
TOWN OF RICHMOND

FINANCIAL STATEMENTS

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2010***

Prepared by: Finance Department

RICHMOND, RHODE ISLAND

**TOWN OF RICHMOND, RHODE ISLAND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

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Concluded

INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

**TOWN OF RICHMOND
RHODE ISLAND**

**TOWN COUNCIL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

B. Joe Reddish, III, Town Council President
Henry R. Oppenheimer, Town Council Vice President
James E. Thayer
Gerard P. Curran
Richard L. Osborne

TOWN CLERK

Tracy Hay

FINANCE DIRECTOR

David Krugman

FINANCIAL SECTION

This Section Contains the Following Subsections:

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island (the Town) as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 13, 2010 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 48 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Parmelee, Poirier & Associates, LLP
December 13, 2010

Management's Discussion and Analysis

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

The Town of Richmond's Management Discussion and Analysis (MDA) is designed to assist the reader in focusing on significant issues in the audit report. The financial statements appear in two categories, Government - Wide Financial Statements and Fund Financial Statements. This format focuses on the Town's Finances as a whole including other business activities as well as its government-wide funds.

Our discussion and analysis of the Town of Richmond, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2010.

Financial Highlights

- ❖ At the end of the current fiscal year, the general fund unreserved fund balance was \$2,778,282, or 12.8% of the total general fund budgeted expenditures and transfers out for the fiscal year. An unrestricted 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 without issuing tax anticipation notes since new taxes are not received until September. The Town's unreserved fund balance can be deemed adequate based on the size of the Town budget, as a healthy fund balance is usually around 10% of General Fund budgeted expenditures.
- ❖ The Town's Government-wide (Governmental and Business-Type Activities) operating expenses were \$22,236,787, a 4.3% decrease from the prior year, while revenues were \$21,635,081, a 1.9% increase.
- ❖ The current fiscal year's revenues and transfers exceeded expenditures and transfers by \$254,237. This was accomplished by identifying and initiating cost savings early in the year in anticipation of mid-year reductions in state aid; a favorable collection rate for taxes; and higher than projected building permit fees. (See General Fund Budgetary Highlights on page 9.)
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,774,696. Included in this amount is the general fund unreserved balance of \$2,778,282 and special revenue and capital project fund balance of \$2,996,414, which is earmarked for special revenue and capital project items.
- ❖ The Town's net assets decreased \$601,706, or 3.0% as a result of this year's operations. The general revenues and other changes in net assets are totaled and added to the net (expense) revenue totals to produce the total change in net assets. The major component was asset depreciation expense. On a Government-wide basis the assets of the Town of Richmond exceeded its liabilities at the close of the most recent fiscal year by \$19,126,459. Net assets of Business-Type Activities increased by \$5,621, or 0.5%, while net assets of Governmental Activities decreased by \$607,327 or 3.2%. For a more detailed explanation on the changes in net assets, see the reconciliation on page 16.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Overview of the Financial Statements

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

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

In addition to the basic financial statements, this report also contains other supplementary information.

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

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

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

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

Both government-wide financial statements distinguish functions of the Town, which are supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). The Town's Governmental Activities include general government and administration, public safety, development services, cultural and recreational services. The Town's Business-Type Activities include the Water Fund.

The government-wide financial statements are reported on pages 12 through 13.

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

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

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

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

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

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

The basic proprietary fund financial statements are presented on pages 17 through 19.

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

The fiduciary fund financial statements can be found on pages 20 and 21.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 22 through 47.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary information is presented on page 48.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 49 through 68.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Government-wide Financial Analysis

Analysis of the Town of Richmond's Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. The Town of Richmond, Governmental Activities assets exceeded liabilities by \$18,078,418 as of June 30, 2010. This is a decrease of (\$607,327) from the previous year.

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

	Town of Richmond Net Assets			June 30, 2009		
	June 30, 2010					June 30, 2009
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
Current and other assets	\$ 6,866,008	\$ 480,728	\$ 7,346,736	\$ 6,310,176	\$ 455,253	\$ 6,765,429
Capital assets	13,519,019	579,071	14,098,090	14,994,099	607,907	15,602,006
Total assets	20,385,027	1,059,799	21,444,826	21,304,275	1,063,160	22,367,435
Other liabilities	332,588	11,758	344,346	324,732	20,740	345,472
Long-term liabilities	1,974,021	-	1,974,021	2,293,798	-	2,293,798
Total liabilities	2,306,609	11,758	2,318,367	2,618,530	20,740	2,639,270
Net assets:						
Invested in capital net of related debt	11,644,019	579,071	12,223,090	12,700,301	607,907	13,308,208
Unrestricted	6,434,399	468,970	6,903,369	5,985,444	434,513	6,419,957
Total net assets	\$ 18,078,418	\$ 1,048,041	\$ 19,126,459	\$ 18,685,745	\$ 1,042,420	\$ 19,728,165

An additional portion of the Town's net assets, \$11,644,019 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

As of June 30, 2010 the Town of Richmond reports positive balances in both categories of net assets for the government as a whole.

Analysis of the Town of Richmond's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2010. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year ended June 30, 2004. Therefore, comparative data is both available and presented in the following schedules. Governmental activities decreased the Town's net assets by \$607,327 for the current period, accounting for a 3.2 % decrease in the Town's governmental net assets, while business-type activities increased the Town's net assets by \$5,621, accounting for 0.5% increase in the business-type growth in net assets. Overall the Town's net assets decrease was \$601,706 which is a 3.0% decrease over the prior year.

In the fund financial statements, the Town ended the year with a net increase in the General Funds' fund balance of \$254,237 as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance on page 15. This increased the cumulative General Fund fund balance surplus to \$2,778,282, which is 12.8% of the 2009-2010 General Fund budget. Total changes in fund balances for the Town were \$474,057, increasing the cumulative Governmental Fund surplus to \$5,774,696.

In the Statement of Activities, expenditures for capital items are not recorded as expenses but instead are shown in the balance sheet, which would result in an increase of \$66,927 for the Statement of Activities, while depreciation expense and loss on sale of capital assets results in a decrease of \$1,541,899 and \$108, respectively; also the reduction of deferred revenues is not recorded as revenue in the fund financial statements, but are shown in the balance sheet, which would result in increases of \$69,461 for the statement of activities. Bond principal payments of \$315,355 were recognized as an increase in net assets and a reduction in long-term debt in the Statement of Net Assets. Additionally, there were a few small changes resulting in a decrease of \$8,880.

The overall effect was a decrease in the Town's net assets by \$607,327. For a more detailed explanation of the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities, please see page 16 of this report.

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

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Town of Richmond
Changes in Net Assets

	June 30, 2010			June 30, 2009		
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 513,181	\$ 98,823	\$ 612,004	\$ 312,160	\$ 98,904	\$ 411,064
Federal/State grants	893,706	-	893,706	622,113	-	622,113
General Revenues						
Property taxes	14,346,660	-	14,346,660	13,954,319	-	13,954,319
Interest on late payments	158,260	-	158,260	-	-	-
Investment earnings	26,392	-	26,392	79,520	4,367	83,887
State aid	5,598,059	-	5,598,059	6,158,139	-	6,158,139
Total revenues	21,536,258	98,823	21,635,081	21,126,251	103,271	21,229,522
Expenses						
General government	1,112,240	-	1,112,240	1,381,725	-	1,381,725
Public safety	1,438,854	-	1,438,854	1,359,604	-	1,359,604
Public works	2,296,905	-	2,296,905	2,069,878	-	2,069,878
General public assistance	332,833	-	332,833	426,905	-	426,905
Recreation and culture	47,559	-	47,559	83,777	-	83,777
Education	16,564,107	-	16,564,107	17,187,604	-	17,187,604
Recycling area	38,738	-	38,738	39,822	-	39,822
Community services	173,810	-	173,810	176,777	-	176,777
Landfill closure	2,125	-	2,125	9,146	-	9,146
Other	63,103	-	63,103	304,729	-	304,729
Interest	73,311	-	73,311	125,009	-	125,009
Water operations	-	93,202	93,202	-	74,475	74,475
Total expenses	22,143,585	93,202	22,236,787	23,164,976	74,475	23,239,451
Change in net assets	(607,327)	5,621	(601,706)	(2,038,725)	28,796	(2,009,929)
Prior period adjustments	-	-	-	13,251,642	(47,963)	13,203,679
Net assets June 30, 2009	18,685,745	1,042,420	19,728,165	7,472,828	1,061,587	8,534,415
Net assets June 30, 2010	\$ 18,078,418	\$ 1,048,041	\$ 19,126,459	\$ 18,685,745	\$ 1,042,420	\$ 19,728,165

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Financial Analysis of the Town of Richmond's Funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,774,696. Included in this amount is the general fund unreserved balance of \$2,778,282 and special revenue and capital project fund balance of \$2,996,414, which is earmarked for special revenue and capital project items.

Proprietary Funds - The Town of Richmond's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail.

Total net assets of the respective proprietary funds are \$1,048,041

General Fund Budgetary Highlights

Revenues:

General Property Tax – collections were over budget by \$70,615 due to a favorable collection rate.

Intergovernmental – revenue was under budget by \$994,722 as a result of a reduction in state aid to the Town from the Governor's 2010 Supplemental Budget Bill in Education Aid and Motor Vehicle Phase-out reimbursement.

License and Permits – fees were over budget by \$44,805 due to an increase in building permits.

Interest on Investments – interest was under budget by \$63,608 as a result of decreases in interest rates.

Other Revenues – were over budget by \$313,716 as a result of unanticipated one time revenues. Emergency Claims reimbursement totaled \$250,225.

Expenses:

General Government – expenses were under budget by \$248,149 as a result of cost control savings.

Public Safety – expenses were under budget by \$25,268.

Public Works – expenses were over budget by \$265,655 due to excessive storm and flood expenses. These expenses will be reimbursed by FEMA.

Education – expenses were under budget by \$878,991 due to pension saving and federal stimulus finds received by the Chariho School District in lieu of State Aid cuts.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

The Town of Richmond's Capital Assets

The Town of Richmond's investment in capital assets for its governmental and business-type activities amounts to \$14,098,090 net of accumulated depreciation at June 30, 2010. Included are land, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure.

Additional information on the Town of Richmond's capital assets is located in note 7 of the notes to the financial statements.

Town of Richmond
Capital Assets (Net of Accumulated Depreciation)

	<u>June 30, 2010</u>			<u>June 30, 2009</u>		
	<u>Govern- mental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	<u>Govern- mental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Land	\$ 1,621,580	\$ 59,254	\$ 1,680,834	\$ 1,621,580	\$ 59,254	\$ 1,680,834
Buildings and improvements	937,214	373,906	1,311,120	999,745	396,548	1,396,293
Machinery and equipment	371,862	145,911	517,773	409,430	152,105	561,535
Infrastructure	10,588,363	-	10,588,363	11,963,344	-	11,963,344
Total	<u>\$ 13,519,019</u>	<u>\$ 579,071</u>	<u>\$ 14,098,090</u>	<u>\$ 14,994,099</u>	<u>\$ 607,907</u>	<u>\$ 15,602,006</u>

The Town of Richmond's Debt Administration

At the end of the current fiscal year, the Town of Richmond's Governmental Activities had a total bonded debt of \$1,875,000. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

Town of Richmond
General Obligation Bonds Payable

	<u>June 30, 2010</u>		<u>June 30, 2009</u>	
	<u>Govern- mental Activities</u>	<u>Total</u>	<u>Govern- mental Activities</u>	<u>Total</u>
General Obligation Bonds	<u>\$ 1,875,000</u>	<u>\$ 1,875,000</u>	<u>\$ 2,190,355</u>	<u>\$ 2,190,355</u>
Totals	<u>\$ 1,875,000</u>	<u>\$ 1,875,000</u>	<u>\$ 2,190,355</u>	<u>\$ 2,190,355</u>

Additional information on the Town's long-term debt can be found in Note 10 of the Notes to the Financial Statements on pages 40 and 41.

TOWN OF RICHMOND, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2006 is A2. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Richmond's limit is \$28,498,848 at year-end. The Town's outstanding general obligation debt is \$1,875,000 at year-end, which is \$26,623,848 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

The Town of Richmond's total general fund budget for fiscal year 2011 amounts to \$21,357,741, which reflects a decrease of \$275,882 under the fiscal 2010 budget of \$21,633,623. Of the Town's 2011 budget, \$17,303,309, or 81.02% is budgeted for educational purposes and \$4,054,432, or 18.98% is budgeted for all other purposes.

The Town's tax rate for fiscal 2011 is \$14.99/1000 of assessed value while in fiscal 2010 the Town's tax rate was \$14.94. The Town performed a statistical update in the fiscal year 2008 and a full revaluation is under way.

Request for Information

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



David Krugman
Finance Director

BASIC FINANCIAL STATEMENTS

Government Wide Financial Statements

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Assets
June 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,621,489	\$ -	\$ 5,621,489
Accounts receivable:			
Accounts receivable - net	1,002,897	12,310	1,015,207
Other receivables	643,651	-	643,651
Internal balances	(468,088)	468,088	-
Prepaid expenses	59,059	330	59,389
Other assets - net	7,000	-	7,000
Capital assets:			
Property, plant and equipment - net	13,519,019	579,071	14,098,090
Total capital assets	13,519,019	579,071	14,098,090
TOTAL ASSETS	20,385,027	1,059,799	21,444,826
LIABILITIES			
Accounts payable	274,887	-	274,887
Accrued expenses	57,701	245	57,946
Deferred revenue	-	11,513	11,513
Long-term liabilities			
Due within one year	325,000	-	325,000
Due in more than one year	1,649,021	-	1,649,021
Total liabilities	2,306,609	11,758	2,318,367
NET ASSETS			
Invested in capital assets, net of related debt	11,644,019	579,071	12,223,090
Unrestricted	6,434,399	468,970	6,903,369
Total net assets	\$ 18,078,418	\$ 1,048,041	\$ 19,126,459

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Activities
For the Fiscal Year Ended June 30, 2010

<u>Functions/ Programs</u>	<u>Expenses</u>	<u>Program revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		<u>Total</u>
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Primary government							
Governmental activities:							
General government	\$ 1,112,240	\$ 338,242	\$ 183,315	\$ -	\$ (590,683)		\$ (590,683)
Public safety	1,438,854	87,349	41,529	33,205	(1,276,771)		(1,276,771)
Public works	2,296,905	-	47,209	250,225	(1,999,471)		(1,999,471)
General public assistance	332,833	-	338,223	-	5,390		5,390
Recreation and culture	47,559	16,358	-	-	(31,201)		(31,201)
Education	16,564,107	71,232	4,884,914	-	(11,607,961)		(11,607,961)
Recycling area	38,738	-	-	-	(38,738)		(38,738)
Community services	173,810	-	-	-	(173,810)		(173,810)
Canvassing authority	2,125	-	-	-	(2,125)		(2,125)
Other	63,103	-	-	-	(63,103)		(63,103)
Interest	73,311	-	-	-	(73,311)		(73,311)
Total governmental activities	22,143,585	513,181	5,495,190	283,430	(15,851,784)		(15,851,784)
Business-type activities:							
Water fund	93,202	98,823	-	-	-	5,621	5,621
Total business-type activities	93,202	98,823	-	-	-	5,621	5,621
Total primary government	\$ 22,236,787	\$ 612,004	\$ 5,495,190	\$ 283,430	(15,851,784)	5,621	(15,846,163)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					14,346,660	-	14,346,660
Interest on late payments					158,260	-	158,260
Unrestricted investment earnings					26,392	-	26,392
State aid					713,145	-	713,145
Total general revenues					15,244,457	-	15,244,457
Change in net assets					(607,327)	5,621	(601,706)
Net assets - beginning					18,685,745	1,042,420	19,728,165
Net assets - ending					\$ 18,078,418	\$ 1,048,041	\$ 19,126,459

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

Fund Financial Statements

TOWN OF RICHMOND, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 5,621,489	\$ -	\$ 5,621,489
Accounts receivable:			
Accounts receivable net	1,002,897	-	1,002,897
Other receivables	588,456	55,195	643,651
Internal balances	-	2,970,212	2,970,212
Prepaid expenses	59,059	-	59,059
TOTAL ASSETS	<u>\$ 7,271,901</u>	<u>\$ 3,025,407</u>	<u>\$ 10,297,308</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 86,539	\$ -	\$ 86,539
Accrued expenses	57,701	-	57,701
Internal balances	3,571,160	28,993	3,600,153
Deferred revenue	778,219	-	778,219
Total liabilities	<u>4,493,619</u>	<u>28,993</u>	<u>4,522,612</u>
 Fund balances:			
Unreserved	2,778,282	-	2,778,282
Unreserved , reported in non-major:			
Special revenue funds	-	2,011,989	2,011,989
Capital projects fund	-	984,425	984,425
Total unreserved fund balance	<u>2,778,282</u>	<u>2,996,414</u>	<u>5,774,696</u>
Total fund balances	<u>2,778,282</u>	<u>2,996,414</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,271,901</u>	<u>\$ 3,025,407</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 8)	13,519,019
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 8)	778,219
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 8)	(1,993,516)
Net assets of governmental activities	<u>\$ 18,078,418</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	<u>General Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property tax revenue	\$ 14,277,199	\$ -	\$ 14,277,199
Interest on late payments	158,260	-	158,260
Intergovernmental and departmental revenue	5,780,612	534,013	6,314,625
License and permits	312,605	-	312,605
Interest on investments	26,392	-	26,392
Other revenues	377,716	-	377,716
Total revenues	<u>20,932,784</u>	<u>534,013</u>	<u>21,466,797</u>
Expenditures			
General government	1,111,867	-	1,111,867
Public safety	1,412,216	-	1,412,216
Public works	853,258	-	853,258
General public assistance	57,979	274,854	332,833
Recreation and culture	47,559	-	47,559
Education	16,564,107	-	16,564,107
Recycling area	38,738	-	38,738
Community services	173,810	-	173,810
Canvassing authority	2,125	-	2,125
Other	-	60,578	60,578
Debt service:			
Principal	315,355	-	315,355
Interest	79,769	-	79,769
Other	525	-	525
Total expenditures	<u>20,657,308</u>	<u>335,432</u>	<u>20,992,740</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>275,476</u>	<u>198,581</u>	<u>474,057</u>
Other financing sources (uses)			
Transfers from (to) other funds	(21,239)	21,239	-
Total other financing sources (uses)	<u>(21,239)</u>	<u>21,239</u>	<u>-</u>
Excess of revenues and other sources over(under) expenditures and other uses	<u>254,237</u>	<u>219,820</u>	<u>474,057</u>
Fund balances - beginning	<u>2,524,045</u>	<u>2,776,594</u>	<u>5,300,639</u>
Fund balances - ending	<u>\$ 2,778,282</u>	<u>\$ 2,996,414</u>	<u>\$ 5,774,696</u>

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

TOWN OF RICHMOND, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2010

Net change in fund balances-total governmental funds	\$	474,057
<p>Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:</p>		
<p>Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions \$66,927 exceeded loss on disposal of capital assets of \$108 and depreciation of \$1,541,899 in the current period.</p>		
		(1,475,080)
<p>Increases in deferred revenue that provide current financial resources to governmental funds are not reported as revenues in the statement of activities.</p>		
		69,461
<p>Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities. This is the net effect of those activities.</p>		
		6,458
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which principal was adjusted.</p>		
		315,355
<p>Other certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the statement of activities these accrued expenses are recognized and charged to current activities.</p>		
		<u>2,422</u>
Change in net assets of governmental activities	\$	<u><u>(607,327)</u></u>

Please see Note 9 for a more detailed explanation of the differences between the Government-wide Financial Statements and the Fund Financial Statements

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Water Fund
ASSETS	
Current assets	
Accounts receivable - net:	
Water and sewer user fees	\$ 12,310
Internal balances	468,088
Prepays	330
Total current assets	480,728
Non-current assets	
Property, plant and equipment	
Land	59,254
Buildings	905,694
Equipment	225,426
Total depreciable assets	1,190,374
Less accumulated depreciation	(611,303)
Total property, plant and equipment, net	579,071
TOTAL ASSETS	1,059,799
LIABILITIES	
Current liabilities	
Accrued expenses	245
Deferred revenues	11,513
Total current liabilities	11,758
Total liabilities	11,758
Net assets	
Invested in capital assets, net of related debt	579,071
Unrestricted	468,970
Total net assets	\$ 1,048,041

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Water Fund
Operating revenues	
Assessments and user fees	\$ 98,823
Total operating revenues	98,823
Operating expenses	
Salaries and benefits	15,067
Materials, supplies & operations	49,299
Depreciation and amortization	28,836
Total operating expenses	93,202
Operating income (loss)	5,621
Non-operating revenues (expenses)	
Interest income	-
Total non-operating (expenses)	-
Change in net assets	5,621
Total net assets - beginning	1,042,420
Total net assets - ending	\$ 1,048,041

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Water Fund
Cash flows from operating activities	
Cash received from customers	\$ 94,627
Cash payments to suppliers for goods and services	(51,611)
Cash payments to employees for services	(15,067)
Net cash provided by (used for) operating activities	27,949
 Cash flows from non-capital financing activities	
Interfund transactions	(27,949)
Net cash provided by (used for) non-capital financing activities	(27,949)
 Cash flows from investing activities	
Interest on investments	-
Net cash provided by (used for) investing activities	-
 Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ -
 Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ 5,621
 Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	28,836
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	2,804
(Increase) decrease in prepaids	(330)
Increase (decrease) in accrued expenses	(1,982)
Increase (decrease) in deferred revenues	(7,000)
Total adjustments	22,328
Net cash provided by operating activities	\$ 27,949

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Private-purpose Trusts	Agency Funds
ASSETS		
Cash	\$ 8,534	\$ 14,631
Investments	187,074	-
Internal balances	138,930	26,497
Total receivables	334,538	41,128
Total Assets	334,538	41,128
LIABILITIES		
Internal balances	3,574	-
Deposits held in custody for others	-	41,128
Total liabilities	3,574	\$ 41,128
NET ASSETS		
Held in trust for other purposes	\$ 330,964	

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

TOWN OF RICHMOND, RHODE ISLAND
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Private-purpose Trusts
Additions	
Earnings on investments	\$ 19,604
Other revenues	483
Total additions	20,087
 Deductions	
Administration	6,411
Total deductions	6,411
Change in net assets	13,676
Net assets beginning of year July 1, 2009	317,288
Net assets end of year June 30, 2010	\$ 330,964

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

Notes to Financial Statements

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The Town provides the following services: Public Safety (police, traffic safety, inspections, zoning and building), Public Works (recreation, highways and streets, engineering and building maintenance), Social Services, and General Administrative Services. The Town of Richmond is part of the Chariho Regional School District. As of October 2008, the District had a total enrollment of 3,661 of which 35.59% were students from Richmond. This number was used for calculating the Town's fiscal year 2009-2010 expense to the District.

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

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

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Test 1- the primary government appoints the voting majority of the board of the potential component unit and

* Is able to impose its will on the potential component unit and/or

* Is in a relationship of financial benefit or burden with the potential component unit;

Test 2- the potential component unit is fiscally dependent upon the primary government; or

Test 3 - the financial statements would be misleading if data from the potential component unit was not included.

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

BASIS OF PRESENTATION

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for *fiduciary funds* (the activity of these funds are reported in the statements of fiduciary net assets and changes in fiduciary net assets). The government-wide financial statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

GOVERNMENTAL FUND TYPES

Major Governmental Funds

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

Non-major Governmental Funds

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

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

PROPRIETARY FUND TYPE

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

Enterprise Funds - are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy management control, accountability, or other purposes.

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

FIDUCIARY FUND TYPES

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

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

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

BASIS OF ACCOUNTING

Measurement Focus – Government Wide Financial Statements

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

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

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between fiduciary fund types. These charges have

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

been reclassified as other receivables or other liabilities.

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

Measurement Focus – Fund Financial Statements

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

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

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

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

Non-current portions of long-term receivables of Governmental Fund Types are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate however, that they should not be considered “available expendable resources” since they do not represent

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

net current assets. Recognition of Governmental Fund Type revenues represented by non-current receivables is deferred until they become current receivables. Because of their spending measurement focus, expenditure recognition for Governmental Fund Types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund Type expenditures or fund liabilities. They are instead reported as Long-term Liabilities – Governmental Activities.

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

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

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

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

Cash Equivalents

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

Investments

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

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

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

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

Capital Assets

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

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

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

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

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

Bond Premiums and Debt Issuance Cost

In the Governmental Fund Financial Statements, bond premiums and debt issuance costs are treated as period costs in the year of issuance. Debt issuance costs are shown as an “expenditure” and bond premiums are reflected as an “other financing source”.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the Government-Wide Statements, bond premiums and debt issuance costs are deferred and amortized over the term of the related debt. Bond premiums are presented as an addition to the face amount of the bonds payable whereas debt issuance costs are recorded as other assets.

Deferred Revenues

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

Designated Fund Balances

Designated fund balances represent amounts, which the Town intends to use in future years to pay for non-contracted expenditures at year-end.

Reserved Fund Balances

Reserved fund balances represent amounts, which the Town is contractually obligated to pay but has not as of the balance sheet date received the goods or services.

Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved net assets for proprietary funds represent net assets available for future operations or distribution.

Revenues, Expenditures and Expenses

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

Program Revenues and Expenses

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

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 95.9% of the total December 31, 2008 levy. The Town's fiscal 2010 property taxes were

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

levied in July of 2009 on assessed valuation as of December 31, 2008.

Upon levy, taxes are billed quarterly and are due on September 7, December 7, March 7, and June 7. Failure to mail payments by due dates will result in lien on taxpayer's property. Assessed values are established by Tax Assessor's Office and are currently calculated at 100% of assessed value for real estate and 100% of market value for motor vehicles.

Vacation, Sick Leave, and Other Compensated Absences

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

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

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

Inter-fund Transactions

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

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

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

The Town does not budget for the combined Special Revenue Funds or the Capital Project Funds, since budgetary control is maintained on an individual basis. Since grant periods may differ from the Town's fiscal year, a comparison of budgetary information may not be meaningful and has not been presented in the accompanying financial statements.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$28,498,848 based on the December 31, 2008 assessment. As of June 30, 2010 the Town's debt is under the debt limit by \$26,623,848. In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of Richmond can authorize bond issues pursuant to a special act of the RI General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit, but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt. See page 71 in the statistical section for computation of the legal debt margin.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - DEFICIT FUND BALANCE OR RETAINED EARNINGS OF INDIVIDUAL FUNDS

Deficit fund balances existed in the following funds:

Building, Planning & Zoning	Special Revenue	750 *
Energy Conservation Block Grant	Special Revenue	1,905 **
DEM Stormwater Management	Special Revenue	4,541 **
Highway Safety	Special Revenue	3,861 **
Open Space Recreation Capital	Capital Projects	434 *
Knowles Mill Park Grant	Capital Projects	17,502 **

* The deficit balance will require a future administration plan to fund this deficit.

** The deficits will be eliminated by future reimbursements from either the State or the Federal Government.

NOTE 5 – CASH AND INVESTMENTS

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

Investments: The Town has an Investment Policy for all idle funds to ensure that capital losses are avoided. The investment of funds are to be federally insured or collateralized in an amount at least 102% in market value to the amount of the deposit. All investments are to meet the "prudent investor" rule which states "Investments shall be made with judgment and care, under circumstances 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.

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

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

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2010, all of the Town's balance of \$5,644.654 was either insured or collateralized.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – CASH AND INVESTMENTS (Continued)

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

Cash and investments of the Town consist of the following at June 30, 2010

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$ 5,644,654
 <i>Investments</i>	
Equities & Fixed Income	187,074
Total Investments	<u>187,074</u>
<i>Total Cash and Investments</i>	<u><u>\$ 5,831,728</u></u>

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

<i>Statement of Net Assets</i>	
Cash and cash equivalents	\$ 5,621,489
<i>Fiduciary Funds</i>	
Cash and cash equivalents	23,165
Investments	<u>187,074</u>
<i>Total Cash and Investments</i>	<u><u>\$ 5,831,728</u></u>

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any investments that are subject to interest rate risk for the fiscal year ended June 30, 2010. If applicable, information about the exposure of the Town's debt type investments to this risk is reported using the segment time distribution model.

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

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – PROPERTY TAXES

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

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

NOTE 7 – INFORMATION ABOUT CAPITAL ASSETS

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

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 1,621,580	\$ -	\$ -	\$ 1,621,580
Total capital assets not being depreciated	<u>1,621,580</u>	<u>-</u>	<u>-</u>	<u>1,621,580</u>
Other capital assets:				
Buildings and improvements	2,698,713	-	-	2,698,713
Machinery, equipment and furniture	1,858,254	66,927	71,185	1,853,996
Infrastructure	34,374,514	-	-	34,374,514
Total other capital assets at historical cost	<u>38,931,481</u>	<u>66,927</u>	<u>71,185</u>	<u>38,927,223</u>
Less accumulated depreciation for:				
Buildings and improvements	1,698,968	62,531	-	1,761,499
Machinery, equipment and furniture	1,448,824	104,387	71,077	1,482,134
Infrastructure	22,411,170	1,374,981	-	23,786,151
Total accumulated depreciation	<u>25,558,962</u>	<u>1,541,899</u>	<u>71,077</u>	<u>27,029,784</u>
Governmental activities capital assets, net	<u>\$ 14,994,099</u>	<u>\$ (1,474,972)</u>	<u>\$ 108</u>	<u>\$ 13,519,019</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 71,614
Public safety	26,638
Public works	1,443,647
Total governmental activities depreciation expense	<u>\$ 1,541,899</u>

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 59,254	\$ -	\$ -	\$ 59,254
Total capital assets not being depreciated	59,254	-	-	59,254
Other capital assets:				
Buildings	905,694	-	-	905,694
Equipment and machinery	225,426	-	-	225,426
Total other capital assets at historical cost	1,131,120	-	-	1,131,120
Less accumulated depreciation for:				
Buildings	509,146	22,642	-	531,788
Equipment and machinery	73,321	6,194	-	79,515
Total accumulated depreciation	582,467	28,836	-	611,303
Business-type activities capital assets, net	\$ 607,907	\$ (28,836)	\$ -	\$ 579,071

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water Fund	\$ 28,836
Total business-type activities depreciation expense	\$ 28,836

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

"Total fund balances" of the town's governmental funds of \$5,774,696 differs from "net assets" of governmental activities \$18,078,418 reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

Balance Sheet/Statement of Net Assets

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Assets Totals
Assets				
Cash and cash equivalents	\$ 5,621,489	\$ -	\$ -	\$ 5,621,489
Accounts receivable:				
Accounts receivable net	1,002,897	-	-	1,002,897
Other receivables	643,651	-	-	643,651
Internal balances	2,970,212	-	(3,438,300)	(468,088)
Other Assets - net	-	7,000	-	7,000
Capital assets - net	-	13,519,019	-	13,519,019
Prepaid expenses	59,059	-	-	59,059
Total assets	10,297,308	13,526,019	(3,438,300)	20,385,027
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	86,539	26,495	161,853	274,887
Accrued expenses	57,701	-	-	57,701
Internal balances	3,600,153	-	(3,600,153)	-
Deferred revenue	778,219	(778,219)	-	-
Long-term liabilities				
Due within one year	-	325,000	-	325,000
Due in more than one year	-	1,649,021	-	1,649,021
Total liabilities	4,522,612	1,222,297	(3,438,300)	2,306,609
Fund Balances/Net Assets				
Total fund balances/net assets	5,774,696	12,303,722	-	18,078,418
Total liabilities and fund balances/net assets	\$ 10,297,308	\$ 13,526,019	\$ (3,438,300)	\$ 20,385,027

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

Cost of capital assets	\$ 40,548,803
Accumulated depreciation	(27,029,784)
	\$ 13,519,019

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

Adjustment of deferred revenue	\$ 778,219
	\$ 778,219

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

Bonds payable	\$ 1,875,000
Bond issuance cost	(7,000)
Accrued interest payable	26,495
Accrued compensated absences	99,021
	\$ 1,993,516

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

The "net change in the fund balances" for governmental funds of \$474,057 differs from the "change in net assets" for governmental activities \$(607,327) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 14,277,199	\$ 69,461	\$ -	\$ -	\$ 14,346,660
Interest on late payments	158,260	-	-	-	158,260
Intergovernmental and departmental revenues	6,314,625	-	-	-	6,314,625
License, permits and fees	312,605	-	-	-	312,605
Interest on investments	26,392	-	-	-	26,392
Other revenues	377,716	-	-	-	377,716
Total revenues	21,466,797	69,461	-	-	21,536,258
Expenditures					
Current:					
General government	1,111,867	-	4,795	(4,422)	1,112,240
Public safety	1,412,216	-	26,638	-	1,438,854
Public works	853,258	-	1,443,647	-	2,296,905
General public assistance	332,833	-	-	-	332,833
Recreation and culture	47,559	-	-	-	47,559
Education	16,564,107	-	-	-	16,564,107
Recycling area	38,738	-	-	-	38,738
Community services	173,810	-	-	-	173,810
Landfill closure	2,125	-	-	-	2,125
Other	60,578	2,000	-	-	62,578
Debt service:					
Principal	315,355	-	-	(315,355)	-
Interest	79,769	(6,458)	-	-	73,311
Other	525	-	-	-	525
Total expenditures	20,992,740	(4,458)	1,475,080	(319,777)	22,143,585
Net change for the year	\$ 474,057	\$ 73,919	\$ (1,475,080)	\$ 319,777	\$ (607,327)

TOWN OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

Property taxes	<u>\$ 69,461</u>
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Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest and bond premiums are added to the bonds payable, and bond issuance costs are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Accrued interest	\$ (6,458)
Amortization bond cost	2,000
Total expenditure adjustment	<u>\$ (4,458)</u>

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

Capital outlay	\$ (66,927)
Depreciation expense	1,541,899
Loss on disposal of capital assets	108
Difference	<u>\$ 1,475,080</u>

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

Principal payments made	<u>\$ (315,355)</u>
	<u>\$ (315,355)</u>

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

Net decrease in compensated absences	<u>\$ (4,422)</u>
	<u>\$ (4,422)</u>

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10 - LONG-TERM LIABILITIES

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

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

Long-term liability activity for the fiscal year ended June 30, 2010 was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Maturities</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Governmental Activities					
Bonds Payable	\$ 2,190,355	\$ -	\$ 315,355	\$ 1,875,000	\$ 325,000
Total bonds payable	<u>2,190,355</u>	<u>-</u>	<u>315,355</u>	<u>1,875,000</u>	<u>325,000</u>
Other liabilities:					
Accrued compensated absences	103,443	-	4,422	99,021	-
Total other liabilities	<u>103,443</u>	<u>-</u>	<u>4,422</u>	<u>99,021</u>	<u>-</u>
Governmental Activities long-term liabilities	<u>\$ 2,293,798</u>	<u>\$ -</u>	<u>\$ 319,777</u>	<u>\$ 1,974,021</u>	<u>\$ 325,000</u>

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10 - LONG-TERM LIABILITIES (Continued)

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

Fiscal Year Ended June 30	Principal	Interest	Total
2011	325,000	68,076	393,076
2012	325,000	55,668	380,668
2013	325,000	42,938	367,938
2014	320,000	29,962	349,962
2015	145,000	20,663	165,663
2016	145,000	14,862	159,862
2017	145,000	8,972	153,972
2018	145,000	2,991	147,991
TOTALS	\$ 1,875,000	\$ 244,132	\$ 2,119,132

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

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES

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

Interfund receivable and payable balances at June 30, 2010 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ -	\$ 3,571,160
Special Revenue Funds	1,967,851	11,057
Capital Projects Funds	1,002,361	17,936
Proprietary Fund	468,088	-
Fiduciary Funds	165,427	3,574
TOTALS	\$ 3,603,727	\$ 3,603,727

**TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES (Continued)

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

Transfers between funds as of June 30, 2010 are as follows:

Fund / Department	Transfers from (to) other funds
General Fund	\$ (21,239)
Special Revenue Funds	30,240
Capital Project Funds	(9,001)
Totals	\$ -

NOTE 12 – SOLID WASTE LANDFILL

GASBS 49 — Accounting and Financial Reporting for Pollution Remediation Obligations, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The Richmond landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero.

Federal and state laws require that certain post-closure care be met. The Town estimates that on an annual basis, some cost will be incurred for post-closure care, although this is not deemed to have a significant impact or cost to the Town. These amounts will be paid through the operating budget.

NOTE 13 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

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

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 14 - POST RETIREMENT BENEFITS

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

NOTE 15 - PENSION PLANS

A. Municipal Employees' Retirement System (Town Plan)

The Town of Richmond participates in the Municipal Employees' Retirement System of the State of Rhode Island (MERS), an agent multiple employer defined benefit plan administered by the State of Rhode Island. All full-time Town general employees and police employees participate in the System.

The Municipal Employee's Retirement System of the State of Rhode Island (MERS) issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of Rhode Island Employee Retirement Board, 40 Fountain Street, Providence, Rhode Island, 02903, or by accessing the Retirement Board's website at www.ersri.org.

Plan Description

The plan generally provides retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62). Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An optional cost-of-living provision may be elected for police and fire personnel and general employees. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime. The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement; vested benefits after 10 years of service; survivor's benefits; and certain lump sum death benefits.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 - PENSION PLANS (Continued)

Funding Policy

The funding policies, as set forth in Rhode Island General Law, Section 36-10-2 and 4521-42 provide for actuarially determined periodic contributions to the plans. The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability. The valuation is prepared on the projected benefit basis, under which the present value, at the assumed rate of return (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on age, service, gender and compensation.

The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over a period not to exceed 30 years from June 30, 1999.

The payroll for the Town's general employees covered by the System for the year ended June 30, 2010 was \$798,108. The Municipal Employees Retirement System (MERS) maintains authority to establish contribution rates for its plan members. The current required contribution rates for active general plan members is, 6.0% for employees and 6.74% for employers on covered payroll paid.

The current contribution rates for active police plan members are, 7.0% for employees and 11.14% for employers on covered payroll.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2010 was \$53,800 for general employees. This contribution represents 6.74% of covered payroll. General employees were required to contribute \$47,887. This contribution represents 6.0% of covered payroll.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2010 was \$66,050 for police employees. This contribution represents 11.14% of covered payroll. Police employees were required to contribute \$41,505 which represents 7% of covered payroll.

(Continued)

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 - PENSION PLANS (Continued)

The annual required contribution amount, which equals annual pension cost, for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2007. Significant actuarial assumptions used on the June 30, 2007 valuation include the following:

- Investment return - 8.25% compounded annually
- Inflation rate - 3.00%
- Net real rate of return - 5.25%
- Projected salary increases – 4.50% - 14.75%
- Cost of living adjustment - 3%, non-compounded
- Actuarial value of assets - market value

Required contributions for general employees:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2008	\$54,402	100%
2009	\$49,726	100%
2010	\$53,800	100%

Required contributions for police employees:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2008	\$46,875	100%
2009	\$70,667	100%
2010	\$66,050	100%

Contributions and Reserves

Contribution requirements for plan members and employers are established pursuant to Rhode General Laws. Employers are required to contribute at an actuarially determined rate. Plan member contributions are fixed by statute.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 - PENSION PLANS (Continued)

Concentrations

There is no single issuer exposure within the System's portfolio that comprises 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

NOTE 16 - RISK MANAGEMENT

The Town of Richmond is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Town uses commercial policies to insure its risk of loss. This has proven to be cost effective for the Town. As a result, the Town engages a local insurance agency that provides coverage for property/liability claims, professional insurance, police accident and injury, and workers' compensation claims.

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

NOTE 17 - RELATED PARTIES

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2010.

NOTE 18 - SUBSEQUENT EVENTS

On August 15, 2010, the Town issued General Obligation Bonds, maturing August 15, 2020, at interest rates of 1.15-3.00%. Bond proceeds will finance road repair and repaving, the purchase of public works equipment, and police cruisers.

Management has evaluated subsequent events through December 13, 2010, the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

TOWN OF RICHMOND, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 19 - SEGMENT INFORMATION FOR THE ENTERPRISE FUND

Segment information for the Water Fund at June 30, 2010 and for the year then ended is presented as follows:

	Water Fund
Operating Revenues	\$ 98,823
Depreciation	28,836
Operating Income (loss)	5,621
Change in Net Assets	5,621
Net Working Capital	468,970
Total Assets	1,059,799
Total Net Assets	1,048,041

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	GENERAL FUND			
	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
<i>Revenues</i>				
Property taxes	\$ 14,206,584	\$ 14,206,584	\$ 14,277,199	\$ 70,615
Interest on late payments	100,000	100,000	158,260	58,260
Intergovernmental and departmental revenue	6,775,334	6,775,334	5,780,612	(994,722)
License, permits and fees	267,800	267,800	312,605	44,805
Interest on investments	90,000	90,000	26,392	(63,608)
Other revenues	64,000	64,000	377,716	313,716
Total Revenues	21,503,718	21,503,718	20,932,784	(570,934)
<i>Expenditures</i>				
General government	1,378,840	1,360,016	1,111,867	248,149
Public safety	1,410,395	1,437,484	1,412,216	25,268
Public works	571,200	587,603	853,258	(265,655)
General public assistance	59,387	59,387	57,979	1,408
Recreation and culture	59,285	54,285	47,559	6,726
Education	17,443,098	17,443,098	16,564,107	878,991
Recycling area	66,000	66,000	38,738	27,262
Community services	173,777	173,777	173,810	(33)
Canvassing authority	6,188	6,188	2,125	4,063
<i>Debt service</i>				
Principal	315,355	315,355	315,355	-
Interest	85,405	85,405	79,769	5,636
Other	1,025	1,025	525	500
Total expenditures	21,569,955	21,589,623	20,657,308	932,315
<i>Excess of Revenues Over (Under) Expenditures</i>				
<i>Before Other Financing Sources (Uses)</i>	<u>(66,237)</u>	<u>(85,905)</u>	<u>275,476</u>	<u>361,381</u>
<i>Other financing sources (uses)</i>				
Transfers in	129,905	129,905	112,405	(17,500)
Transfers out	<u>(63,668)</u>	<u>(44,000)</u>	<u>(133,644)</u>	<u>(89,644)</u>
Total other financing sources (uses)	66,237	85,905	(21,239)	(107,144)
<i>Excess of Revenues and Other Financing Sources Over</i>				
<i>(Under) Expenditures and Other Financing Uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,237</u>	<u>\$ 254,237</u>

OTHER SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2010

	Special Revenue Restricted Town	Capital Projects Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Accounts receivable	\$ 55,195	\$ -	\$ 55,195
Internal balances	1,967,851	1,002,361	2,970,212
Total assets	<u>\$ 2,023,046</u>	<u>\$ 1,002,361</u>	<u>\$ 3,025,407</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Internal balances	\$ 11,057	\$ 17,936	\$ 28,993
Total liabilities	<u>11,057</u>	<u>17,936</u>	<u>28,993</u>
 Fund balances (deficits)			
Unreserved	<u>2,011,989</u>	<u>984,425</u>	<u>2,996,414</u>
Fund balances (deficits)	<u>2,011,989</u>	<u>984,425</u>	<u>2,996,414</u>
Total liabilities and fund balances	<u>\$ 2,023,046</u>	<u>\$ 1,002,361</u>	<u>\$ 3,025,407</u>

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2010

	<u>Special Revenue Restricted Town</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Revenues			
Intergovernmental and departmental	\$ 491,199	\$ 42,814	\$ 534,013
Total Revenues	<u>491,199</u>	<u>42,814</u>	<u>534,013</u>
Expenditures			
Capital outlay	-	60,578	60,578
Program expenses	274,854	-	274,854
Total expenditures	<u>274,854</u>	<u>60,578</u>	<u>335,432</u>
Excess of revenues over (under) expenditures	216,345	(17,764)	198,581
Other financing sources (uses)			
Transfers from (to) other funds	30,240	(9,001)	21,239
Total other financing sources	<u>30,240</u>	<u>(9,001)</u>	<u>21,239</u>
Excess of revenues and other sources over (under) expenditures and other uses	246,585	(26,765)	219,820
FUND BALANCE - BEGINNING	1,765,404	1,011,190	2,776,594
FUND BALANCE - ENDING	<u>\$ 2,011,989</u>	<u>\$ 984,425</u>	<u>\$ 2,996,414</u>

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Town Special Revenue Restricted Funds
June 30, 2010

	Historical Records Trust	Realty Transfer Stamps	Metals Recycling	Public Works Inspections	Substance Abuse Investigation	Byrne Grant	Conservation Commission Grant	BJA Grant
ASSETS								
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	10,308	50,000	20,351	21,245	34,670	481	-	481
TOTAL ASSETS	<u>\$ 10,308</u>	<u>\$ 50,000</u>	<u>\$ 20,351</u>	<u>\$ 21,245</u>	<u>\$ 34,670</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$ 481</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Internal balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE								
Unreserved	10,308	50,000	20,351	21,245	34,670	481	-	481
TOTAL FUND BALANCE	<u>10,308</u>	<u>50,000</u>	<u>20,351</u>	<u>21,245</u>	<u>34,670</u>	<u>481</u>	<u>-</u>	<u>481</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 10,308</u>	<u>\$ 50,000</u>	<u>\$ 20,351</u>	<u>\$ 21,245</u>	<u>\$ 34,670</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$ 481</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Town Special Revenue Restricted Funds
June 30, 2010
(Continued)

	Foster Woods Recreation	Land Trust	Revaluation Escrow	Planning Board	Comprehensive Plan	Motor Vehicle Phase Out Tax	Land Trust Grant	Community Development Block Grant
ASSETS								
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,195
Internal balances	12,794	335,866	246,227	108,664	20,000	413,070	528	111,962
TOTAL ASSETS	<u>\$ 12,794</u>	<u>\$ 335,866</u>	<u>\$ 246,227</u>	<u>\$ 108,664</u>	<u>\$ 20,000</u>	<u>\$ 413,070</u>	<u>\$ 528</u>	<u>\$ 167,157</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Internal balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE								
Unreserved	12,794	335,866	246,227	108,664	20,000	413,070	528	167,157
TOTAL FUND BALANCE	<u>12,794</u>	<u>335,866</u>	<u>246,227</u>	<u>108,664</u>	<u>20,000</u>	<u>413,070</u>	<u>528</u>	<u>167,157</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 12,794</u>	<u>\$ 335,866</u>	<u>\$ 246,227</u>	<u>\$ 108,664</u>	<u>\$ 20,000</u>	<u>\$ 413,070</u>	<u>\$ 528</u>	<u>\$ 167,157</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Town Special Revenue Restricted Funds
June 30, 2010
(Continued)

	Impact Fees Education	Impact Fees Recreation	Building Planning Zoning	Landscaping	Public Works	Police	Energy Conservation Block Grant	Building Maintenance
ASSETS								
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	500,384	17,716	-	4,225	2,671	4,811	-	1,000
TOTAL ASSETS	<u>\$ 500,384</u>	<u>\$ 17,716</u>	<u>\$ -</u>	<u>\$ 4,225</u>	<u>\$ 2,671</u>	<u>\$ 4,811</u>	<u>\$ -</u>	<u>\$ 1,000</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Internal balances	\$ -	\$ -	\$ 750	\$ -	\$ -	\$ -	\$ 1,905	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905</u>	<u>-</u>
FUND BALANCE								
Unreserved	500,384	17,716	(750)	4,225	2,671	4,811	(1,905)	1,000
TOTAL FUND BALANCE	<u>500,384</u>	<u>17,716</u>	<u>(750)</u>	<u>4,225</u>	<u>2,671</u>	<u>4,811</u>	<u>(1,905)</u>	<u>1,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 500,384</u>	<u>\$ 17,716</u>	<u>\$ -</u>	<u>\$ 4,225</u>	<u>\$ 2,671</u>	<u>\$ 4,811</u>	<u>\$ -</u>	<u>\$ 1,000</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Town Special Revenue Restricted Funds
June 30, 2010
(Continued)

	Contingency	Emergency Management Grant	DEM Stormwater Management	DEM Wastewater Mgt	Homeland Security Grant	Highway Safety	Healthcare MEDS Grant	Totals
ASSETS								
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,195
Internal balances	21,288	9,370	-	-	-	-	19,739	1,967,851
TOTAL ASSETS	<u>\$ 21,288</u>	<u>\$ 9,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,739</u>	<u>\$ 2,023,046</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Internal balances	\$ -	\$ -	\$ -	\$ 4,541	\$ -	\$ 3,861	\$ -	\$ 11,057
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,541</u>	<u>-</u>	<u>3,861</u>	<u>-</u>	<u>11,057</u>
FUND BALANCE								
Unreserved	21,288	9,370	-	(4,541)	-	(3,861)	19,739	2,011,989
TOTAL FUND BALANCE	<u>21,288</u>	<u>9,370</u>	<u>-</u>	<u>(4,541)</u>	<u>-</u>	<u>(3,861)</u>	<u>19,739</u>	<u>2,011,989</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 21,288</u>	<u>\$ 9,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,739</u>	<u>\$ 2,023,046</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Town Special Revenue Restricted Funds
For the Fiscal Year Ended June 30, 2010

	Historical Records Trust	Realty Transfer Stamps	Metals Recycling	Public Works Inspections	Substance Abuse Investigation	Byrne Grant	Conservation Commission Grant	BJA Grant
REVENUES								
Intergovernmental revenue and departmental	\$ 1,248	\$ -	\$ -	\$ -	\$ -	\$ 29,230	\$ 650	\$ -
TOTAL REVENUES	<u>1,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,230</u>	<u>650</u>	<u>-</u>
EXPENDITURES	<u>1,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,815</u>	<u>29,230</u>	<u>650</u>	<u>-</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	(60)	-	-	-	(5,815)	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers from (to) other funds	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(60)	-	-	-	(5,815)	-	-	-
FUND BALANCE - BEGINNING	10,368	50,000	20,351	21,245	40,485	481	-	481
FUND BALANCE - ENDING	<u>\$ 10,308</u>	<u>\$ 50,000</u>	<u>\$ 20,351</u>	<u>\$ 21,245</u>	<u>\$ 34,670</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$ 481</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Town Special Revenue Restricted Funds
For the Fiscal Year Ended June 30, 2010
 (Continued)

	Foster Woods Recreation	Land Trust	Revaluation Escrow	Planning Board	Comprehensive Plan	Motor Vehicle Phase Out Tax	Land Trust Grant	Community Development Block Grant
REVENUES								
Intergovernmental revenue and departmental	\$ -	\$ -	\$ -	\$ 43,239	\$ -	\$ -	\$ 1,662	\$ 338,223
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,239</u>	<u>-</u>	<u>-</u>	<u>1,662</u>	<u>338,223</u>
EXPENDITURES	<u>-</u>	<u>12,450</u>	<u>-</u>	<u>11,930</u>	<u>-</u>	<u>-</u>	<u>1,134</u>	<u>185,600</u>
Excess (deficiency) of Revenues Over (Under)								
Expenditures	-	(12,450)	-	31,309	-	-	528	152,623
OTHER FINANCING SOURCES (USES)								
Transfers from (to) other funds	-	-	29,000	-	20,000	-	-	59,607
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>29,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>59,607</u>
Excess (Deficiency) of Revenues and Other Financing Sources								
Over (Under) Expenditures and Other Financing Uses	-	(12,450)	29,000	31,309	20,000	-	528	212,230
FUND BALANCE - BEGINNING	12,794	348,316	217,227	77,355	-	413,070	-	(45,073)
FUND BALANCE - ENDING	<u>\$ 12,794</u>	<u>\$ 335,866</u>	<u>\$ 246,227</u>	<u>\$ 108,664</u>	<u>\$ 20,000</u>	<u>\$ 413,070</u>	<u>\$ 528</u>	<u>\$ 167,157</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Town Special Revenue Restricted Funds
For the Fiscal Year Ended June 30, 2010
 (Continued)

	Impact Fees Education	Impact Fees Recreation	Building Planning Zoning	Landscaping	Public Works	Police	Energy Conservation Block Grant	Building Maintenance
REVENUES								
Intergovernmental revenue and departmental	\$ 21,598	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>21,598</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905</u>	<u>-</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	21,598	7,000	-	-	-	-	(1,905)	-
OTHER FINANCING SOURCES (USES)								
Transfers from (to) other funds	(81,405)	(15,000)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(81,405)</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(59,807)	(8,000)	-	-	-	-	(1,905)	-
FUND BALANCE - BEGINNING	560,191	25,716	(750)	4,225	2,671	4,811	-	1,000
FUND BALANCE - ENDING	<u>\$ 500,384</u>	<u>\$ 17,716</u>	<u>\$ (750)</u>	<u>\$ 4,225</u>	<u>\$ 2,671</u>	<u>\$ 4,811</u>	<u>\$ (1,905)</u>	<u>\$ 1,000</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Town Special Revenue Restricted Funds
For the Fiscal Year Ended June 30, 2010
 (Continued)

	<u>Contingency</u>	<u>Emergency Management Grant</u>	<u>DEM Stormwater Management</u>	<u>DEM Wastewater Mgt</u>	<u>Homeland Security Grant</u>	<u>NHTSA Highway Safety</u>	<u>Healthcare MEDS Grant</u>	<u>Totals</u>
REVENUES								
Intergovernmental revenue and departmental	\$ -	\$ -	\$ -	\$ 4,395	\$ 3,975	\$ 18,619	\$ 21,360	\$ 491,199
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,395</u>	<u>3,975</u>	<u>18,619</u>	<u>21,360</u>	<u>491,199</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,136</u>	<u>-</u>	<u>17,075</u>	<u>1,621</u>	<u>274,854</u>
Excess (deficiency) of Revenues Over (Under)								
Expenditures	-	-	-	(1,741)	3,975	1,544	19,739	216,345
OTHER FINANCING SOURCES (USES)								
Transfers from (to) other funds	-	-	7,629	-	(7,639)	18,048	-	30,240
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>7,629</u>	<u>-</u>	<u>(7,639)</u>	<u>18,048</u>	<u>-</u>	<u>30,240</u>
Excess (Deficiency) of Revenues and Other Financing Sources								
Over (Under) Expenditures and Other Financing Uses	-	-	7,629	(1,741)	(3,664)	19,592	19,739	246,585
FUND BALANCE - BEGINNING	21,288	9,370	(7,629)	(2,800)	3,664	(23,453)	-	1,765,404
FUND BALANCE - ENDING	<u>\$ 21,288</u>	<u>\$ 9,370</u>	<u>\$ -</u>	<u>\$ (4,541)</u>	<u>\$ -</u>	<u>\$ (3,861)</u>	<u>\$ 19,739</u>	<u>\$ 2,011,989</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Non Major Capital Project Funds
June 30, 2010

	Bond Fund	Capital Expenses Alton Water	Open Space Recreation Capital	Chariho School Construction	Open Space Recreation Restricted
ASSETS					
Internal balances	\$ 245,160	\$ 19,291	\$ -	\$ -	\$ 233,540
TOTAL ASSETS	\$ 245,160	\$ 19,291	\$ -	\$ -	\$ 233,540
 LIABILITIES AND FUND BALANCE					
LIABILITIES					
Internal balances	\$ -	\$ -	\$ 434	\$ -	\$ -
TOTAL LIABILITIES	-	-	434	-	-
 FUND BALANCE					
Fund balance - unreserved	245,160	19,291	(434)	-	233,540
TOTAL FUND BALANCE	245,160	19,291	(434)	-	233,540
 TOTAL LIABILITIES AND FUND BALANCE	\$ 245,160	\$ 19,291	\$ -	\$ -	\$ 233,540

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Non Major Capital Project Funds
June 30, 2010
 (Continued)

	<u>Stone Seal</u>	<u>Knowles Mill Park Grant</u>	<u>Landfill Cleanup</u>	<u>Bond Fund</u>	<u>TOTAL</u>
ASSETS					
Internal balances	\$ 60,000	\$ -	\$ 50,000	\$ 394,370	\$ 1,002,361
TOTAL ASSETS	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 394,370</u>	<u>\$ 1,002,361</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Internal balances	\$ -	\$ 17,502	\$ -	\$ -	\$ 17,936
TOTAL LIABILITIES	<u>-</u>	<u>17,502</u>	<u>-</u>	<u>-</u>	<u>17,936</u>
FUND BALANCE					
Fund balance - unreserved	60,000	(17,502)	50,000	394,370	984,425
TOTAL FUND BALANCE	<u>60,000</u>	<u>(17,502)</u>	<u>50,000</u>	<u>394,370</u>	<u>984,425</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 394,370</u>	<u>\$ 1,002,361</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non Major Capital Project Funds
For the Fiscal Year Ended June 30, 2010

	<u>Bond Fund</u>	<u>Capital Expenses Alton Water</u>	<u>Open Space Recreation Capital</u>	<u>Chariho School Construction</u>	<u>Open Space Recreation Restricted</u>
REVENUES					
Intergovernmental and departmental	\$ -	\$ -	\$ -	\$ -	\$ 42,814
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,814</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of Revenues Over (Under)					
Expenditures Before Other Financing Sources (Uses)	-	-	-	-	42,814
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	-	-	-	(1)	(16,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(16,000)</u>
Net change in fund balances	-	-	-	(1)	26,814
FUND BALANCE - BEGINNING	245,160	19,291	(434)	1	206,726
FUND BALANCE - ENDING	<u>\$ 245,160</u>	<u>\$ 19,291</u>	<u>\$ (434)</u>	<u>\$ -</u>	<u>\$ 233,540</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non Major Capital Project Funds
For the Fiscal Year Ended June 30, 2010
 (Continued)

	<u>Stone Seal</u>	<u>Knowles Mill Park Grant</u>	<u>Landfill Cleanup</u>	<u>Bond Fund</u>	<u>TOTAL</u>
REVENUES					
Intergovernmental and departmental	\$ -	\$ -	\$ -	\$ -	\$ 42,814
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,814</u>
EXPENDITURES					
Capital outlay	-	17,502	-	43,076	60,578
TOTAL EXPENDITURES	<u>-</u>	<u>17,502</u>	<u>-</u>	<u>43,076</u>	<u>60,578</u>
Excess (deficiency) of Revenues Over (Under)					
Expenditures Before Other Financing Sources (Uses)	-	(17,502)	-	(43,076)	(17,764)
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	-	-	-	7,000	(9,001)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>(9,001)</u>
Net change in fund balances	-	(17,502)	-	(36,076)	(26,765)
FUND BALANCE - BEGINNING	<u>60,000</u>	<u>-</u>	<u>50,000</u>	<u>430,446</u>	<u>1,011,190</u>
FUND BALANCE - ENDING	<u>\$ 60,000</u>	<u>\$ (17,502)</u>	<u>\$ 50,000</u>	<u>\$ 394,370</u>	<u>\$ 984,425</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Private Purpose Trust Funds
June 30, 2010

	<u>Emily Anthony Funds</u>	<u>Edwin Anthony Funds</u>	<u>Friends Cemetery 2</u>	<u>Cemetery Funds</u>	<u>Wood River Cemetery Funds</u>	<u>Historical Cemetery Fund</u>	<u>White Brook Cemetery Fund</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 5,863	\$ -	\$ -	\$ -	\$ -
Investments	81,565	-	-	-	-	-	105,509
Internal balances	52,215	16,352	-	45,078	8,812	9,446	-
TOTAL ASSETS	<u>\$ 133,780</u>	<u>\$ 16,352</u>	<u>\$ 5,863</u>	<u>\$ 45,078</u>	<u>\$ 8,812</u>	<u>\$ 9,446</u>	<u>\$ 105,509</u>
LIABILITIES							
Internal balances	\$ -	\$ -	\$ 3,574	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>3,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE							
Reserved by trust agreement	133,780	16,352	2,289	45,078	8,812	9,446	105,509
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 133,780</u>	<u>\$ 16,352</u>	<u>\$ 5,863</u>	<u>\$ 45,078</u>	<u>\$ 8,812</u>	<u>\$ 9,446</u>	<u>\$ 105,509</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Balance Sheet
Private Purpose Trust Funds
June 30, 2010
 (Continued)

	<u>Town Farm Fund</u>	<u>Link Cemetery Fund</u>	<u>Henry D Hoyle Fund</u>	<u>J Crawford Fenner Fund</u>	<u>Crawley Property</u>	<u>Total Non-Major Permanent Funds</u>
ASSETS						
Cash and cash equivalents	\$ 1,230	\$ 815	\$ 626	\$ -	\$ -	\$ 8,534
Investments	-	-	-	-	-	187,074
Internal balances	-	-	-	3,535	3,492	138,930
TOTAL ASSETS	<u>\$ 1,230</u>	<u>\$ 815</u>	<u>\$ 626</u>	<u>\$ 3,535</u>	<u>\$ 3,492</u>	<u>\$ 334,538</u>
LIABILITIES						
Internal balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,574
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,574</u>
FUND BALANCE						
Reserved by trust agreement	<u>1,230</u>	<u>815</u>	<u>626</u>	<u>3,535</u>	<u>3,492</u>	<u>330,964</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,230</u>	<u>\$ 815</u>	<u>\$ 626</u>	<u>\$ 3,535</u>	<u>\$ 3,492</u>	<u>\$ 334,538</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2010

	<u>Emily Anthony Funds</u>	<u>Edwin Anthony Funds</u>	<u>Friends Cemetery 2</u>	<u>Cemetery Funds</u>	<u>Wood River Cemetery Funds</u>	<u>Historical Cemetery Fund</u>	<u>White Brook Cemetery Fund</u>
Revenues							
Earnings on investments	\$ 8,070	\$ -	\$ 5	\$ -	\$ 75	\$ -	\$ 11,419
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>8,070</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>11,419</u>
Expenditures							
Administration	-	1,085	1,800	-	60	-	3,442
Total expenditures	<u>-</u>	<u>1,085</u>	<u>1,800</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>3,442</u>
Excess (deficiency) of revenues over (under) expenditures	8,070	(1,085)	(1,795)	-	15	-	7,977
FUND BALANCE - BEGINNING	<u>125,710</u>	<u>17,437</u>	<u>4,084</u>	<u>45,078</u>	<u>8,797</u>	<u>9,446</u>	<u>97,532</u>
FUND BALANCE - ENDING	<u>\$ 133,780</u>	<u>\$ 16,352</u>	<u>\$ 2,289</u>	<u>\$ 45,078</u>	<u>\$ 8,812</u>	<u>\$ 9,446</u>	<u>\$ 105,509</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2010
 (Continued)

	<u>Town Farm Fund</u>	<u>Link Cemetery Fund</u>	<u>Henry D Hoyle Fund</u>	<u>J Crawford Fenner Fund</u>	<u>Crawley Property</u>	<u>Total Non-Major Permanent Funds</u>
Revenues						
Earnings on investments	\$ 1	\$ 1	\$ -	\$ 33	\$ -	\$ 19,604
Other revenues	-	-	-	-	483	483
Total revenues	<u>1</u>	<u>1</u>	<u>-</u>	<u>33</u>	<u>483</u>	<u>20,087</u>
Expenditures						
Administration	-	-	-	24	-	6,411
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>6,411</u>
Excess (deficiency) of revenues over (under) expenditures	1	1	-	9	483	13,676
FUND BALANCE - BEGINNING	<u>1,229</u>	<u>814</u>	<u>626</u>	<u>3,526</u>	<u>3,009</u>	<u>317,288</u>
FUND BALANCE - ENDING	<u>\$ 1,230</u>	<u>\$ 815</u>	<u>\$ 626</u>	<u>\$ 3,535</u>	<u>\$ 3,492</u>	<u>\$ 330,964</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND RHODE ISLAND
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
LANDSCAPE ESCROWS				
Assets				
Cash and cash equivalents	\$ 10,032	\$ 34	\$ -	\$ 10,066
Total assets	<u>\$ 10,032</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 10,066</u>
Liabilities				
Deposits held in custody for others	\$ 10,032	\$ 34	\$ -	\$ 10,066
Total liabilities	<u>\$ 10,032</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 10,066</u>
CURB CUT BONDS				
Assets				
Internal balances	\$ 4,854	\$ 3,010	\$ 2,000	\$ 5,864
Total assets	<u>\$ 4,854</u>	<u>\$ 3,010</u>	<u>\$ 2,000</u>	<u>\$ 5,864</u>
Liabilities				
Deposits held in custody for others	\$ 4,854	\$ 3,010	\$ 2,000	\$ 5,864
Total liabilities	<u>\$ 4,854</u>	<u>\$ 3,010</u>	<u>\$ 2,000</u>	<u>\$ 5,864</u>
FAIRSIDE DRIVE BOND				
Assets				
Internal balances	\$ 17,999	\$ -	\$ -	\$ 17,999
Total assets	<u>\$ 17,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,999</u>
Liabilities				
Deposits held in custody for others	\$ 17,999	\$ -	\$ -	\$ 17,999
Total liabilities	<u>\$ 17,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,999</u>
CASTLE RIDGE BOND				
Assets				
Internal balances	\$ 2,013	\$ -	\$ 2,013	\$ -
Total assets	<u>\$ 2,013</u>	<u>\$ -</u>	<u>\$ 2,013</u>	<u>\$ -</u>
Liabilities				
Deposits held in custody for others	\$ 2,013	\$ -	\$ 2,013	\$ -
Total liabilities	<u>\$ 2,013</u>	<u>\$ -</u>	<u>\$ 2,013</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION
TOWN OF RICHMOND RHODE ISLAND
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
SAFETY MARKINGS				
Assets				
Cash and cash equivalents	\$ 2,179	\$ 2	\$ -	\$ 2,181
Total assets	<u>\$ 2,179</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,181</u>
Liabilities				
Deposits held in custody for others	\$ 2,179	\$ 2	\$ -	\$ 2,181
Total liabilities	<u>\$ 2,179</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,181</u>
GARDINER ROAD BOND				
Assets				
Internal balances	\$ 2,634	\$ -	\$ -	\$ 2,634
Total assets	<u>\$ 2,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,634</u>
Liabilities				
Deposits held in custody for others	\$ 2,634	\$ -	\$ -	\$ 2,634
Total liabilities	<u>\$ 2,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,634</u>
PROBATE COURT				
Assets				
Cash and cash equivalents	\$ 2,381	\$ 3	\$ -	\$ 2,384
Total assets	<u>\$ 2,381</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 2,384</u>
Liabilities				
Deposits held in custody for others	\$ 2,381	\$ 3	\$ -	\$ 2,384
Total liabilities	<u>\$ 2,381</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 2,384</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 14,592	\$ 39	\$ -	\$ 14,631
Internal balances	27,500	3,010	4,013	26,497
Total assets	<u>\$ 42,092</u>	<u>\$ 3,049</u>	<u>\$ 4,013</u>	<u>\$ 41,128</u>
Liabilities				
Deposits held in custody for others	\$ 42,092	\$ 3,049	\$ 4,013	\$ 41,128
Total liabilities	<u>\$ 42,092</u>	<u>\$ 3,049</u>	<u>\$ 4,013</u>	<u>\$ 41,128</u>

STATISTICAL SECTION

**STATISTICAL SECTION
TOWN OF RICHMOND, RHODE ISLAND
SCHEDULE OF TAX COLLECTIONS
For the Fiscal Year Ended June 30, 2010**

Fiscal Year End	Balance July 1, 2009	Current Year Assessment	Refunds	Additions and Adjustments	Abatements	Amount to be Collected	Current Year Collections	Balance June 30, 2010
2010	\$ -	\$ 14,376,803	\$ 11,653	\$ (2,413)	\$ 21,757	\$ 14,364,286	\$ 13,782,491	\$ 581,795
2009	693,846	-	5,799	15,803	485	714,963	514,610	200,353
2008	205,870	-	1,089	3,310	443	209,826	128,524	81,302
2007	41,044	-	1,369	2,480	371	44,522	11,832	32,690
2006	28,060	-	51	75	360	27,826	1,183	26,643
2005	21,144	-	-	-	39	21,105	1,769	19,336
2004	19,002	-	-	-	-	19,002	902	18,100
2003	13,710	-	-	-	-	13,710	690	13,020
2002	14,044	-	-	41	-	14,085	453	13,632
2001	16,754	-	-	(41)	-	16,713	687	16,026
2000	24,499	-	-	-	24,098	401	401	-
	<u>\$ 1,077,973</u>	<u>\$ 14,376,803</u>	<u>\$ 19,961</u>	<u>\$ 19,255</u>	<u>\$ 47,553</u>	<u>\$ 15,446,439</u>	<u>\$ 14,443,542</u>	<u>\$ 1,002,897</u>

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

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property	\$ 835,178,250	\$ 12,477,563
Real property - C/M	87,721,670	1,310,562
Motor vehicles	64,106,902	1,451,380
Tangible personal	19,248,440	287,572
TOTAL	<u>1,006,255,262</u>	<u>15,527,077</u>
Less exemptions	<u>56,293,676</u>	<u>1,150,274</u>
NET ASSESSED VALUE	<u>\$ 949,961,586</u>	<u>\$ 14,376,803</u>

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 14,443,542
Less: Refunds and adjustments	<u>(706)</u>
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2010	<u>224,678</u>
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2009	<u>(369,214)</u>
Non property tax & suspense adjustments	<u>(21,101)</u>
CURRENT YEAR PROPERTY TAX REVENUE	<u>\$ 14,277,199</u>

STATISTICAL SECTION
TOWN OF RICHMOND, RHODE ISLAND
SCHEDULE OF LONG-TERM LIABILITIES - PRIMARY GOVERNMENT
For the Fiscal Year Ended June 30, 2010

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding July 1, 2009</u>	<u>Additions</u>	<u>Maturities During Year</u>	<u>Outstanding June 30, 2010</u>	<u>Interest Paid</u>	<u>Due within one year</u>
General obligation bonds payable										
2007 Capital improvement bonds	8/15/2007	3.89%	4/1/2027	\$ 1,400,000	\$ 1,300,000	\$ -	\$ 125,000	\$ 1,175,000	\$ 50,653	\$ 150,000
2003 Municipal bonds	8/1/2003	2.00-4.00%	8/1/2013	1,600,000	875,000	-	175,000	700,000	28,984	175,000
1980 School bonds	6/27/1980	5.000%	6/30/2010	250,000	15,355	-	15,355	-	132	-
Total general obligation bonds payable				<u>\$ 3,250,000</u>	<u>2,190,355</u>	<u>-</u>	<u>315,355</u>	<u>1,875,000</u>	<u>79,769</u>	<u>325,000</u>
Other long-term liabilities										
Accrued compensated absences					103,443	-	4,422	99,021	-	-
Total other long-term liabilities					<u>103,443</u>	<u>-</u>	<u>4,422</u>	<u>99,021</u>	<u>-</u>	<u>-</u>
TOTAL LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES					<u>\$ 2,293,798</u>	<u>\$ -</u>	<u>\$ 319,777</u>	<u>\$ 1,974,021</u>	<u>\$ 79,769</u>	<u>\$ 325,000</u>

**STATISTICAL SECTION
TOWN OF RICHMOND, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2010**

Grossed assessed value	\$ 1,006,255,262
Less: exemptions and adjustments	56,293,676
Total taxable assessed value	<u>\$ 949,961,586</u>
Debt Limit - 3 percent of total assessed value	\$ 28,498,848
Amount of debt applicable to debt limit:	
Total bonded debt	1,875,000
Legal debt margin	<u>\$ 26,623,848</u>

TOWN OF RICHMOND, RHODE ISLAND

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Rhode Island (Town) as of and for the year fiscal ended June 30, 2010, and have issued our report thereon dated December 13, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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

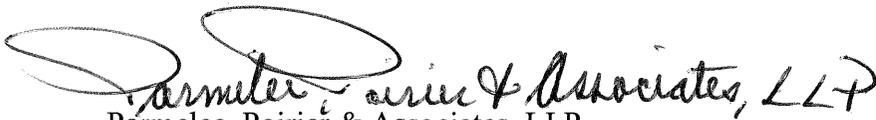
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matter

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

We noted certain other matters that we reported to management of the Town in a separate letter dated December 13, 2010.

This report is intended solely for the information and use of management, the Town Council, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Parmelee, Poirier & Associates, LLP
December 13, 2010

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors report issued: Unqualified

Internal control over financial reporting:

Significant deficiency (ies) identified? yes X no

Significant deficiency (ies) identified that are considered material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

 yes X none

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010
(Continued)

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

A. Significant Deficiency in Internal Control Reported

None Reported.

B. Compliance

None Reported.

TOWN OF RICHMOND, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010
(Continued)

A. Prior Year Significant Deficiency in Internal Control Reported

Finding 2009-1 Financial Reporting

Criteria

Accounting systems are designed and dependent upon compliance with established policies and procedures for authorizing and recording transactions properly and consistently in accordance with generally accepted accounting principles. For the current fiscal year, all items relating to Finding 2009-1 were implemented and corrected.