s) budget and accounting system. To report these costs, the City (or 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.

Town of Richmond, Rhode Island

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

For the Year Ended June 30, 2023

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.

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

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/>.

TOWN OF RICHMOND

Statistical Sections

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

Statistical Section

(Unaudited)

June 30, 2023

Statistical Section

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

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial position has changed over time.

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the Town's ability to generate its most significant local revenue sources, the real and personal property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources

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

Town of Richmond, Rhode Island

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
*Unaudited***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities										
Net investment in capital assets	\$9,894,816	\$10,250,555	\$10,556,696	\$10,870,550	\$10,971,031	\$11,348,556	\$12,059,872	\$12,183,492	\$11,362,540	\$11,918,950
Restricted	403,584	726,406	324,193	318,858	303,889	182,528	169,660	168,195	125,554	142,346
Unrestricted	<u>9,233,318</u>	<u>7,136,118</u>	<u>6,010,794</u>	<u>5,153,039</u>	<u>5,196,835</u>	<u>5,184,974</u>	<u>5,114,226</u>	<u>5,250,005</u>	<u>4,645,969</u>	<u>4,378,536</u>
Total governmental activities net position	<u>\$19,531,718</u>	<u>\$18,113,079</u>	<u>\$16,891,683</u>	<u>\$16,342,447</u>	<u>\$16,471,755</u>	<u>\$16,716,058</u>	<u>\$17,343,758</u>	<u>\$17,601,692</u>	<u>\$16,134,063</u>	<u>\$16,439,832</u>
Business-type activities										
Net investment in capital assets	\$2,197,078	\$2,004,053	\$2,066,329	\$2,026,038	\$2,068,473	\$2,191,832	\$2,012,063	\$1,966,392	\$1,646,660	\$1,333,901
Unrestricted	<u>(44,139)</u>	<u>(16,588)</u>	<u>48,927</u>	<u>189,430</u>	<u>247,736</u>	<u>238,157</u>	<u>541,747</u>	<u>698,860</u>	<u>650,559</u>	<u>516,567</u>
Total business-type activities net position	<u>\$2,152,939</u>	<u>\$1,987,465</u>	<u>\$2,115,256</u>	<u>\$2,215,468</u>	<u>\$2,316,209</u>	<u>\$2,429,989</u>	<u>\$2,553,810</u>	<u>\$2,665,252</u>	<u>\$2,297,219</u>	<u>\$1,850,468</u>
Primary government										
Net investment in capital assets	\$12,091,894	\$12,254,608	\$12,623,025	\$12,896,588	\$13,039,504	\$13,540,388	\$14,071,935	\$14,149,884	\$13,009,200	\$13,252,851
Restricted	403,584	726,406	324,193	318,858	303,889	182,528	169,660	168,195	125,554	142,346
Unrestricted	<u>9,189,179</u>	<u>7,119,530</u>	<u>6,059,721</u>	<u>5,342,469</u>	<u>5,444,571</u>	<u>5,423,131</u>	<u>5,655,973</u>	<u>5,948,865</u>	<u>5,296,528</u>	<u>4,895,103</u>
Total primary government net position	<u>\$21,684,657</u>	<u>\$20,100,544</u>	<u>\$19,006,939</u>	<u>\$18,557,915</u>	<u>\$18,787,964</u>	<u>\$19,146,047</u>	<u>\$19,897,568</u>	<u>\$20,266,944</u>	<u>\$18,431,282</u>	<u>\$18,290,300</u>

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***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$1,770,513	\$1,888,270	\$1,791,998	\$1,792,493	\$1,557,307	\$1,566,426	\$1,598,501	\$1,446,108	\$1,428,610	\$1,396,108
Public safety	2,427,180	2,198,591	2,239,277	2,289,278	2,264,729	2,425,780	2,113,299	2,017,079	1,917,635	1,781,017
Public works	2,323,278	2,252,001	2,381,126	2,220,286	2,302,854	2,004,272	1,831,733	1,486,652	1,677,538	2,103,662
Recreation and culture	52,123	34,158	22,428	26,981	27,456	54,230	51,277	56,564	56,787	55,117
Education	20,885,843	20,633,430	20,087,840	19,813,469	19,497,566	19,352,871	18,551,086	18,201,477	18,329,949	18,300,639
Transfer station/recycling area	-	-	-	-	-	179,034	162,538	158,807	160,101	151,885
Community services	392,301	223,925	879,845	581,336	422,020	274,366	381,304	481,724	471,944	277,513
Other	8,077	8,077	8,241	3,906	7,766	3,016	9,308	4,864	6,235	3,921
Interest	45,352	45,337	58,744	77,398	93,404	117,267	71,106	85,234	165,227	54,800
Total governmental activities expenses	27,896,590	27,283,789	27,469,499	26,805,147	26,173,102	25,977,262	24,770,152	23,938,509	24,214,026	24,124,662
Business-type activities:										
Water Supply Board	323,478	309,766	319,539	307,484	306,660	293,576	284,775	206,183	186,857	157,750
Total business-type activities expenses	323,478	309,766	319,539	307,484	306,660	293,576	284,775	206,183	186,857	157,750
Total primary government expenses	\$28,220,068	\$27,593,555	\$27,789,038	\$27,112,631	\$26,479,762	\$26,270,838	\$25,054,927	\$24,144,692	\$24,400,883	\$24,282,412
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
General government	\$497,803	\$761,308	\$578,055	\$508,161	\$537,994	\$630,391	\$441,445	\$481,710	\$323,629	\$319,272
Public safety	89,728	162,224	193,971	248,182	194,068	348,365	263,069	156,603	129,702	147,545
Public works	393,880	180,552	190,162	186,968	159,005	-	-	-	-	-
Recreation and culture	-	33,120	22,130	2,320	17,596	11,950	11,025	9,654	11,362	19,203
Transfer station/recycling area	-	-	-	-	-	166,534	169,187	149,090	141,772	137,403
Education	-	-	-	-	-	-	-	-	-	-
Other activities	5,398	6,105	4,073	10,128	17,332	13,842	17,448	19,171	12,590	16,583
Operating grants and contributions	5,623,510	5,227,686	6,028,808	5,077,105	4,910,385	4,828,717	5,302,454	5,508,948	5,703,959	5,604,383
Capital grants and contributions	586,161	235,000	-	-	-	97,473	-	177,303	-	-
Total governmental activities program revenues	7,196,480	6,605,995	7,017,199	6,032,864	5,836,380	6,097,272	6,204,628	6,502,479	6,323,014	6,244,389
Business-type activities:										
<i>Charges for services:</i>										
Water Supply Board	180,515	172,874	177,726	165,142	151,279	128,154	122,631	117,112	123,194	127,537
Operating and capital grants and contributions	9,101	9,101	41,601	41,601	41,601	41,601	50,702	466,186	510,414	74,036
Total business-type activities program revenues	189,616	181,975	219,327	206,743	192,880	169,755	173,333	583,298	633,608	201,573
Total primary government program revenues	7,386,096	6,787,970	7,236,526	6,239,607	6,029,260	6,267,027	6,377,961	7,085,777	6,956,622	6,445,962
Net (Expense)/Revenue										
Governmental activities	\$(20,700,110)	\$(20,677,794)	\$(20,452,300)	\$(20,772,283)	\$(20,336,722)	\$(19,879,990)	\$(18,565,524)	\$(17,436,030)	\$(17,891,012)	\$(17,880,273)
Business-type activities	(133,862)	(127,791)	(100,212)	(100,741)	(113,780)	(123,821)	(111,442)	377,115	446,751	43,823
Total primary government net expenses	\$(20,833,972)	\$(20,805,585)	\$(20,552,512)	\$(20,873,024)	\$(20,450,502)	\$(20,003,811)	\$(18,676,966)	\$(17,058,915)	\$(17,444,261)	\$(17,836,450)

(Continued)

Town of Richmond, Rhode Island

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
*Unaudited***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes and other	\$20,490,053	\$20,937,736	\$20,538,141	\$19,859,345	\$19,312,424	\$18,694,052	\$17,975,939	\$17,439,301	\$17,236,054	\$16,717,549
Unrestricted investment earnings	126,236	9,397	8,422	50,249	68,801	48,849	26,938	24,938	16,214	8,276
State aid	1,801,796	937,393	453,461	720,978	610,565	493,359	310,829	349,599	332,054	324,007
Other revenues		14,664	1,512	12,403	9,694	16,030	-	924	921	6,261
Transfers	(299,336)	-	-	-	-	-	-	10600	-	-
Total governmental activities	<u>22,118,749</u>	<u>21,899,190</u>	<u>21,001,536</u>	<u>20,642,975</u>	<u>20,001,484</u>	<u>19,252,290</u>	<u>18,313,706</u>	<u>17,825,362</u>	<u>17,585,243</u>	<u>17,056,093</u>
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	1,518	-	-
Transfers	299,336	-	-	-	-	-	-	(10,600)	-	-
Total business-type activities	<u>299,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,082)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$22,418,085</u>	<u>\$21,899,190</u>	<u>\$21,001,536</u>	<u>\$20,642,975</u>	<u>\$20,001,484</u>	<u>\$19,252,290</u>	<u>\$18,313,706</u>	<u>\$17,816,280</u>	<u>\$17,585,243</u>	<u>\$17,056,093</u>
Change in Net Position										
Governmental activities	\$1,418,639	\$1,221,396	\$549,236	\$(129,308)	\$(335,238)	\$(627,700)	\$(251,818)	\$389,332	\$(305,769)	\$(824,180)
Business-type activities	\$165,474	\$(127,791)	\$(100,212)	\$(100,741)	\$(113,780)	\$(123,821)	\$(111,442)	\$368,033	\$446,751	\$43,823
Total primary government	<u>\$1,584,113</u>	<u>\$1,093,605</u>	<u>\$449,024</u>	<u>\$(230,049)</u>	<u>\$(449,018)</u>	<u>\$(751,521)</u>	<u>\$(363,260)</u>	<u>\$757,365</u>	<u>\$140,982</u>	<u>\$(780,357)</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	78,764	83,423	31,396	49,909	49,703	62,422	6,384	69,701	21,017	9,556
Committed	747,442	462,998	529,429	454,161	639,056	870,517	1,006,017	1,054,786	696,046	733,424
Assigned		-	150,000	165,987	-	13,920	-	-	-	-
Unassigned	5,170,834	4,769,834	4,237,437	3,691,769	3,730,816	3,685,159	3,611,822	3,441,004	3,373,920	3,214,276
Total General fund	\$5,997,040	\$5,316,255	\$4,948,262	\$4,361,826	\$4,419,575	\$4,632,018	\$4,624,223	\$ 4,565,491	\$4,090,983	\$3,957,256
American Rescue Plan										
Assigned	54,734	2,347	-	-	-	-	-	-	-	-
Total American Rescue Plan Fund	\$ 54,734	\$ 2,347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds										
Restricted	-	745,571	803,176	886,973	1,653,771	2,480,849	1,059,139	1,699,988	2,424,614	-
Committed	1,669,763	655,480	331,488	121,854	122,485	218,371	116,188	215,224	119,389	-
Total Capital Projects Fund	\$1,669,763	\$1,401,051	\$1,134,664	\$1,008,827	\$1,776,256	\$2,699,220	\$1,175,327	\$ 1,915,212	\$2,544,003	\$ -
All Other Governmental Funds										
Restricted	403,584	394,566	227,353	222,018	116,114	85,688	72,820	71,355	125,554	147,109
Committed	1,440,427	1,298,442	1,248,902	1,181,459	1,143,382	835,016	677,376	794,044	695,989	623,705
Unassigned	-	-	-	(4,314)	-	(7,628)	(5,866)	(1,411)	(10,525)	(10,826)
Total All Other Governmental Funds	\$1,844,011	\$1,693,008	\$1,476,255	\$1,399,163	\$1,259,496	\$ 913,076	\$ 744,330	\$ 863,988	\$ 811,018	\$ 759,988
Total governmental funds	\$9,565,548	\$8,412,661	\$7,559,181	\$6,769,816	\$7,455,327	\$8,244,314	\$6,543,880	\$ 7,344,691	\$7,446,004	\$4,717,244

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues											
Property tax revenue	\$20,490,053	\$20,935,698	\$20,508,147	\$19,795,368	\$19,284,567	\$18,659,341	\$18,015,962	\$17,438,274	\$17,319,305	\$16,839,234	\$16,460,885
Intergovernmental and department revenue	7,915,767	6,387,480	6,474,175	5,784,908	5,479,554	5,397,120	5,607,480	6,013,757	6,027,337	5,901,511	6,375,962
Licenses, fees, and permits	965,785	1,014,783	829,585	749,101	782,605	872,804	687,497	701,494	505,728	520,938	384,988
Investment Income	138,401	9,397	8,422	50,249	68,801	48,849	26,938	24,938	16,214	8,276	8,009
Other revenues	124,628	160,666	172,318	234,768	194,480	336,735	220,480	137,753	122,924	152,208	83,734
Total revenues	\$29,634,634	\$28,508,024	\$27,992,647	\$26,614,394	\$25,810,007	\$25,314,849	\$24,558,357	\$24,316,216	\$23,991,508	\$23,422,167	\$23,313,578
Expenditures											
General government	1,818,846	1,806,870	1,633,374	1,660,283	1,441,384	1,429,911	1,554,214	1,623,378	1,389,345	1,293,863	1,102,101
Public safety	2,420,311	2,328,991	2,174,773	2,182,082	2,147,594	2,116,593	2,039,741	1,869,226	1,849,574	1,774,776	1,758,543
Public works	1,594,582	1,449,052	1,379,476	1,243,328	1,284,791	932,637	834,606	681,209	843,301	799,073	715,313
Grants expenditures and land acquisition	-	0	-	-	-	-	-	-	-	-	612,434
Recreation and culture	52,123	34,158	22,428	26,981	27,456	54,230	51,277	56,564	56,787	55,117	58,270
Education	20,885,843	20,633,430	20,087,840	19,813,469	19,497,566	19,352,871	18,551,086	18,201,477	18,329,949	18,300,639	18,086,820
Recycling area	-	-	-	-	-	178,456	163,542	159,766	160,897	151,885	145,665
Community services	392,301	223,925	879,845	581,336	422,020	274,366	381,304	481,724	471,944	277,513	156,182
Canvassing authority	16,123	8,077	8,241	3,906	7,766	3,016	9,308	4,864	6,235	3,921	9,595
Capital outlay	452,824	608,016	198,933	1,065,845	922,964	1,363,340	1,192,159	763,440	307,253	473,013	203,450
Debt Service - principal	500,000	499,878	758,909	747,532	736,000	475,000	495,270	483,950	252,678	371,455	371,642
Debt Service - interest	49,458	62,147	77,463	95,778	111,453	124,025	89,119	100,031	141,488	64,453	97,237
Debt Service - other	-	-	-	-	-	-	-	2,500	2,500	1,525	1,975
Total expenditures	\$28,182,411	\$27,654,544	\$27,221,282	\$27,420,540	\$26,598,994	\$26,304,445	\$25,361,626	\$24,428,129	\$23,811,951	\$23,567,233	\$23,319,227
Excess of revenues over (under) expenditures before other financing sources (uses)	1,452,223	853,480	771,365	(806,146)	(788,987)	(989,596)	(803,269)	(111,913)	179,557	(145,066)	(5,649)
Other financing sources (uses)											
Sale of land	-	-	-	-	-	189,030	-	-	-	-	-
Capital lease	-	-	-	-	-	-	8,574	-	-	-	-
Proceeds from debt issuance	-	-	18,000	29,700	-	2,501,000	-	-	2,536,753	-	35,698
Transfers from (to) other funds	(299,336)	-	-	-	-	-	-	10,600	-	-	-
Total other financing sources (uses)	(299,336)	-	18,000	29,700	-	2,690,030	8,574	10,600	2,536,753	-	35,698
Net change in fund balances	\$ 1,152,887	\$ 853,480	\$ 789,365	\$ (776,446)	\$ (788,987)	\$ 1,700,434	\$ (794,695)	\$ (101,313)	\$ 2,716,310	\$ (145,066)	\$ 30,049
<i>Debt service as a percentage of expenditures (exclude capital and debt service principal & interest)</i>	2.022%	2.122%	3.194%	3.306%	3.413%	2.461%	2.478%	2.530%	1.706%	1.924%	2.070%

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 Fiscal Years

Unaudited

Assessment Date	Real Estate - Residential	Real Estate - Commercial	Personal Property - Motor Vehicle	Personal Property - Tangible	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed	Total
									Percentage of Actual Taxable Value	Assessed Value Before Exemptions
12/31/2021	898,162,112	99,997,800	96,144,190	28,451,972	86,172,287	\$1,036,583,787	20.58	1,036,583,787	100%	1,122,756,074
12/31/2020	889,474,530	96,407,200	75,489,481	26,235,600	79,379,910	\$1,008,226,901	20.69	1,008,226,901	100%	1,087,606,811
(1) 12/31/2019	879,941,280	93,591,300	70,778,903	24,646,940	73,332,390	\$995,626,033	20.46	995,626,033	100%	1,068,958,423
12/31/2018	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

(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

Unaudited

<u>Fiscal Year</u>	<u>General Fund</u>
2023	20.58
2022	20.62
2021	20.38
2020	21.88
2019	21.36
2018	20.80
2017	21.57
2016	21.08
2015	20.94
2014	19.76

Note:

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

Town of Richmond, Rhode Island
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Total Initial Tax Levy Fiscal Year	Collected within the		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2023	20,634,735	19,626,375	95.1%	19,626,375	95.1%
2022	20,862,003	20,153,090	96.6%	20,733,638	99.4%
2021 (2)	20,373,360	19,724,704	96.8%	20,331,101	99.8%
2020	19,776,325	19,051,146	96.3%	19,740,183	99.8%
2019	19,163,624	18,512,366	96.6%	19,131,216	99.8%
2018(1)	18,594,046	17,995,965	96.8%	18,557,187	99.8%
2017	17,880,304	17,290,235	96.7%	17,840,122	99.8%
2016	17,354,620	16,750,448	96.5%	17,321,040	99.8%
2015 ⁽¹⁾	17,189,267	16,525,473	96.1%	17,154,716	99.8%
2014	16,740,540	16,019,946	95.7%	16,706,365	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

Fiscal Year	Governmental Activities				Business Type	Total Primary Government	Percentage of Total Household Income	Median Household Income
	General Obligation Bonds	Capital Lease	SBITA	Community Septic System Loan Program	Loans Payable			
2023	1,800,351	-	297,432	31,737	1,828,908	3,958,428	1.33%	100493
2022	2,313,026	-	-	36,382	1,865,003	4,214,411	1.42%	100493
2021	2,820,702	1,222	-	41,260	1,900,059	4,763,243	1.65%	98940
2020	3,588,377	3,271	-	46,138	1,934,104	5,571,890	2.05%	95391
2019	4,346,052	5,063	-	51,016	1,967,167	6,369,298	2.37%	94605
2018	5,094,727	6,630	-	55,894	1,999,277	7,156,528	2.56%	98234
2017	3,081,403	8,000	-	-	2,030,462	5,119,865	1.90%	95026
2016	3,554,078	35,270	-	-	2,060,748	5,650,096	2.08%	95660
2015	4,016,753	69,220	-	-	2,090,161	6,176,134	2.33%	96533
2014	1,700,000	101,898	-	-	802,776	2,604,674	1.03%	93975

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
Household income and total housing units from U.S. Census Table ID S2503 Financial Characteristics of prior yr (ex FY2011 is 21 FY22&FY23 U.S. Census Table not released - using prior year U.S. Census Table 2021
The Note payable noted in the Long Term liability section of the report is not presented here as the program does not allow acc by the Town for these funds. The program is solely for town residents and administered by the State of Rhode Island.

Town of Richmond, Rhode Island
General Obligation Debt Ratios
Last Ten Fiscal Years
Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Obligation Debt	1,800,351	2,313,026	2,820,702	3,588,377	4,346,052	5,094,727	3,081,403	3,554,078	4,016,753	1,700,000
Estimated Value of Taxable Property \$	1,036,583,787	1,008,226,901	995,626,032	902,366,280	894,316,910	889,263,025	825,965,637	818,962,979	884,855,220	907,480,486
Estimated value of taxable property as a % of General Obligation Debt	0.17%	0.23%	0.28%	0.40%	0.49%	0.57%	0.37%	0.43%	0.45%	0.19%

Source: Various Town Departments

Town of Richmond, Rhode Island

**Fund Balance Ratios
Last Ten Fiscal Years
*Unaudited***

Fiscal Year	Budget			Fund Balance	Ratio
	End	Municipal	School		
2023	7,406,050	20,681,516	28,087,566	5,997,040	21.35%
2022	7,147,006	20,633,430	27,780,436	5,316,255	19.14%
2021	6,785,513	20,098,301	26,883,814	4,948,262	18.41%
2020	6,574,483	19,813,469	26,387,952	4,361,826	16.53%
2019	6,106,094	19,628,170	25,734,264	4,419,575	17.17%
2018	5,559,951	19,352,871	24,912,822	4,632,018	18.59%
2017	5,911,795	18,551,086	24,462,881	4,624,223	18.90%
2016	5,260,313	18,539,075	23,799,388	4,565,491	19.18%
2015	5,129,162	18,329,949	23,459,111	4,090,983	17.44%
2014	5,072,828	18,300,639	23,373,467	3,957,256	16.93%

Source: Town of Richmond Audited Financial Statements and budgets

Town of Richmond, Rhode Island
Capital Asset Statistics by Function/Activity
Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	27	22	22	22	22	22	18	18	18	15
Animal Control										
Animal Shelters	1	1	1	1	1	1	1	1	1	1
Animal Patrol Unit	1	1	1	1	1	1	1	1	1	1
Public Works										
Building and garage	2	2	2	2	2	2	2	2	2	2
Transfer Station	1	1	1	1	1	1	1	1	1	1
Streets and Highways										
Street (miles)	113	113	113	113	113	113	113	113	113	113
Highways (miles, Town owned)	76	76	76	76	76	76	76	76	76	76
Highways (miles, State owned)	25	25	25	25	25	25	25	25	25	25
Streetlights (Town owned)	117	117	117	117	117	117	117	117	117	117
Streetlights (State owned)	144	144	144	144	144	144	144	144	144	144
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Parks and Recreation										
Playgrounds	1	1	1	1	1	1	1	1	1	1
Parks and Public Squares	1	1	1	1	1	1	1	1	1	1

Source: various town departments Police Vehicles includes cars used solely for traffic control starting in 2023

Town of Richmond, Rhode Island
Town Government Employees by Function/Activities
Last Ten Fiscal Years
Unaudited

Function/Program	Full-time Equivalent Employees not actual count as of June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Central Administration										
Town Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Town Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Town Clerk	3.6	3.6	3.6	3.6	3.6	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	2.3	2.0	2.0	2.0	2.0	2.3	2.3	2.8	2.8	2.8
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Financial Administration										
Treasurer's Office	2.0	2.0	2.0	2.0	2.0	2.0	1.8	1.8	1.8	1.8
Tax Collection	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Tax Assessor	1.4	1.4	1.4	1.7	1.7	1.7	1.5	1.5	1.5	1.5
Public Safety										
Police Officers	15.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Civilians	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Animal Control Officers	1.3	1.3	1.3	1.3	1.3	1.3	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	9.3	8.0	8.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0
Transfer Station	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Maintenance										
Custodial	0.5	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
Human Services Director	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recreation Department										
Director	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Summer Programs	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	49.0	46.1	46.1	45.4	46.4	46.1	44.8	45.3	45.3	45.3

Source: Various town departments

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

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

We have audited, in accordance with the 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 25, 2023.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts
October 25, 2023

Town of Richmond, Rhode Island

Schedule of Findings and Responses

For the Fiscal Year Ended June 30, 2023

***Findings on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on our Audit of the Financial Statements (Government Auditing Standards)***

None

Town of Richmond, Rhode Island

Status of Prior Year Findings

For the Fiscal Year Ended June 30, 2023

Material Weaknesses

2022-001 Segregation of Duties – Tax Collector’s Office

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

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

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

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

Identification of a repeat finding: This is a repeat finding from previous audits 2014-001, 2015-001, 2016-001, 2017-001, 2018-001, 2019-001, 2020-001, and 2021-001.

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

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

Status of Prior Year Findings on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on our Audit of the Financial Statements (Government Auditing Standards.

Material weakness has been cleared.