

TOWN OF BURRILLVILLE, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

PREPARED BY: JOHN P. MAINVILLE

FINANCE DIRECTOR

TOWN OF BURRILLVILLE, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2007

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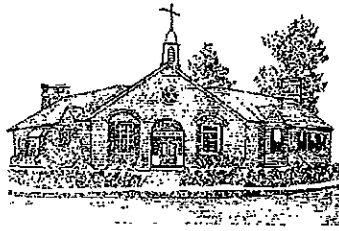
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TOWN OF BURRILLVILLE

INTRODUCTORY SECTION

TOWN OF BURRILLVILLE

TOWN FINANCE OFFICE
105 Harrisville Main Street
Harrisville, RI 02830 - 1499



TOWN BUILDING
HARRISVILLE, R.I.

January 29, 2008

Phone (401) 568-4300

Ext. 121

Fax (401) 568-9473

TDD (401) 568-1710

Honorable Members of the Town Council
and Town Manager

As required by the Town Charter and State Law, the comprehensive annual financial report for fiscal year ending June 30, 2007 is hereby submitted. The ultimate responsibility for both the accuracy and fairness of the presented data rests with the Town of Burrillville's Finance Department. To the best of our knowledge and belief, the information enclosed is accurate in all material respects and the data is presented in a manner designed to fairly represent the financial position and the financial operation of the Town during the fiscal year ended June 30, 2007. The Town and its auditors, Cayer Caccia, LLP cooperated to prepare this information, which will enable you to obtain a better understanding of the Town's financial position and the costs associated with providing services. Various disclosures have been included to assist you in gaining an understanding of the Town's financial activities.

The comprehensive annual financial report consists of four sections: 1) Introductory, 2) Financial, 3) Single Audit, and 4) Statistical. The Introductory section contains this transmittal letter, the Town's organizational chart, and a listing of principal officials. The Financial section contains the independent auditor's report on the basic financial statements and schedules. The Financial section also includes the Management's Discussion and Analysis [MD&A] which begins on page 3 and provides a narrative overview and analysis of significant financial issues and activities affecting the Town's financial position. The Single Audit section is prepared in compliance with the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, which rescinded Circular A-128 as it related to the Audits of State and Local Governments. Single Audit now applies only in years that the Town expends \$500,000 or more in federal funds. Included in the Single Audit section is the schedule of expenditures of federal awards, grant activity findings and recommendations, and the independent auditor's report on the internal controls and compliance with applicable laws and regulations. The Statistical section contains essential financial and demographic information relative to the Town.

Copies of this report are on file in the Town Clerk's office and the public libraries. This report is forwarded to the Rhode Island Auditor General's Office, as required by State Law, and to various other state agencies, financial institutions, and rating agencies.

Profile of the Government

The Town of Burrillville is a Rhode Island municipal corporation, which provides a full range of services including general government administration, public safety, public works, social services, recreation, and educational opportunities to its residents. In addition, the Town operates a wastewater collection and treatment facility.

There are several other governmental entities having operations within the Town limits, which are separate, legal entities. The responsibility for the financial reporting of those entities does not rest with the Town government. These boards represent entities established in conformance with state laws and are not governed by the Town Charter. Some of the services provided by these entities include elderly housing, electricity, emergency medical services, fire protection, library services, street lighting, and water.

COMMUNITY DESCRIPTION

The Town of Burrillville is a mixed suburban and rural community located in the northwest corner of Rhode Island. Burrillville was established in 1730. This year represents Burrillville's 200th anniversary since becoming incorporated on October 29, 1806. Since January 1, 1989, the Town has operated under a home rule charter, which was adopted at the November 8, 1988 general election after receiving legislative approval authorizing a referendum to seek voter acceptance of a home rule charter. The Charter was amended November 6, 1990, November 5, 1996, and November 9, 2004. The Town Council appoints the Town Manager and all boards and commission members. The seven member Council is elected at large at the regular biennial elections for staggered four-year terms.

Burrillville has an area of approximately 57 square miles (55.8 land; 1.5 water). The Town has 6 primary villages - Pascoag, Harrisville, Mapleville, Nasonville, Oakland, and Glendale. The Town's geography includes farmlands, several bodies of water, open space, woodlands, and wetlands.

FACTORS AFFECTING FINANCIAL CONDITION

Burrillville experienced significant population growth and residential real estate development during the late 1980s/early 1990's and again in the early 2000's. The majority of the Town's employers are State and local government agencies, service facilities and manufacturing facilities. Likewise, the Town's primary taxpayers are also involved with service, utility industries, and manufacturing.

The recently compiled 2000 census indicates that Burrillville has a population of 15,796 (a 434 [or 2.7%] decrease in population from the 1990 census). Even though the census indicates a drop in population, the number of new housing units continued to grow by an average of 52 units per year over the past 10 years. The 1990 census data indicated that Burrillville had a permanent population of 16,230, which represented a 23.3% increase of population from the 1980 census count of 13,164. Over the past two (2) decades, Burrillville has been one of the fastest growing communities in Rhode Island. This rate of growth presents the Town with many significant challenges and opportunities relative to the increased demands for educational and municipal services. Most Town residents commute to jobs in the northern RI and Providence area. The Town's labor force has increased from 8,449 to 9,952 since 1998. Employment opportunities within the Town are approximately 3,000.

As required by law, the Town completed its latest three [3] year statistical revaluation during this fiscal year effective December 31, 2006] and will be applied against the fiscal year ending 2008 tax levy. The last full revaluation affected property values assessed as of December 31, 2003. Those assessments have been applied against taxes levied through fiscal year ending June 30, 2007. The Town completed its first State law required, three (3) year statistical revaluation in 2001. Effective for the assessment period of December 31, 1998, the Town received legislative authorization and has implemented a new program whereby new construction after that date will be assessed on a pro-rata basis. The next statistical revaluation is currently ongoing and will be implemented effective December 31, 2009.

Net assessed values have increased by \$17,503,637 (1.29%) over last year's valuations. Approximately 80% of the Town's tax base is residential. There have been approximately 485 new housing units constructed over the past ten years.

A profile of the Town is summarized below to illustrate various changes in population, housing, economic trends, and conditions that would impact on the demand for services and facilities and the Town's ability to meet those needs. These indicators highlight the significant change that has taken place in Burrillville over the last ten years.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

<u>Category</u>	<u>1997</u>	<u>2007</u>	<u>% Change</u>
Population (est.)	16,102	15,796	(1.55%)
Labor Force	8,449	9,952	17.79%
Employed	8,082	9,503	17.58%
Unemployment Rate	4.60%	4.51%	(1.96%)
Median Age	32.9	37.5	13.98%
Per Capita Income	\$ 13,282	\$ 21,096	58.83%
Median Household Income	\$ 37,156	\$ 52,587	41.53%
School Enrollment	2,990	2,554	(13.72%)
High School Graduates	70.60%	85.18%	20.65%
Bachelor Degrees	15.90%	16.20%	1.89%
Net Assessed Values	\$ 647,559,922	\$ 1,370,126,489	111.58%
Median Selling Price (Single Family)	\$ 115,000	\$ 325,928	183.42%

Burrillville has three industrial parks. The Burrillville Industrial Park covers 53 acres, is the 23rd largest industrial park in the state, and is at capacity. A second 24-acre site (Clear River Drive Industrial Park) was acquired by the Industrial Foundation in FYE 1999. This site currently has four tenants and the remaining three lots are being marketed. In November 2002, the Town acquired a third industrial site, Burrillville Commerce Park – a 254 acre parcel located on Route 102. The Commerce Park currently has two tenants. The balance of the park is being marketed and engineered to determine the best use. The Town is also conducting a comprehensive analysis (Route 102 Master Plan) to determine the best method of developing Route 102, which is the primary transportation route that goes through the Town. Finally, the Town, in a joint effort with the Burrillville Industrial Foundation, is currently conducting an inventory and analysis of other potential industrial park sites. Other activities include the planned renovation of the Clocktower building in the former Stillwater Mill site which ties in with the new library construction there.

In the interest of attracting industry to the Town, an act (Chapter 57, 1988) authorizing the Town to exempt from taxation or freeze the value of wholesale inventory was passed on July 26, 1988. In 1993, the Town received authorization to exempt retail inventory from local property taxes (Chapter 343, 1993). This authorization culminated in an ordinance being passed on May 28, 1997. When appropriate, the Town has granted tax stabilization to businesses interested in expanding and/or moving into Town, which results in additional jobs and tax base in Burrillville.

Regarding the available transportation network, Burrillville is located approximately 20 miles north of Providence, 22 miles south of Worcester, and 45 miles south of Boston. The Town is located 4 miles from Route 146, 8 miles from Route 295, and 18 miles from Routes 95 and 495. The Town is approximately 9 miles from North Central Airport located in Lincoln and 20 miles from T.F. Green Airport, the State's major airport, located to the south of Burrillville in Warwick, RI.

The Council adopted a revised Comprehensive Plan, which has been approved by the State and is good until March 2010. Incorporated within the plan is an economic development section. The new plan establishes goals, objectives, and implementation actions that will govern the Town's future growth and impact on the quality of life for many years to come. Additionally, the Town has adopted an Affordable Housing Strategy that is used as a State model.

ACCOUNTING SYSTEM AND BUDGET CONTROL

The accounting policies of the Town conform to generally accepted accounting principles applicable to governmental units. The modified accrual method is used for all Town funds except for Proprietary Fund Types, which are accounted for under the accrual method. Under the modified accrual method, revenues are recognized when they become both measurable and available to finance current operations. Property taxes are recognized in the fiscal year for which the taxes are levied and due provided that they are collected within the year or within sixty days of year end. Uncollected taxes are recorded as assets and credited to liability reserves in the same amount.

In developing, evaluating, and modifying the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the general government's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Internal controls are under constant review and improvements are adopted when recognized.

Because the Town is a recipient of federal and state funding, it is responsible for maintaining adequate internal controls that will assure compliance with any applicable regulations or laws associated with those programs. Our internal controls are subject to periodic evaluation by management as well as the Town's independent auditors.

As part of the Town's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations.

The annual budget for the Town General Government was adopted on June 28, 2006 by the Town Council (Agenda #06-171), in conformance with Article 10 of the Burrillville Home Rule Charter. During the year there were six (6) supplemental budget appropriations adopted by the Town Council, which totaled \$2,527,545 - of which \$2,433,343 related to capital improvements carried forward from the prior year.

The adopted budget provided for municipal operations, school operations, debt service, and capital improvements. Control of the budget is achieved in several ways. The ultimate objective of these controls is to assure compliance with the approved budget, Town Charter, and RI General Laws. The level of budgetary control starts with the general classification and appropriation of funds. Contingency funds that are available at year-end are utilized to cover any shortfalls that may have occurred within a given department. The Town's fiscal position is reported monthly by the Finance Department to the Town Council, Town Manager, and Town Departments. The monthly report compares actual revenues, expenditures, and encumbrances against budgeted revenues and expenditures within the limitations of the current computer system. Additionally, the Town's fiscal position is reported to the RI Department of Administration on a quarterly basis. Budgetary control is maintained through a purchase order system, which seeks to insure that funds are available prior to an obligation being created. This reduces the possibility of liabilities being incurred, which are greater than the balance in the appropriation.

ACCOUNTING SYSTEM AND BUDGET CONTROL (Continued)

Encumbrance accounting is an important tool utilized by the Town for budget control. The institution of encumbrance accounting offers an additional level of protection to the task of accomplishing budgetary control.

The Town is continuing the refinement of its computer system which will, among other things, significantly improve the automation of our financial reporting as it relates to accounting, budgeting, tax assessment, tax collections, and departmental revenues. All side funds have been automated and installed on the system. All unencumbered appropriations lapse at year-end. All receipts are processed through the collector's office. The statements and schedules provided in the financial section of this report illustrate the Town's ability to continue to meet its responsibility for providing sound financial management.

Specific capital projects are developed with financial plans designed to cover the length of the project. A five-year capital improvement plan is updated annually. The Town Council adopted the annual five-year capital improvement plan for fiscal year ending June 30, 2007 on March 22, 2006 [#06-075].

This process was modified in fiscal year ending June 30, 1998 following the adoption of a revised capital improvement ordinance (2-4.5 Capital Projects Program) approved by the Council on January 14, 1998. The ordinance change provides for the plan to be initially reviewed by the Budget Board and subsequently approved by the Council by the middle of April. In addition, the ordinance establishes a minimum amount of \$900,000 for municipal and school capital improvement projects along with a variable amount that is appropriated to a reserve for major capital projects. The final appropriation for capital improvement projects occurs when the total annual budget appropriation is adopted in June each year.

CASH MANAGEMENT

The Town General Fund held \$11,397,538 in cash and cash equivalents on June 30, 2007. This cash balance allowed the Town to meet its routine expenses on a timely basis as well as its significant financial obligations that included liabilities associated with either the close of the old fiscal year (i.e. School and Town accounts payable and accrued compensation paid in July/August), or the payment of obligations that came due at the beginning of the new fiscal year (i.e. debt service) before the tax bills are mailed out and property tax revenues start to arrive.

Failure to maintain adequate reserve funds could require the Town to issue tax anticipation notes (and to include the applicable interest cost in its annual budget) so that operating and debt expenditures can be paid in a timely manner. The cash needs of the Town can fluctuate significantly in a short period of time. Of particular concern is the fact that if the budget process and/or the mailing of tax bills are delayed the Town may be put into a borrowing situation to meet its outstanding obligations on a timely manner. Assuming there were no prior year obligations, the investments outstanding as of June 30, 2007 would only cover approximately 24.8% (less than three (3) months) of the annual budget allocation. When the prior contractual obligations noted above are factored in, outstanding investments are only sufficient to cover one month's activity during the current year.

Another fact that cannot be over emphasized is that only a portion of our Fund Balance is actually cash. As the designated portions of the general fund are drawn down when needed, there will be even less liquid funds available for utilization during periods of time when the inflow of tax revenues and other receipts are low. The use of temporary borrowing to meet current expenditure needs is viewed as a negative factor by credit rating agencies. Timeliness is critical in the adoption of the budget. The Town does not want to be in a situation whereby if the budget adoption is delayed for any reason and/or the bills are mailed late, the Town could be required to meet expenses through short-term borrowing.

CASH MANAGEMENT (Continued)

Any monies that are available during the year are invested in various instruments such as banker's acceptances, certificates of deposit, prime commercial paper, repurchase agreements, and short-term money market certificates with maturities ranging from 1 to 60 days depending upon their anticipated cash requirements during that period. A sweep account has been created and is used when feasible. This account allows for overnight interest earnings on idle monies that had previously been in non-interest bearing accounts. These investments are in conformance with the guidelines established by the investment policy, which was formally adopted by the Town Council in February 1991, and as amended.

Investment income for the General Fund for FYE 2007 was \$ 387,746. This income category was \$66,246 more than last year [\$321,500]. This variance was due to a rise in interest rates after a prolonged period where rates remained low in a tight economy. Interest income is also generated for other funds under the care and custody of the Town finance department.

FUND BALANCE

As in the past, Town staff continues to recommend and maintain an Unreserved, Undesignated Fund Balance at a level equivalent to the higher of 12% of current budget appropriations or an amount equal to the Town's budgeted annual debt payment (\$6,785,635 or 14.9% of the FYE June 30, 2008 budget). Note that the annual debt service payments for the last ten (10) years have moderately exceeded 12% of current budget appropriations. There was a \$6 million wastewater treatment bond authorization approved in November 2002. This project began in the fall of 2005 and is still going on. A Rhode Island Clean Water [RICW] Bond was acquired in October 2003 in the amount of \$5.6 million to fund the majority of this project. In June 2006, a RIHEBC Bond in the amount of \$7.5 million was sold to finance the renovation and construction of the Callahan Elementary School. During this fiscal year, two new bond authorities were sold. In October 2006 a \$5 million library bond (authorization approved in November 2004), a \$400,000 wastewater treatment bond, and \$2 million refunding bond was issued. In December 2006, a RICW bond in the amount of \$3.5 million was closed.

Based upon the results of the audit for FYE June 30, 2007, the Town's Unreserved, Undesignated Fund Balance currently exceeds the Town's Fund Balance policy by \$1,264,842. In the past, available funding has been used for a number of outstanding issues including unanticipated infrastructure demands (such as bridge/culvert replacements) or continued funding of the reserve funds (debt reduction, recreation/open space land acquisition, unfunded liabilities [vacation/sick leave], or major capital).

Maintaining the policy relative to a minimum level of fund balance is essential for several reasons including the following:

- The Town must continually strengthen its overall financial condition to maintain its improved credit rating - particularly during poor economic times. Our credit rating determines the interest rate that we must pay on borrowed money. When a town's credit rating declines, the interest to be paid by the taxpayer on any new debt would increase.
- The utilization of the unreserved, undesignated fund balance is a one-time benefit to the community that is typically impractical to replace in the following year.
- The unreserved fund balance provides a financial resource, which, if depleted, will force the Town to incur the additional costs associated with short term borrowing in order to meet routine cash flow needs. Once the financial resources allocated towards our designated fund balance are eliminated, the Town will be in the position of having to borrow to meet financial obligations at the beginning of each fiscal year.

FUND BALANCE (Continued)

- Our unreserved, undesignated fund balance provides a margin of security when revenue sources are unreliable or when unforeseen situations occur (i.e. the State withholds funding previously promised). Our Fund Balance provides a level of protection should an unanticipated loss of revenue occur such as the State withholding promised financial aid during the year or in the event that Ocean State Power should be placed in the position where it is not commercially operating.
- A reduction of unreserved fund balance directly affects the amount of funds that can be invested which results in a loss of income earnings and a higher tax rate.
- The current unreserved fund balance level helps to lessen the impact of implementing General Accounting Standards Board Statement Number 11 and 34.
 - GASB 11 will require incorporation of such items as post retirement benefits into the Town's annual operating results. Currently the cost of these benefits are projected to be approximately \$1,308,008 (\$189,965 to the Town and \$1,118,043 to the School Department). The Town has set up and appropriated monies for deposit in a fund designed to address the issue of unfunded vacation and sick leave benefits. This fund had a balance as of June 30, 2007 of \$24,827, which represents 13.1% of the Town's total liability (\$189,965 which consists solely of accrued vacation benefits). Note that the Town is no longer liable for any post employment accrued sick time obligation because that obligation was paid off in 2006. The School Department has not initiated a funding mechanism to meet their liability.
 - A key component of GASB 34 involves the inclusion of capital assets, including infrastructure, into the annual operating statements.
- Another important interim use of general fund monies is for the purpose of either out-right funding or temporarily funding various capital projects in lieu of borrowing thereby avoiding the numerous costs (interest, legal, etc.) associated with temporary borrowing. Some of the past activities have included the police station renovation project, White Mill Park and Spring Lake Beach improvements, school renovation projects (Steere Farm Elementary and High School), library construction, and the cancellation of remaining sewer bond authorities. Significant savings have been achieved on these endeavors because the Town did not need to borrow on an interim basis.
- A stable unreserved fund balance assists us when the timing of our cash flow is not predictable thereby providing us with sufficient resources to meet the Town's various daily demands throughout the fiscal year.

MAJOR INITIATIVES

Major initiatives during the fiscal year included the following:

- The Town of Burrillville has been recognized by RI Monthly, a statewide magazine, as the second healthiest and safest place to live in the entire state of Rhode Island. The northwest corner of the state had the top three communities – Glocester, Burrillville, and Foster.
- The \$7.5 million construction and rehabilitation of the William Callahan Elementary School was completed. A.F. Lusi was the general contractor for this project. This project was financed by a general obligation bond and will receive substantial state aid reimbursement.

MAJOR INITIATIVES (Continued)

- The \$5.0 million construction of the new town library was well underway at year end. E.W. Burman is the general contractor for this project. The contract was substantially completed by October 2007 at which time the purchase of furniture, shelving and signage commenced. This project is being funded by a general obligation bond and will receive substantial state aid to assist in the debt payments.
- A \$3 million expansion and rehabilitation of the June Rockwell Levy Rink was started in April 2007 and was completed on budget and as scheduled [substantially completed on September 15, 2007] so that the rink could open its season on time. A.F. Lusi was the general contractor for this project. The few remaining issues were resolved by the end of November. This project was funded with the assistance of debt reduction funds and fund balance which will be restored through future state aid reimbursements.
- A Community Development Block Grant (CDBG) was awarded to the Town in the amount of \$72,400 in September 2006. The grant was to \$46,000 Stillwater acquisition, parking and circulation, \$20,000 for Tri-Town rehab services, \$3,000 for Community Land Trust, and Program Administration \$3,400.
- In terms of economic development, the Town has continued working on a number of initiatives, including:
 - The Downtown Pascoag Association continued to work on improvements, including:
 - The rehabilitation of the former Laundromat building has been completed and will be placed on the market for sale.
 - Pascoag Riverwalk – The first phase of construction of the Riverwalk was completed in FYE 2007.
 - The site of the old Hurst Furniture building has been razed and cleaned up. A new mixed use building (commercial 1st floor; apartments 2nd floor) was completed and occupied this year.
 - Development of the Clear River Drive Industrial Park continued with the assistance of the Industrial Foundation and private developers.
 - Continued activity related to the redevelopment of the Stillwater Mill complex, including:
 - The acquisition and razing of the Fontaine/O'Hara property located on the east end of the Stillwater Mill complex for the purpose of providing the Town with a location for a new library and possibly other municipal purposes was completed.
 - The Town acquired the former Clocktower building and is working with the Neighborworks of Blackstone River Valley for the purpose of continuing the redevelopment of this site by creating a 47 unit residential development.
- The Burrillville Redevelopment Agency became a permanent agency of the Town by a Charter change that occurred in fiscal year 2005. Two of its main projects have been the:
 - Stillwater Mill Redevelopment which is a three phased project that is well underway. It started with the construction of the Stillwater Heights Senior Apartment complex [2006], continues with the current library construction project, and will be completed with the renovation of the Clock Tower mill.
 - Downtown Pascoag Redevelopment which involves the redevelopment of Pascoag Main Street in conjunction with the completion of the Riverwalk project.

MAJOR INITIATIVES (Continued)

- Parks & Recreation, in addition to its normal duties and with the assistance of DPW when required, was busy in a number of areas:
 - Obtained grants for a variety of recreational activities including a DEM grant (\$25,000) that helped to resurface the running track at the Branch River Park and Spring Lake Beach Campground. An additional DEM Open Space grant [\$20,700] was awarded for improvements at Shippee bridge, which is being restored by the state.
 - Construction of a new football field at the high school was completed. The installation of bleachers was recently completed in the fall of 2007.
 - A new dock was installed at Spring Lake Beach.
 - Overseeing the continued expansion of the after school program (Burrillville Extended Care) which operates at three sites. The BEC was formally placed under the Parks and Recreation Department by ordinance in January 2006. This year marks the 10th year of operations for BEC.
 - The Parks and Recreation Department moved its office to 92 North Main Street at a building that was formally utilized by the School Department.
 - Successfully coordinated the Town's seventh annual Snakes Alive Road Race in Pascoag.
 - The Town has awarded a contract (9/25/02 - #02-252) in the amount of \$1,057,000 to Site Tech for the expansion and improvement of athletic fields at Hauser and Branch River. The project is substantially completed in past years with only the final phase involving the construction of a playground remaining.
- The Public Works Department along with its normal duties:
 - Handled approximately 11 storms and 29 inches of snow.
 - Continued implementation of the Infrastructure Program, which is designed to upgrade and expand the Town's program of sidewalk construction and road paving.
 - Cooper Hill Road, Spring Lake Road, Jackson Schoolhouse Road, East Ironstone Road, East Wallum Lake Road, Peach Orchard Road, Zenon Road, and Pulaski Road were paved. In some cases work on sidewalks, culverts and drainage were also completed as needed.
 - High School Football Field construction was substantially completed. The bleachers were installed in the subsequent year.
 - Gazza Road bridge construction began in June 2007.
 - Survey and design work related to Warner Lane bridge was initiated.
 - The street sign replacement program continued.
 - Coordinated landscaping at the School Administration Building with the Garden Club.
 - Continued to sponsor the State DPW Annual Indoor and Outdoor equipment shows.
 - Assisted the Recreation Department in moving to its new office and helped the recreation department meet its goals and objectives.

MAJOR INITIATIVES (Continued)

- The Police Department has been involved with several endeavors including the following:
 - Completion of the seventh full year of operating the Municipal Court.
 - Enhancing the Citizens Police Academy (11th Graduating Class) and Juvenile Hearing Board.
 - Continued the expansion support of a variety of programs such as Community Policing, Senior Citizen, Ride Along, Junior Achievement, and Child Safety Programs.
 - The Town purchased a Reverse 911 system [CodeRED], which will provide a method of communicating with town residents during emergency situations.
- Administration:
 - Completed the statistical revaluation project, which was on schedule and effective as of December 31, 2006. The last town-wide full revaluation project was effective as of December 2003.
 - Continued to leased space for an Annex, which helped to alleviate space issues and allowed the Town to move the building department, planning department, and information systems out of the town hall basement. It is anticipated that these offices will move to the current location of the Jesse Smith Library once the new library is completed [April 2007].
 - The Town's WEB site and GIS systems continue to be expanded and enhanced.
- Maintained both Fitch Investor's Service (A+) and Moody's Rating Agency (A1) upgraded the Town's Credit Rating. During this fiscal year ending 2007, the Town received a rating upgrade from Fitch Investor's Service in October 2006 [to AA-].

DEBT ADMINISTRATION

On January 8, 1997, the Town Council passed an ordinance establishing a Special Revenue Fund, which will be used solely for the prepayment of bonded indebtedness and unbudgeted capital expenses. The ordinance was created for two reasons; (1) to lessen the Town's reliance on Ocean State Power revenue, which is currently being used to fund operations before the PILOT agreement expires and (2) to address the Town's outstanding debt burden. It is projected that, under this program, the Town will either make an additional \$8 million in debt payments over the next four [4] years and/or directly pay for projects that it would have previously had to bond - thereby significantly reducing its existing debt obligations. The first phase of this debt reduction program was applied towards shortening the term of the debt associated with Steere Farm Elementary. The balance in this fund on June 30, 2007 was \$3,022,663 – however a significant portion of this fund is currently unavailable pending the final resolution of funding for the library and rink construction projects.

DEBT ADMINISTRATION (Continued)

Existing state statutes limit the issuance of general obligation bonds to 3 percent of net assessed property values. Fiscal year ending June 30, 1995 marked the first time that the Town had elected to issue bonds under RIGL 45-12-2. Due to time constraints, the Town Council voted to bond \$4.5 million for the purpose of renovating the former Meadow Glen Nursing Home under RIGL 45-12-2. A second issue for \$1 million, which was part of the \$8 million issue closed in 2000, was added to meet the remaining contractual obligations associated with the High School Renovation project. In December 2006, the Town issued \$3.5 million in RICWFA bonds under RIGL 45-12-2 to finance in the completion of ongoing expansion of sewer to the eastern portion of the Town. These three issues represent the only time that the Town has elected to issue bonds under RIGL 45-12-2. All other debt has been issued by legislative authority and voter referendum.

Withstanding these exceptions, all outstanding general obligation bond issues have been authorized through enabling legislation and voter approved referendum. On June 10, 1998, the Town Council voted to cancel the remaining sewer bond authority in the amount of \$240,400 (Agenda item #98-156). As of June 30, 2007, the Town's remaining authorized but unissued debt authority consists of the following - \$500,000 for open space projects (plus the balance of the RICW drawdowns) for wastewater projects. Recent bond issues that have been incurred by the Town included the following: Voter approval for the \$5 million library bond authority was received at the November 2004 general election. Additional voter approval for the \$7.5 million Callahan Elementary School Construction/Renovation was approved in May 2005. Construction on the elementary school began in the spring of 2006, opened for the new school year in September 2006, and was substantially completed by January 2007. Construction for the new library began in the summer of 2006 and was substantially completed in October 2007. Wastewater construction on the eastern side of town is also ongoing and scheduled to take approximately two years.

When the Town went to the bond market in the summer of 2000, the Town received a rating upgrade by both Fitch's Investors Service (from A to A+) and Moody's Rating Agency (from A2 to A1). The Moody rating was reaffirmed and the Fitch rating was again upgraded to AA- when the Town went to market in October 2006. This was especially noteworthy in the economy at that time where there have been a significant number of rating downgrades (particularly in New England). These ratings were reaffirmed in October 2002 when the Town issued refunding bonds. The credit rating has remained consistent and improved moderately because the Town has a long history of stable, sound financial management, which includes the maintenance of an unrestricted fund balance sufficient to cover its pending debt obligations.

Historically, the Town has utilized a significant amount of its Unreserved, Undesignated Fund Balance as an interim source of revenue for operations. For many years, this has allowed the Town to avoid borrowing in anticipation of taxes. As of FYE 1994, the Town returned to its reserve policy objective relative to maintaining an unreserved undesignated fund balance that was the greater of either (1) 12% fund balance or (2) one year's annual debt payment. With the results of this year's operations, the Town has again met its minimal goal of maintaining a sufficient undesignated, unreserved fund balance. Maintenance of this minimal balance should be a priority as part of the overall process involved with improving our financial operations.

Bond rating companies look at four main factors when determining the credit worthiness of a municipal offering. The four factors are 1) debt, 2) economics, 3) fiscal, and 4) administrative. The Town has little control over its demographics and no control over the region's economy. The Town cannot control the fact that its median income is low or that it relies primarily on a residential tax base.

The Town can control its destiny in other areas such as carefully monitoring its debt burden, creating an effective program for capital improvements, limiting its tax rate and levy fluctuations, continued maintenance of a sufficient unrestricted fund balance to meet each current year debt obligations as well as interim cash flow needs, and the continued maintenance of a stable, professional management team.

DEBT ADMINISTRATION (Continued)

In the interest of improving on our record of sound financial management, some additional goals being pursued include - improved budget reporting, improved interim reporting, improved utilization of available computer resources, completion of a fixed asset inventory system, implementation of various loss control and risk management practices, and finalization of a written financial manual, which would include the Town's accounting policies and procedures. The Town has begun to address some of these issues with the assistance of a local college intern program and temporary staffing. Strengthening these areas will enable the Town to offset areas in which it is weak.

RISK MANAGEMENT

Burrillville is a member of the Rhode Island Interlocal Risk Management Trust (RIIRMT). The Trust was established by an act of the RI Legislature in July 1986 so that cities and towns could join together to assure the availability of insurance coverage and reasonably stable rates. The Town of Burrillville joined the Trust on October 1, 1986.

The Trust provides all property, liability, worker's compensation, life, and police officers' injured on duty insurance coverage for the Town. The Trust treats the Municipality, School Department, and Wastewater Treatment Facility as separate entities for insurance purposes. The Town annually reviews its coverage to insure that its insurance levels are both adequate and cost effective. Burrillville has representatives on the Trust Board and its sub-committees. The Town actively participates in the Trust's operation as well as its educational and training programs, which promote loss control measures and safety training.

The Town (as a Medium Member) and Wastewater Treatment Plant (as a Small Member) were the recipients of the First Annual Loss Control Awards given by the Trust. Some loss control areas that the Town has been involved with since joining the Trust included the creation of a Safety Committee, development of a risk management manual, participation in various seminars/events sponsored by the Trust such as the new firearms simulator training system (FATS), and random drug and alcohol testing. In addition, where practical, the Town has adopted and updated formal risk management policies such as the Town's Sexual Harassment Policy revised on July 22, 1998 (#98-177) and its Controlled Substance and Alcohol Testing Policy revised on August 26, 1998 (#98-210). Updated personnel policies, including family and medical leave, were adopted on October 22, 2003 (#03-290).

As the scope of municipal services continues to expand, the Town will annually review its risk management policies to reduce exposure as much as is reasonably possible.

INDEPENDENT AUDIT

The Town Charter (Section 3.17) and state law requires an annual audit of the Town's financial condition by independent, certified public accountants. Cayer Caccia, LLP of Providence, Rhode Island has audited the financial statements of the Town of Burrillville for fiscal year ending June 30, 2007.

Cayer Caccia, LLP is a member of the American Institute of Certified Public Accountants and as such is subject to an external quality control review (i.e. peer review) conducted by specially trained certified public accountants from other firms. The auditor's report on the Town's basic financial statements is attached.

ACKNOWLEDGEMENT

The preparation of this annual financial report was made possible by the dedicated service provided by the staff in the Finance Department. The success of this department is based upon the daily efforts of its members as they carry out their respective duties and responsibilities. In addition, without the assistance and support of all Town Departments this report would not have been possible.

Sincerely,



John P. Mainville
Finance Director

TOWN OF BURRILLVILLE, RHODE ISLAND

MUNICIPAL OFFICERS

June 30, 2007

TOWN COUNCIL

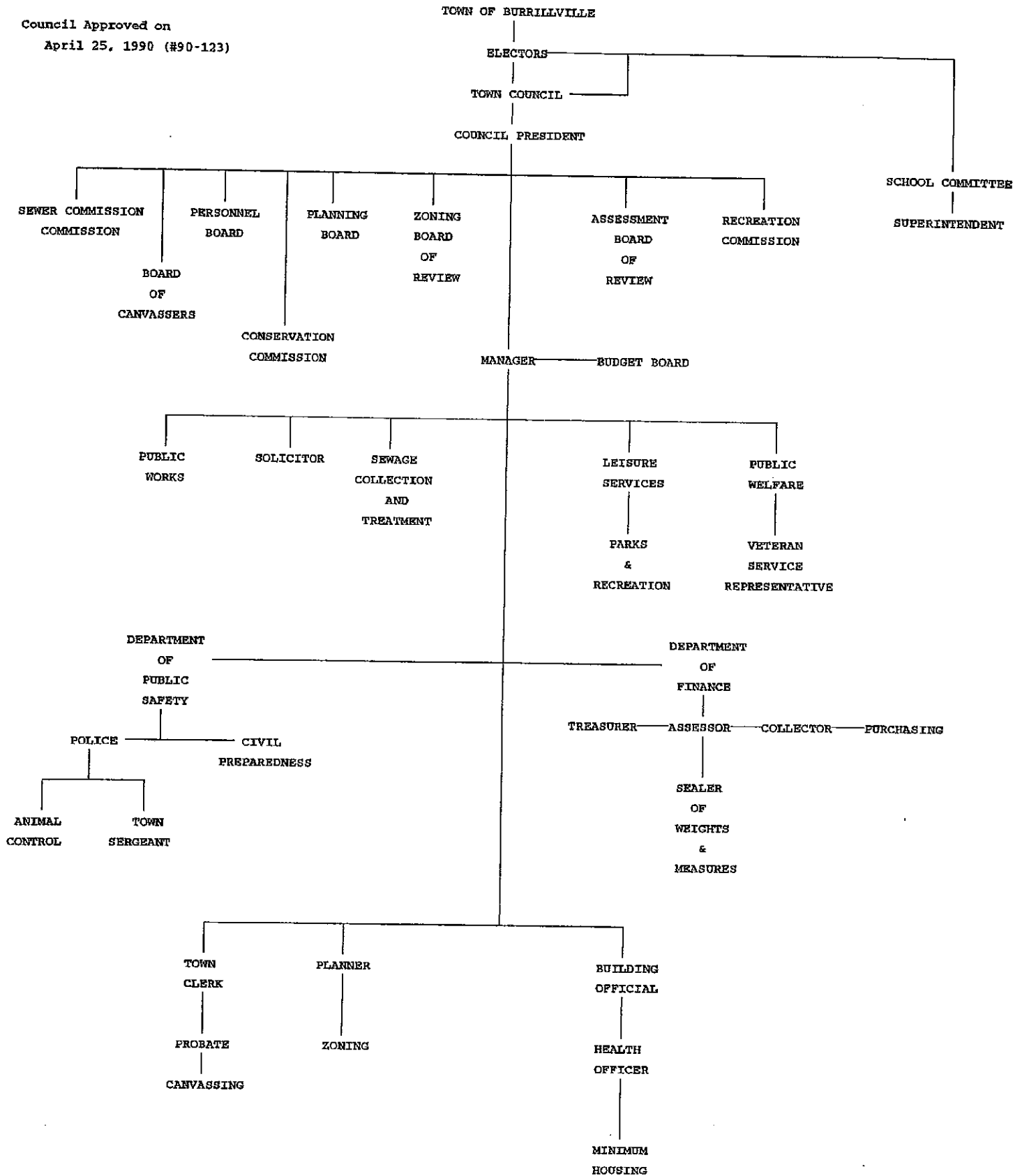
Nancy F. Binns, President
Wallace F. Lees, Pro-tem
Kevin M. Blais
Margaret L. Dudley
John Michael Karmozyn, Jr.
Norman C. Mainville
Cynthia L. Rose

TOWN OFFICIALS

Town Manager	Michael C. Wood
Assessor	Raymond N. Doughty
Building Official	Joseph F. Raymond
Clerk	Louise R. Phaneuf, CMC
Emergency Management Director	Richard Lapierre
Finance Director	John P. Mainville, CGFM
Municipal Court Judge	Joseph P. Carroll
Planning/Economic Development Co-Ordinator	Thomas J. Kravitz, MCP
Police Chief	Col. Bernard E. Gannon
Probate Court Judge	Pierre G. Rondeau
Public Works-Director/Engineer	Richard A. Bernardo, PE
Recreation Director	Cheri R. Hall, CYLA, CPSI, CLA
Solicitor	Timothy F. Kane
Treasurer	Mark A. Adams
Wastewater Treatment Facility-Superintendent	John E. Martin III

ORGANIZATION CHART
- NOT A STAFFING CHART

Council Approved on
April 25, 1990 (#90-123)



March 5, 1992

TOWN OF BURRILLVILLE

FINANCIAL SECTION

CAYER CACCIA LLP

Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Town Council
Burrillville, Rhode Island

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of and for the year ended June 30, 2007, 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 of Burrillville, Rhode Island's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the 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 respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of June 30, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Town has retroactively reported major general infrastructure assets, as allowed by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended and interpreted, as of June 30, 2007.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2008, on our consideration of the Town of Burrillville, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered in assessing the results of our audit.

405 Promenade Street, Providence, RI 02908 (401) 421-7700 FAX (401) 421-5252
100 Plaza Center 68 Cumberland Street, Woonsocket, RI 02895 (401) 766-8100

The management's discussion and analysis, historical pension information and budgetary comparison information on pages 3 through 21 and 67 through 75, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Burrillville, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Town of Burrillville, Rhode Island. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cayer Caccia, LLP.

January 29, 2008

Town of Burrillville, Rhode Island
Management's Discussion and Analysis
JUNE 30, 2007

The Town of Burrillville (the Town) provides this Management Discussion and Analysis (MD&A), a format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns for fiscal year ending June 30, 2007.

This is the fifth year that the Town has presented its financial statements under the reporting model required by GASB 34. Because this reporting model changes significantly not only the presentation of financial data but also the manner in which information is recorded, it is not easily comparable to prior years.

This discussion and analysis includes comparative data for the prior year, which was the fourth year of implementation of Governmental Accounting Standards Board (GASB) Statement Number 34. Future years will include, when available, comparative analysis of government-wide data.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes, and currently known facts, please read it in conjunction with the accompanying Transmittal Letter and the Town's financial statements.

Financial Highlights

- The total assets of the Town of Burrillville exceeded its liabilities at the close of the fiscal year ending June 30, 2007 by \$65.2 million (net assets). Of this amount, only \$9.3 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2007, the Town's governmental funds reported total net assets of \$40.6 million.
- The Town of Burrillville's total net assets increased by \$7.3 million, or 12.5%, for the year ended. Net assets of governmental activities increased by \$4.3 million, a 11.8% increase from fiscal 2006. Net assets of business-type activities increased by \$3.0 million, or 13.7% from 2006.
- The Town's general fund reported a fund balance of \$9.4 million at the end of fiscal year ending 2007. This compares to a fund balance of \$9.0 million at the end of fiscal 2006. The unreserved, undesignated fund balance for the year was \$6.8 million (\$4.8 million in 2006). This is a \$2.0 million increase over the prior year unreserved fund balance.
- The Town ended the fiscal year with a budgetary operating excess of revenue over expenditures of \$3,581,866 in 2007. Included in this amount is \$2,068,681 of capital improvement funds that will be carried over to fiscal year ending June 2008.

- The School Department ended the fiscal year with a budgetary operating deficit of \$18,870 (\$47,558 surplus in 2006).
- The Town's total long-term debt increased by \$5,095,835 or 16.5% in 2007. The key factor in this increase was a new GO Bond for \$5,400,000 and additional drawdowns from RICWFA totaling \$2,537,425. Offsetting this increase was the scheduled debt service payments \$2,893,512.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Burrillville's basic financial statements. The Town's basic financial statements include three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to the Basic Financial Statements*. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information (combining financial statements) in addition to the basic financial statements themselves. These components are described below:

Basic Financial Statements

The *Government-wide Financial Statements* present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Burrillville's finances, in a manner similar to a private-sector business. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long term debt). Additionally, certain eliminations have been made in regards to interfund activity, payables and receivables.

The *Fund Financial Statements* include statements for three categories of activities – governmental, proprietary, and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resource measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach.

Government-wide Financial Statements

The *Statement of Net Assets* presents information on all of the Town of Burrillville'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 of Burrillville is improving or deteriorating.

Government-wide Financial Statements (Continued)

The *Statement of Net Assets* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, some revenues and expenses that are reported in this statement are for items that will only result in cash flows in future fiscal periods. This statement combines and consolidates governmental funds' current financial resources (short term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the Town's property tax base and the condition of the Town's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the Town.

The *Statement of Activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

Both the *Statement of Net Assets* and the *Statement of Activities* are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the *Statement of Net Assets* and the *Statement of Activities*, the Town is divided into three kinds of activities:

- **Governmental Activities** – Most of the Town's basic services are reported here, including the police, planning and development, transportation, parks and recreation, and general administration. Property taxes and State Aid finance most of these activities.
- **Business-type Activities** - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's sewer system, school cafeteria, rink and day care facilities are reported here.
- **Component Units** – The Town considered several important, separate legal entities in its report – including the Town's four fire districts (Harrisville, Nasonville, Oakland-Mapleville and Pascoag), the Harrisville Water District and the Pascoag Utility District. These entities are legally separate but did not meet the criteria set forth in GASB Statement 34. The Town also reviewed the Burrillville Redevelopment Agency and determined that the agency met the criteria to be disclosed as a discretely presented component unit.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by state law and by bond covenants. However, the Town establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Town's two kinds of funds - *governmental* and *proprietary* – utilize different accounting approaches.

Fund Financial Statements (Continued)

- *Governmental Funds* – The majority of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

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

- *Proprietary Funds* – The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The Town of Burrillville maintains four individual enterprise funds. The Town uses enterprise funds to account for its sewer, school cafeteria, Levy Rink and extended day care facilities. The funds provide the same type of information as the government-wide financial statements - only in more detail. The proprietary fund financial statements provide separate information for the sewer, school cafeteria, Levy Rink and day care activities.

The Town as Trustee - Reporting the Town's Fiduciary Responsibilities

- *Fiduciary Funds* - The Town is the trustee, or fiduciary, for a number of different activities including student activity and scholarship programs. All of the Town's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The activities of these funds are excluded from the Town's government-wide financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Notes to the 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 can be found immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to the employees and budgetary comparative information for the Town general fund and the School District general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's Overall Operations

As mentioned previously, the Town of Burrillville has prepared the fiscal year ending June 30, 2007 financials in a format prescribed by the Government Accounting Standards Board Statement 34 (GASB 34). This is the fifth year that the format has been used. As such, the Town can compare fiscal year 2007 with fiscal year 2006. In accordance with GASB 34, the Town is not required to restate periods prior to 2003 for the purpose of providing comparative information.

June 30, 2007

The Town's combined net assets were \$65.2 million in 2007. Analyzing the net assets and net expenses of governmental and business-type activities separately, the governmental activities are \$40.6 million and the business-type activities net assets are \$24.6 million in 2007. This analysis focuses on the net assets (Table 1), changes in net assets - activities (Table 2), and changes in general revenues and significant expenses of the Town's governmental, and business-type activities.

June 30, 2006

The Town's combined net assets were \$57.9 million in 2006. Analyzing the net assets and net expenses of governmental and business-type activities separately, the governmental activities are \$36.3 million and the business-type activities net assets are \$21.6 million in 2006. This analysis focuses on the net assets (Table 1), changes in net assets - activities (Table 2), and changes in general revenues and significant expenses of the Town's governmental, and business-type activities.

By far the largest portion of the Town's net assets (85.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to 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 cannot be used to liquidate these liabilities.

Table 1

Town of Burrillville
Statement of Net Assets - Primary Government
Year Ended June 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006 As Restated</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006 As Restated</u>
Current and other assets	\$21,908,447	\$26,170,921	\$ 2,727,113	\$ 1,944,510	\$24,635,560	\$28,115,431
Capital assets	<u>60,713,905</u>	<u>47,470,886</u>	<u>22,032,969</u>	<u>19,869,433</u>	<u>82,746,874</u>	<u>67,340,319</u>
Total assets	<u>82,622,352</u>	<u>73,641,807</u>	<u>24,760,082</u>	<u>21,813,943</u>	<u>107,382,434</u>	<u>95,455,750</u>
Current liabilities	9,800,299	9,822,939	132,926	157,653	9,933,225	9,980,592
Noncurrent liabilities	<u>32,200,530</u>	<u>27,484,860</u>	<u>57,823</u>	<u>54,039</u>	<u>32,258,353</u>	<u>27,538,899</u>
Total liabilities	<u>42,000,829</u>	<u>37,307,799</u>	<u>190,749</u>	<u>211,692</u>	<u>42,191,578</u>	<u>37,519,491</u>
Net assets:						
Invested in capital assets, net of related debt	33,748,145	18,328,648	22,032,969	19,869,433	55,781,114	38,198,081
Restricted	106,568	7,320,617			106,568	7,320,617
Unrestricted	<u>6,766,810</u>	<u>10,684,743</u>	<u>2,536,364</u>	<u>1,732,818</u>	<u>9,303,174</u>	<u>12,417,561</u>
Total net assets	<u>\$40,621,523</u>	<u>\$36,334,008</u>	<u>\$24,569,333</u>	<u>\$21,602,251</u>	<u>\$65,190,856</u>	<u>\$57,936,259</u>

Table 2

Town of Burrillville
Statement of Activities - Primary Government
Year Ended June 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006 As Restated</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006 As Restated</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,456,317	\$ 1,128,661	\$ 2,954,488	\$ 2,619,987	\$ 4,410,805	\$ 3,748,648
Operating grants and contributions	18,268,107	17,657,217	277,226	232,081	18,545,333	17,889,298
Capital grants and Contributions	1,153,972	927,930		500,000	1,153,972	1,427,930
General revenues:						
Property Taxes	26,766,380	26,118,174			26,766,380	26,118,174
State Revenue Sharing	966,898	762,535			966,898	762,535
Transfers	(2,934,425)	(2,427,679)	2,934,425	2,427,679		
Unrestricted Investment	<u>886,814</u>	<u>385,579</u>	<u>69,841</u>	<u>22,010</u>	<u>956,655</u>	<u>407,589</u>
Total Revenues	<u>46,564,063</u>	<u>44,552,417</u>	<u>6,235,980</u>	<u>5,801,757</u>	<u>52,800,043</u>	<u>50,354,174</u>
Expenses:						
General government	3,179,437	3,448,680			3,179,437	3,448,680
Public safety	2,450,317	2,285,274			2,450,317	2,285,274
Public works	1,857,393	1,363,199			1,857,393	1,363,199
Education	29,403,540	28,663,313			29,403,540	28,663,313
Parks and recreation	454,032	425,447			454,032	425,447
Libraries	406,832	383,873			406,832	383,873
Community development	128,780	57,261			128,780	57,261
Employee benefits and other	3,223,662	2,951,902			3,223,662	2,951,902
Interest on long-term debt	1,172,555	929,208			1,172,555	929,208
Sewer Authority			1,682,383	1,868,573	1,682,383	1,868,573
School Cafeteria			877,141	863,317	877,141	863,317
Levy Rink			292,428	339,196	292,428	339,196
Extended Day Care			416,946	395,503	416,946	395,503
Total expenses	<u>42,276,548</u>	<u>40,508,157</u>	<u>3,268,898</u>	<u>3,466,589</u>	<u>45,545,446</u>	<u>43,974,746</u>
Increase (decrease) in net assets	4,287,515	4,044,260	2,967,082	2,335,168	7,254,597	6,379,428
Net Assets, July 1, As Restated	<u>36,334,008</u>	<u>32,289,748</u>	<u>21,602,251</u>	<u>19,267,083</u>	<u>57,936,259</u>	<u>51,556,831</u>
Net Assets, June 30	<u>\$40,621,523</u>	<u>\$36,334,008</u>	<u>\$24,569,333</u>	<u>\$21,602,251</u>	<u>\$65,190,856</u>	<u>\$57,936,259</u>

General Fund Budgetary Highlights

Governmental Activities

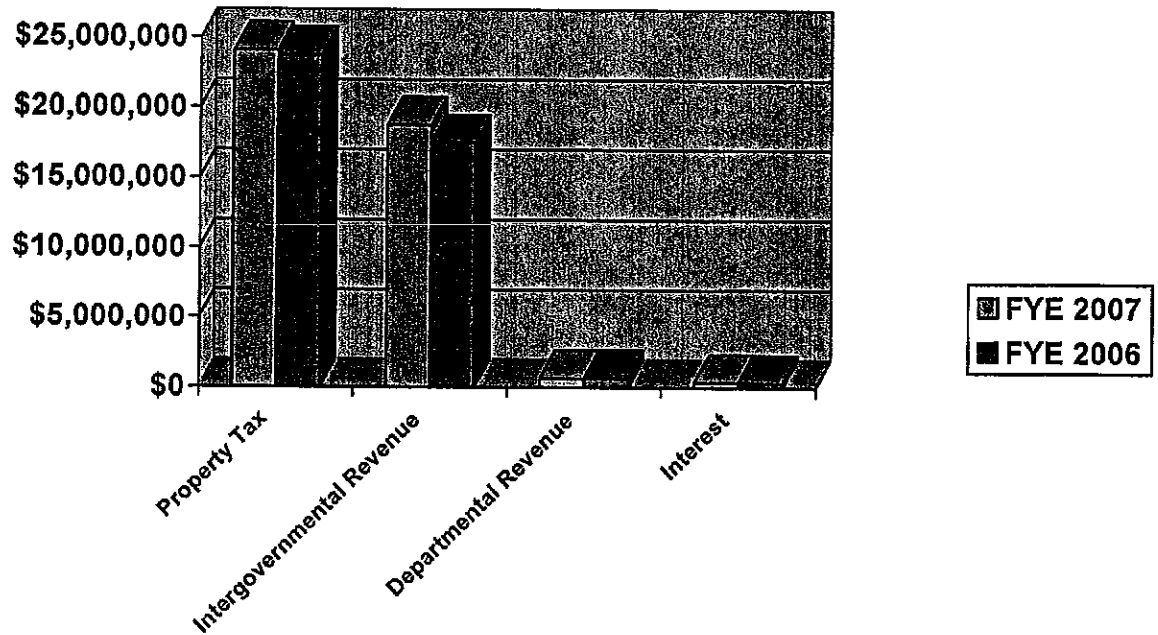
The General Fund is the primary fund through which the majority of the Town's revenues and expenditures flow. The Town finished the year within the limits established by the adopted budget. The Town carefully monitors its expenditures and eliminates all but the most necessary. When savings are incurred in a given area, every effort is made to avoid unnecessary spending so that those savings can be returned to the General Fund. During FYE 2007, there were six [6] supplementary budget amendments to the General Fund in the amount of \$2.53 million, which primarily pertained to various capital improvements.

A comparative breakdown of revenues and expenditures associated with the General Fund on a budgetary basis for the fiscal years ending June 30, 2007 and 2006 is listed below. This information is provided for general purposes only.

The Town's general revenues increased when compared to the prior year by 3.97% or \$1,675,296.

	<u>FYE 2007</u>	<u>FYE 2006</u>	<u>% Change</u>	<u>\$ Change</u>
<u>Revenues</u>				
Property Taxes	\$24,081,205	\$23,729,036	1.48%	\$ 352,169
Intergovernmental Revenue	18,772,874	17,494,176	7.31%	1,278,698
Departmental Revenue	647,672	669,489	(3.26)%	(21,817)
Interest Income	<u>387,746</u>	<u>321,500</u>	<u>20.61%</u>	<u>66,246</u>
Total Revenues	<u>\$43,889,497</u>	<u>\$42,214,201</u>	<u>3.97%</u>	<u>\$1,675,296</u>

REVENUES



June 30, 2007

Actual revenues were \$520,158 more than budgeted. The primary reasons for the favorable revenue variance were:

- First, the Town exceeded its budget expectations in relation to the collection of property taxes. There was an increase in tax collections and interest on delinquent taxes over budgeted projections that totaled \$165,601 which includes tax revenue of \$120,125. The Town collected approximately 97.78% of the fiscal year 2007 tax levy.
- Second, the Town received additional intergovernmental revenue totaling \$144,489, which included additional funding from motor vehicle phase out (\$32,472) and group home aid (\$75,000). This year represents the eighth year of funding under the State's motor vehicle phase out program.
- Third, additional interest income in the amount of \$215,746 was received. The increase is primarily attributed to the continued increase in interest rates after a prolonged period where rates were stagnant.
- Offsetting these increases was a decline in departmental revenue in the amount of \$5,678 which was primarily attributed to a decline in licenses and fees (\$73,686).

A comparison of actual expenditures incurred during FYE 2007 reveals that the Town expenses were \$2,980,239 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. A significant portion of this amount relates to capital improvement activities. Of this amount, \$2,068,681 of capital improvements related to general administration, school, public works, and recreation, which have been deferred and re-appropriated for FYE June 30, 2008.

The most significant governmental expense for the municipality during 2007 was in providing for public safety, which incurred expenses of \$2.28 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.11 million; general government at \$1.41 million, which includes all administrative offices; general services (\$1.37 million) such as refuse collection/recycling; debt at \$4.19 million, and insurance/benefits at \$1.92 million.

June 30, 2006

Actual revenues were \$1,025,595 more than budgeted. The primary reasons for the favorable revenue variance were:

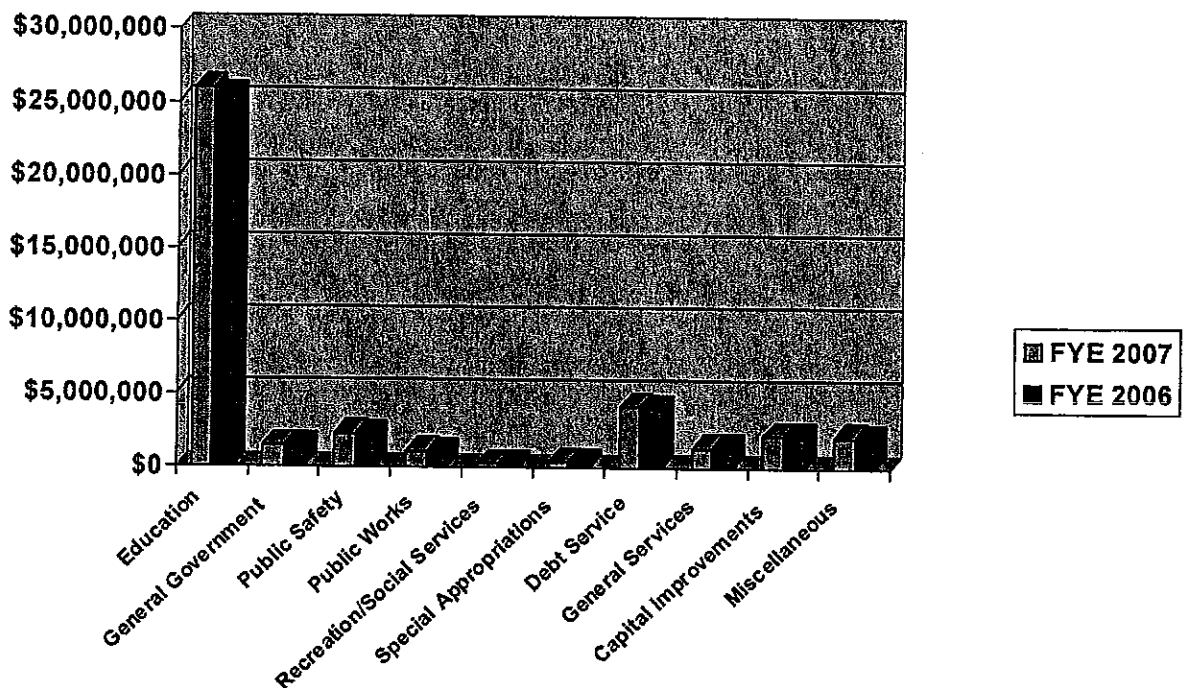
- First, the Town exceeded its budget expectations in relation to the collection of property taxes. There was an increase in tax collections and interest on delinquent taxes over budgeted projections that totaled \$191,326 which includes tax revenue of \$190,304. The Town collected approximately 97.9% of the fiscal year 2006 tax levy.
- Second, the Town received additional intergovernmental revenue totaling \$700,652, which included additional funding from school construction aid (\$418,942), motor vehicle phase out (\$156,726), and general aid (\$156,361). This year represents the seventh year of funding under the State's motor vehicle phase out program.
- Third, additional interest income in the amount of \$191,500 was received. The increase is primarily attributed to an increase in interest rates after a prolonged period where rates were stagnant.
- Offsetting these increases was a decline in departmental revenue in the amount of \$56,861 which was primarily attributed to a decline in licenses and fees (\$50,803).

A comparison of actual expenditures incurred during FYE 2006 reveals that the Town expenses were \$2,475,033 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. A significant portion of this amount relates to capital improvement activities. Of this amount, \$2,433,342 of capital improvements related to general administration, school, public works, and recreation, which have been deferred and re-appropriated for FYE June 30, 2007.

The most significant governmental expense for the municipality during 2006 was in providing for public safety, which incurred expenses of \$2.15 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.06 million; general government at \$1.35 million, which includes all administrative offices; general services (\$1.34 million) such as refuse collection/recycling; and insurance/benefits at \$2.0 million.

	<u>FYE 2007</u>	<u>FYE 2006</u>	<u>% Chg</u>	<u>\$ Chg</u>
<u>Expenditures</u>				
Education	\$25,937,484	\$25,370,134	2.24%	\$ 567,350
General Government	1,409,087	1,353,291	4.12%	55,796
Public Safety	2,280,499	2,153,353	5.90%	127,146
Public Works	1,105,007	1,057,396	4.50%	47,611
Recreation & Social Services	216,127	196,029	10.25%	20,098
Special Appropriations	399,048	384,765	3.71%	14,283
Debt Services	4,191,346	4,049,698	3.50%	141,648
General Services	1,366,809	1,338,536	2.11%	28,273
Capital Improvements	2,186,309	1,025,770	113.14%	1,160,539
Miscellaneous	2,134,877	2,003,129	6.58%	131,748
<u>Other Financing (Sources) Uses-</u>				
Transfer from Fund Balance	(3,252,545)	(1,991,014)	(63.36)%	(1,261,531)
Proceeds from Bond Issuance	(2,937,425)	(2,383,679)	(23.23)%	(553,746)
Refunding Bond Proceeds	(2,090,000)	0	(100.00)%	(2,090,000)
Premium on Bond Issuance	(33,773)	0	(100.00)%	(33,773)
Payment to Refunded Bond Escrow	2,079,525	0	100.00%	2,079,525
Transfers In	(524,676)	(51,124)	(926.28)%	(473,552)
Transfer In/Out-Capital Projects	1,093,816	469,829	132.81%	623,987
Transfer Out- Wastewater Treatment	2,890,425	2,383,679	21.26%	506,746
Transfer Out- Special Revenue	1,855,691	1,307,657	41.91%	548,034
Total Expenditures (Net of Transfers)	\$40,307,631	\$38,667,449	4.24%	\$1,640,182
Excess of Revenues over Expenditures- Budgetary Basis	\$ 3,581,866	\$ 3,546,752	0.99%	\$ 35,114

EXPENDITURES



The Town has continued its aggressive tax collection position, which was implemented several years ago. This again has resulted in the current year collections for the fiscal year ended June 30, 2007 being greater than anticipated. A 96.3% collection rate was budgeted for FYE 2007 and 97.78% was actually collected. The collection rate used for budgeting purposes was based upon historical collection data.

June 30, 2007

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2007 with a net excess of revenues over expenditures in the amount of \$3,581,866. Note that this amount included as revenue the budgeted amount of \$3,252,545 from the Unreserved, Undesignated Fund Balance. When this is factored out, there is actually a net increase to fund balance associated with the excess of revenues over expenditures of \$329,321.

The Town's fund balance has increased from \$9,046,267 to \$9,375,588 (net \$329,321). The Town's fund balance is broken down into the following components and comprised of cash or other assets that will eventually be converted into cash such as receivables and equities:

1. An amount (\$444,716) attributed to tax sale property that was not bid on at public auction. The Town has subsequently acquired a tax deed over the years to protect its interest in those properties that have outstanding taxes/sewer assessments due.
2. An amount (\$76,665) reserved for amounts not due within one year. This amount relates to a Levy Rink loan given to the School Department.
3. An amount (\$2,068,572) already re-appropriated for use in fiscal year ending June 30, 2008. This is approximately \$364,771 less than the amount recorded at the end of fiscal year 2006.
4. Finally after all of the above items are considered, the value of the Town's Unreserved, Undesignated Fund Balance is \$6,785,635, which is an increase of \$1,997,258 over last year's Unreserved, Undesignated Fund Balance (\$4,788,377).

This leaves an Undesignated, Unreserved Fund Balance on June 30, 2007 of \$6,785,635, which is approximately 14.7% of the total budget currently appropriated for FYE June 30, 2008 (\$46,006,606).

June 30, 2006

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2006 with a net excess of revenues over expenditures in the amount of \$3,546,752. Note that this amount included as revenue the budgeted amount of \$1,991,014 from the Unreserved, Undesignated Fund Balance. When this is factored out, there is actually a net increase to fund balance associated with the excess of revenues over expenditures of \$1,555,738.

The Town's fund balance has increased from \$7,490,529 to \$9,046,267 (net \$1,555,738). The Town's fund balance is broken down into the following components and comprised of cash or other assets that will eventually be converted into cash such as receivables and equities:

1. An amount (\$403,385) attributed to tax sale property that was not bid on at public auction. The Town has subsequently acquired a tax deed over the years to protect its interest in those properties that have outstanding taxes/sewer assessments due.
2. An amount (\$106,110) reserved for amounts not due within one year. This amount relates to a Levy Rink loan given to the School Department.
3. An amount (\$1,315,052) reserved for prepaid expenditures. This amount relates to the timing of debt payments that were due in early July 2006.
4. An amount (\$2,433,343) already re-appropriated for use in fiscal year ending June 30, 2007. This is approximately \$876,189 more than the amount recorded at the end of fiscal year 2005.
5. Finally after all of the above items are considered, the value of the Town's Unreserved, Undesignated Fund Balance is \$4,788,377, which is a decrease of \$669,807 over last year's Unreserved, Undesignated Fund Balance (net \$5,458,184).

This leaves an Undesignated, Unreserved Fund Balance on June 30, 2006 of \$4,788,377, which is approximately 10.7% of the total budget currently appropriated for FYE June 30, 2007 (\$44,619,339). If one factors in the amount reserved for prepaid expenditures, the undesignated, unreserved fund balance would represent 13.68% of the currently appropriated 2007 budget.

Business-type Activities

Proprietary Activities

June 30, 2007

Revenues of the Town's business-type activities, including transfers of \$2.9 million, were \$6.2 million for the fiscal year ending June 30, 2007. Expenses for the Town's business-type activities were \$3.3 million for the year, resulting in an increase in net assets of \$2.9 million. The increase in net assets was the result of several factors, including the following:

- The Town's sewer system recorded charges for services of \$1.7 million, transfers of \$2.9 million, and expenses of \$1.7 million resulting in an increase in net assets of \$2.9 million.
- The other nonmajor enterprise funds recorded charges for services of \$1.3 million, other revenues of \$0.3 million and expenses of \$1.6 million resulting in an increase in net assets of \$34,876.

June 30, 2006

Revenues of the Town's business-type activities were \$3.37 million for the fiscal year ending June 30, 2006. Expenses for the Town's business-type activities were \$3.47 million for the year, resulting in a net revenue shortfall of \$.09 million. The net revenue shortfall was the result of several factors, including the following:

- The Town's sewer system recorded charges for services of \$1.30 million and expenses of \$1.87 million resulting in an operating loss of \$.57 million.
- The other nonmajor enterprise funds recorded charges for services of \$1.32 million and expenses of \$1.59 million resulting in an operating loss of \$0.28 million.

Capital Asset and Debt Administration

Capital Project Funds

The Town had several active capital projects in fiscal year end June 30, 2007.

Some projects are continuing to carry small residual balances including the School Administration Building and Computer Acquisition Funds.

Active capital projects carried over from the prior year include the Callahan School Renovation, Route 102 Fund, the Branch River/Hauser Field, Levy Rink Renovation, Pascoag Main Street Revitalization, Library, High School Football Field, and the extension of sewer lines to the eastern villages. Additionally, the Town maintains revolving funds for the purpose of addressing Open Space Land Acquisition, Debt Reduction, and Major Capital projects.

Capital Assets

At the end of the fiscal year 2007, the Town had \$82.7 million invested in a broad range of capital assets, including police and public work equipment, buildings, park facilities, roads, bridges, and sewer lines. (See Table 3 below.) This amount represents a net increase (including additions and deductions) of \$15.4 million or 22.9% over the prior fiscal year's net assets.

The presentation below lists the major categories of capital assets for governmental and business type activities. Infrastructure assets, which are assets that can be preserved for a significantly greater number of years than most capital assets and are typically stationary in nature such as streets, sidewalks, curbing and bridges, are subject to different rules under the GASB 34 standards.

Note that this is the sixth year that Burrillville reports fixed assets in its financials in accordance with GASB 34 and only infrastructure additions for these years had been included. The retroactive reporting of pre-GASB-34 infrastructure, roads, bridges, etc. has been completed in this fiscal year as required.

Table 3

Capital Assets - Primary Government
June 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006 As Restated</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006 As Restated</u>
Land	\$ 2,474,022	\$ 2,474,022	\$ 382,443	\$ 382,443	\$ 2,856,465	\$ 2,856,465
Construction in progress	16,843,444	5,092,621	6,386,450	3,791,808	23,229,894	8,884,429
Leasehold improvements			30,973	30,973	30,973	30,973
Collection systems			24,285,932	24,285,932	24,285,932	24,285,932
Buildings and improvements	45,187,656	44,782,624	7,973,885	7,973,885	53,161,541	52,756,509
Equipment	516,223	387,755	163,555	136,856	679,778	524,611
Vehicles	2,831,643	2,664,257	112,627	112,627	2,944,270	2,776,884
Furniture			487,264	513,376	487,264	513,376
Infrastructure	<u>11,046,039</u>	<u>8,933,968</u>			<u>11,046,039</u>	<u>8,933,968</u>
Total Assets	78,899,027	64,335,247	39,823,129	37,227,900	118,722,156	101,563,147
Less accumulated depreciation	<u>(18,185,122)</u>	<u>(16,864,361)</u>	<u>(17,790,160)</u>	<u>(17,358,467)</u>	<u>(35,975,282)</u>	<u>(34,222,828)</u>
Totals	<u>\$60,713,905</u>	<u>\$47,470,886</u>	<u>\$22,032,969</u>	<u>\$19,869,433</u>	<u>\$82,746,874</u>	<u>\$67,340,319</u>

This year's major capital expenditures included:

- Completion of construction and road/sidewalk improvements (Cooper Hill, East Ironstone, East Wallum Lake, Peach Orchard, Spring Lake, Zenon).
- Construction activity associated with high school football field.
- Construction activity associated with Callahan Elementary School.
- Acquisition of various equipment including DPW trucks.
- The School Department had funding (\$450,000) allocated towards various building and equipment needs.

The 2008 Capital Budget has been adopted and while individual projects are subject to change the 2008 capital budget calls for spending of approximately \$2.3 million for capital projects, principally in these major categories: economic development, libraries, parks and recreation, schools, and street improvements.

Additional information on the Town's capital assets can be found in Note 7.

Debt Administration

June 30, 2007

The total outstanding long-term bonded debt on June 30, 2007 was \$34,271,887 which represents a net increase of 17.6% (\$5,129,649) from June 30, 2006 (\$29,142,238). This increase was primarily the net effect of annual debt payments (\$2,893,512) on outstanding issues offset by the issuance of a \$5,400,000 general obligation bond and additional drawdowns (\$2,537,425) from RICWFA for new sewer construction.

June 30, 2006

The total outstanding long-term bonded debt on June 30, 2006 was \$29,142,238 which represents a net increase of 30.86% (\$6,871,831) from June 30, 2005 (\$22,270,407). This increase was the net effect of annual debt payments (\$3,167,500) on outstanding issues offset by the issuance of a \$7,500,000 general obligation bond and additional drawdowns (\$2,383,679) from RICWFA for new sewer construction.

Table 4

Long Term Debt June 30 Governmental Activities		
	<u>2007</u>	<u>2006</u>
General Obligation Bonds	\$34,271,887	\$29,142,238
Compensated Absences	1,308,008	1,311,822
Landfill Post-Closure Costs	<u>420,000</u>	<u>450,000</u>
Totals	<u>\$35,999,895</u>	<u>\$30,904,060</u>

The Town does have overlapping debt totaling \$2,348,761, which is associated with long-term obligations incurred by three (3) Fire Districts. There is no legal obligation incurred by the Town on these debts. These Fire District debts are assessed against the same property that is being assessed by the Town.

Below is a comparison of various long-term bonded debt ratios for June 30, 2007 and June 30, 2006. Note that Loans Payable and Bond Anticipation Notes (BANS) are not incorporated in these calculations.

	<u>Various Debt Ratios</u>	
	<u>6/30/07</u>	<u>6/30/06</u>
Total Outstanding		
Long-Term Bonded Debt	\$ 34,111,127	\$ 29,002,214
Debt per Capita -		
2000 Census (15,795)	\$ 2,160	\$ 1,836
(State Average \$ 880)		
Net Assessed Values	\$1,370,126,488	\$1,352,622,852
Debt to Net Assessed Values	2.49%	2.14%
Tax Rate per \$ 1,000	\$40.00	\$40.00
Split Rate (RE & MV)	13.15	13.05
Portion of Tax Rate Funding Debt		
- Percent of Tax Dollar	15.26%	14.82%
Credit Ratings -		
Fitch's Investor's Service	AA-	A+
Moody's Rating Agency	A1	A1

The Town received a rating upgrade by both Fitch's Investor's Service (from A to A+) and Moody's Rating Agency (from A2 to A1) in 2000. Subsequently the Town's A+ credit rating with Moody's Rating Agency was reaffirmed and upgraded by Fitch's Investor's Service to AA- in 2006.

Historically the Town has utilized a significant amount of its Unreserved, Undesignated Fund Balance as an interim source of revenue for capital projects and other one time expenditures. For many years this has allowed the Town to avoid borrowing in anticipation of taxes. As of FYE 1994, the Town returned to its reserve policy objective relative to maintaining an unreserved undesignated fund balance that was the greater of either (1) 12% fund balance or (2) one year's annual debt payment. With the results of this year's operations, the Town has again met its minimal goal of maintaining a sufficient undesignated, unreserved fund balance. Maintenance of this minimal balance should be a priority as part of the overall process involved with improving our financial operations.

Bond rating companies look at four main factors when determining the credit worthiness of a municipal offering. The four factors are 1) debt, 2) economics, 3) fiscal, and 4) administrative. The Town has little control over its demographics and no control over the region's economy. The Town cannot control the fact that its median income is low or that it relies primarily on a residential tax base.

Additional information on the Town's long-term debt can be found in Note 8.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2008 budget, tax rates, and fees that will be charged for the business-type activities.

One of these factors is the economy. Some basic economic information regarding the Town of Burrillville is as follows:

- The unemployment rate for the Town of Burrillville is 4.5 percent. This compares to the State's average unemployment rate of 4.8 percent and the national average of 4.5 percent.
- According to the Tax Assessor, the average 2007 single family home in Burrillville is valued for assessment purposes at \$286,760; the average commercial property is valued at \$567,593; and the average industrial property is valued at \$844,025.
- The bond market remains favorable with its continued low interest rates and demand for municipal tax exempt debt which will provide a strong market for Town debt issues (new library construction, and wastewater treatment expansion project).
- Per capita income and median family income compares as follow:

	<u>Per Capita</u>	<u>Median Family</u>
Burrillville	\$ 21,096	\$ 52,587
Rhode Island	21,688	52,781
United States	21,587	50,046

A number of factors were considered when the Town's budget for the fiscal year ending June 30, 2008 was being prepared including the following:

- The School operating costs increased from \$26,309,267 to \$27,208,976 or 3.4%. The net dollar increase is \$899,709.
- Certain employment costs such as health insurance and worker's compensation continued to rise significantly.
- Continuation of the Town's capital improvement program, which includes significant infrastructure upgrades. Note that, as in the past, the Town's CIP Budget does not include any reliance on the current year tax levy.
- The General Fund's largest single revenue source is property taxes – State revenue is second. The Town's tax rate increased from \$13.15 to \$11.60 per \$1,000 valuation for fiscal year ending 2008. This decrease in the tax rate is primarily associated with the impact of the latest statistical revaluation.
- Of this tax rate (\$11.60), 12.83% is utilized for General Fund activities and 71.91% is used for School Operations. The remaining 15.26% is used for debt service.

Economic Factors and Next Year's Budgets and Rates (Continued)

- Stated another way, 77.51% is allocated toward School Operations and Debt; 15.14% is allocated towards Municipal Operations and Debt; and 7.35% is allocated towards Wastewater Treatment Debt.
- The General Fund's portion of property tax revenue for FY 2008 is estimated to be \$20.4 million.

Requests for Information

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at the Town of Burrillville, 105 Harrisville Main Street, Harrisville, RI 02830.

TOWN OF BURRILLVILLE

**BASIC
FINANCIAL STATEMENTS**

TOWN OF BURRILLVILLE, RHODE ISLAND

A-1

**STATEMENT OF NET ASSETS
JUNE 30, 2007**

	Primary Government			Component Unit
	Governmental	Business-type		Burrillville
	Activities	Activities	Total	Redevelopment
				Agency
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 17,815,040	\$ 2,568,330	\$ 20,383,370	\$ 1,006,817
Receivables:				
Taxes, net	627,994		627,994	
Sewer assessments and user fees, net		483,132	483,132	
Other	152,383	25,358	177,741	
Town-held tax liens	444,716		444,716	
Due from:				
Other governments	637,425	44,934	682,359	
Internal balances	518,742	(518,742)		
Due from component unit	1,324,287		1,324,287	
Inventory		18,051	18,051	
Land held for resale				1,062,500
Total current assets	21,520,587	2,621,063	24,141,650	2,069,317
Noncurrent assets:				
Capital assets:				
Non-depreciable	19,317,466	6,768,893	26,086,359	75,000
Depreciable, net	41,396,439	15,264,076	56,660,515	
Sewer assessment fees		106,050	106,050	
Bond issuance costs, net	387,860		387,860	
Total noncurrent assets	61,101,765	22,139,019	83,240,784	75,000
TOTAL ASSETS	82,622,352	24,760,082	107,382,434	2,144,317
LIABILITIES:				
Current liabilities:				
Accounts payable	2,554,557	49,950	2,604,507	23,404
Accrued payroll	1,914,867	8,993	1,923,860	
Accrued interest	357,483	3,183	360,666	
Retainage payable	381,675	56,786	438,461	
Due to primary government				1,324,287
Current portion of long-term debt	3,799,365	2,000	3,801,365	
Note payable				300,000
Unearned revenue	555,433	12,014	567,447	
Other liabilities	236,919		236,919	30,234
Total current liabilities	9,800,299	132,926	9,933,225	1,677,925
Noncurrent liabilities:				
Long-term debt, net	32,200,530	57,823	32,258,353	
Total noncurrent liabilities	32,200,530	57,823	32,258,353	0
TOTAL LIABILITIES	42,000,829	190,749	42,191,578	1,677,925

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

STATEMENT OF NET ASSETS
JUNE 30, 2007

	<u>Primary Government</u>			<u>Component Unit Burrillville Redevelopment Agency</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
NET ASSETS:				
Invested in capital assets, net of related debt	33,748,145	22,032,969	55,781,114	75,000
Restricted for other purposes	106,568		106,568	
Unrestricted	6,766,810	2,536,364	9,303,174	391,392
TOTAL NET ASSETS	\$ 40,621,523	\$ 24,569,333	\$ 65,190,856	\$ 466,392

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Burrillville Redevelopment Agency
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 3,179,437	\$ 805,370	\$ 557,034	\$ 26,810	\$ (1,790,223)	\$ (1,790,223)	\$ (1,790,223)
Public safety	2,450,317	147,432	25,197	86,542	(2,191,146)	(2,191,146)	(2,191,146)
Public works	1,857,393				(1,857,393)	(1,857,393)	(1,857,393)
Education	29,403,540	267,781	17,522,563	43,951	(11,569,245)	(11,569,245)	(11,569,245)
Recreation and social services	454,032	156,484	14,340	49,625	(233,583)	(233,583)	(233,583)
Libraries	406,832		79,855	678,298	351,321	351,321	351,321
Community development	128,780	79,250	69,118	268,746	288,334	288,334	288,334
Employee benefits and other	3,223,662				(3,223,662)	(3,223,662)	(3,223,662)
Interest on long-term debt	1,172,555				(1,172,555)	(1,172,555)	(1,172,555)
Total governmental activities	42,276,548	1,456,317	18,268,107	1,153,972	(21,398,152)	(21,398,152)	(21,398,152)
Business-type activities:							
Sewer Authority	1,682,383	1,667,150				\$ (15,233)	(15,233)
School Cafeteria	877,141	621,452	275,226			19,537	19,537
Levy Rink	292,428	236,172				(56,256)	(56,256)
Extended Day Care	416,946	429,714	2,000			14,768	14,768
Total business-type activities	3,268,898	2,954,488	277,226	0	0	(37,184)	(37,184)
Total primary government	\$ 45,545,446	\$ 4,410,805	\$ 18,545,333	\$ 1,153,972	(21,398,152)	(37,184)	(21,435,336)
Component Unit:							
Burrillville Redevelopment Agency	\$ 47,200	\$ 0	\$ 0	\$ 46,000			\$ (1,200)
General revenues:							
Property taxes					26,766,380		26,766,380
State revenue sharing					966,898		966,898
Unrestricted investment earnings					886,814	69,841	956,655
Transfers					(2,934,425)	2,934,425	
Total general revenues and transfers					25,685,667	3,004,266	28,689,933
Change in net assets					4,287,515	2,967,082	7,254,597
Net Assets - beginning of year, as restated					36,334,008	21,602,251	57,936,259
Net Assets - end of year					\$ 40,621,523	\$ 24,569,333	\$ 65,190,856
							\$ 466,392

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	School District	Debt Reduction	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 11,397,538	\$ 211,471	\$ 3,022,663	\$ 3,183,368	\$ 17,815,040
Receivables:					
Taxes, net	627,994				627,994
Other	30,733	8,446		113,204	152,383
Town-held tax liens	444,716				444,716
Due from:					
Other funds	1,015,491	2,946,447		2,533,859	6,495,797
Other governments	363,773			273,652	637,425
Component unit	1,324,287				1,324,287
TOTAL ASSETS	\$ 15,204,532	\$ 3,166,364	\$ 3,022,663	\$ 6,104,083	\$ 27,497,642
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 346,185	\$ 1,060,355		\$ 1,148,017	\$ 2,554,557
Accrued payroll and benefits	145,926	1,687,357		81,584	1,914,867
Retainage payable				381,675	381,675
Due to:					
Other funds	4,586,691	138,081		1,252,283	5,977,055
Deferred revenues	519,298	6,828		548,605	1,074,731
Other liabilities	230,844			6,075	236,919
TOTAL LIABILITIES	5,828,944	2,892,621	\$ 0	3,418,239	12,139,804

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007**

	General Fund	School District	Debt Reduction	Other Governmental Funds	Total Governmental Funds
	444,716				444,716
	76,665				76,665
		135,875		5,914,986	6,050,861
				26,000	26,000
				80,568	80,568
	2,068,572				2,068,572
	6,785,635				6,785,635
		137,868	3,022,663	1,021,349	4,181,880
				(4,357,059)	(4,357,059)
	9,375,588	273,743	3,022,663	2,685,844	15,357,838
	<u>\$ 15,204,532</u>	<u>\$ 3,166,364</u>	<u>\$ 3,022,663</u>	<u>\$ 6,104,083</u>	<u>\$ 27,497,642</u>

LIABILITIES AND FUND BALANCES (Continued):**FUND BALANCES:**

Reserved for Town-held tax liens
 Reserved for amounts not due within one year
 Reserved for encumbrances
 Reserved for endowments
 Reserved for perpetual care
 Unreserved: designated for subsequent year
 Unreserved, reported in:

General fund
 Special revenue funds
 Capital project funds

TOTAL FUND BALANCES**TOTAL LIABILITIES AND FUND BALANCES**

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2007**

Amounts reported for governmental activities in the Statement of Net Assets differ because:

Total Fund Balances (B-1)	\$ 15,357,838
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	60,713,905
Long-term liabilities (including bond premium) are not due and payable in the current period and therefore are not reported in the funds.	(35,999,895)
Deferred revenues (net of an allowance for uncollectibles) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Assets.	519,298
Accrued interest payable is recorded in governmental activities, but is not recorded in the funds.	(357,483)
Bond issuance costs are reported as expenditures in the Governmental Funds financial statements. The cost and related accumulated amortization is reflected as an other asset on the government-wide financial statements.	387,860
Total Net Assets (A-1)	<u><u>\$ 40,621,523</u></u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

	General Fund	School District	Debt Reduction	Other Governmental Funds	Total Governmental Funds
REVENUES:					
General property taxes	\$ 24,081,205				\$ 24,081,205
Intergovernmental	5,980,631	\$ 12,792,243		\$ 3,410,511	22,183,385
Licenses, permits and fees	518,998				518,998
Investment income	387,746		\$ 111,568	387,500	886,814
Departmental	128,674				128,674
Other				798,780	798,780
Intergovernmental - pension contribution		1,016,714			1,016,714
TOTAL REVENUES	31,097,254	13,808,957	111,568	4,596,791	49,614,570
EXPENDITURES:					
Current:					
General government	2,775,896			237,715	3,013,611
Public safety	2,280,499			25,027	2,305,526
Public works	1,105,007				1,105,007
Education		25,937,484		2,454,975	28,392,459
Recreation and social services	216,127			130,934	347,061
Libraries	326,977			79,855	406,832
Community development				128,780	128,780
Employee benefits and other					2,206,948
Intergovernmental - pension contribution	2,206,948	1,016,714			1,016,714
Debt Service:					
Principal	2,893,512				2,893,512
Interest and other costs	1,220,080				1,220,080
Bond issuance costs	77,754				77,754
Capital:					
Capital outlay	2,186,309	210,778		13,060,801	15,457,888
TOTAL EXPENDITURES	15,289,109	27,164,976	0	16,118,087	58,572,172
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	15,808,145	(13,356,019)	111,568	(11,521,296)	(8,957,602)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

	General Fund	School District	Debt Reduction	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance	2,937,425				7,937,425
Refunding bond proceeds	2,090,000			5,000,000	2,090,000
Premium on bond issuance	33,773			47,805	81,578
Payment to refunded bond escrow agent	(2,079,525)				(2,079,525)
Transfers in	524,676	13,517,024	1,200,000	1,377,724	16,619,424
Transfers out	(18,985,173)	(44,000)	(500,000)	(24,676)	(19,553,849)
NET OTHER FINANCING SOURCES (USES)	(15,478,824)	13,473,024	700,000	6,400,853	5,095,053
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	329,321	117,005	811,568	(5,120,443)	(3,862,549)
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	9,046,267	156,738	2,211,095	7,806,287	19,220,387
FUND BALANCE AT END OF YEAR	\$ 9,375,588	\$ 273,743	\$ 3,022,663	\$ 2,685,844	\$ 15,357,838

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (B-2) TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (A-2)
YEAR ENDED JUNE 30, 2007**

Net Change in Fund Balances - Total Governmental Funds (B-2):	\$ (3,862,549)
Governmental funds report 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 outlays exceeded depreciation in the current period.	13,275,717
Governmental funds do not recognize gains or losses on the sale or disposal of capital assets. The statement of activities includes losses on the disposal of fixed assets during 2007.	(32,698)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences.	(5,129,649)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. This amount is shown net of the allowance for uncollectible motor vehicle and tangible taxes.	(116,082)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	33,814
Adjustment to accrued interest payable related to general obligation bonds which is required to be recorded for government-wide financial statement presentation.	(2,513)
Bond issuance costs are reported as expenditures in the Governmental Funds financial statements. The cost and related accumulated amortization is reflected as an other asset on the Government-Wide financial statements.	121,475
Change in Net Assets of Governmental Activities (A-2)	\$ 4,287,515

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007**

	Sewer Authority	Non-major Enterprise Funds	Totals
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 1,967,461	\$ 600,869	\$ 2,568,330
Receivables, net		25,358	25,358
Sewer assessments and user fees, net	483,132		483,132
Due from:			
Other funds		1,718	1,718
Other governments		44,934	44,934
Inventory	4,565	13,486	18,051
Total current assets	<u>2,455,158</u>	<u>686,365</u>	<u>3,141,523</u>
Noncurrent assets:			
Sewer assessment fees	106,050		106,050
Net capital assets	21,807,038	225,931	22,032,969
Total noncurrent assets	<u>21,913,088</u>	<u>225,931</u>	<u>22,139,019</u>
TOTAL ASSETS	<u>24,368,246</u>	<u>912,296</u>	<u>25,280,542</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	37,521	12,429	49,950
Accrued payroll	8,993		8,993
Accrued interest payable		3,183	3,183
Due to other funds	5,735	514,725	520,460
Retainage payable	56,786		56,786
Deferred revenue		12,014	12,014
Accrued compensated absences		2,000	2,000
Total current liabilities	<u>109,035</u>	<u>544,351</u>	<u>653,386</u>
Noncurrent liabilities:			
Accrued compensated absences	39,966	17,857	57,823
Total noncurrent liabilities	<u>39,966</u>	<u>17,857</u>	<u>57,823</u>
TOTAL LIABILITIES	<u>149,001</u>	<u>562,208</u>	<u>711,209</u>
NET ASSETS:			
Invested in capital assets, net of related debt	21,807,038	225,931	22,032,969
Unrestricted	2,412,207	124,157	2,536,364
TOTAL NET ASSETS	<u>\$ 24,219,245</u>	<u>\$ 350,088</u>	<u>\$ 24,569,333</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2007**

	<u>Sewer Authority</u>	<u>Non-major Enterprise Funds</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for usage and service	\$ 1,532,551	\$ 1,287,338	\$ 2,819,889
Miscellaneous	134,599		134,599
Total operating revenues	<u>1,667,150</u>	<u>1,287,338</u>	<u>2,954,488</u>
OPERATING EXPENSES:			
Operations	631,041	736,031	1,367,072
Personnel	606,076	820,964	1,427,040
Depreciation	437,356	26,337	463,693
Total operating expenses	<u>1,674,473</u>	<u>1,583,332</u>	<u>3,257,805</u>
OPERATING LOSS	<u>(7,323)</u>	<u>(295,994)</u>	<u>(303,317)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest expense	(7,910)	(3,183)	(11,093)
Grants		2,000	2,000
Investment income	57,014	12,827	69,841
Intergovernmental		275,226	275,226
Net nonoperating revenues	<u>49,104</u>	<u>286,870</u>	<u>335,974</u>
INCOME (LOSS) BEFORE TRANSFERS	41,781	(9,124)	32,657
TRANSFERS IN	<u>2,890,425</u>	<u>44,000</u>	<u>2,934,425</u>
CHANGE IN NET ASSETS	2,932,206	34,876	2,967,082
TOTAL NET ASSETS - BEGINNING	<u>21,287,039</u>	<u>315,212</u>	<u>21,602,251</u>
TOTAL NET ASSETS - ENDING	<u>\$ 24,219,245</u>	<u>\$ 350,088</u>	<u>\$ 24,569,333</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2007**

	<u>Sewer Authority</u>	<u>Non-major Enterprise Funds</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,442,884	\$ 1,289,104	\$ 2,731,988
Cash received from providing services	134,599		134,599
Cash paid to suppliers	(663,239)	(737,353)	(1,400,592)
Cash paid to employees	(603,048)	(823,630)	(1,426,678)
Net cash provided by (used for) operating activities	<u>311,196</u>	<u>(271,879)</u>	<u>39,317</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Nonoperating grants received		273,253	273,253
Transfer from other funds	400,000	44,000	444,000
Increase in due from other funds		16,374	16,374
Increase in due to other funds	5,735	152,530	158,265
Net cash provided by noncapital financing activities	<u>405,735</u>	<u>486,157</u>	<u>891,892</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Nonoperating grants received	13,190		13,190
Acquisition of capital assets	(130,916)	(5,888)	(136,804)
Interest expense	(7,910)	(4,067)	(11,977)
Net cash used for capital and related financing activities	<u>(125,636)</u>	<u>(9,955)</u>	<u>(135,591)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	57,014	12,827	69,841
Net cash provided by investing activities	<u>57,014</u>	<u>12,827</u>	<u>69,841</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	648,309	217,150	865,459
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,319,152</u>	<u>383,719</u>	<u>1,702,871</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,967,461</u>	<u>\$ 600,869</u>	<u>\$ 2,568,330</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (7,323)	\$ (295,994)	\$ (303,317)
Adjustments to reconcile:			
Depreciation	437,356	26,337	463,693
Increase in allowance for doubtful accounts		1,600	1,600
Increase in accounts receivable	(89,667)	(11,848)	(101,515)
Increase in inventory		(1,085)	(1,085)
Decrease in accounts payable	(6,281)	(237)	(6,518)
Increase in accrued payroll	1,378		1,378
Increase in deferred revenue		12,014	12,014
Increase (decrease) in accrued compensated absences	1,650	(2,666)	(1,016)
Decrease in retainage payable	(25,917)		(25,917)
Net cash provided by (used for) operating activities	<u>\$ 311,196</u>	<u>\$ (271,879)</u>	<u>\$ 39,317</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	Agency Funds	Pupil Activity Funds
ASSETS:		
Cash and cash equivalents	\$ 213,014	
Investments	3,332	
TOTAL ASSETS	<u>\$ 216,346</u>	
LIABILITIES:		
Deposits held in custody for others	<u>\$ 216,346</u>	

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Burrillville was incorporated in 1806. The Town is governed under the 1989 Burrillville Home Rule Charter. The Town operates under a Town Council/Town Manager form of government with a seven-member Town Council headed by a Council President.

The Town complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Proprietary funds also apply the same principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

In accordance with the requirements of Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, the accompanying basic financial statements present the Town of Burrillville (the primary government) and its component unit. The component unit discussed below is included in the Town's reporting entity because of its operational significance or financial relationship with the Town.

Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the Town's operations due to having the same governing body or providing services entirely to the Town. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was 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 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 were not included.

The following entities within the Town were considered for classification as component units for fiscal year 2007:

- * Burrillville School District
- * Burrillville Sewer Commission
- * Burrillville Redevelopment Agency
- * Jesse Smith Library
- * Harrisville Fire District
- * Nasonville Fire District
- * Oakland/Mapleville Fire District
- * Pascoag Fire District
- * Pascoag Utility District

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Based upon the above criteria, the School District and Sewer Commission are reported as blended components units. As a result, the financial data of the School District has been included as a special revenue fund and the Sewer Commission has been included as a proprietary fund within the Town's financial statements.

Discretely Presented Component Unit Disclosure - The following component unit is reported in a separate column to emphasize that it is legally separate from the Town but is included because the Town is financially accountable for and is able to impose its will on the organization. Unless otherwise indicated, the notes to the basic financial statements pertain only to the primary government because certain disclosures of the component unit are not significant relative to the primary government. A description of the component unit, criteria for inclusion, and its relationship with the Town is as follows:

Burrillville Redevelopment Agency (BRA) - The purpose of BRA is to encourage, direct, and regulate new development and redevelopment within Town districts, and to acquire and redevelop those areas, which the Agency determines cannot be redeveloped otherwise, in order to carry out the purposes of RIGL 1956 Chapter 45-31 to 45-33. The BRA is governed by a seven-member board, all of whom are appointed by the Town Council. The BRA does not issue separate financial statements and has a June 30 fiscal year.

Recently Issued Accounting Standards

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

- GASB Statement No. 45 - Accounting and Financial Reporting by Employees for Post-employment Benefits Other Than Pensions, effective for the Town's fiscal year ending June 30, 2009.
- GASB Statement No. 50 - Pension Disclosures - an Amendment of GASB Statements No. 25 and No. 27, effective for the Town's fiscal year ending June 30, 2008.
- GASB Statement No. 51 - Accounting and Reporting for Intangible Assets, effective for the Town's fiscal year ending June 30, 2010.

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

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They report information on all the nonfiduciary activities of the primary government and its component units. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, receivables and payables.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes.

Capital Project Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Permanent Funds

Permanent Funds are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund must remain intact, but the earnings may be used to achieve the objectives of the fund.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds

Proprietary Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer/taxpayer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered nonoperating sources of revenue.

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

Agency Funds account for assets held by the Town in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency fund is as follows:

- Pupil Activity Funds

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
General:	See above for description
Special Revenue:	Burrillville School District – This fund accounts for the operation and maintenance of the Burrillville Public Schools. Debt Reduction – This fund accounts for monies specifically appropriated for the advance payment of outstanding debt and /or to minimize the occurrence of new debt.
Proprietary:	Sewer Authority – This fund is used to account for the activities of the Sewer Authority (a component unit of the Town of Burrillville).

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major and Non-Major Funds (Continued)

Non-Major:

Special Revenue:	School Restricted Grants, Other School Activities, Community Recreation, Town Clerk – Technology, Historical Records, Animal Shelter Donation Account, Library Grant, Seat Belt Grant, Byrne Grant, Stillwater Mill Complex, Burrillville Tree Inventory, Stormwater Management Plan, Recycling Program, Ocean State Power Funds, Narcotics Guidance Council, Police Task Force, Police Legislative Grant, Homeland Security, Health Care Contingency, Police Incentive Pay, Cops That Care, Spring Lake, Unfunded Liability and Incentive Pay Fund, Community Development Block Grant, Local Law Enforcement Block Grant, Police Grant – Operation Riptide, Bicentennial Committee, and Resource Officer Program.
Capital Projects:	School Administration Building, Salt Storage Facility, Steere Farm Elementary, Open Space/Land Acquisition, Callahan Renovation Project, Major Capital, Route 102, Branch River/Hauser Field, Levy Rink Renovations, Route 107, Pascoag Main St. Revitalization, Library Building, Spring Lake Camping Area, High School Football Field, and Computer Acquisition.
Permanent:	Cemetery Fund, Frank H. Potter Bridgeway Fund, Alice McGreevy Thompson Fund, and Jesse M. Smith Memorial Library Fund.
Proprietary:	School Cafeteria Fund, Levy Rink, and Extended Day Care.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item (b) below, and utilize the accrual basis of accounting.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within 60 days after year-end. Substantially all other revenue of the governmental funds is recognized utilizing the modified accrual method of accounting, and as such, it is recognized as earned.
- (b) The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities both governmental and business-like 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, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds and agency funds utilize 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.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal operation. The principal operating revenues of the enterprise funds are charges for services provided in accordance with the fund's purpose. Operating expenses for the enterprise funds include the costs of providing the services, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as nonoperating revenues and expenses.

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts totaled \$224,709 for property taxes. Major receivable balances for the governmental activities include property taxes (44% of balance) and intergovernmental grants and aid (45% of balance). Business-type activities report usage and service fees as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments

Cash and cash equivalents are carried at cost. The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. Substantially, all of the Town's cash and cash equivalents are held in public deposit institutions or collateralized government investment pools, which are available on a daily basis.

Investments are stated at fair value. Investment income is recorded in the fund which it was earned.

Materials and Supplies

Inventories are maintained on a periodic system and are stated at cost (first-in, first-out method of inventory valuation). The costs of governmental fund-type inventories are recorded as expenditures when purchased.

Prepaid Items

Prepaid items, where applicable, are accounted for under the allocation method whereby a prepaid asset is established at the date of payment and subsequently amortized over the accounting periods expected to benefit from the initial payment. Prepaids recorded in governmental funds do not reflect current appropriated resources, resulting in the reservation of fund balance.

Property, Plant, and Equipment

Property, Plant and Equipment

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, long-lived assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The capitalization threshold is any individual item with a total cost of greater than \$10,000.

Prior to July 1, 2002, infrastructure assets were not capitalized. During fiscal year 2007, the Town conducted a detailed study of all infrastructure assets in order to have a complete inventory of its infrastructure assets and be in compliance with GASB Statement No. 34. As of June 30, 2007, the government-wide financial statements include all infrastructure assets in accordance with GASB Statement No. 34.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment (Continued)

Government-Wide Statements (Continued)

Depreciation of all exhaustible capital assets is recorded, as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Classes</u>	<u>Useful Life</u>
Buildings and improvements.....	5 - 50 years
Plant.....	25 years
Collection system.....	5 - 60 years
Equipment.....	3 - 25 years
Vehicles.....	3 - 20 years
Leasehold improvements.....	15 years
Infrastructure and land improvements	15 - 40 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Accrued Compensated Absences

Under the terms of various contracts and policies, Town employees are granted vacation and sick leave based on length of service. The amount recorded is the unused days earned at the current rate of pay. The Town's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid vacation and sick leave relating to governmental fund employees is recorded as a long-term liability in the government-wide financial statements.

At June 30, 2007, the Town's obligation to its non-proprietary fund employees for accumulated vacation and sick leave benefits consisted of the following:

	<u>Vacation</u>	<u>Sick Leave</u>	<u>Total</u>
Police Department.....	\$ 103,336		\$ 103,336
Administrative Departments.....	57,925		57,925
Public Works Department.....	28,704		28,704
School District	27,960	\$1,090,083	1,118,043
TOTAL	<u>\$217,925</u>	<u>\$1,090,083</u>	<u>\$1,308,008</u>

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available resources and, therefore, are not available for appropriation.

Interfund Transfers

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating costs with revenue generated by the fund.

Land Held for Resale

Land held for resale by the Burrillville Redevelopment Agency (a discretely presented component unit) is stated at acquisition cost plus improvements, but not in excess of net realizable value. As land is sold, all costs associated with that land are expensed.

Bond Premiums and Issuance Costs

In the governmental fund financial statements, bond premiums and issuance costs are treated as period costs in the year of issue. Bond issuance costs are shown as an "expenditure" and bond premiums are reflected as an "other financing source".

In the government-wide statements, bond premiums and issuance costs are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition of the face amount of the bonds payable whereas issuance costs are recorded as other assets.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in certain governmental funds. Open encumbrances are reported as reservations of fund balances. Encumbrances do not constitute expenditures or liabilities under generally accepted accounting principles.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- (a) Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (b) Restricted net assets - Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report 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." The details of this \$13,275,717 difference are as follows:

Capital outlay.....	\$14,990,917
Depreciation expense	<u>(1,715,200)</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net assets</i> <i>of governmental activities</i>	<u>\$13,275,717</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reconciliation of Government-wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$5,129,649 difference are as follows:

Issuance of general obligation bonds.....	\$(10,027,425)
Principal repayments – general obligation debt	2,893,512
Current refunding of general obligation bonds	2,025,000
Bond premium	(81,578)
Amount deferred on refunding	54,525
Amortization of bond premium	26,246
Amortization of deferred charge on refunding.....	<u>(19,929)</u>
Net adjustment to decrease <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net assets</i> <i>of governmental activities</i>	<u>\$ (5,129,649)</u>

Another element of that reconciliation states that, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds." The details of this \$116,082 difference are as follows:

Deferred revenue – beginning.....	\$(635,380)
Deferred revenue – ending	<u>519,298</u>
Net adjustment to reduce <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>net change in net</i> <i>assets-governmental activities</i>	<u>\$(116,082)</u>

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$33,814 difference are as follows:

Decrease in liability for compensated absences.....	\$ 3,814
Decrease in liability for landfill closure	<u>30,000</u>
Net adjustment to increase <i>net change in fund balances -</i> <i>total governmental funds</i> to arrive at <i>change in net assets</i> <i>of governmental activities</i>	<u>\$33,814</u>

Another element of that reconciliation states that "adjustment to accrued interest payable related to general obligation bonds which is required to be recorded for government-wide financial statement presentation". The details of this \$2,513 difference are as follows:

Accrued Interest – beginning	\$ 354,970
Accrued Interest – ending	<u>(357,483)</u>
Net adjustment to reduce <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net assets-</i> <i>governmental activities</i>	<u>\$ 2,513</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reconciliation of Government-wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities (Continued)

Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$121,475 difference are as follows:

Bond issuance costs	\$144,115
Amortization of bond issuance costs	<u>(22,640)</u>
Net adjustment to increase <i>net change in fund balance-</i> <i>total governmental funds</i> to arrive at <i>change in net assets-</i> <i>governmental activities</i>	<u>\$121,475</u>

2. BUDGETARY PROCESS

(a) Adoption

The annual budgetary process begins in January each year when the various Town departments and agencies submit their budget requests to the Budget Board. The Budget Board then reviews the requests, holds hearings as necessary, and submits their recommendations to the Manager no later than the first Monday in April.

The Town Manager is responsible for submitting a proposed departmental budget to the Town Council no later than the first Monday in May. At least two (2) public hearings are to be held and concluded by the first Monday in June. The Town Council may revise and adopt its budget no later than June 15th.

There is a provision for item veto by the Manager as well as voter initiative. The level of budgetary control for the General Fund (i.e. the level at which expenditures cannot legally exceed appropriations) is fixed by Council resolution. The resolution authorizes the spending within the total sum appropriated for municipal purposes. At any time during the fiscal year, the Town Council may by resolution transfer part or all of the unencumbered appropriation balance from one department to another department. While this restriction prohibits spending in excess of the authorized budget, the policy enables the Town Council to use unexpended funds within the overall appropriations budget to offset overexpenditures that may arise within a specific budgeted account.

Management may transfer part or all of any unencumbered appropriation balance within its respective department. Budgeted departments are defined by the Town Council through the budget resolution.

Based on state statute, the School Committee is also authorized to spend funds up to the total amount appropriated. The budget of the School District is prepared annually and submitted by the School Committee to the Budget Board. The amount of the annual transfer from the Town's General Fund to the School Special Revenue Fund is ultimately determined through the adoption of the General Fund budget each year.

Budget appropriations lapse at the end of the fiscal year. There were 6 supplemental budgetary revisions made during the year totaling \$2,527,545. These budgetary revisions were primarily related to capital improvements.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

2. BUDGETARY PROCESS (Continued)

(b) Reconciliation - Budgetary to GAAP

The Town Charter requires annual budgets for the General Fund and Special Revenue - General School Activities. The practices used in the preparation of the 2007 budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with GAAP. The actual results of operations, for purposes of the Statement of Revenues, Expenditures, Other Financing Sources (Uses) - Budget and Actual on a Budgetary Basis - General Fund, and Special Revenue Fund - General School Activities, have been adjusted to a basis consistent with the Town's budget for 2007.

The adjustments necessary to reconcile actual revenues and expenditures reported on a budgetary basis to actual revenues and expenditures reported in accordance with generally accepted accounting principles are as follows:

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
General Fund:		
Statement of Revenues and Expenditures (Non-GAAP Budgetary Basis) (E-2)	\$52,727,916	\$49,146,050
Less: Transfer from Fund Balance to revenue for current year	(3,252,545)	
Less: School Department revenues included in General Fund Budget	(12,792,243)	
Less: School Department expenditures included in General Fund		(12,792,243)
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance (B-2)	<u>\$36,683,128</u>	<u>\$36,353,807</u>

A reconciliation of the School District's General Fund revenues, expenditures and other financing sources (uses) as reported on schedules B-2 and E-4 is presented below:

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
Statement of Revenues, Expenditures and Other Financing Sources (Non-GAAP Budgetary Basis) Budget and Actual (E-4)	\$26,309,267	\$26,328,137
Current year encumbrances		(135,875)
Adjustment for pension contribution made by State of Rhode Island on behalf of employees	<u>1,016,714</u>	<u>1,016,714</u>
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$27,325,981</u>	<u>\$27,208,976</u>

The School Department had an excess of revenues under expenditures of \$18,870 on a budgetary basis.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

3. DEPOSITS AND INVESTMENTS

(a) Deposits

Custodial credit risk, deposits - Custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be returned or the Town will not be able to recover collateral securities in the possession of an outside party. The Town's investment policy does not address custodial credit risk.

The Town maintains deposits at local financial institutions. At year end, the carrying amount of such deposits was \$13,786,858, while the bank balance was \$15,381,403, of which \$278,731 was covered by federal depository insurance and \$15,102,672 was collateralized.

The following is a reconciliation of the Town's cash and investment balances as of June 30, 2007:

Cash and investments - primary government:	
Governmental and business-type (Schedule A-1).....	\$20,383,370
Fiduciary (Schedule D-1).....	216,346
Cash and investments - Burrillville Redevelopment Agency (Schedule A-1).....	<u>1,006,817</u>
Total cash and cash equivalents	<u>\$21,606,533</u>

(b) Investments

The Town has implemented the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which requires that investments be reported at fair value. Fair values are established by quoted market values. Unrealized gains and losses from changes in fair value are recognized as investment income.

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town minimizes its exposure to interest rate risk by investing in short-term, highly liquid investments.

Custodial Credit Risk, Investments - Custodial credit risk is the risk that in the event of financial institution failure, the Town's investments may not be returned or the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2007, the Town had \$768,002 of uncollateralized institutional money market funds.

Concentration of Credit Risk - At June 30, 2007, the Town had 90% of its investments concentrated in collateralized local government investment pools, and 10% concentrated in uncollateralized institutional money market funds. At June 30, 2007, the Town did not have any investments in common stock or other equity investments.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

3. DEPOSITS AND INVESTMENTS (Continued)

(b) Investments (Continued)

The Town's investments are stated at fair value. As outlined in the Town's investment policy, funds of the Town may be invested in the following instruments:

1. Obligations of the Federal Government, its agencies, and instrumentalities;
2. Top rated obligations of the State of Rhode Island, its agencies, and instrumentalities;
3. Top rated obligations of other states, their agencies, and instrumentalities;
4. Top rated (AAA, AA, A) Municipal Government Securities;
5. Certificates of Deposit and other evidence of deposit at banks, saving banks, national banks or trust companies, loan and investment companies, and credit unions;
6. Prime Bankers' Acceptances;
7. Prime Commercial paper (A1/P1);
8. Prime Corporate and Utility Bonds and/or Notes (BBB or Higher);
9. Collateralized Repurchase Agreements;
10. Prime Money Market Funds whose investments consist of instruments in items 1 - 8 above;
11. State investment pools;
12. No load, open-end diversified management investment companies incorporated under the General Laws of the State and designed exclusively for use by all state and local government entities, agencies, and instrumentalities.

As of June 30, 2007, the Town had the following investments:

<u>Description</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Rating</u>
Institutional Money Market Funds	\$ 768,002	N/A (2)	Daily	Aaa/AAAm
Collateralized Local Government Investment Pool	6,997,080	Varies Daily (1)	Daily	not rated
Certificate of deposit.....	3,332	3.45%	May 11, 2008	not rated
Total investments	7,768,414			
Deposits	13,786,858			
Petty cash and cash on hand	51,261			
Total cash and investments	<u>\$21,606,533</u>			

(1) Average daily rate of 4.92% on June 30, 2007.

(2) Annualized 30 day yield of 4.96% for June 2007.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

3. DEPOSITS AND INVESTMENTS (Continued)

(b) Investments (Continued)

The carrying value of deposits and investments relate to the combined balance sheet totals (A-1) as follows:

Reconciliation to Government-wide Statement of Net Assets:

Investments.....	\$ 7,768,414
Less: investments classified as cash equivalents.....	(7,765,082)
Less: fiduciary funds investments (not included in the government-wide statement)	(3,332)
Total investments (A-1)	<u>\$ 0</u>

4. TAXES RECEIVABLE AND DEFERRED REVENUE

The Town's property tax is levied each June 30, for its next fiscal year on the assessed values listed as of the prior December 31 (lien date), for all real property, tangible property, and motor vehicles located in the Town. Assessed values of real property and tangible personal property were established by the Town Assessor's office at 100% of appraised market value as of December 31, 2005. The assessed value of motor vehicles is determined annually at 100% as established by the State Vehicle Value Commission.

An automatic lien is placed on the taxpayer's property if payment has not been received by the due date. Interest is charged on past due accounts at a rate of 12% per annum calculated on the unpaid portion of the total tax. Taxes are due in full by August 1, or at the option of the taxpayer they may be paid in quarterly installments on August 1, November 1, February 1, and May 1 following the levy date.

Net property taxes levied for the fiscal year 2007 were based on an assessed value of approximately \$1,475,237,818 at December 31, 2005 and amounted to \$19,481,713. Collections on the 2007 tax levy through June 30, 2007 amounted to \$19,024,903, which represents 98% of the total tax levy.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards. Unpaid property taxes as of June 30, 2007 (\$852,703) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$224,709. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2007 are recorded as deferred revenue and amounted to \$519,298 at June 30, 2007. Property taxes recognized as revenue for the fiscal year ended June 30, 2007 (due to their collection within the 60 days immediately following June 30, 2007) amounted to \$108,696.

User charges are assessed each year in an amount necessary to cover the projected operating expenses of the Sewer Commission fund for that year. The allowance for uncollectible accounts of the Sewer Commission fund is based on that portion of sewer assessment and user charges and miscellaneous accounts receivable which is estimated to be doubtful of collection, or which may be abated due to appeals now under consideration. In addition, the Sewer Commission has unrecognized assessment receivables of approximately \$162,704. These receivables are only collectible upon the transfer of title to the property.

In the government-wide financial statements, deferred revenues represent funds received in advance of being earned, or receivables which will be collected and included in revenues of future fiscal years.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

5. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

Intergovernmental receivables and payable consist of amounts due from federal and state governments as follows:

	<u>Due From</u>	<u>Due To</u>
Governmental activities:		
State of Rhode Island:		
Major funds:		
General Fund.....	\$ 363,773	
Non-major funds	61,597	
Total	<u>425,370</u>	<u>\$0</u>
Federal government:		
Non-major funds	<u>212,055</u>	<u>0</u>
Total governmental activities	<u>\$ 637,425</u>	<u>\$0</u>
Business-type activities:		
Federal government:		
Non-major funds	<u>\$ 44,934</u>	<u>\$0</u>

6. INTERFUND BALANCES

Individual fund and discretely presented component unit receivable and payable balances at June 30, 2007, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Interfund Balances		
Governmental activities:		
Major funds:		
General Fund.....	\$1,015,491	\$4,586,691
School District General Fund.....	2,946,447	138,081
Non-major funds	<u>2,533,859</u>	<u>1,252,283</u>
Total governmental activities	<u>6,495,797</u>	<u>5,977,055</u>
Business-type activities:		
Major funds:		
Sewer Authority		5,735
Non-major funds	<u>1,718</u>	<u>514,725</u>
Total business type activities	<u>1,718</u>	<u>520,460</u>
Balances at June 30, 2007	<u>\$6,497,515</u>	<u>\$6,497,515</u>
Discretely Presented Component Unit Balances:		
Primary government:		
General fund.....	\$1,324,287	
Discretely presented component unit:		
Burrillville Redevelopment Agency		<u>\$1,324,287</u>
Balances at June 30, 2007	<u>\$1,324,287</u>	<u>\$1,324,287</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance As Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,474,022			\$ 2,474,022
Construction in progress	5,092,621	\$13,162,821	\$(1,411,998)	16,843,444
Total capital assets not being depreciated	7,566,643	13,162,821	\$(1,411,998)	19,317,466
Other capital assets:				
Buildings and improvements	44,782,624	405,032		45,187,656
Equipment	387,755	128,468		516,223
Vehicles	2,664,257	594,523	(427,137)	2,831,643
Infrastructure	8,933,968	2,112,071		11,046,039
Total other capital assets	56,768,604	3,240,094	(427,137)	59,581,561
Less: accumulated depreciation for:				
Buildings and improvements	(12,739,822)	(933,308)		(13,673,130)
Equipment	(245,705)	(49,164)		(294,869)
Vehicles	(1,501,666)	(233,188)	394,439	(1,340,415)
Infrastructure	(2,377,168)	(499,540)		(2,876,708)
Total accumulated depreciation	(16,864,361)	(1,715,200)	394,439	(18,185,122)
Other capital assets, net	39,904,243	1,524,894	(32,698)	41,396,439
Governmental activities capital assets, net	\$47,470,886	\$14,687,715	\$(1,444,696)	\$60,713,905

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

7. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 382,443			\$ 382,443
Construction in progress	3,791,808	\$2,594,642		6,386,450
Total capital assets not being depreciated ..	4,174,251	2,594,642	\$ 0	6,768,893
Other capital assets:				
Leasehold improvements	30,973			30,973
Collection systems	24,285,932			24,285,932
Plant and buildings	7,973,885			7,973,885
Plant equipment	136,856	26,699		163,555
Motor vehicles	112,627			112,627
Furniture and equipment	513,376	5,888	(32,000)	487,264
Total other capital assets	33,053,649	32,587	(32,000)	33,054,236
Less: accumulated depreciation for:				
Leasehold improvements	(12,021)	(2,344)		(14,365)
Collection systems	(10,092,169)	(367,849)		(10,460,018)
Plant and buildings	(6,817,024)	(45,171)		(6,862,195)
Plant equipment	(59,953)	(12,986)		(72,939)
Motor vehicles	(93,205)	(10,420)		(103,625)
Furniture and equipment	(284,095)	(24,923)	32,000	(277,018)
Total accumulated depreciation	(17,358,467)	(463,693)	32,000	(17,790,160)
Other capital assets, net	15,695,182	(431,106)	0	15,264,076
Business-type activities capital assets, net	\$19,869,433	\$2,163,536	\$ 0	\$22,032,969

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 31,246
Public safety	129,997
Education	800,718
Recreation and social services	106,971
Public works	646,268
Total governmental activities depreciation expense	\$1,715,200
Business-type activities:	
Sewer Authority	\$ 437,356
Non-major enterprise funds	26,337
Total business-type activities depreciation expense	\$ 463,693

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

7. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Unit:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land		\$75,000		\$75,000
Capital assets, net.....	\$0	\$75,000	\$0	\$75,000

8. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Current Refunding</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:						
Long-term debt:						
General obligation debt	\$29,002,214	\$10,027,425	\$(2,893,512)	\$(2,025,000)	\$34,111,127	\$3,602,000
Plus: bond premium, net of amortization	314,814	81,578	(26,246)		370,146	
Less: amount deferred on refunding	(174,790)	(54,525)	19,929		(209,386)	
Total long-term debt.....	29,142,238	10,054,478	(2,899,829)	(2,025,000)	34,271,887	3,602,000
Other long-term liabilities:						
Compensated absences	1,311,822	33,979	(37,793)		1,308,008	167,365
Landfill post-closure costs	450,000		(30,000)		420,000	30,000
Total other long-term liabilities	1,761,822	33,979	(67,793)	0	1,728,008	197,365
Governmental activities long-term liabilities.....	\$30,904,060	\$10,088,457	\$(2,967,622)	\$(2,025,000)	\$35,999,895	\$3,799,365

Payments on all long-term debt and other long-term liabilities that pertain to the Town's governmental activities are made by the general fund.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2007

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding

At June 30, 2007, the Town's bonds and notes payable are comprised of the following:

GOVERNMENTAL ACTIVITIES

<u>Description</u>	<u>Date Issued</u>	<u>Original Principal</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2006</u>	<u>Issued</u>	<u>Paid</u>	<u>Current Refunding</u>	<u>Outstanding June 30, 2007</u>
School bonds:	6/15/89	\$ 2,170,000	7/15/09	6.75%	\$ 420,000		\$ 105,000		\$ 315,000
	5/1/95	4,500,000	5/1/15	5.1% - 5.90%	2,025,000			\$2,025,000	
	12/1/99	5,500,000	11/1/14	4.35% - 6.5%	3,285,000		365,000		2,920,000
	8/15/00	8,000,000	8/15/15	4.5% - 5.25%	5,250,000		550,000		4,700,000
	6/15/06	7,500,000	5/15/26	4.0% - 5.0%	7,500,000		375,000		7,125,000
	Subtotal				18,480,000	\$ 0	1,395,000	2,025,000	15,060,000
Sewer bonds:	3/6/92	2,900,000	9/1/13	6.327%	1,160,000		145,000		1,015,000
	12/3/96	425,000	9/1/06	6.135%	38,512		38,512		
	11/13/03	5,600,000	9/1/24	1.410%	3,358,702	2,241,298	5,000		5,595,000
	11/1/06	400,000	11/1/26	4.0% - 5.0%		400,000			400,000
	12/21/06	3,500,000	9/1/27	1.165% - 1.315%		296,127			296,127
	Subtotal				4,557,214	2,937,425	188,512	0	7,306,127
Refunding bonds:	10/1/02	9,145,000	7/15/17	2.5% - 5.0%	5,965,000		1,090,000		4,875,000
	11/1/06	2,090,000	5/1/15	4.0%		2,090,000	220,000		1,870,000
	Subtotal				5,965,000	2,090,000	1,310,000	0	6,745,000
Library bonds:	11/1/06	5,000,000	11/1/26	4.0% - 5.0%	0	5,000,000	0	0	5,000,000
					\$29,002,214	\$10,027,425	\$2,893,512	\$2,025,000	\$34,111,127
					Total general obligation bonds				

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding (Continued)

During the fiscal year ended June 30, 2007, the Town retired \$2,893,512 in principal on its existing outstanding bonds. During 2004, the Town issued a Sewer Bond totaling \$5,600,000, which was drawndown over a three-year construction period. During fiscal year 2007, the Town had drawndowns totaling \$2,241,298, which represented the remaining balance of the bond proceeds. In addition, the Town issued bonds for the following; \$5,000,000 Library construction, \$400,000 Wastewater, and \$2,090,000 Refunding. The Town also issued a \$3,500,000 Sewer Bond, of which \$296,127 was drawndown at June 30, 2007.

During the fiscal year ended June 30, 2007, the Town incurred the following interest expense:

Library bonds.....	\$ 104,094
Sewer bonds	103,377
School bonds.....	824,940
Refunding bonds	184,504
Total	<u>\$1,216,915</u>

The Town has issued three bonds under the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. The three bonds issued consisted of a 1995, \$4,500,000 School bond issue; \$1,000,000 of the 2000 \$8,000,000 School bond issue; and the 2006 \$3,500,000 Wastewater bond issue. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

(c) General Obligation Refunding Bonds

On November 1, 2006, the Town issued \$2,090,000 in General Obligation Refunding Bonds. The proceeds from the issue were used to currently refund the 1995 School bonds. As a result of the refunding, the 1995 School bonds are considered defeased and the liability for those bonds has been removed from the Town's long-term liabilities.

The reacquisition price exceeded the net carrying amount of the old debt by \$54,525. This amount deferred on refunding is netted against the new debt and amortized over the remaining life of the refunded bonds, which is equal to the life of the new debt issued. The Town refunded the 1995 School bonds to reduce its total debt service payments over the next nine years by \$98,766 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$88,855.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

8. LONG-TERM LIABILITIES (Continued)

(d) Debt Service Requirements

At June 30, 2007, the Town has remaining authorized but unissued bond authority of \$500,000 for Open Space Recreation Projects.

Annual principal and interest requirements on general obligation bonds and notes for the year ending June 30, are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 3,602,000	\$ 1,326,819	\$ 4,928,819
2009	3,636,000	1,194,103	4,830,103
2010	2,810,000	1,071,368	3,881,368
2011	2,694,000	960,684	3,654,684
2012	2,643,000	858,284	3,501,284
2013	2,648,000	755,945	3,403,945
2014	2,624,000	653,585	3,277,585
2015	2,474,000	550,516	3,024,516
2016	1,885,000	466,671	2,351,671
2017	1,446,000	407,599	1,853,599
2018	1,442,000	360,169	1,802,169
2019	1,143,000	315,144	1,458,144
2020	1,150,000	294,530	1,444,530
2021	1,157,000	236,019	1,393,019
2022	1,164,000	195,840	1,359,840
2023	1,171,000	155,409	1,326,409
2024	1,179,000	114,655	1,293,655
2025	1,182,000	75,512	1,257,512
2026	820,000	40,229	860,229
2027	445,000	8,846	453,846
Sub-Total	37,315,000	10,041,927	47,356,927
Less: bond proceeds not drawn down at June 30, 2007	(3,203,873)	(874,735)	(4,078,608)
Total	\$34,111,127	\$ 9,167,192	\$43,278,319

(e) Note Payable - Discretely Presented Component Unit

On February 1, 2007, the Woonsocket Neighborhood Development Corporation loaned the Burrillville Redevelopment Agency \$300,000 to facilitate the acquisition and development of the clocktower building located in the former Stillwater Mill Complex into affordable housing. The proceeds of the loan shall be applied by BRA in satisfaction of the terms of a purchase and sales agreement dated May 24, 2005. Payment shall be deferred until the closing as called for under the purchase and sales agreement. Management anticipates the closing to occur during fiscal year 2008. Past due installments, if applicable, require interest at 8%. The loan may be prepaid in advance of the closing without penalty.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Promissory Note	\$0	\$300,000	\$0	\$300,000

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

9. FUND EQUITY

The fund equity balances have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

(a) Fund Balances

Reservations and designations of fund balances at June 30, 2007 were as follows:

General Fund:

Reserved for Town held tax liens.....	\$ 444,716
Reserved for amounts not due within one year.....	76,665
Designated for subsequent year's expenditures.....	<u>2,068,572</u>
Total.....	<u>\$2,589,953</u>

Special Revenue Funds:

Reserved for encumbrances.....	<u>\$ 495,875</u>
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Capital Projects Funds:

Reserved for encumbrances.....	<u>\$5,554,986</u>
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Permanent Funds:

Reserved for perpetual care	\$ 80,568
Reserved for endowments	<u>26,000</u>
Total.....	<u>\$ 106,568</u>

(b) Fund Deficits

The following funds had deficit fund equity balances at June 30, 2007:

Library Grant	3
Levy Rink Renovations	194,147
Route 107.....	50,753
Pascoag Main Street Revitalization.....	301,310

It is the intention of the Town to cover the above deficits through general fund contributions and through the sale of Town property.

The following individual funds had deficits for the year ended June 30, 2007:

Non-major governmental activities:

Special Revenue Funds:

Other School Activities	\$19,960
Animal Shelter Donation Account	286
Burrillville Tree Inventory.....	738
Police Legislative Grant	12
Unfunded Liability and Incentive Pay Fund	70,933
Community Development Block Grant.....	15,237
Local Law Enforcement Block Grant.....	61
Bicentennial Committee	10,524
Resource Officer Program	300

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

9. FUND EQUITY (Continued)

(b) Fund Deficits (Continued)

Capital Project Funds:

Steer Farm Elementary.....	19,108
Callahan Renovation Project.....	5,363,057
Route 102.....	3,804
Branch River/Hauser Field.....	31,618
Levy Rink Renovations.....	194,147
Route 107.....	11,378
Pascoag Main St. Revitalization.....	494,568
Spring Lake Camping Area.....	507
Computer Acquisition.....	10,629

Non-major business type-activities:

Levy Rink.....	10,499
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10. DEFINED BENEFIT PENSION PLANS

(a) Municipal Employees' Retirement System of the State of Rhode Island

Plan Description

The Town's defined benefit pension plan, Municipal Employees' Retirement System of the State of Rhode Island (MERS), provides retirement and disability benefits, annual cost-of-living adjustments, death and disability benefits to plan members and beneficiaries. MERS is an agent multiple-employer Public Employee Retirement System that acts as a common investment agent for participants. The Municipal Employees' Retirement System of the State of Rhode Island 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, RI 02903.

The payroll for employees covered by the System for the year ended June 30, 2007 was approximately \$2,580,000 and the Town wide payroll (municipal and police) was approximately \$4,650,000.

Funding Policy

MERS members are required to contribute 7.0% of their annual covered salary. The Town is required to contribute at an actuarially determined rate; the current rate is 3.47% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by State Statute.

Annual Pension Cost

For 2007, the Town's annual pension cost of \$89,544 for MERS was equal to the Town's required and actual contributions. The required contribution was determined as part of the June 30, 2004 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included (a) a net investment return of 8.25 percent compounded annually, (b) projected salary increases at an annual service related component plus a 3% inflation component compounded annually, (c) 3 percent per year cost-of-living adjustments, (d) mortality rates based on the 1994 Group Annuity Mortality Table and (e) a retirement age of 65 or completion of service requirements, if later. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. MERS unfunded actuarial accrued liability is being amortized using the weighted average method over a 25 year period.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Municipal Police Pension Plan

Plan Description

All full-time police members participate in the same Municipal Employee's Retirement System of the State of Rhode Island (described above).

The payroll for employees covered by the System for the year ended June 30, 2007 was approximately \$1,199,000 and the Town wide payroll (municipal and police) was approximately \$4,650,000.

Funding Policy

Covered police employees were required to contribute 9.0% of their annual covered salary. The Town is required to contribute at an actuarially determined rate the remaining amounts necessary to fund the System. The Town contributed 22.5% of annual covered salaries for the year ended June 30, 2007. The contribution requirements of plan members and the Town are established and may be amended by State Statute.

Annual Pension Cost

For 2007, the Town's annual pension cost of \$269,676 for the Police Pension System was equal to the Town's required and actual contributions. The required contribution was determined as part of the June 30, 2004 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included (a) net investment return of 8.25 percent compounded annually, (b) projected salary increases at an annual service related component plus a 3% inflation component compounded annually, (c) mortality rates based on the 1994 Uninsured Pensioner Mortality Table, and (d) a retirement age of 60, or completion of service requirements, if later. The actuarial value of MERS' assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. Any MERS unfunded actuarial accrued liability is being amortized using the weighted average method over a 25 year period.

(c) Teacher's Pension Plan

Plan Description

All full-time teachers including superintendents, principals, school nurses and certain other school officials ("classified employees") in the Burrillville School District participate in the Employees Retirement System of the State of Rhode Island (ERSRI), a cost-sharing multiple-employer public employee retirement system. In addition to classified employees, the System covers substantially all employees of the State of Rhode Island. The payroll for employees covered by the System for the year ended June 30, 2007, was \$13,430,831; the total payroll for all School employees was \$17,800,972.

The plan issues a stand-alone publicly available financial report that includes financial statements and required supplementary information. A copy of the report can be obtained from the State Employees Retirement Board, 40 Fountain Street, Providence, Rhode Island 02903.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

10. DEFINED BENEFITS PENSION PLANS (Continued)

(c) Teacher's Pension Plan (Continued)

Plan Description

All full-time classified employees of the Burrillville School District are eligible to participate in the System. Classified employees who retire at or after age 60 with 10 years of credited service or at any age with 28 years of credited service are entitled to a retirement benefit payable monthly for life. The retirement benefit is a percentage of final average salary per year of credit service with a maximum benefit of 80% of "final average" salary. Final average salary is the three highest consecutive years of earned salary excluding overtime, bonuses, or severance pays. The System also provides death and disability benefits. Benefits are established and may be amended by State statute. The percent of earnings relating to each year of credited service is as follows:

<u>Years of Credited Service</u>	<u>Percent/Year</u>
1 - 10	1.7%
11 - 20	1.9%
21 - 34	3.0%
35	2.0%

Funding Policy

Rhode Island general laws set the contribution rates for participating State employees at 9.5% of salary. Annual contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as percentage of participants' payroll. The School District was required to contribute 10.96%, 9.05%, and 7.99%, for all full-time employees for fiscal years 2007, 2006, and 2005 respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of July 1, 1986 over 30 years; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability. Both employers and employees contribute 1% of the first \$9,600 of salary for survivor benefits. A variety of significant actuarial assumptions are used and these assumptions are summarized below:

- A. ***Mortality*** - 1994 Group Annuity Mortality Tables.
- B. ***Investment return*** - 8.25 percent, compounded annually.
- C. ***Salary increase*** - Salaries will increase at a rate of 3.0 percent, inflation component, plus a 1.5% general increase.
- D. ***Retirement age*** - Teachers are assumed to retire at the later of age 61 or completion of the service requirements.
- E. ***Cost of living adjustments*** - 3.0 percent compounded annually beginning on the January 1st following a participant's third anniversary of retirement.

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. This resulted in contribution rates paid by the State on behalf of the School District of 7.57% of non-federally reimbursable payrolls, totaling \$1,016,714 for fiscal year ended June 30, 2007.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teacher's Pension Plan (Continued)

Funding Policy (Continued)

The amounts contributed to the plan are as follows:

<u>Years Ending June 30.</u>	<u>Employee</u>	<u>Employer</u>	<u>Percentage Contributed</u>
2007	\$1,275,932	\$1,514,693	100%
2006	\$1,315,110	\$1,289,164	100%
2005	\$1,271,824	\$1,100,386	100%

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the School District has determined that there is and has been no pension liability or assets related to the Plan.

11. CONTINGENT LIABILITIES

Board of Administration.

The Town is committed under an agreement for the rental of the Town Hall facilities. The terms are determined by the Board of Administration as provided under the will of Austin T. Levy. Total payments made for fiscal year ending June 30, 2007 totaled \$179,000. Total payments to be made for fiscal year ending June 30, 2008 total \$169,550 consisting of \$135,550 for rental of Town Hall facilities and \$34,000 for capital improvements.

In April 2006, the School District entered into an agreement for comprehensive energy management consultation for a monthly fee of \$5,600 for 48 months. The total amount expended under the contract for the year ended June 30, 2007 was \$67,200.

Grants

Under the terms of federal and state grants, periodic compliance audits by the grantors or their representatives are required and, consequently, certain costs may be questioned as not being appropriate, and result in reimbursement to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies could not be determined at this time. Town officials believe that such disallowances, if any, would not be material.

Self-Insurance

The Town has elected to pay unemployment compensation on a claims-made basis rather than as a percentage of payroll. No accrual has been made for claims expected to arise from service related to fiscal 2007 because Town officials are of the opinion that, based upon prior years' experience, any claims relating to this period will be immaterial.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

11. CONTINGENT LIABILITIES (Continued)

Litigation

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's attorneys, the resolution of these matters will not have a materially adverse effect on the financial condition of the Town.

12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Town does not sponsor any post-employment benefit programs required to be disclosed in accordance with GASB Statement #12.

The Burrillville School District pays 100% of the cost of health insurance benefits for a certain employee for a specified period of time after retirement. The School District funds post employment benefits on a pay as you go basis. Expenditures for the benefits described above for the year ended June 30, 2007, were \$7,486. During the year ended June 30, 2007, one retiree received benefits under this plan.

13. MAJOR REVENUE SOURCE

The Town has a tax treaty and agreement with Ocean State Power (OSP), an electric generating facility, which requires OSP to pay the Town annual fixed payments in lieu of taxes according to the following schedule:

<u>June 30:</u>	<u>Amount</u>
2008	\$ 4,560,714
2009	4,710,714
2010	4,965,773
2011	3,567,462
2012	1,016,865
Total	<u>\$18,821,528</u>

During fiscal year ending June 30, 2007 the Town received \$4,560,714 in payments from OSP. The agreement with OSP is based upon OSP operating two electric generating units commercially. If one or both electric generating units are not operating commercially, then the required payments under the agreement may be reduced or eliminated.

On June 21, 1996 an amended agreement was entered into which requires OSP to pay an additional \$850,000 over the life of the remaining agreement as a result of the construction of a Water Storage Pond adjacent to Route 102. This additional amount is included in the above revenue schedule.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

14. CONSTRUCTION COMMITMENTS

As of June 30, 2007, the Town had the following commitments with respect to unfinished capital projects:

Callahan Renovation Project	\$ 22,363
Library Building	2,804,987
Levy Rink Renovations	<u>2,727,636</u>
Total	<u>\$5,554,986</u>

15. DEFERRED COMPENSATION PLAN

The Town offers its municipal employees a deferred compensation plan established in accordance with the provisions of Internal Revenue Code Section 457. The Plan, available to all municipal employees, permits the deferral of a portion of their salary. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The Town has implemented the Governmental Accounting Standards Board, Statement No. 32, "Accounting for Internal Revenue Code Section 457 Deferred Compensation Plans." All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, deferred compensation investments and the perspective liability have not been included in the Town's financial statements for the year ended June 30, 2007.

16. RISK MANAGEMENT

The Town of Burrillville is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its Members. Under the participation agreement, the Town is insured for general liability for a maximum of \$5,000,000 per occurrence. There have been no reductions in insurance coverage from coverage in the previous year. Settled claims resulting from these risks have not exceeded the Trust Coverage in any of the past 20 fiscal years.

During the fiscal year ended June 30, 2007, the Town paid premiums of \$134,930 for workers' compensation coverage and \$123,126 for property and liability coverage.

At June 30, 2007, the Trust held reserves for future payments of open cases of \$2,401 for workers' compensation claims and \$201,215 for property and liability claims. The Trust is obligated to make payments on the Town's behalf without any further obligation of the Town, unless the Town's applicable limit of liability was exhausted by the size of the loss or the nature of the loss would fall outside the parameters of the Trust policy. As of June 30, 2007, the Town believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

The above reserves do not include reserves for any claims associated with the School District or Sewer Commission Fund because they are treated as separate entities having their own coverage.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

17. LOAN RECEIVABLE – SCHOOL DISTRICT

During April 1998, the Town's general fund loaned the School District's general fund \$200,000 to be used for improvements to the June R. Levy Community Rink. The note required interest at 5% and ten (10) annual principal payments of \$20,000 beginning June 1, 1999 through June 1, 2008.

On February 25, 2004, the Town Council amended the promissory note. During fiscal year 2004, the Town loaned the School Department an additional \$85,000 for the purchase of equipment. The amount of the amended note is \$185,000. The note requires interest at 3% and is payable over a ten year period beginning June 1, 2004 and ending on June 1, 2014. The balance of this note at June 30, 2007 is \$106,110.

18. INTERFUND TRANSFERS

Interfund transfers for fiscal year ended June 30, 2007 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
Major funds:		
General Fund	\$ 524,676	\$18,985,173
School District	13,517,024	44,000
Debt Reduction.....	1,200,000	500,000
Non-major funds	<u>1,377,724</u>	<u>24,676</u>
Total governmental activities	<u>\$16,619,424</u>	<u>\$19,553,849</u>
Business-type activities:		
Major funds:		
Sewer Authority	\$2,890,425	
Non-major funds	<u>44,000</u>	
Total business-type activities	<u>\$2,934,425</u>	<u>\$ 0</u>

19. OPERATING LEASE

On July 6, 2004, the Town entered into a lease agreement for the purpose of renting additional office space located at 35 East Avenue, Harrisville, Rhode Island. The original lease required 24 monthly payments beginning August 1, 2004 through July 31, 2006. On July 28, 2005, the lease was extended and modified. The initial rental period under the revised lease shall be for a term of two years. The lease began on August 1, 2005. The first 12 payments are \$2,066.66, and the next 12 payments are \$2,233.33. The Town has options to extend the lease for two one-year periods commencing on August 1, 2007 and August 1, 2008. Lease expense for the year ended June 30, 2007 totaled \$24,800.

20. LANDFILL POSTCLOSURE CARE COSTS

The Town accounts for its postclosure care costs under GASB Statement No. 18. This Statement is based on the October 9, 1991, U.S. Environmental Protection Agency (EPA) rule, "Solid Waste Disposal Facility Criteria," which establishes closure requirements for all municipal solid waste landfills (MSWLF's) that receive solid waste after October 9, 1991. The EPA rule also establishes thirty-year postclosure care requirements for MSWLF's that accept solid waste after October 9, 1993. The effect of the EPA rule and similar state laws or regulations is to obligate MSWLF owners and operators to perform certain closing functions and postclosure monitoring and maintenance functions as a condition for the right to operate the MSWLF in the current period.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

20. LANDFILL POSTCLOSURE CARE COSTS (Continued)

State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Town closed the Landfill in 1991. Postclosure monitoring costs were estimated at \$30,000 per year for the remaining 14 years.

21. RESTATEMENTS

Government-wide Financial Statements:

Net assets at June 30, 2006, have been restated for the following:

Net assets at June 30, 2006, (as originally reported)	\$34,217,065
Cost basis of infrastructure resulting from required implementation of GASB No. 34	3,752,787
Accumulated depreciation of infrastructure as of June 30, 2006	(1,873,561)
Reclassification of the Burrillville Redevelopment Agency from a blended component unit to a discretely presented component unit	(428,078)
Adjustment to properly report unearned revenue	759,237
Reduction of School District fund prepaid tuition	<u>(93,442)</u>
Net assets at June 30, 2006, (as restated)	<u>\$36,334,008</u>

Fund Financial Statements:

Fund balance at June 30, 2006, has been restated for the following:

Fund balance at June 30, 2006, (as originally reported)	\$19,741,907
Reduction of School District Fund prepaid tuition	(93,442)
Reclassification of the Burrillville Redevelopment Agency from a blended component unit to a discretely presented component unit	<u>(428,078)</u>
Fund balance at June 30, 2006, (as restated)	<u>\$19,220,387</u>

(CONCLUDED)

TOWN OF BURRILLVILLE

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BURRILLVILLE, RHODE ISLAND
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>June 30,</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((a-b)/c)
<u>General Employees</u>						
2004	\$17,957,974	\$15,993,695	\$1,964,279	112.3%	\$5,016,314	39.2%
2005	\$18,052,879	\$17,083,972	\$ 968,907	105.7%	\$5,052,283	19.2%
2006	\$19,042,883	\$18,626,628	\$ 416,255	102.2%	\$5,311,467	7.8%
<u>Police Units</u>						
2004	\$4,677,696	\$5,813,042	\$(1,135,346)	80.5%	\$1,099,742	(103.2%)
2005	\$4,935,501	\$7,116,270	\$(2,180,770)	69.4%	\$1,281,736	(170.1%)
2006	\$5,461,657	\$6,374,155	\$ (912,498)	85.7%	\$1,129,668	(80.8%)

SCHEDULE OF CONTRIBUTIONS FROM THE TOWN

Year Ended <u>June 30,</u>	Annual Required Contribution	Percentage Contributed
<u>General Employees</u>		
2005	\$ 0	0%
2006	\$30,415	100%
2007	\$89,544	100%
<u>Police Units</u>		
2005	\$236,059	100%
2006	\$227,715	100%
2007	\$269,676	100%

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

NOTES TO SCHEDULES

Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2006
Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percent closed
Remaining amortization period	N/A – No unfunded actuarial accrued liability
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return	8.25%, compounded annually
Projected salary increases	4.5% - 8.5% Town and 4.75% - 14.75% Police
Cost-of-living adjustments	3.0%, not compounded
Inflation	3.0%, annually

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES),
AND CHANGES IN FUND BALANCE (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL**

**GENERAL FUND
YEAR ENDED JUNE 30, 2007**

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
General property taxes	\$ 23,915,604	\$ 23,915,604	\$ 24,081,205	\$ 165,601
Intergovernmental	18,628,385	18,628,385	18,772,874	144,489
Licenses, permits and fees	596,250	596,250	518,998	(77,252)
Investment income	172,000	172,000	387,746	215,746
Departmental	57,100	57,100	128,674	71,574
Total revenues	43,369,339	43,369,339	43,889,497	520,158
EXPENDITURES:				
Current:				
General government	2,951,244	2,914,805	2,775,896	138,909
Public safety	2,201,758	2,285,059	2,280,499	4,560
Public works	1,122,847	1,148,505	1,105,007	43,498
Recreation and social services	197,131	222,011	216,127	5,884
Libraries	326,977	326,977	326,977	
Employee benefits and other	2,371,100	2,391,550	2,206,948	184,602
Debt service:				
Principal	3,307,500	3,199,650	2,893,512	306,138
Interest and other costs	1,570,801	1,525,801	1,297,834	227,967
Capital outlay	2,131,375	4,254,990	2,186,309	2,068,681
Total expenditures	16,180,733	18,269,348	15,289,109	2,980,239
Excess of revenues over expenditures	27,188,606	25,099,991	28,600,388	3,500,397
Other financing sources (uses):				
Transfers out	(27,713,606)	(28,877,536)	(31,777,416)	(2,899,880)
Proceeds from bond issuance			2,937,425	2,937,425
Refunding bond proceeds			2,090,000	2,090,000
Premium on bond issuance			33,773	33,773
Payment to refunded bond escrow agent			(2,079,525)	(2,079,525)
Transfers in	525,000	525,000	524,676	(324)
Re-appropriation of prior year's designated fund balance		3,252,545	3,252,545	
Net other financing sources (uses)	(27,188,606)	(25,099,991)	(25,018,522)	81,469
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 0	\$ 0	3,581,866	\$ 3,581,866
Less: re-appropriated fund balance			(3,252,545)	
Fund Balance, beginning of year			9,046,267	
Fund Balance, end of year			\$ 9,375,588	

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Property taxes:						
Current and prior years	\$ 19,188,890	\$ 19,188,890	\$ 19,309,015		\$ 19,309,015	\$ 120,125
Interest on delinquent taxes and other	150,000	150,000	197,156		197,156	47,156
Payment in lieu of taxes	4,576,714	4,576,714	4,575,034		4,575,034	(1,680)
Total property taxes	23,915,604	23,915,604	24,081,205	\$ 0	24,081,205	165,601
Intergovernmental revenues:						
State of Rhode Island including:						
School aid	12,228,671	12,228,671		12,228,685	12,228,685	14
School construction	1,500,000	1,500,000	1,500,710		1,500,710	710
Motor vehicle phase out	2,768,785	2,768,785	2,801,257		2,801,257	32,472
General aid	1,031,120	1,031,120	966,899		966,899	(64,221)
Medicaid reimbursement	300,000	300,000		248,558	248,558	(51,442)
Group home	240,000	240,000		315,000	315,000	75,000
Meals and beverage tax	156,989	156,989	159,005		159,005	2,016
Pilot	79,032	79,032	78,891		78,891	(141)
Telephone tax	183,748	183,748	153,767		153,767	(29,981)
Police and other	140,040	140,040	320,102		320,102	180,062
Total intergovernmental revenues	18,628,385	18,628,385	5,980,631	12,792,243	18,772,874	144,489
Departmental revenues:						
Licenses, permits and fees:						
Licenses and fees	504,050	504,050	430,364		430,364	(73,686)
Building official	57,200	57,200	54,599		54,599	(2,601)
Miscellaneous	35,000	35,000	34,035		34,035	(965)
Services/assessments	57,100	57,100	128,674		128,674	71,574
Total departmental revenues	653,350	653,350	647,672	0	647,672	(5,678)
Investment income	172,000	172,000	387,746	0	387,746	215,746
Total revenues	43,369,339	43,369,339	31,097,254	12,792,243	43,889,497	520,158

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
General Government:						
Elected officials	20,000	20,000	17,935		17,935	2,065
Town clerk	211,607	217,429	199,847		199,847	17,582
Tax assessor	153,100	158,031	134,637		134,637	23,394
Town manager	168,674	170,674	166,526		166,526	4,148
Building official	111,980	115,254	113,847		113,847	1,407
Town treasurer	217,754	224,302	222,379		222,379	1,923
Tax collector	123,060	126,882	124,482		124,482	2,400
Information systems	167,400	171,400	168,365		168,365	3,035
Town planner	112,897	116,171	110,633		110,633	5,538
Boards, agencies, and committees	132,684	139,858	125,253		125,253	14,605
General fund contingency	104,000	26,716	3,029		3,029	23,687
Miscellaneous town expense	9,788	9,788	8,810		8,810	978
Buildings - administration	14,100	14,100	13,344		13,344	756
Total general government	1,547,044	1,510,605	1,409,087	0	1,409,087	101,518
Public Safety:						
Police department	2,065,711	2,141,893	2,141,870		2,141,870	23
Animal control	104,577	111,696	111,675		111,675	21
Civil defense	9,600	9,600	6,985		6,985	2,615
Municipal court	21,870	21,870	19,969		19,969	1,901
Total public safety	2,201,758	2,285,059	2,280,499	0	2,280,499	4,560
Public Works:						
Highway department	1,122,847	1,148,505	1,105,007		1,105,007	43,498
Total public works	1,122,847	1,148,505	1,105,007	0	1,105,007	43,498

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Recreation and Social Services:						
Participation recreation	172,131	195,555	194,883		194,883	672
Operation of mini-bus	25,000	26,456	21,244		21,244	5,212
Total recreation and social services	197,131	222,011	216,127	0	216,127	5,884
Special Appropriations	78,200	78,200	72,071	0	72,071	6,129
Debt Service:						
General obligation bonds:						
Principal	3,307,500	3,199,650	2,893,512		2,893,512	306,138
Interest	1,367,801	1,322,801	1,216,915		1,216,915	105,886
Bond registration fees and other	143,000	143,000	3,165		3,165	139,835
Bond issuance costs	60,000	60,000	77,754		77,754	(17,754)
Total debt service	4,878,301	4,725,451	4,191,346	0	4,191,346	534,105
General Services	1,404,200	1,404,200	1,366,809	0	1,366,809	37,391
Capital Improvements Program:						
School department	429,900	750,321	386,417		386,417	363,904
Police department	49,700	49,700	21,173		21,173	28,527
Public works	1,492,275	3,024,248	1,648,026		1,648,026	1,376,222
Administration	159,500	362,726	130,693		130,693	232,033
Recreation	0	67,995	0		0	67,995
Total capital improvements program	2,131,375	4,254,990	2,186,309	0	2,186,309	2,068,681
Library						
Pascoag Library	51,000	51,000	51,000		51,000	
Jesse M. Smith Library	275,977	275,977	275,977		275,977	
Total library	326,977	326,977	326,977	0	326,977	0

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budgetary Basis	Actual Budgetary Basis	Variance
Miscellaneous:						
Employee insurance and benefits	2,136,400	2,101,400	1,922,441		1,922,441	178,959
Legal services	105,000	145,000	144,527		144,527	473
Other professional services	51,500	66,950	67,909		67,909	(959)
Total miscellaneous	2,292,900	2,313,350	2,134,877	0	2,134,877	178,473
Total expenditures	16,180,733	18,269,348	15,289,109	0	15,289,109	2,980,239
Excess of revenues over expenditures	27,188,606	25,099,991	15,808,145	12,792,243	28,600,388	3,500,397
Other financing sources (uses):						
Transfers out:						
Special revenue funds	(27,534,267)	(27,783,719)	(15,000,932)	(12,792,243)	(27,793,175)	(9,456)
Capital project funds	(179,339)	(1,093,817)	(1,093,816)		(1,093,816)	1
Enterprise fund	0	0	(2,890,425)		(2,890,425)	(2,890,425)
Proceeds from bond issuance	0	0	2,937,425		2,937,425	2,937,425
Refunding bond proceeds	0	0	2,090,000		2,090,000	2,090,000
Premium on bond issuance	0	0	33,773		33,773	33,773
Payment to refunded bond escrow agent	0	0	(2,079,525)		(2,079,525)	(2,079,525)
Transfers in:						
Special revenue funds	505,000	505,000	505,061		505,061	61
Capital project funds	0	0	19,615		19,615	19,615
Enterprise funds	20,000	20,000	0		0	(20,000)
Re-appropriation of prior year's designated fund balance	0	3,252,545	0	3,252,545	3,252,545	
Total other financing sources (uses)	(27,188,606)	(25,099,991)	(15,478,824)	(9,539,698)	(25,018,522)	81,469
Excess (deficiency) of revenues and other financing sources over expenditures - budgetary basis	\$ 0	\$ 0	\$ 329,321	\$ 3,252,545	\$ 3,581,866	\$ 3,581,866

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2007**

BUDGETARY TO GAAP BASIS RECONCILIATION

As more fully described in Note 2, the following reconciliation summarizes the differences for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2007:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$3,581,866
Fund balance reappropriated	<u>(3,252,545)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 329,321</u>

The following reconciliation summarizes the differences for the School District's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2007:

Deficiency of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$(18,870)
Current year encumbrances	<u>135,875</u>
Excess of revenues and other sources over expenditures and other uses (GAAP)	<u>\$117,005</u>

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The following funds are reported in this section:

School Restricted Grants

The Restricted set of accounts is used to reflect designated funds which are limited by law for specific purposes or programs.

Other School Activities

This fund accounts for monies utilized for activities associated with vocational education, adult education, and the summer school program.

Community Recreation

This fund accounts for both the Community Recreation Center Fund and the Recreation Capital Fund. The Community Recreation Center Fund accounts for the operation and maintenance of the Community Recreation Center (the Lodge). Funding is provided from rental fees, interest earnings, and the General Fund. The Recreation Capital Fund was created pursuant to the 1980 Public Law Chapter 13, which allows for the Town to require a payment in lieu of land for public recreation.

Town Clerk – Technology

This fund accounts for monies (10% of recording fees) utilized for the purpose of document preservation and technological upgrades [RIGL 34-13-7].

Historical Records

This fund accounts for document filing fees collected by the Town which are to be used for the preservation of historical Town records.

Animal Shelter Donation Account

This fund accounts for donations received and expenses incurred in the performance of various animal control duties.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Library Grant

This fund accounts for grant activity related to the Jesse M. Smith Memorial Library and the Pascoag Library.

Seat Belt Grant

This fund accounts for grant activity related to highway safety and the enforcement of the State's seat belt laws.

Byrne Grant

This fund accounts for grant activity related to equipment purchased for the Police Department.

Stillwater Mill Complex

This fund accounts for activity related to the study and redevelopment of the former Stillwater Mill Complex.

Burrillville Tree Inventory

This fund accounts for local activity involved with the identification and inventory of significant old growth trees for the purpose of preservation.

Stormwater Management Plan

This fund accounts for a State mandated plan designed to control stormwater runoff.

Recycling Program

This fund account for monies set aside for the purpose of promoting town-wide recycling.

Ocean State Power Funds

This fund accounts for monies received from Ocean State Power. Per an agreement with the Town, Ocean State Power is to contribute every year for twenty years to the Ocean State Power Scholarship Fund and Ocean State Power Community Foundation. Both funds are headed by a committee which approves the spending of these funds.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Narcotics Guidance Council

This fund accounts for the various activities conducted by the Burrillville Narcotic Guidance Council. Funding is provided by the General Fund and other grant programs.

Police Task Force

This fund accounts for monies received from forfeiture and drug related activities.

Police Legislative Grant

This fund accounts for grant monies received through the State to be used by the Town in its law enforcement activities.

Homeland Security

This fund accounts for grant monies utilized for the purpose of acquiring equipment to assist the Town in determining, preventing, responding, and recovering from a WMD (weapons of mass destruction) terrorism incident.

Health Care Contingency

This fund was created for the purpose of paying health-related insurance deductions.

Police Incentive Pay

This fund accounts for State monies received which provide for educational incentives to police officers based upon certain degrees obtained.

Cops That Care

This fund accounts for grant monies received for various community activities designed to promote positive relationships with the local police department.

Spring Lake

This fund accounts for the operation and maintenance of Spring Lake Beach. Funding is provided from fees and the General Fund.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Unfunded Liability and Incentive Pay Fund

This fund has been created to pay for the sick leave buyout, accrued sick and vacation leave, sick leave incentive program, and department/division head (non-union) performance incentive pay.

Community Development Block Grants

This fund accounts for funds obtained through the Community Development Block Grant Program and the U.S. Department of Housing and Urban Development, which are restricted for specific purposes of programs. This fund also accounts for the CDBG Revolving Loan Program which provides loans to qualified homeowners for various home improvements.

Local Law Enforcement Block Grant

This fund accounts for local activity designed to reduce crime and improve public safety.

Police Grant – Operation Riptide

This fund accounts for grant monies utilized for the purpose of enforcing the driving under the influence laws.

Bicentennial Committee

This fund accounts for activities associated with the celebration of the Town's 200th Anniversary to be celebrated in fiscal year 2007.

Resource Officer Program

This fund accounts for monies that are received by the Town's Resource Officer and used for various youth oriented programs.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Funding sources include debt proceeds, intergovernmental sources, third party contributions and General Fund operating transfers. The following funds are reported in this section:

School Administration Building

This fund accounts for the construction of a new school administration building located at the middle school.

Salt Storage Facility

This fund accounts for grant activity related to the construction of a salt storage facility.

Steere Farm Elementary

This fund accounts for the construction/renovation of a new elementary school at the site of the former Meadow Glen Nursing Home. Funding is provided by general obligation bonds.

Open Space/Land Acquisition

This fund accounts for Town appropriations specifically set aside for the purpose of acquiring land for open space and other purposes.

Callahan Renovation Project

This fund accounts for the expansion and renovation of the Callahan Elementary School.

Major Capital

This fund accounts for Town appropriations set aside for the purpose of funding major capital acquisitions.

Route 102

This fund accounts for monies set aside for the purpose of planning and developing Route 102.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Branch River/Hauser Field

This fund accounts for the expansion and renovation of the Branch River and Hauser Recreation Facilities.

Levy Rink Renovations

This fund accounts for the expansion and renovation of the June Rockwell Levy Rink.

Route 107

This fund accounts for monies set aside for the purpose of planning and developing Route 107 (portions of East Avenue/Harrisville Main Street/Chapel Street).

Pascoag Main St. Revitalization

This fund accounts for monies utilized for the purpose of various activities (such as store front improvements, parking, etc.) associated with the revitalization of Pascoag Main Street.

Library Building

This fund accounts for the monies utilized in the construction of a new library.

Spring Lake Camping Area

This fund accounts for monies utilized for the purpose of constructing a camping and hiking area near Spring Lake Beach.

High School Football Field

This fund accounts for monies utilized for the purpose of constructing a football field at the high school.

Computer Acquisition

This fund accounts for the acquisition and installation of a Town wide computer system.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Cemetery Fund

The cemetery fund accounts for monies received by individuals to be used for the perpetual care of Town cemeteries and are under the custody of the Town Clerk.

Frank H. Potter Bridgeway Fund

The Frank H. Potter Bridgeway Fund accounts for monies received under the will of the late Austin T. Levy. Interest received is to be used for the maintenance of the Frank H. Potter Bridgeway.

Alice McGreevy Thompson Fund

This fund accounts for money gifted to the Town from Mrs. Alice McGreevy Thompson for the purpose of establishing a perpetual fund to be held in trust by the Town. Interest earned is to be paid annually to a high school senior with the highest average in chemistry.

Jesse M. Smith Memorial Library Fund

This fund accounts for two contributions received under the will of the late Austin T. Levy. Interest received is to be used for the purpose of acquiring library books and general operations of the Jesse M. Smith Memorial Library.

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Special Revenue Funds					Animal Shelter Donation Account
	School Restricted Grants	Other School Activities	Community Recreation	Town Clerk - Technology	Historical Records	
ASSETS:						
Cash and cash equivalents	\$ 581,171		\$ 30,570			
Other receivables	2,510					
Due from:						
Other funds	50,279	\$ 178,959	23,625	\$ 76,919	\$ 38,843	\$ 659
Other governments	141,906					
TOTAL ASSETS	\$ 775,866	\$ 178,959	\$ 54,195	\$ 76,919	\$ 38,843	\$ 659
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ 83,991		\$ 181		\$ 319	\$ 195
Retainage payable						
Accrued payroll and benefits	81,584					
Due to other funds	223,039	\$ 160,393				
Deferred revenues	387,252					
Other liabilities						
TOTAL LIABILITIES	775,866	160,393	181	\$ 0	319	195
FUND BALANCES:						
Reserved for:						
Perpetual care						
Endowments						
Encumbrances						
Unreserved, reported in:						
Special revenue funds		18,566	54,014	76,919	38,524	464
Capital project funds						
TOTAL FUND BALANCES	0	18,566	54,014	76,919	38,524	464
TOTAL LIABILITIES AND FUND BALANCES	\$ 775,866	\$ 178,959	\$ 54,195	\$ 76,919	\$ 38,843	\$ 659

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

F-1

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Special Revenue Funds				
	Library Grant	Seat Belt Grant	Byrne Grant	Stillwater Mill Complex	Burrillville Tree Inventory
ASSETS:					
Cash and cash equivalents		\$ 637	\$ 23,761		\$ 164
Other receivables					
Due from:					
Other funds					
Other governments					
TOTAL ASSETS	\$ 0	\$ 637	\$ 23,761	\$ 0	\$ 164
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable					
Retainage payable					
Accrued payroll and benefits					
Due to other funds	\$ 3	\$ 637	\$ 6,980		
Deferred revenues			16,781		
Other liabilities					
TOTAL LIABILITIES	3	637	23,761	\$ 0	0
FUND BALANCES:					
Reserved for:					
Perpetual care					
Endowments					
Encumbrances					
Unreserved, reported in:					
Special revenue funds	(3)				164
Capital project funds	(3)	0	0	0	164
TOTAL FUND BALANCES					
	\$ 0	\$ 637	\$ 23,761	\$ 0	\$ 164
TOTAL LIABILITIES AND FUND BALANCES					

(CONTINUED)

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Special Revenue Funds				
	Stormwater Management Plan	Recycling Program	Ocean State Power Funds	Narcotics Guidance Council	Police Task Force
ASSETS:					
Cash and cash equivalents			\$ 713,155		\$ 1,955
Other receivables			20,730		
Due from:					
Other funds		\$ 48,830		\$ 131,848	68
Other governments	\$ 24,199				
TOTAL ASSETS	\$ 24,199	\$ 48,830	\$ 733,885	\$ 131,848	\$ 2,023
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable			\$ 95,379	\$ 286	
Retainage payable					
Accrued payroll and benefits					
Due to other funds	\$ 24,199			79,179	
Deferred revenues					
Other liabilities					
TOTAL LIABILITIES	24,199	\$ 0	95,379	79,465	0
FUND BALANCES:					
Reserved for:					
Perpetual care					
Endowments			360,000		
Encumbrances					
Unreserved, reported in:					
Special revenue funds		48,830	278,506	52,383	2,023
Capital project funds					
TOTAL FUND BALANCES	0	48,830	638,506	52,383	2,023
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,199	\$ 48,830	\$ 733,885	\$ 131,848	\$ 2,023

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Special Revenue Funds				
	Police Legislative Grant	Homeland Security	Health Care Contingency	Police Incentive Pay	Cops That Care
ASSETS:					
Cash and cash equivalents			\$ 249,587		
Other receivables					
Due from:					
Other funds		\$ 4,780			\$ 439
Other governments					
TOTAL ASSETS	\$0	\$ 4,780	\$ 249,587	\$0	\$ 439
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable			\$ 253		
Retainage payable					
Accrued payroll and benefits			2,950		
Due to other funds					
Deferred revenues		\$ 4,780			\$ 439
Other liabilities					
TOTAL LIABILITIES	\$0	4,780	3,203	\$0	439
FUND BALANCES:					
Reserved for:					
Perpetual care					
Endowments					
Encumbrances					
Unreserved, reported in:					
Special revenue funds			246,384		
Capital project funds					
TOTAL FUND BALANCES	0	0	246,384	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$ 4,780	\$ 249,587	\$0	\$ 439

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Special Revenue Funds				
	Spring Lake	Unfunded Liability and Incentive Pay Fund	Community Development Block Grant	Local Law Enforcement Block Grant	Police Grant - Operation Riptide
ASSETS:					
Cash and cash equivalents	\$ 120,753	\$ 58,245	\$ 38,746		
Other receivables			88,484		
Due from:					
Other funds	19,261				
Other governments			34,546		\$ 11,205
TOTAL ASSETS	\$ 140,014	\$ 58,245	\$ 161,776	\$ 0	\$ 11,205
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 2,355				
Retainage payable					
Accrued payroll and benefits					
Due to other funds	\$ 33,418	\$ 127,955			\$ 11,205
Deferred revenues					
Other liabilities					
TOTAL LIABILITIES	2,355	33,418	127,955	\$ 0	11,205
FUND BALANCES:					
Reserved for:					
Perpetual care					
Endowments					
Encumbrances					
Unreserved, reported in:					
Special revenue funds	137,659	24,827	33,821		
Capital project funds					
TOTAL FUND BALANCES	137,659	24,827	33,821	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 140,014	\$ 58,245	\$ 161,776	\$ 0	\$ 11,205

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Special Revenue Funds		Capital Project Funds			
	Bicentennial Committee	Resource Officer Program	School Administration Building	Salt Storage Facility	Steere Farm Elementary	
ASSETS:						
Cash and cash equivalents						
Other receivables			\$ 1,480			
Due from:						
Other funds	\$ 8,732		7,676			
Other governments						
TOTAL ASSETS	\$ 8,732	\$0	\$ 9,156	\$0	\$0	
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ 464					
Retainage payable						
Accrued payroll and benefits						
Due to other funds						
Deferred revenues						
Other liabilities						
TOTAL LIABILITIES	464	\$0	0	\$0	\$0	
FUND BALANCES:						
Reserved for:						
Perpetual care						
Endowments						
Encumbrances						
Unreserved, reported in:						
Special revenue funds	8,268		9,156			
Capital project funds		0	9,156	0	0	
TOTAL FUND BALANCES	8,268	0	9,156	0	0	
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,732	\$0	\$ 9,156	\$0	\$0	

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Capital Project Funds					
	Open Space/ Land Acquisition	Callahan Renovation Project	Major Capital	Route 102	Branch River/ Hauser Field	Levy Rink Renovations
ASSETS:						
Cash and cash equivalents	\$ 133,245	\$ 768,002	\$ 378,647			
Other receivables				\$ 164,629	\$ 119,101	\$ 161,095
Due from:					37,398	
Other funds						
Other governments						
TOTAL ASSETS	\$ 133,245	\$ 768,002	\$ 378,647	\$ 164,629	\$ 156,499	\$ 161,095
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable		\$ 3,487		\$ 6		\$ 340,044
Retainage payable		85,000				15,198
Accrued payroll and benefits						
Due to other funds		378,512			\$ 11,398	
Deferred revenues						
Other liabilities						
TOTAL LIABILITIES	\$ 0	\$ 466,999	\$ 0	\$ 6	\$ 11,398	\$ 355,242
FUND BALANCES:						
Reserved for:						
Perpetual care						
Endowments		22,363				2,727,636
Encumbrances						
Unreserved, reported in:						
Special revenue funds	133,245	278,640	378,647	164,623	145,101	(2,921,783)
Capital project funds	133,245	301,003	378,647	164,623	145,101	(194,147)
TOTAL FUND BALANCES	\$ 133,245	\$ 768,002	\$ 378,647	\$ 164,629	\$ 156,499	\$ 161,095
TOTAL LIABILITIES AND FUND BALANCES						

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Capital Project Funds				
	Route 107	Pascoag Main St Revitalization	Library Building	Spring Lake Camping Area	High School Football Field
ASSETS:					
Cash and cash equivalents					
Other receivables					
Due from:					
Other funds					
Other governments			\$ 1,428,535		\$ 63,472
TOTAL ASSETS	\$ 0	\$ 0	\$ 1,428,535	\$ 0	\$ 63,472
					\$ 2,594
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 928	\$ 19,367	\$ 600,762		
Retainage payable			258,854		\$ 22,623
Accrued payroll and benefits					
Due to other funds	49,825	281,943			
Deferred revenues					
Other liabilities					
TOTAL LIABILITIES	50,753	301,310	859,616	\$ 0	22,623
					\$ 0
FUND BALANCES:					
Reserved for:					
Perpetual care					
Endowments					
Encumbrances			2,804,987		
Unreserved, reported in:					
Special revenue funds					
Capital project funds	(50,753)	(301,310)	(2,236,068)		40,849
TOTAL FUND BALANCES	(50,753)	(301,310)	568,919	0	40,849
					2,594
TOTAL LIABILITIES AND FUND BALANCES	\$ 0	\$ 0	\$ 1,428,535	\$ 0	\$ 63,472
					\$ 2,594

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Permanent Funds				Total Non-Major Governmental Funds
	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	
ASSETS:					
Cash and cash equivalents	\$ 77,217	\$ 15,199	\$ 1,136	\$ 15,740	\$ 3,183,368
Other receivables					113,204
Due from:					
Other funds	3,351				2,533,859
Other governments					273,652
TOTAL ASSETS	\$ 80,568	\$ 15,199	\$ 1,136	\$ 15,740	\$ 6,104,083
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable					\$ 1,148,017
Retainage payable					381,675
Accrued payroll and benefits					81,584
Due to other funds					1,252,283
Deferred revenues					548,605
Other liabilities			136	740	6,075
TOTAL LIABILITIES	\$ 0	\$ 5,199	\$ 136	\$ 740	\$ 3,418,239
FUND BALANCES:					
Reserved for:					
Perpetual care	80,568				80,568
Endowments		10,000	1,000	15,000	26,000
Encumbrances					5,914,986
Unreserved, reported in:					
Special revenue funds					1,021,349
Capital project funds					(4,357,059)
TOTAL FUND BALANCES	80,568	10,000	1,000	15,000	2,685,844
TOTAL LIABILITIES AND FUND BALANCES	\$ 80,568	\$ 15,199	\$ 1,136	\$ 15,740	\$ 6,104,083

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

	Special Revenue Funds					
	School Restricted Grants	Other School Activities	Community Recreation	Town Clerk - Technology	Historical Records	Animal Shelter Donation Account
REVENUES:						
Intergovernmental	\$2,418,168					
Investment income			\$ 2,242			
Other	15,556	\$ 27,730	37,318	\$ 22,070	\$ 4,250	\$ 952
TOTAL REVENUES	2,433,724	27,730	39,560	22,070	4,250	952
EXPENDITURES:						
Current:						
General government					1,780	
Public safety						1,238
Public libraries						
Recreation and social services			12,981			
Education	2,407,285	47,690				
Community development						
Capital outlay	26,439			2,577		
TOTAL EXPENDITURES	2,433,724	47,690	12,981	2,577	1,780	1,238
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	(19,960)	26,579	19,493	2,470	(286)
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Bond premium						
Transfers in						
Transfers out						
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	(19,960)	26,579	19,493	2,470	(286)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	38,526	27,435	57,426	36,054	750
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 18,566	\$ 54,014	\$ 76,919	\$ 38,524	\$ 464

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

	Special Revenue Funds				
	Library Grant	Seat Belt Grant	Byrne Grant	Stillwater Mill Complex	Burrillville Tree Inventory
REVENUES:					
Intergovernmental	\$ 79,855		\$ 6,980		
Investment income					
Other					
TOTAL REVENUES	79,855	\$0	6,980	\$ 0	\$ 0
EXPENDITURES:					
Current:					
General government					
Public safety					
Public libraries	79,855				738
Recreation and social services					
Education					
Community development					
Capital outlay			6,980		
TOTAL EXPENDITURES	79,855	0	6,980	0	738
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	0	0	0	(738)
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Bond premium					
Transfers in				9,456	
Transfers out					
NET OTHER FINANCING SOURCES (USES)	0	0	0	9,456	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	0	0	9,456	(738)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(3)	0	0	(9,456)	902
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (3)	\$0	\$ 0	\$ 0	\$ 164

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

	Special Revenue Funds				
	Stormwater Management Plan	Recycling Program	Ocean State Power Funds	Narcotics Guidance Council	Police Task Force
REVENUES:					
Intergovernmental		\$ 31,989		\$ 31,876	
Investment income			\$ 28,549		\$ 76
Other			100,000	1,506	768
TOTAL REVENUES	\$0	31,989	128,549	33,382	844
EXPENDITURES:					
Current:					
General government		18,000	78,773	48,061	
Public safety					
Public libraries					
Recreation and social services					
Education					
Community development					
Capital outlay					
TOTAL EXPENDITURES	0	18,000	78,773	48,061	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	13,989	49,776	(14,679)	844
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Bond premium					
Transfers in				20,000	
Transfers out					
NET OTHER FINANCING SOURCES (USES)	0	0	0	20,000	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	13,989	49,776	5,321	844
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	34,841	588,730	47,062	1,179
FUND BALANCE (DEFICIT) AT END OF YEAR	\$0	\$ 48,830	\$ 638,506	\$ 52,383	\$ 2,023

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Special Revenue Funds					
	Police Legislative Grant	Homeland Security	Health Care Contingency	Police Incentive Pay	Cops That Care	
REVENUES:						
Intergovernmental	\$ 1,000	\$ 79,562	\$ 135	\$ 7,584	\$ 711	
Investment income						
Other						
TOTAL REVENUES	1,000	79,562	135	7,584	711	
EXPENDITURES:						
Current:						
General government						
Public safety			3,203			
Public libraries	1,012			7,584	711	
Recreation and social services						
Education						
Community development						
Capital outlay		79,562				
TOTAL EXPENDITURES	1,012	79,562	3,203	7,584	711	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(12)	0	(3,068)	0	0	
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Bond premium						
Transfers in						
Transfers out		249,452				
NET OTHER FINANCING SOURCES (USES)	0	0	249,452	0	0	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(12)	0	246,384	0	0	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	12	0	0	0	0	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 0	\$ 246,384	\$ 0	\$ 0	

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Special Revenue Funds				
	Spring Lake	Unfunded Liability and Incentive Pay Fund	Community Development Block Grant	Local Law Enforcement Block Grant	Police Grant - Operation Riptide
REVENUES:					
Intergovernmental	\$ 1,853	\$ 862	\$ 337,864		\$ 14,182
Investment income	151,134		6,347		
Other	152,987	862	79,250		
TOTAL REVENUES					
			\$ 423,461	\$ 0	14,182
EXPENDITURES:					
Current:					
General government		71,795			14,182
Public safety					
Public libraries					
Recreation and social services					
Education	117,215				
Community development			128,780		
Capital outlay			309,918		
TOTAL EXPENDITURES	117,215	71,795	438,698	0	14,182
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	35,772	(70,933)	(15,237)	0	0
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Bond premium	5,000				
Transfers in	(5,000)			(61)	
Transfers out	0	0	0	(61)	0
NET OTHER FINANCING SOURCES (USES)					
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	35,772	(70,933)	(15,237)	(61)	0
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	101,887	95,760	49,058	61	0
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 137,659	\$ 24,827	\$ 33,821	\$ 0	\$ 0

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Special Revenue Funds			Capital Project Funds			
	Bicentennial Committee	Resource Officer Program	School Administration Building	Salt Storage Facility	Steere Farm	Elementary	
REVENUES:							
Intergovernmental							
Investment income							
Other	\$ 2,997						
TOTAL REVENUES	2,997	0	\$ 0	\$ 0	\$ 0	\$ 0	0
EXPENDITURES:							
Current:							
General government	13,521						
Public safety		300					
Public libraries							
Recreation and social services							
Education							
Community development							
Capital outlay	13,521	300	0	0	0	0	0
TOTAL EXPENDITURES	(10,524)	(300)	0	0	0	0	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)							
OTHER FINANCING SOURCES (USES):							
Proceeds from bond issuance							
Bond premium							
Transfers in							
Transfers out				23,497			(19,108)
NET OTHER FINANCING SOURCES (USES)	0	0	0	23,497	(19,108)	(19,108)	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(10,524)	(300)	0	23,497	(19,108)	(19,108)	0
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	18,792	300	9,156	(23,497)	19,108	19,108	0
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 8,268	\$ 0	\$ 9,156	\$ 0	\$ 0	\$ 0	0
(CONTINUED)							

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

	Capital Project Funds					
	Open Space/ Land Acquisition	Callahan Renovation Project	Major Capital	Route 102	Branch River/ Hauser Field	Levy Rink Renovations
REVENUES:						
Intergovernmental						
Investment income	\$ 5,675	\$ 331,319	\$ 3,019		\$ 26,000	
Other		43,951				
TOTAL REVENUES	5,675	375,270	3,019	0	26,000	0
EXPENDITURES:						
Current:						
General government						
Public safety						
Public libraries						
Recreation and social services						
Education						
Community development						
Capital outlay						
TOTAL EXPENDITURES	0	5,738,327	0	3,804	57,618	493,897
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	5,675	(5,363,057)	3,019	(3,804)	(31,618)	(493,897)
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Bond premium						
Transfers in			179,339			299,750
Transfers out						
NET OTHER FINANCING SOURCES (USES)	0	0	179,339	0	0	299,750
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,675	(5,363,057)	182,358	(3,804)	(31,618)	(194,147)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	127,570	5,664,060	196,289	168,427	176,719	0
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 133,245	\$ 301,003	\$ 378,647	\$ 164,623	\$ 145,101	\$ (194,147)

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

	Capital Project Funds					
	Pascoag Main St Revitalization	Library Building	Spring Lake Camping Area	High School Football Field	Computer Acquisition	
REVENUES:						
Intergovernmental	\$ 4,740	\$ 370,000				
Investment income		3,469				
Other		308,298				
TOTAL REVENUES	\$ 0	\$ 681,767	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES:						
Current:						
General government						
Public safety						
Public libraries						
Recreation and social services						
Education						
Community development						
Capital outlay						
TOTAL EXPENDITURES	11,378	499,308	5,482,216	338,148	10,629	
	11,378	499,308	5,482,216	338,148	10,629	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(11,378)	(494,568)	0	(338,148)	(10,629)	
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance		5,000,000				
Bond premium		47,805				
Transfers in						
Transfers out			(507)	591,230		
NET OTHER FINANCING SOURCES (USES)	0	0	5,047,805	(507)	591,230	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(11,378)	(494,568)	247,356	(507)	253,082	(10,629)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(39,375)	193,258	321,563	507	(212,233)	13,223
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (50,753)	\$ (301,310)	\$ 568,919	\$ 0	\$ 40,849	\$ 2,594

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

	Permanent Funds				Total
	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	Non-Major Governmental Funds
REVENUES:					
Intergovernmental					\$ 3,410,511
Investment income					387,500
Other	\$ 2,696	\$ 462	\$ 56	\$ 740	798,780
TOTAL REVENUES	5,696	462	56	740	4,596,791
EXPENDITURES:					
Current:					
General government					
Public safety	1,324	462	56	740	237,715
Public libraries					25,027
Recreation and social services					79,855
Education					130,934
Community development					2,454,975
Capital outlay	1,324	462	56	740	128,780
TOTAL EXPENDITURES	4,372	0	0	0	13,060,801
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	4,372	0	0	0	(11,521,296)
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					5,000,000
Bond premium					47,805
Transfers in					1,377,724
Transfers out					(24,676)
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	6,400,853
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	4,372	0	0	0	(5,120,443)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	76,196	10,000	1,000	15,000	7,806,287
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 80,568	\$ 10,000	\$ 1,000	\$ 15,000	\$ 2,685,844

(CONCLUDED)

TOWN OF BURRILLVILLE

NON-MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

School Cafeteria Fund

This fund accounts for the School Department's food service operation.

Levy Rink

This fund accounts for the operations of the Levy Ice Rink.

Extended Day Care

This fund accounts for the operation of a Town managed Day Care Facility.

TOWN OF BURRILLVILLE, RHODE ISLAND

COMBINING STATEMENT OF NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2007

	School Cafeteria Fund	Levy Rink	Extended Day Care	Totals
ASSETS:				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 322,877	\$ 41,037	\$ 236,955	\$ 600,869
Receivables, net	13,343		12,015	25,358
Due from:				
Other funds	1,718			1,718
Other governments	44,934			44,934
Inventory	13,486			13,486
Total current assets	396,358	41,037	248,970	686,365
<i>Noncurrent assets:</i>				
Net capital assets	2,621	163,843	59,467	225,931
Total noncurrent assets	2,621	163,843	59,467	225,931
TOTAL ASSETS	398,979	204,880	308,437	912,296
LIABILITIES:				
<i>Current liabilities:</i>				
Accounts payable	781	2,067	9,581	12,429
Accrued interest payable		3,183		3,183
Due to other funds	387,054	106,498	21,173	514,725
Deferred revenue			12,014	12,014
Accrued compensated absences	900	1,100		2,000
Total current liabilities	388,735	112,848	42,768	544,351
<i>Noncurrent liabilities:</i>				
Accrued compensated absences	8,406	9,451		17,857
Total noncurrent liabilities	8,406	9,451	0	17,857
TOTAL LIABILITIES	397,141	122,299	42,768	562,208
NET ASSETS:				
Invested in capital assets, net of related debt	2,621	163,843	59,467	225,931
Unrestricted	(783)	(81,262)	206,202	124,157
TOTAL NET ASSETS	\$ 1,838	\$ 82,581	\$ 265,669	\$ 350,088

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2007**

	School Cafeteria Fund	Levy Rink	Extended Day Care	Totals
OPERATING REVENUES:				
Charges for usage and service	\$ 621,452	\$ 236,172	\$ 429,714	\$ 1,287,338
Total operating revenues	<u>621,452</u>	<u>236,172</u>	<u>429,714</u>	<u>1,287,338</u>
OPERATING EXPENSES:				
Operations	486,844	162,240	86,947	736,031
Personnel	387,860	113,509	319,595	820,964
Depreciation	2,437	13,496	10,404	26,337
Total operating expenses	<u>877,141</u>	<u>289,245</u>	<u>416,946</u>	<u>1,583,332</u>
OPERATING INCOME (LOSS)	<u>(255,689)</u>	<u>(53,073)</u>	<u>12,768</u>	<u>(295,994)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest expense		(3,183)		(3,183)
Grants			2,000	2,000
Investment income	932	1,757	10,138	12,827
Intergovernmental	275,226			275,226
Net nonoperating revenues (expenses)	<u>276,158</u>	<u>(1,426)</u>	<u>12,138</u>	<u>286,870</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>20,469</u>	<u>(54,499)</u>	<u>24,906</u>	<u>(9,124)</u>
TRANSFERS IN	<u>0</u>	<u>44,000</u>	<u>0</u>	<u>44,000</u>
CHANGE IN NET ASSETS	<u>20,469</u>	<u>(10,499)</u>	<u>24,906</u>	<u>34,876</u>
TOTAL NET ASSETS - BEGINNING	<u>(18,631)</u>	<u>93,080</u>	<u>240,763</u>	<u>315,212</u>
TOTAL NET ASSETS - ENDING	<u>\$ 1,838</u>	<u>\$ 82,581</u>	<u>\$ 265,669</u>	<u>\$ 350,088</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2007**

	School Cafeteria Fund	Levy Rink	Extended Day Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 617,000	\$ 236,172	\$ 435,932	\$ 1,289,104
Cash paid to suppliers	(487,551)	(171,910)	(77,892)	(737,353)
Cash paid to employees	(386,108)	(117,927)	(319,595)	(823,630)
<i>Net cash provided by (used for) operating activities</i>	<u>(256,659)</u>	<u>(53,665)</u>	<u>38,445</u>	<u>(271,879)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Nonoperating grants received	271,253		2,000	273,253
Transfer from other funds		44,000		44,000
Decrease in due from other funds	16,374			16,374
Increase (decrease) in due to other funds	188,759	(48,854)	12,625	152,530
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>476,386</u>	<u>(4,854)</u>	<u>14,625</u>	<u>486,157</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets			(5,888)	(5,888)
Interest expense		(4,067)		(4,067)
<i>Net cash used for capital and related financing activities</i>	<u>0</u>	<u>(4,067)</u>	<u>(5,888)</u>	<u>(9,955)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	932	1,757	10,138	12,827
<i>Net cash provided by investing activities</i>	<u>932</u>	<u>1,757</u>	<u>10,138</u>	<u>12,827</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	220,659	(60,829)	57,320	217,150
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	102,218	101,866	179,635	383,719
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 322,877</u>	<u>\$ 41,037</u>	<u>\$ 236,955</u>	<u>\$ 600,869</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (255,689)	\$ (53,073)	\$ 12,768	\$ (295,994)
Adjustments to reconcile:				
Depreciation	2,437	13,496	10,404	26,337
Increase in allowance for doubtful accounts			1,600	1,600
Increase in accounts receivable	(4,452)		(7,396)	(11,848)
Increase in inventory	(1,085)			(1,085)
Increase (decrease) in accounts payable	378	(9,670)	9,055	(237)
Increase in deferred revenue			12,014	12,014
Increase (decrease) in accrued compensated absences	1,752	(4,418)		(2,666)
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (256,659)</u>	<u>\$ (53,665)</u>	<u>\$ 38,445</u>	<u>\$ (271,879)</u>

TOWN OF BURRILLVILLE

SINGLE AUDIT SECTION

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor Pass-Through Grantor Program title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Governor's Office of Housing & Energy & Intergovernmental Relations			
Community Development Block Grants - Small Cities Program*	14.219	06/03/21	\$ 59,748
Community Development Block Grants - Small Cities Program*	14.219	05/03/20	172,000
Community Development Block Grants - Small Cities Program*	14.219	04/03/19	48,282
Community Development Block Grants - Small Cities Program*	14.219	03/03/18	10,000
Community Development Block Grants - Small Cities Program*	14.219	02/03/17	9,370
Community Development Block Grants - Small Cities Program*	14.219	01/03/16	38,464
Total U.S. Department of Housing and Urban Development			<u>337,864</u>
U.S. Department of Justice			
RI Governor's Justice Commission			
Cops That Care (passed through Byrne Grant)	16.548		711
2006 Byrne/Justice Assistance Grant (JAG)	16.548		6,980
Total U.S. Department of Justice			<u>7,691</u>
U.S. Department of Transportation			
RI Governor's Office on Highway Safety			
Operation Riptide	20.XXX		14,182
Total U.S. Department of Transportation			<u>14,182</u>
Federal Emergency Management Agency			
RI Emergency Management Agency			
Homeland Security Grant	97.067	3-80-FY05	79,562
Total Federal Emergency Management Agency			<u>79,562</u>
U.S. Department of Education			
Rhode Island Department of Education			
Title I	84.010A	1420-51600	220,584
Title II	84.367A	1420-54000	140,944
IDEA, Part B	84.027A	1430-50500	667,746
Pre-School 99-457	84.173A	1430-50800	25,647
Title V	84.298A	1420-51000	3,177
Title II Technology	84.318X	1420-53600	522
US History	84.215		24,575
Drug Free	84.186A	1420-52900	11,136
Comprehensive School Reform Program	84.332A	1420-53900	49,935
Woonsocket School Department			
Woonsocket Long-Term Plan	84.048A	1420-53200	27,802
Total U.S. Department of Education			<u>1,172,068</u>

(CONTINUED)

SEE NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor Pass-Through Grantor Program title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture			
Rhode Island Department of Education			
Food Distribution**	10.550		23,139
School Breakfast Program**	10.553		33,145
National School Lunch Program**	10.555		205,119
Total U.S. Department of Agriculture			<u>261,403</u>
U.S. Environmental Protection Agency			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		200,000
U.S. Department of the Interior			
John H. Chaffee Blackstone River Valley National Heritage Corridor	15.915	CA1715-0-0006	<u>4,740</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,077,510</u></u>

*** Denotes a major program**

**** Denotes program cluster which is considered to be one program for testing purposes.**

(CONCLUDED)

SEE NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2007**

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Town of Burrillville. All federal awards received from federal agencies are included on the Schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. DETERMINATION OF MAJOR PROGRAMS

The determination of major federal financial assistance programs was based upon the overall level of expenditures for all federal programs for the Town of Burrillville. As such, the threshold for determining Type A and Type B programs is defined as those with program expenditures greater than \$300,000 or 3 percent of total expenditures when the total expenditures are over \$10,000,000. There were two programs with expenditures exceeding \$300,000 for the fiscal year ended June 30, 2007. For the fiscal year ended June 30, 2007, the following programs were considered major programs:

Child Nutrition Cluster.....	#10.550, #10.553 and #10.555
Community Development Block Grants.....	#14.219

CAYER CACCIA LLP

Certified Public Accountants and Business Consultants

**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**

To the Honorable Town Council,
Burrillville, Rhode Island

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of and for the year ended June 30, 2007, which collectively comprise the Town of Burrillville, Rhode Island's basic financial statements and have issued our report thereon dated January 29, 2008. 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 of Burrillville, Rhode Island'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 of Burrillville, Rhode Island's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

Internal Control Over Financial Reporting (Continued)

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Burrillville, Rhode Island's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Burrillville, Rhode Island's financial statements that is more than inconsequential will not be prevented or detected by the Town of Burrillville, Rhode Island's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. (2007-1, 2007-2, 2007-3.)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Burrillville, Rhode Island's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2007-1 and 2007-2 to be material weaknesses.

Compliance and Other Matters

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

We also noted certain other matters that we reported to management of the Town of Burrillville, Rhode Island, in a separate letter dated January 29, 2008.

This report is intended solely for the information and use of the Town Council, management, 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.

January 29, 2008

Cayer Caccia, LLP.

CAYER CACCIA LLP

Certified Public Accountants and Business Consultants

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Town Council
Burrillville, Rhode Island

Compliance

We have audited the compliance of the Town of Burrillville, Rhode Island, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The Town of Burrillville, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Burrillville, Rhode Island's management. Our responsibility is to express an opinion on the Town of Burrillville, Rhode Island's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Burrillville, Rhode Island's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Burrillville, Rhode Island's compliance with those requirements.

In our opinion, the Town of Burrillville, Rhode Island complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the Town of Burrillville, Rhode Island is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Burrillville, Rhode Island's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the Town Council, management, 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.

January 29, 2008

Coryn Caccia, LLP.

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2007**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Town of Burrillville.
2. Internal control over financial reporting:

Three significant deficiencies disclosed during the audit of the financial statements are summarized below in findings 2007-1 through 2007-3. Two of the conditions (2007-1 and 2007-2) are reported as material weaknesses.

3. No instances of noncompliance material to the financial statements of the Town of Burrillville were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for the Town of Burrillville expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the Town of Burrillville.
7. The programs tested as major programs include:

Child Nutrition Cluster	#10.550, #10.553 and #10.555
Community Development Block Grants	#14.219

8. The threshold used for distinguishing Type A and B programs is described in Note 3 to the Schedule of Expenditures of Federal Awards.
9. The Town qualified as a low risk auditee.

B. FINDINGS RELATED TO AUDIT OF FINANCIAL STATEMENTS

2007-1 Oversight of the Town's Financial Reporting Process

The Town Council and management are responsible for the effective oversight of the financial reporting process, including the preparation of Town financial statements and related footnote disclosures. During fiscal year 2007, the Town relied upon the external auditor to prepare its financial statements and related footnote disclosures to ensure that they were prepared in accordance with generally accepted accounting principles. Therefore, adequate controls were not in place as of June 30, 2007 to prevent and detect misstatements in the financial statement preparation and reporting process.

2007-2 Accurate Posting of Side Fund Financial Activity

Required monthly interfund reconciliations and general ledger maintenance procedures related to the Town's larger and more complex side funds (special revenue and capital project funds) are not being performed on a timely basis. As a result, we noted posting errors which required correcting entries to be made. In addition, we provided management with numerous adjusting entries which were required to record and reclassify financial activity in the MUNIS general ledger.

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2007**

B. FINDINGS RELATED TO AUDIT OF FINANCIAL STATEMENTS (Continued)

2007-3 School Lunch Fund Program

During our audit we observed the following internal control weaknesses related to the School Lunch Program:

— Lack of segregation of duties. We noted that one employee is responsible for maintaining the general ledger, making bank deposits, and preparing bank reconciliations.

— During fiscal year 2007, the monthly bank reconciliations disclosed several deposits in transit that were significantly delayed in clearing the bank. In addition, three deposits in transit totaling \$2,441 were subsequently written off in the general ledger.

C. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

None

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None

TOWN OF BURRILLVILLE

STATISTICAL SECTION

TABLE 1

TABLE 1

TOWN OF BURRILLVILLE

NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
Unaudited
(Accrual basis of accounting)

	2007	2006	2005	2004	2003
Governmental activities:					
Invested in capital assets, net of related debt	\$ 33,748,145	\$ 16,449,422	\$ 20,677,984	\$ 13,516,167	\$ 14,943,880
Restricted	106,568	7,419,103	1,965,612	1,876,349	1,715,594
Unrestricted (deficit)	6,766,810	10,348,540	7,404,492	6,583,737	514,214
Total governmental activities	\$ 40,621,523	\$ 34,217,065	\$ 30,048,088	\$ 21,976,253	\$ 17,173,688
Business-type activities:					
Invested in capital assets, net of related debt	\$ 22,032,969	\$ 19,869,433	\$ 17,545,499	\$ 17,834,884	\$ 18,122,264
Restricted					
Unrestricted (deficit)	2,536,364	1,732,818	1,721,584	1,672,774	1,701,312
Total business-type activities	\$ 24,569,333	\$ 21,602,251	\$ 19,267,083	\$ 19,507,658	\$ 19,823,576
Primary government:					
Invested in capital assets, net of related debt	\$ 55,781,114	\$ 36,318,855	\$ 38,223,483	\$ 31,351,051	\$ 33,066,144
Restricted	106,568	7,419,103	1,965,612	1,876,349	1,715,594
Unrestricted (deficit)	9,303,174	12,081,358	9,126,076	8,256,511	2,215,526
Total primary government	\$ 65,190,856	\$ 55,819,316	\$ 49,315,171	\$ 41,483,911	\$ 36,997,264

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

TABLE 2

TABLE 2

TOWN OF BURRILLVILLE

CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS

Unaudited

(Accrual basis of accounting)

	2007	2006	2005	2004	2003
EXPENSES:					
Governmental activities:					
General government	\$ 3,179,437	\$ 3,434,626	\$ 3,180,474	\$ 2,949,158	\$ 2,694,849
Public safety	2,450,317	2,285,274	1,916,299	2,115,792	1,914,977
Public works	1,857,393	1,363,199	1,335,720	1,072,093	1,356,644
Education	29,403,540	28,569,871	27,756,166	27,184,891	26,983,684
Recreation and social services	454,032	425,447	377,328	361,333	350,680
Public libraries	406,832	383,873	301,534	282,265	253,346
Community development	128,780	57,261	153,706	225,817	311,436
Employee benefits and other	3,223,662	2,951,902	2,567,546	1,626,650	1,486,366
Interest on long-term debt	1,172,555	929,208	974,424	1,159,186	1,421,244
Total governmental activities	42,276,548	40,400,661	38,563,197	36,977,185	36,773,226
Business-type activities:					
Sewer	1,682,383	1,868,573	1,930,468	1,899,715	1,780,954
School Cafeteria Fund	877,141	863,317	813,114	762,035	777,837
Levy Rink	292,428	339,196	318,731	262,838	242,991
Extended Day Care	416,946	395,503	430,158	346,198	348,186
Total business-type activities	3,268,898	3,466,589	3,492,471	3,270,786	3,149,968
Total primary government expenses	45,545,446	43,867,250	42,055,668	40,247,971	39,923,194

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

NOTE: Due to changes in the classification of certain expenditures, a direct comparison between different functions and/or different years may not be practical.

(CONTINUED)

TABLE 2

TABLE 2

TOWN OF BURRILLVILLE**CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS**

Unaudited
(Accrual basis of accounting)

	2007	2006	2005	2004	2003
<u>PROGRAM REVENUES:</u>					
Governmental activities:					
Charges for services:					
General government	805,370	748,762	710,807	644,457	749,490
Public safety	147,432	52,632	75,089	91,141	73,853
Education	267,781	280,777	343,343	303,703	377,709
Other activities	235,734	46,490	56,724	61,864	63,748
Operating grants and contributions	18,268,107	17,659,717	17,389,782	16,627,602	17,120,559
Capital grants and contributions	1,153,972	698,531	674,435	206,663	430,342
Total governmental activities program revenues	20,878,396	19,486,909	19,250,180	17,935,430	18,815,701
Business-type activities:					
Charges for services:					
Sewer	1,667,150	1,304,774	1,175,684	1,115,187	1,056,852
School Cafeteria Fund	621,452	613,046	593,855	582,873	549,649
Levy Rink	236,172	289,665	262,824	303,195	266,375
Extended Day Care	429,714	412,502	442,299	426,259	413,117
Operating grants and contributions	277,226	232,081	207,699	187,205	202,479
Capital grants and contributions		500,000			
Total business-type activities program revenues	3,231,714	3,352,068	2,682,361	2,614,719	2,488,472
Total primary government revenues	24,110,110	22,838,977	21,932,541	20,550,149	21,304,173
Net (expenses) revenues:					
Governmental activities	(21,398,152)	(20,913,752)	(19,313,017)	(19,041,755)	(17,957,525)
Business-type activities	(37,184)	(114,521)	(810,110)	(656,067)	(661,496)
Total primary government net expense	(21,435,336)	(21,028,273)	(20,123,127)	(19,697,822)	(18,619,021)

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

NOTE: Due to changes in the classification of certain expenditures, a direct comparison between different functions and/or different years may not be practical.
(CONTINUED)

TABLE 2

TABLE 2

TOWN OF BURRILLVILLE

CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS

Unaudited

(Accrual basis of accounting)

	2007	2006	2005	2004	2003
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:					
Governmental activities:					
Property taxes and other	26,766,380	26,123,185	24,613,157	23,405,807	22,161,021
State revenue sharing	966,898	762,535	606,149	610,930	641,803
Unrestricted investment earnings	886,814	395,289	216,444	158,655	166,203
Grants and contributions not restricted to specific programs		229,399	2,400,000		
Transfers	(2,934,425)	(2,427,679)	(589,492)	(331,072)	
Total governmental activities	25,685,667	25,082,729	27,246,258	23,844,320	22,969,027
Business-type activities:					
Unrestricted investment earnings	69,841	22,010	22,529	9,077	15,111
Transfers	2,934,425	2,427,679	589,492	331,072	
Total business-type activities	3,004,266	2,449,689	612,021	340,149	15,111
Total primary government	28,689,933	27,532,418	27,858,279	24,184,469	22,984,138
CHANGE IN NET ASSETS:					
Governmental activities	4,287,515	4,168,977	7,933,241	4,802,565	5,011,502
Business-type activities	2,967,082	2,335,168	(198,089)	(315,918)	(646,385)
Total primary government	\$ 7,254,597	\$ 6,504,145	\$ 7,735,152	\$ 4,486,647	\$ 4,365,117

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

NOTE: Due to changes in the classification of certain expenditures, a direct comparison between different functions and/or different years may not be practical.
(CONCLUDED)

TABLE 3

TABLE 3

TOWN OF BURRILLVILLE
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
 Unaudited

	2007	2006	2005	2004	2003
Revenues:					
Property taxes	\$ 24,081,205	\$ 23,729,036	\$ 22,453,768	\$ 21,376,802	\$ 20,241,627
Intergovernmental revenue	22,183,385	20,305,437	19,987,117	19,541,153	19,444,792
Licenses and permits	518,998	636,186	719,948	552,960	744,280
Investment income	886,814	395,289	216,444	158,655	166,203
Departmental	128,674	33,303	48,168	66,189	54,218
Other revenues	798,780	1,670,019	1,155,052	1,121,918	1,177,129
Total revenues	48,597,866	46,769,270	44,580,497	42,816,677	41,828,249
Expenditures:					
General government	3,013,611	3,140,147	2,986,377	2,863,660	2,632,620
Public safety	2,305,526	2,193,993	2,175,013	2,107,292	1,867,451
Public works	1,105,007	1,057,396	1,064,257	918,503	953,132
General services					
Education	28,392,459	27,753,517	26,846,036	26,023,368	25,640,448
Recreation and social services	347,061	322,624	277,772	273,603	262,950
Libraries	406,832	383,873	301,534	282,265	253,346
Community development	128,780	57,261	153,706	225,817	311,436
Employee benefits and other	2,206,948	2,951,902	2,567,546	2,307,554	1,486,366
Debt service	4,191,346	4,166,922	4,503,712	5,416,732	6,569,653
Capital outlay	15,457,888	4,141,208	3,062,269	3,123,166	3,975,874
Total expenditures	57,555,458	46,167,843	43,938,222	43,541,960	43,953,276
Excess of revenue over (under) expenditures	(8,957,602)	601,427	642,275	(725,283)	(2,125,027)
Other financing sources (uses):					
Proceeds from bond issuance	7,937,425	9,883,679	553,951	421,072	9,363,816
Bond premium	81,578	154,350			
Refunding bond proceeds	2,090,000				
Proceeds from leasing					
Proceeds from loan					
Transfers in					
Repayment of debt to escrow agent	16,619,424	15,101,443	17,173,325	15,384,293	138,450
Transfers out	(2,079,525)				800,000
Bond issuance costs	(19,553,849)	(17,529,122)	(17,762,817)	(15,715,365)	15,282,526
Net other financing sources (uses)	5,095,053	7,610,350	(35,541)	(71,000)	(9,243,350)
Net change in fund balances	\$ (3,862,549)	\$ 8,211,777	\$ 606,734	\$ (706,283)	\$ (1,184,581)
Debt service as a percentage of noncapital expenditures	10.0%	9.9%	11.0%	13.4%	16.4%

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds and Capital Project Funds

(CONTINUED)

TABLE 3

TABLE 3

TOWN OF BURRILLVILLE
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)

Unaudited

(Modified Accrual Basis of Accounting)

	2002	2001	2000	1999	1998
Revenues:					
Property taxes	\$ 19,948,671	\$ 19,841,705	\$ 21,004,492	\$ 18,874,064	\$ 17,850,398
Intergovernmental revenue	18,455,087	14,118,299	15,079,726	13,159,114	12,264,411
Interest on investments	277,938	572,593	839,941	476,888	431,919
Departmental	462,811	394,311	427,532	431,948	305,757
Other revenues	1,090,333	1,331,941	1,071,978	888,430	1,034,816
Total revenues	40,234,840	36,258,849	38,423,669	33,830,444	31,887,301
Expenditures:					
General government	1,112,139	982,301	1,087,407	926,700	1,036,571
Public safety	1,796,314	1,556,096	1,631,341	1,444,996	1,359,635
Public works	846,938	713,360	884,048	720,726	709,252
General services	1,000,036	815,220	953,555	796,432	839,525
Education	22,577,704	20,884,010	21,969,140	20,314,770	20,676,416
Recreation and social services	167,649	151,244	164,521	139,803	114,820
Libraries	226,712	216,000	233,500	194,750	182,975
Community development					
Employee benefits and other	4,321,280	3,533,312	4,287,794	2,853,498	1,365,855
Debt service	5,613,605	3,988,412	4,648,926	4,062,262	3,961,264
Capital outlay	2,307,399	6,751,927	8,657,264	2,460,385	671,862
Total expenditures	39,969,776	39,591,882	44,517,496	33,914,322	30,918,175
Excess of revenue over (under) expenditures	265,064	(3,333,033)	(6,093,827)	(83,878)	969,126
Other financing sources (uses)					
Proceeds from bond issuance		5,500,000	8,000,000		6,260,000
Transfers in	12,408,992	11,357,400	11,421,196	10,708,876	9,717,928
Repayment of debt to escrow agent					(6,255,754)
Transfers out	(12,496,661)	(11,357,400)	(11,421,196)	(10,708,876)	(9,717,928)
Net other financing sources (uses)	(87,669)	5,500,000	8,000,000	0	4,246
Net change in fund balances	\$ 177,395	\$ 2,166,967	\$ 1,906,173	\$ (83,878)	\$ 973,372
Debt service as a percentage of noncapital expenditures	14.9%	19.0%	21.7%	8.2%	2.5%

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds and Capital Project Funds

(CONCLUDED)

TABLE 4

TABLE 4

TOWN OF BURRILLVILLE

FUND BALANCES, GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS

	Unaudited				
	(Modified Accrual Basis of Accounting)				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:					
Reserved	\$ 521,381	\$ 1,824,547	\$ 475,191	\$ 628,296	\$ 552,579
Unreserved	8,854,207	7,221,720	7,015,338	6,390,551	7,724,092
Total general fund	<u>9,375,588</u>	<u>9,046,267</u>	<u>7,490,529</u>	<u>7,018,847</u>	<u>8,276,671</u>
All Other Governmental Funds:					
Reserved	6,157,429	5,594,556	1,490,421	1,248,053	1,163,015
Unreserved			125,000		
Unreserved, reported in:					
Special revenue funds	4,181,880	3,669,236	2,263,999	1,674,108	1,392,028
Capital project funds	(4,357,059)	1,431,848	160,181	873,154	688,731
Total all other governmental funds	<u>5,982,250</u>	<u>10,695,640</u>	<u>4,039,601</u>	<u>3,795,315</u>	<u>3,243,774</u>
Total governmental funds	<u>\$ 15,357,838</u>	<u>\$ 19,741,907</u>	<u>\$ 11,530,130</u>	<u>\$ 10,814,162</u>	<u>\$ 11,520,445</u>

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

TABLE 5

TOWN OF BURRILLVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
Unaudited

TABLE 5

Fiscal Year	Net Tax Levy (1)	Current Tax Collections	Ratio of Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Net Delinquent Tax Levy	Net Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Net Tax Levy	Uncollected Current Tax	Percent of Uncollected Current Tax
1998	\$14,528,048	\$13,974,991	96.19%	\$580,406	\$14,555,397	100.19%	\$1,312,684	9.04%	\$497,032	3.42%
1999	\$14,937,822	\$14,447,687	96.72%	\$445,534	\$14,893,221	99.70%	\$1,269,512	8.50%	\$435,102	2.91%
2000	\$15,227,517	\$14,804,179	97.22%	\$426,671	\$15,230,850	100.02%	\$1,192,104	7.83%	\$389,805	2.56%
2001	\$15,812,278	\$15,308,619	96.81%	\$419,105	\$15,727,724	99.47%	\$1,394,556	8.82%	\$458,087	2.90%
2002	\$16,033,549	\$15,537,475	96.91%	\$451,776	\$15,989,251	99.72%	\$1,119,774	6.98%	\$422,929	2.64%
2003	\$15,965,837	\$15,632,662	97.91%	\$439,886	\$16,072,548	100.67%	\$993,538	6.22%	\$334,439	2.09%
2004	\$17,378,137	\$16,868,002	97.63%	\$273,509	\$17,141,511	99.21%	\$1,042,929	6.04%	\$410,135	2.37%
2005	\$18,174,466	\$17,822,568	98.06%	\$431,522	\$18,254,090	100.44%	\$714,123	3.93%	\$299,506	1.65%
2006	\$19,162,222	\$18,783,376	98.02%	\$334,585	\$19,117,961	99.77%	\$766,598	4.00%	\$358,005	1.87%
2007	\$19,481,713	\$19,049,497	97.78%	\$308,050	\$19,357,547	99.36%	\$810,810	4.16%	\$400,262	2.05%

(1) Reflects original assessment and additional assessments.

(2) Reflects net receivable after abatements have been posted.

TABLE 6

TOWN OF BURRILLVILLE
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
LAST TEN YEARS
Unaudited

TABLE 6

Fiscal Year	Real Property Assessed	Personal Property Assessed	Exemptions	State Phase-Out	Net Total Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value To Estimated Actual Value *
1998	\$574,583,520	\$95,337,718	\$ 14,831,720	n/a	\$ 655,089,518	\$ 715,944,828	91.50%
1999	\$578,952,800	\$99,366,067	\$ 15,773,907	n/a	\$ 662,544,960	\$ 728,071,385	91.00%
2000	\$583,875,600	\$113,774,157	\$ 11,256,286	\$ 19,164,787	\$ 667,228,684	\$ 741,365,204	90.00%
2001	\$594,176,200	\$124,038,986	\$ 14,140,506	\$ 30,137,421	\$ 673,937,259	\$ 757,232,875	89.00%
2002	\$719,496,258	\$131,741,276	\$ 18,717,873	\$ 39,598,499	\$ 792,921,162	\$ 932,848,426	85.00%
2003	\$727,758,258	\$139,627,411	\$ 22,547,307	\$ 48,946,594	\$ 795,891,768	\$ 936,343,256	85.00%
2004	\$738,927,158	\$158,470,371	\$ 21,954,273	\$ 53,521,762	\$ 821,921,494	\$ 905,798,428	90.74%
2005	\$1,270,477,970	\$147,173,885	\$ 39,585,134	\$ 39,835,195	\$ 1,338,231,526	\$1,574,760,562	84.98%
2006	\$1,283,375,970	\$149,113,503	\$ 33,693,557	\$ 46,173,063	\$ 1,352,622,853	\$1,696,291,514	79.74%
2007	\$1,303,043,031	\$172,754,887	\$ 45,547,225	\$ 60,124,204	\$ 1,370,126,489	\$1,586,896,559	86.34%

NOTE: Full Property Revaluation as of December 31, 2003, effective for the Town's fiscal year ending June 30, 2005.
Statistical Revaluation as of December 31, 2000, effective for the Town's fiscal year ending June 30, 2002.
Statistical Revaluation as of December 31, 2006, effective for the Town's fiscal year ending June 30, 2008.

* Ratio of Assessment estimated by Town Officials.

Source: Burrillville Tax Assessor's Office

TABLE 7A

TABLE 7A

TOWN OF BURRILLVILLE
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year		Town Tax Rate	Percent Change From Prior Year	Allocation	
				Municipal *	School
1998	Motor Vehicle	\$40.00	0.00%	\$10.11	\$29.89
	RE/Tangible	\$20.50	4.59%	\$5.18	\$15.32
1999	Motor Vehicle	\$40.00	0.00%	\$9.86	\$30.14
	RE/Tangible	\$20.80	1.46%	\$5.13	\$15.67
2000	Motor Vehicle	\$40.00	0.00%	\$9.32	\$30.68
	RE/Tangible	\$21.20	1.92%	\$4.94	\$16.26
2001	Motor Vehicle	\$40.00	0.00%	\$8.08	\$31.92
	RE/Tangible	\$22.00	3.77%	\$4.44	\$17.56
2002	Motor Vehicle	\$40.00	0.00%	\$8.39	\$31.61
	RE/Tangible	\$18.90	-14.09%	\$3.96	\$14.94
2003	Motor Vehicle	\$40.00	0.00%	\$7.89	\$32.11
	RE/Tangible	\$18.90	0.00%	\$3.73	\$15.17
2004	Motor Vehicle	\$40.00	0.00%	\$9.44	\$30.56
	RE/Tangible	\$19.80	4.76%	\$4.67	\$15.13
2005	Motor Vehicle	\$40.00	0.00%	\$8.30	\$31.70
	RE/Tangible	\$12.55	-36.62%	\$2.60	\$9.95
2006	Motor Vehicle	\$40.00	0.00%	\$8.50	\$31.50
	RE/Tangible	\$13.05	3.98%	\$2.77	\$10.28
2007	Motor Vehicle	\$40.00	0.00%	\$7.19	\$32.81
	RE/Tangible	\$13.15	0.76%	\$2.36	\$10.79

NOTE: Full Property Revaluation as of December 31, 2003, effective for the Town's fiscal year ending June 30, 2005.

Statistical Revaluation as of December 31, 2000, effective for the Town's fiscal year ending June 30, 2002.

Statistical Revaluation as of December 31, 2006, effective for the Town's fiscal year ending June 30, 2008.

* Includes the following non-operating items:

School CIP, School Debt, and Sewer Debt Service.

** Split Tax Rate Implemented in 1995

Source: Burrillville Tax Assessor's Office

TABLE 7B

TABLE 7B

TOWN OF BURRILLVILLE
PROPERTY TAX RATES AND OUTSTANDING DEBT
OVERLAPPING GOVERNMENTS
LAST TEN YEARS
Unaudited

Town Fiscal Year	Glendale Fire District			Harrisville Fire District			Nasonville Fire District			Oakland-Mapleville Fire District			Pascoag Fire District		
	October 31			August 31			September 30			July 31			October 31		
	Debt			Debt			Debt			Debt			Debt		
	Tax Rate	Outstanding		Tax Rate	Outstanding		Tax Rate	Outstanding		Tax Rate	Outstanding		Tax Rate	Outstanding	
1998	\$ 1.21	--		\$ 2.00	\$ 209,167		\$ 1.25	\$ 39,995		\$ 1.40	\$ 90,000		\$ 1.60	\$ 235,467	
1999	(a)	--		\$ 2.00	\$ 188,865		\$ 1.25	\$ -		\$ 1.40	\$ 84,759		\$ 1.50	\$ 166,312	
2000	(a)	--		\$ 2.00	\$ 197,190		\$ 1.25	\$ -		\$ 1.90	\$ 71,418		\$ 1.50	\$ 281,393	
2001	(a)	--		\$ 1.97	\$ 167,903		\$ 1.15	\$ 102,492		\$ 1.74	\$ 140,714		\$ 1.85	\$ 270,935	
2002	(a)	--		\$ 2.04	\$ 310,537		\$ 1.15	\$ 68,328		\$ 1.87	\$ 66,136		\$ 1.85	\$ 232,623	
2003	(a)	--		\$ 2.13	\$ 277,335		\$ 1.15	\$ 34,164		\$ 1.87	\$ 760,743		\$ 1.85	\$ 205,438	
2004	(a)	--		\$ 2.13	\$ 223,105		\$ 1.15	\$ -		\$ 1.87	\$ 755,031		\$ 2.00	\$ 225,179	
2005	(a)	--		\$ 1.72	\$ 259,997		\$ 0.68	\$ -		\$ 1.16	\$ 742,681		\$ 1.45	\$ 218,225	
2006	(a)	--		\$ 1.72	\$ 136,065		\$ 0.68	\$ -		\$ 1.16	\$ 729,304		\$ 1.45	\$ 196,548	
2007	(a)	--		\$ 1.76	\$ 325,276		\$ 0.99	\$ -		\$ 1.38	\$ 715,302		\$ 1.53	\$ 1,308,183	

NOTE: Debt balance is the amount outstanding at the respective District's fiscal year ending that falls within the applicable Town's fiscal year.

Full Property Revaluation as of December 31, 2003, effective for the Town's fiscal year ending June 30, 2005.
Statistical Revaluation as of December 31, 2000, effective for the Town's fiscal year ending June 30, 2002.
Statistical Revaluation as of December 31, 2006, effective for the Town's fiscal year ending June 30, 2008.

(a) Glendale Fire District was dissolved and absorbed by the Harrisville and Oakland-Mapleville Fire Districts

Source: Respective Fire Districts

Table 8

Table 8

TOWN OF BURRILLVILLE
PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago
Unaudited

Taxpayer	Type of Business	Fiscal Year Ending June 30, 2007				Fiscal Year Ending June 30, 1998			
		Assessed Valuation	2007 Rank	Percentage of Total Assessed Valuation	Tax Levy	Assessed Valuation	1998 Rank	Percentage of Total Assessed Valuation	Tax Levy
Algonquin Gas Narragansett	Utility	\$ 14,109,350	1	0.96%	\$ 185,538	\$ 13,265,800	1	1.96%	\$ 271,949
Electric Tennessee Gas	Utility	\$ 12,946,500	2	0.88%	\$ 170,378	\$ 8,630,072	2	1.27%	\$ 176,916
Pipeline Co. Danielle International	Utility	\$ 11,961,702	3	0.81%	\$ 157,296	\$ 1,184,000	17	0.17%	\$ 24,272
	Producer/Meat	\$ 10,796,960	4	0.73%	\$ 61,389	\$ 1,707,100	12	0.25%	\$ 34,996
Cox Cable RI, Inc.	Cable Company	\$ 5,941,700	5	0.40%	\$ 78,133	\$ 1,290,105	16	0.19%	\$ 26,447
Wright's Farm Inc. Maplehill Mobile	Restaurant Mobile Home Park	\$ 4,720,190	6	0.32%	\$ 59,769	\$ 1,810,600	11	0.27%	\$ 37,117
Home Park Laurelle Realty Trust		\$ 4,386,974	7	0.30%	\$ 57,689	\$ 3,178,800	5	0.47%	\$ 66,140
Burrillville Health Center	Golf Course	\$ 4,207,800	8	0.29%	\$ 27,666	\$ 1,995,200	10	0.29%	\$ 40,902
	Nursing Home	\$ 4,160,996	9	0.28%	\$ 54,717	\$ 3,648,900	3	0.54%	\$ 74,802
Harken, Inc. Bradford Court	Nursing Home Elderly	\$ 4,055,500	10	0.27%	\$ 53,330	\$ 3,384,268	4	0.50%	\$ 69,377
Association Bliss Golf Investors LLC	Housing	\$ 3,783,780	11	0.26%	\$ 49,757	\$ 2,373,900	6	0.35%	\$ 48,665
Burrillville Nursing Home (Jolly Resthome)	Golf Course	\$ 3,638,900	12	0.25%	\$ 52,783	---	---	---	---
Lockheed Window Pascoag Fire	Nursing Home	\$ 2,983,210	13	0.20%	\$ 39,229	\$ 2,325,300	7	0.34%	\$ 48,566
District - Electric Pascoag Fire	Manufacturing	\$ 2,517,471	14	0.17%	\$ 21,309	\$ 1,083,357	18	0.16%	\$ 24,839
District - Water Harrisville Fire	Utility	---	---	---	---	\$ 2,071,423	9	0.31%	\$ 42,464
District - Water	Utility	---	---	---	---	\$ 1,471,171	14	0.22%	\$ 30,159
	Utility	---	---	---	---	\$ 1,406,321	15	0.21%	\$ 28,830
		\$92,095,663.00		6.24%	\$ 1,068,984	\$ 50,826,317		7.49%	\$1,046,441

2007

Total Assessed Values (Gross) = \$1,475,237,818
Total Tax Levied = \$19,481,713

1998

Total Assessed Values (Gross) = \$678,318,867
Total Tax Levied = \$ 14,937,822

Source: Burrillville Tax Assessor's Office

TABLE 9

TABLE 9

TOWN OF BURRILLVILLE
WASTEWATER TREATMENT FACILITY
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
FISCAL YEAR ACTIVITY SINCE INCEPTION
Unaudited

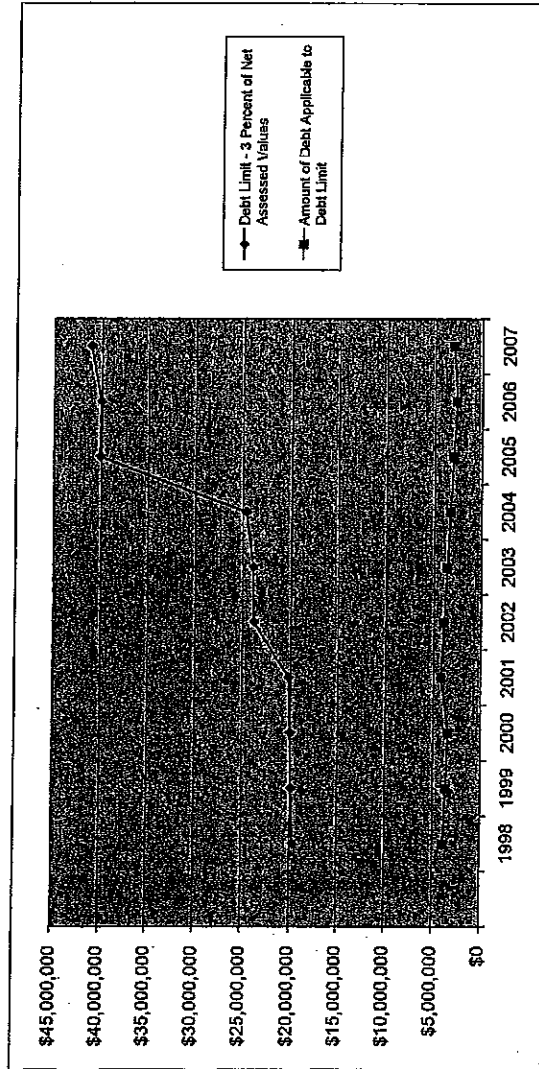
Fiscal Year	Contract Number(s)	Special Assessment Billings	Special Assessments Collected	RESIDENTIAL USER CHANGE	Contract Number	Description of Wastewater Treatment Contracts
1980	2, 3	\$632,866	---	---	1	Wastewater Treatment Facility (Non-assessment)
1981	5, 6	281,154	\$99,336	\$55.00	2	Pascoag/Harrisville Interceptor
1982	7, 8	228,106	135,306	65.00	3	Pascoag/Bridgeton
1983	9, 10, 80	72,288	122,945	65.00	4	Pascoag
1984	4	361,430	97,229	100.00	5	Harrisville
1985	11	193,230	154,895	100.00	6	Pascoag
1986	---	---	169,710	100.00	7	Pascoag
1987	14, 81	138,840	110,500	100.00	8	Harrisville
1988	82	75,000	135,244	100.00	9	Pascoag/Harrisville
1989	13, 15	295,597	95,363	150.00	10	Pascoag (Industrial Drive)
1990	---	---	208,253	150.00	11	Pascoag/Harrisville
1991	---	---	75,818	162.00	12	WWT Plant Improvements (Non-assessment)
1992	17	110,050	67,344	174.00	13	Harrisville/Glendale (Spring Lake)
1993	16A, 16B	238,990	120,091	174.00	14	Harrisville
1994	---	54,532	157,801	186.00	14A	Harrisville Village
1995	---	---	76,454	198.00	15	Oakland/Mapleville
1996	84	20,970	87,204	204.00	15A	Adler-Clear River Park
1997	85	7,810	87,017	222.00	16A	Oakland
1998	---	---	76,090	222.00	16B	Mapleville
1999	84 (Phase II)	13,950	75,409	222.00	16B - Add On	Maplehill Mobile
2000	---	---	55,561	228.00	17	Harrisville
2001	---	---	33,638	228.00	18	Oakland
2002	86	17,232	38,663	240.00	<u>SUBDIVISIONS</u>	
2003	15A	10,304	37,341	249.00	80	Colonial Road/Paula Drive
2004	16B Add On	93,378	16,011	270.00	81	Hemlock Farm Estates
2005	---	5,073	13,110	285.00	82	Sanwood Estates
2006	87	45,515	45,515	303.00	83	Lynmar Estates
2007	14A	151,800	74,125	321.00	84	Whitney Estates
					85	Fox Meadow Estates
					86	Rolling Meadows Estate
					87	Mill Pond

Source: Wastewater Treatment Facility

TABLE 10

TOWN OF BURRILLVILLE
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

TABLE 10



Net Assessed Values	\$1,370,126,489
Debt Limit - 3 Percent of Net Assessed Values	\$41,103,795
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt Outstanding Bond	\$34,111,127
Anticipation Notes Bonds	0
Authorized but Unissued	500,000
Less: Bonds & Notes Authorized By Special Act	(31,637,500)
Amount of Debt Applicable to Debt Limit	2,973,627
Legal Debt Margin	\$38,130,168

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Net Assessed Valuations	\$ 655,089,518	\$ 662,544,960	\$ 667,228,684	\$ 673,937,259	\$ 732,921,162	\$ 795,888,972	\$ 821,921,494	\$ 1,338,231,526	\$ 1,335,126,741	\$ 1,370,126,489
Debt Limit - 3 Percent of Net Assessed Values	19,652,686	19,876,349	20,016,861	20,218,118	23,787,635	23,876,659	24,657,645	40,146,346	40,053,802	41,103,795
Amount of Debt Applicable to Debt Limit	3,825,000	3,600,000	3,375,000	4,150,000	3,856,250	3,562,500	3,268,750	2,975,000	2,681,250	2,973,627
Legal Debt Margin	\$15,827,686	\$16,276,349	\$16,641,861	\$16,068,118	\$19,931,385	\$20,314,169	\$21,388,895	\$37,171,946	\$37,372,552	\$38,130,168
Legal Debt Margin as a Percentage of Debt Limit	24.17%	22.12%	20.28%	25.83%	19.35%	17.54%	15.28%	8.00%	7.17%	7.80%

TABLE 11

TABLE 11

TOWN OF BURRILLVILLE
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year	Estimated Population	Net Assessed Valuation	Annual Gross Bonded Debt	Less State Aid on Debt	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1998	15,938	\$ 655,089,518	\$3,998,476	\$1,250,502	\$2,747,974	0.42%	\$172.42
1999	15,900	\$ 662,544,960	\$4,068,745	\$1,317,312	\$2,751,433	0.42%	\$173.05
2000 *	15,795	\$ 667,228,684	\$3,988,412	\$1,358,795	\$2,629,617	0.39%	\$166.48
2001	15,795	\$ 673,937,259	\$4,648,926	\$1,386,663	\$3,262,263	0.48%	\$206.54
2002	15,795	\$ 792,921,162	\$5,613,605	\$1,704,074	\$3,909,531	0.49%	\$247.52
2003	15,795	\$ 795,900,768	\$4,805,587	\$1,690,109	\$3,115,478	0.39%	\$197.24
2004	15,795	\$ 821,921,494	\$4,736,732	\$1,410,470	\$3,326,262	0.40%	\$210.59
2005	15,795	\$ 1,338,231,525	\$4,503,712	\$1,419,023	\$3,084,689	0.23%	\$195.30
2006	15,795	\$ 1,352,622,852	\$4,049,698	\$1,703,942	\$2,345,756	0.17%	\$148.51
2007	15,795	\$ 1,370,126,489	\$4,113,592	\$1,500,710	\$2,612,882	0.19%	\$165.42

Note:

Full Property Revaluation as of December 31, 2003, effective for the Town's fiscal year ending June 30, 2005.
Statistical Revaluation as of December 31, 2000, effective for the Town's fiscal year ending June 30, 2002.

* 2000 Population Per Census 15,795 (1990 Census 16,230)

TABLE 12

TABLE 12

TOWN OF BURRILLVILLE
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL OBLIGATION BONDED DEBT
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS
 Unaudited

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1998	\$2,309,613	\$1,651,651	\$3,961,264	\$29,040,730	13.64%
1999	\$2,512,500	\$1,549,762	\$4,062,262	\$30,742,820	13.21%
2000	\$2,562,500	\$1,425,912	\$3,988,412	\$30,811,104	12.94%
2001	\$2,957,500	\$1,691,426	\$4,648,926	\$33,498,536	13.88%
2002	\$3,617,500	\$1,996,105	\$5,613,605	\$35,724,466	15.71%
2003	\$3,357,500	\$1,448,087	\$4,805,587	\$35,642,847	13.48%
2004	\$3,537,500	\$1,199,232	\$4,736,732	\$38,285,204	12.37%
2005	\$3,487,500	\$1,016,212	\$4,503,712	\$38,488,221	11.70%
2006	\$3,167,500	\$882,198	\$4,049,698	\$40,400,661	10.02%
2007	\$2,893,512	\$1,297,834	\$4,191,346	\$42,276,548	9.91%

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
June 30, 2007
Unaudited

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
I. Direct Bonded Debt:			
Town of Burrillville *	\$34,111,127	100.00%	\$34,111,127
II. Overlapping Debt **: 			
Harrisville Fire District	\$325,276	100.00%	\$325,276
Nasonville Fire District	\$0	100.00%	\$0
Oakland-Mapleville Fire District	\$715,302	100.00%	\$715,302
Pascoag Fire District	\$1,308,183	100.00%	\$1,308,183
Total	\$2,348,761	100.00%	\$2,348,761
Total Direct and Overlapping Debt			<u>\$36,459,888</u>

* Includes all long-term general obligation debt.

Does not include any outstanding bond anticipation notes, if applicable.

** Source: Fire Districts

Overlapping Debt defined -

Property within the Town which must bear the debts of all local governments located within the geographic boundaries of the Town.

TOWN OF BURRILLVILLE
REVENUE BOND COVERAGE
WATER AND SEWER AUTHORITY
LAST TEN YEARS

Not Applicable.

TABLE 15

TOWN OF BURRILLVILLE
STATUS OF BOND AUTHORIZATIONS
June 30, 2007
Unaudited

TABLE 15

Chapter	Year	Purpose	Original Total Authority	Issued Bonds	Bond Anticipation Notes Outstanding	Unissued Debt
3	1964	School Construction/Equipment (PGS, Levy, & Jr/Sr High School)	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -
89	1973	School Construction/Equipment (Callahan & Jr/Sr High School)	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
25	1974	Plan/Construct/Maintain Sewage Disposal System	\$ 7,000,000	\$ 7,000,000	\$ -	\$ -
106	1979	Construction of a New Police Station	\$ 150,000	\$ 150,000	\$ -	\$ -
48	1982	Sewage Disposal System - Construction Improvements	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -
164	1985	Sewage Disposal System - Construction Improvements	\$ 5,800,000	\$ 5,584,600	\$ -	\$ -
23	1986	School Construction/Equipment - New Middle School & Levy Addition	\$ 14,000,000	\$ 14,000,000	\$ -	\$ -
616	1987	Open Space - Recreation	\$ 750,000	\$ 500,000	\$ -	\$ 250,000
127	1988	Sewage Disposal System - Construction Improvements	\$ 350,000	\$ 350,000	\$ -	\$ -
8 & 19	1989	Sewage Disposal System - Construction Improvements	\$ 6,500,000	\$ 6,475,000	\$ -	\$ -
20	1989	School - Roof Repairs	\$ 500,000	\$ 500,000	\$ -	\$ -
21	1989	Open Space - Recreation	\$ 250,000	\$ -	\$ -	\$ 250,000
22	1989	School Construction/Equipment - New Middle School	\$ 400,000	\$ 400,000	\$ -	\$ -
45-12-2	1995	School Construction/Equipment - New Elementary School Renovation	\$ 4,500,000	\$ 4,500,000	\$ -	\$ -
6	1998	School Construction/Equipment - High School Construction/Renovation	\$ 12,500,000	\$ 12,500,000	\$ -	\$ -
45-12-2	1999	School Construction/Equipment - High School Construction/Renovation	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
37	2002	Sewage Disposal System - Construction Improvements	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -
104	2002	Library-	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
36 S2919	2004	Construction/Equip/Furnishings Callahan School	\$ 7,500,000	\$ 7,500,000	\$ -	\$ -
568		Elementary Construction/Renovation				
S3136						
45-12-2	2006	Sewage Disposal System - Construction Improvements	\$ 3,500,000	\$ 296,127	\$ -	\$ -
TOTAL			\$ 83,200,000	\$ 79,255,727	\$ -	\$ 500,000

NOTE: With the exception of the 1995 and 1999 bond authorizations, all Town debt has been incurred through special statutory authority which consists of approval by the Legislature and voter referendum.

* The Town Council voted to cancel \$240,400 in remaining bond authorizations on June 10, 1998 (Item 98-156).

TABLE 16A

TABLE 16A

TOWN OF BURRILLVILLE
DEMOGRAPHIC STATISTICS
POPULATION, INCOME, EDUCATION, AND UNEMPLOYMENT RATES
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year	Estimated Population	Per Capita Income	Median Household Income	Median Age	Education Level			Unemployment Rate ***		
					High School Graduate	Bachelor's Degree	School Enrollment **	Town	State	United States
1998	15,938	-	-	-	-	-	2,960	4.60%	4.90%	4.50%
1999	15,900	-	-	-	-	-	2,911	4.20%	4.10%	4.20%
2000 **	15,796	\$21,096	\$52,587	37.5	85.18%	16.20%	2,800	4.10%	4.10%	4.00%
2001	16,002	-	-	-	-	-	2,710	4.80%	4.70%	4.70%
2002	16,241	-	-	-	-	-	2,674	5.60%	5.10%	5.80%
2003	16,441	-	-	-	-	-	2,605	5.10%	5.40%	6.00%
2004	16,493	-	-	-	-	-	2,577	4.80%	5.20%	5.50%
2005	16,563	-	-	-	-	-	2,542	4.80%	5.00%	5.10%
2006	16,545	-	-	-	-	-	2,559	4.82%	4.98%	4.26%
2007	16,710	-	-	-	-	-	2,554	4.51%	4.84%	4.54%

Sources:

* 1980 Census Data (Population 13,164); 1990 Census Data (Population 16,230)

** 2000 Census Data & Census Bureau Estimates

*** Burrillville School Department

**** RI Department of Economic Development

RI Department of Labor & Training

TABLE 16B

TABLE 16B

TOWN OF BURRILLVILLE
 DEMOGRAPHIC STATISTICS
 REGISTERED VOTERS, BIRTHS, DEATHS, NEW HOUSING UNITS
 LAST TEN FISCAL YEARS

Fiscal Year	Registered Voters *	% of Total Pop	Unaudited Vital Statistics **				New Housing Units **	Median Selling Price*** (Single Family)
			Estimated Population	Births	Deaths	Natural Increase		
1997	8,943	56%	16,066	168	129	39	55	\$115,000
1998	9,230	58%	15,938	150	139	11	70	\$114,500
1999	9,166	58%	15,900	137	176	-39	70	\$135,500
2000	9,689	61%	15,796	132	201	-69	36	\$147,000
2001	9,645	60%	16,002	104	162	-58	49	\$155,000
2002	9,605	59%	16,241	140	173	-33	56	\$185,000
2003	9,728	59%	16,441	124	159	-35	35	\$234,271
2004	9,877	60%	16,493	113	104	9	26	\$246,591
2005	9,556	58%	16,563	125	200	-75	54	\$258,000
2006	10,158	61%	16,545	107	196	-89	42	\$310,408
2007	11,696	70%	16,710	125	217	-92	47	\$325,928

Source(s):

* Town Clerk's Office

** RI Department of Economic Development/Building Official's Office

*** RI Department of Economic Development/Statewide MLS Service, Inc.

TABLE 17

TABLE 17

TOWN OF BURRILLVILLE
MISCELLANEOUS STATISTICS
JUNE 30, 2007
Unaudited

County	Providence
Established	1730
Incorporated	1806
Charter Adopted	1989
Type of Government	Council/Manager
Area of Town:	
Total Square Miles	57.3
Land - Square Miles	55.8
Water - Square Miles	1.5
Culture and Recreation:	
Campgrounds	3
Community Centers	1
Community Theater	1
Municipal Owned - Parks	6
- Beach	1
- Conservation Areas	1
- Conservation Acreage	230 Acres
Public Libraries	2
State Owned - Parks	5
- Boat Ramps	4
- Conservation Acreage	5,729 Acres
Recreation Complexes	4
Rink	1
Tennis Courts	6
Education - Number of Public Schools:	
- Elementary	3
- Middle	1
- Secondary	1
Number of Private Schools	2
Public Safety:	
Number of Police Stations	1
Independent Fire Districts	4
Number of Fire Stations	6
Number of Rescues/Ambulances	5

(CONTINUED)

TABLE 17

TABLE 17

TOWN OF BURRILLVILLE
MISCELLANEOUS STATISTICS
JUNE 30, 2007
Unaudited

Road System:	
Total Miles	161.5
State Miles	46.0
Town Miles	115.5
Bridges - Town	8
Sewerage System:	
Miles of Sewer Lines	50.4
Number of:	
- Treatment Plants	1
- Pump Stations	10
- Residential Users	3076
- Metered Users	46
Maximum Average Daily Capacity of Treatment Plant	1.5 million gallons
Industrial Park:	
Burrillville Industrial Park	53 Acres
Route 102 Commerce Park	254 Acres
Clear River Drive Industrial Park	24 Acres
Fiscal Year Begins	July 1
Taxes Payable	July 15
Taxes Due & Penalties Commence	August 1
Interest Penalty	12%
Quarterly Payments (Due Dates) -	
First quarter	August 1
Second quarter	November 1
Third quarter	February 1
Fourth quarter	May 1
Regular Monthly Meetings -	
Council	2nd & 4th Wednesday
Juvenile Hearing Board	2nd & 4th Thursday
Municipal Court	1st & 3rd Tuesday
Planning Board	1st Monday
Probate Court	Last Wednesday
Redevelopment Agency	4th Tuesday
School Committee	2nd Tuesday
Sewer Commission	2nd Tuesday
Zoning Board	2nd Tuesday

(CONCLUDED)

TABLE 18

TABLE 18

TOWN OF BURRILLVILLE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
June 30, 2007
Unaudited

Name	Type of Business	2007		1997	
		Number Employed	Rank	Number Employed	Rank
Zambarano Hospital	State Facility	350	1	385	1
Burrillville School Department *	Public School System	337	2	330	2
Danielle Prosciutto	Producer/Meats	200	3	90	7
Overlook Nursing Home	Nursing Home	150	4	120	5
Bayberry Commons Nursing Home	Nursing Home	110	5	142	4
Lockheed Aluminum	Manufacturer	78	6	65	11
Town of Burrillville *	Municipal Government	77	7	75	10
Pine Grove Health Center	Nursing Home	65	8	90	8
Bruin Plastics	Manufacturer	60	9	NR	NR
Wright's Farm	Restaurant	40	10	159	3
Boliden Metech, Inc.	Metal Refiner	NR	NR	97	6
Ocean State Power	Utility	NR	NR	82	9
Turex Plastic	Manufacturer	NR	NR	63	12

Note: Full Time Equivalents (Part-time non-union/seasonal employees are not included).

NR = Not Ranked

TABLE 19

TABLE 19

TOWN OF BURRILLVILLE
FULL TIME EQUIVALENT MUNICIPAL GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function General	Full-time Equivalent Employees									
Government	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Town Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Board of Canvassers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Treasurer	3.0	3.0	3.0	3.0	4.0	5.0	5.0	5.0	4.0	4.0
Tax Collector	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Systems	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Tax Assessor	2.5	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Building Official	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Police	29.5	29.5	29.5	31.5	31.5	31.5	31.5	31.5	31.5	32.5
Civil Defense	0.5	0.5	0.5	0.5	0.5	0.5	1.5	1.5	1.5	1.5
Animal Control	1.5	1.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Municipal Court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works	16.0	16.0	16.0	16.0	16.0	16.0	16.0	17.0	17.0	17.0
Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Recreation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	71.0	71.5	72.5	74.5	75.5	77.5	79.5	80.5	79.5	80.5

Full-time Equivalent Municipal Government Employees by Function

TABLE 20

TABLE 20

TOWN OF BURRILLVILLE
 DEMOGRAPHIC STATISTICS - POPULATION AND MEDIAN INCOME
 TWENTIETH CENTURY
 Unaudited

Fiscal Year	Population	% Change	Median Income			
			Town	% Change	State	% Change
1900	6,317	-	-	-	-	-
1910	7,878	24.71%	-	-	-	-
1920	8,606	9.24%	-	-	-	-
1930	7,677	-10.79%	-	-	-	-
1940	8,185	6.62%	-	-	-	-
1950	8,774	7.20%	-	-	-	-
1960	9,116	3.90%	\$5,189	-	\$5,589	-
1970	10,087	10.65%	8,949	72.46%	9,736	74.20%
1980	13,164	30.50%	18,569	107.50%	19,448	99.75%
1990	16,230	23.29%	37,156	100.10%	32,181	65.47%
2000	15,796	-2.67%	52,587	41.53%	39,172	21.72%

Source: Bureau of Census

TABLE 21

TABLE 21

TOWN OF BURRILLVILLE
ALLOCATION OF TAX DOLLAR
LAST TEN FISCAL YEARS

Unaudited

Fiscal Year	School Operations	School Debt	Municipal Operations	Municipal Debt	Sewer Debt	Capital Improvements	Total Tax
1998	MV \$28.24 RE/TANG \$14.47	\$1.66 \$0.85	\$3.55 \$1.82	\$0.15 \$0.08	\$6.40 \$3.28	\$0.00 \$0.00	\$40.00 \$20.50
1999	MV \$28.12 RE/TANG \$14.62	\$2.02 \$1.05	\$3.89 \$2.02	\$0.15 \$0.08	\$5.82 \$3.03	\$0.00 \$0.00	\$40.00 \$20.80
2000	MV \$28.60 RE/TANG \$15.16	\$2.08 \$1.10	\$3.41 \$1.81	\$0.14 \$0.07	\$5.77 \$3.06	\$0.00 \$0.00	\$40.00 \$21.20
2001	MV \$27.77 RE/TANG \$15.28	\$4.15 \$2.28	\$2.72 \$1.50	\$0.11 \$0.05	\$5.25 \$2.89	\$0.00 \$0.00	\$40.00 \$22.00
2002	MV \$27.79 RE/TANG \$13.13	\$3.82 \$1.81	\$3.23 \$1.52	\$0.10 \$0.05	\$5.06 \$2.39	\$0.00 \$0.00	\$40.00 \$18.90
2003	MV \$28.05 RE/TANG \$13.25	\$4.74 \$2.24	\$3.05 \$1.44	\$0.10 \$0.05	\$4.06 \$1.92	\$0.00 \$0.00	\$40.00 \$18.90
2004	MV \$27.57 RE/TANG \$13.64	\$2.99 \$1.48	\$5.06 \$2.51	\$0.28 \$0.14	\$4.10 \$2.03	\$0.00 \$0.00	\$40.00 \$19.80
2005	MV \$27.62 RE/TANG \$8.67	\$4.08 \$1.28	\$5.01 \$1.57	\$0.00 \$0.00	\$3.29 \$1.03	\$0.00 \$0.00	\$40.00 \$12.55
2006	MV \$28.27 RE/TANG \$9.22	\$3.23 \$1.05	\$5.80 \$1.89	\$0.00 \$0.00	\$2.70 \$0.89	\$0.00 \$0.00	\$40.00 \$13.05
2007	MV \$28.82 RE/TANG \$9.48	\$3.99 \$1.31	\$5.09 \$1.67	\$0.00 \$0.00	\$2.10 \$0.69	\$0.00 \$0.00	\$40.00 \$13.15

** Split Tax Rate Implemented - Motor Vehicle and Real Estate/Tangible Property

TABLE 22

TABLE 22

TOWN OF BURRILLVILLE
ALLOCATION OF TAX BASE
Unaudited

Class of Property	Town Average			State Average
	1980	1990	2007	2002*
Residential	61.54%	68.45%	80.70%	71.13%
Commercial	9.94%	8.59%	4.10%	15.85%
Industrial	0.98%	1.41%	1.00%	2.82%
Utility/RR	6.29%	3.99%	1.00%	1.77%
Motor Vehicle	19.19%	16.55%	10.74%	8.11%
Other	2.06%	1.01%	2.46%	0.32%
Total	100.00%	100.00%	100.00%	100.00%

Source: RI Department of Administration

* Assessment year ending December 31, 2002

TABLE 23A

TABLE 23A

TOWN OF BURRILLVILLE
MUNICIPAL EMPLOYEE RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS
Unaudited

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Assets In Excess Of Pension Benefit Obligation	Annual Covered Payroll	Assets In Excess Of Pension Benefit Obligation As A Percentage Of Covered Payroll	Employer Contribution	Employee Contribution
Municipal Employees:								
1997	\$ 13,368,134	\$ 8,605,862	155.34%	\$4,762,272	\$3,283,107	145.05%	2.83%	7.00%
1998	\$ 14,675,420	\$ 9,611,822	152.68%	\$5,063,598	\$3,463,738	146.19%	2.67%	7.00%
1999	\$ 16,335,578	\$ 10,675,302	153.02%	\$5,660,276	\$3,614,331	156.61%	3.08%	7.00%
2000	\$ 17,990,278	\$ 11,912,294	151.02%	\$6,077,984	\$3,954,131	153.71%	0.00%	7.00%
2001	\$ 18,281,604	\$ 12,709,242	143.84%	\$5,572,362	\$4,380,274	127.21%	0.00%	7.00%
2002	\$ 18,500,044	\$ 13,867,796	133.40%	\$4,632,248	\$4,735,621	97.82%	0.00%	7.00%
2003	\$ 18,122,783	\$ 14,744,138	122.92%	\$3,378,645	\$4,490,812	75.23%	0.00%	7.00%
2004	\$ 17,957,974	\$ 15,993,695	112.28%	\$1,964,279	\$5,016,314	39.16%	0.00%	7.00%
2005	\$ 18,052,879	\$ 17,083,972	105.67%	\$968,907	\$5,052,283	19.18%	0.65%	7.00%
2006	\$ 19,042,883	\$ 18,626,628	102.23%	\$416,255	\$5,311,467	7.84%	3.47%	7.00%

Latest Pension Information Available.

COLA Plan C was adopted by the Town Council on December 6, 1989 (Council Book #14, Page 422).

Statement #5 of the Governmental Accounting Standards Board, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Government Employers", became effective for fiscal years beginning after December 15, 1986, the standardized measure of the pension obligation is unavailable prior to 1987. The required ten year trend information has been presented for the years available.

TABLE 23B

TABLE 23B

TOWN OF BURRILLVILLE
MUNICIPAL EMPLOYEE RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS

Unaudited									
Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Assets In Excess Of Pension Benefit Obligation		Assets In Excess Of Pension Benefit Obligation As A Percentage Of Covered Payroll	Employer Contribution	Employee Contribution	
				Annual Covered Payroll					
Police Officers:									
1997	\$3,039,073	\$2,679,696	113.41%	\$359,387	\$733,077	49.02%	8.96%	9.00%	
1998	\$3,458,900	\$3,587,059	96.43%	(\$128,159)	\$747,752	-17.14%	8.36%	9.00%	
1999	\$3,720,823	\$3,956,155	94.05%	(\$235,332)	\$860,971	-27.33%	12.90%	9.00%	
2000	\$4,106,524	\$4,287,480	95.78%	(\$180,956)	\$863,556	-20.95%	9.56%	9.00%	
2001	\$4,272,309	\$4,723,292	90.45%	(\$450,983)	\$1,011,229	-44.60%	16.14%	9.00%	
2002	\$4,447,714	\$5,130,373	86.69%	(\$682,659)	\$1,097,479	-62.20%	14.60%	9.00%	
2003	\$4,496,825	\$5,563,173	80.83%	(\$1,066,348)	\$1,043,138	-102.23%	17.73%	9.00%	
2004	\$4,677,696	\$5,813,042	80.47%	(\$1,135,346)	\$1,099,742	-103.24%	18.89%	9.00%	
2005	\$4,935,501	\$7,116,270	69.36%	(\$2,180,769)	\$1,281,736	-170.14%	19.77%	9.00%	
2006	\$5,461,657	\$6,374,155	85.68%	(\$912,498)	\$1,129,668	-80.78%	22.50%	9.00%	

Latest Pension Information Available

The Police Officers transferred into the RI State Employee Retirement System in FYE 1989. Prior to this period their retirement plan was administered by a private company.

Twenty-Five (25) Year Plan adopted in 1989; Twenty (20) Year Plan adopted in 1992.

COLA Plan C was adopted by the Town Council on August 25, 1993 (#93-210).

Statement #5 of the Governmental Accounting Standards Board, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Government Employers", became effective for fiscal years beginning after December 15, 1986, the standardized measure of the pension obligation is unavailable prior to 1987. The required ten year trend information has been presented for the years available.

TABLE 24

TABLE 24

TOWN OF BURRILLVILLE
WASTEWATER TREATMENT FACILITY
DISPOSAL ACTIVITY
Unaudited

Fiscal Year	Users		Plant Flow (m.g.)			Gallons Daily Avg	Sludge Disposal		Total
	Residential	Metered	Daily Avg	Max Day	Total		MG Total	Dry Lb. (per 1,000) Daily Avg	
1998	2,720		0.8225	1.897	300.2	4,494	1.640	1.776	648.1
1999	2,765	27	0.797	1.345	290.9	4,806	1.754	1.814	662.1
2000	2,765	27	0.802	1.316	293.4	6,603	2.417	1.985	705.1
2001	2,765	27	0.812	2.58	295.2	5,923	2.162	2.056	750.5
2002	2,814	28	0.7085	1.5155	258.6	6,157	2.247	2.282	832.8
2003	2,832	28	0.8035	1.5183	293.3	6,177	2.255	2.106	768.6
2004	2,891	28	0.805	1.768	294.6	6,093	2.23	2.202	805.8
2005	2,946	28	0.771	1.6497	281.3	6,250	2.28	2.188	798.7
2006	2,963	29	0.872	1.8034	318.3	6,204	2.26	2.172	792.6
2007	3,076	46	0.813	1.9514	296.7	6,313	2.304	2.161	788.9

Plant Capacity

1.5 4.5

PLANT EFFLUENT REMOVALS & WEATHER ACTIVITY

Fiscal Year	Biochemical Oxygen Demand *		Total Suspended Solids *		Phosphorus		Mean Temperature		Precipitation		
	Demand *	Total	Solids *	Total	Phosphorus	Total	Average	High (mth)	Low (mth)	Average	High (mth)
1998	96.99%	96.70%	96.70%	89.47%	89.47%	50	75 (July)	29 (Jan)	1.60 (Jun)	3.95	10.97 (Jun)
1999	98.30%	97.70%	97.70%	88.81%	88.81%	51	75 (July)	24 (Jan)	.24 (Jun)	2.75	5.43 (Jan)
2000	95.50%	96.70%	96.70%	85.40%	85.40%	52	79 (July)	21 (Jan)	.58 (Dec)	3.22	9.41 (Sept)
2001	97.40%	96.40%	96.40%	85.90%	85.90%	50	75 (June)	23 (Jan)	1.12 (Jan)	3.68	9.36 (Sept)
2002	97.67%	96.90%	96.90%	87.83%	87.83%	53	78.8 (Aug)	32.4 (Feb)	.39 (Oct)	2.51	5.87 (May)
2003	97.85%	96.51%	96.51%	86.76%	86.76%	49	77.2 (Aug)	20.3 (Feb)	2.00 (Jul)	3.84	5.54 (Jun)
2004	97.82%	96.04%	96.04%	87.18%	87.18%	52	78.9 (July)	17.0 (Jan)	.71 (Jun)	3.48	7.63 (Apr)
2005	97.50%	96.90%	96.90%	89.30%	89.30%	51	76.1 (Aug)	22.8 (Jan)	.55 (Jun)	3.68	5.49 (Apr)
2006	97.50%	96.40%	96.40%	86.70%	86.70%	53	79.3 (Aug)	27.8 (Dec)	.38 (Mar)	4.64	13.39 (Oct)
2007	98.20%	97.50%	97.50%	87.70%	87.70%	50	78.0 (Jul)	20.9 (Feb)	.70 (Feb)	3.82	8.82 (Apr)

* EPA/DEM RIPDES Permit Required Percent Removal - 85%

Source: Burrillville Wastewater Treatment Facility

TABLE 25

TABLE 25

TOWN OF BURRILLVILLE
PERSONNEL CONTRACTS
JUNE 30, 2007
Unaudited

Police Department	International Brotherhood of Police Officers IBPO, Lodge #369 3 Year Contract expired June 30, 2008 Under Negotiation
Public Works & Municipal	RI Council 94 AFSCME, AFL-CIO, Local 186 3 Year Contract expires June 30th, 2009
Sewer Department	Building Maintenance Service & Industrial Workers - Local Union 1322 5 Year Contract expires June 30, 2012
School Department:	
Teachers	National Education Association Rhode Island Education Association Burrillville Teachers Association 1 Year Contract expires August 31, 2007 Under Negotiation
Non-Certified	RI Council 94 AFSCME, AFL-CIO, Local 2231 1 Year Contract expires June 30, 2009