

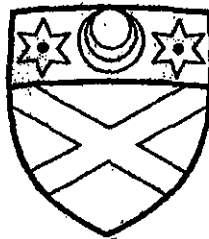
THE TOWN OF
BURRILLVILLE, RHODE ISLAND



Comprehensive Annual Financial Report

Fiscal Year Ended

June 30, 2012



TOWN OF BURRILLVILLE, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

PREPARED BY: JOHN P. MAINVILLE

FINANCE DIRECTOR

TOWN OF BURRILLVILLE, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

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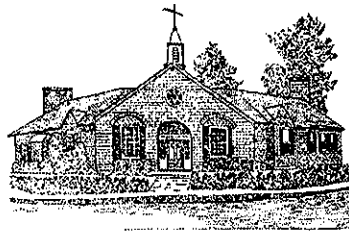
TOWN OF BURRILLVILLE

INTRODUCTORY SECTION



TOWN OF BURRILLVILLE

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



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December 21, 2012

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, 2012 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, 2012. 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 three sections: 1) Introductory, 2) Financial, and 3) Statistical. The Financial section includes the Management's Discussion and Analysis [MD&A] which provides a narrative overview and analysis of significant financial issues and activities affecting the Town's financial position.

Copies of this report are on file in the Town Clerk's office and the public libraries as well as on the Town's website. This report is forwarded to the Rhode Island Auditor General's Office and Department of Administration, 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 treatment facility and a library.

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 205th 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 2010 census indicated that Burrillville has a population of 15,955 (a 159 [or 1%] increase in population from the 2000 census – 15,796). The number of new housing units continued to grow by an average of 31 units per year over the past 10 years. Most Town residents commute to jobs in the northern RI and Providence area. The Town's labor force has increased from 7,635 to 9,344 since 2003. Employment opportunities within the Town are approximately 2,787.

As required by law, the Town completed its latest three [3] year statistical revaluation and implemented effective December 31, 2009. The revaluation was utilized in the tax levy for fiscal year ending June 2012. A full revaluation of all property is currently underway and will be the basis for assessing fiscal year ending June 2014.

Effective for the assessment period of December 31, 1998, the Town received legislative authorization and implemented a program whereby new construction after that date will be assessed on a pro-rata basis.

Net assessed values have increased by \$134,012,023 (9.83%) over last year's valuations. A significant portion of the increase is associated with bringing Ocean State Power/TransCanada on the tax roll. Prior to this year there was a PILOT [payment in lieu of tax] agreement with the power company. Approximately 72.9% of the Town's tax base is residential. There have been approximately 305 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 influence 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>2003</u>	<u>2012</u>	<u>% Change</u>
* Population	15,796	15,955	1.01%
Labor Force	8,030	9,344	16.36%
Employed	7,635	8,471	10.95%
Unemployment Rate	5.1%	9.30%	82.35%
* Median Age	37.5	42.4	13.07%
* Per Capita Income	\$21,096	\$26,672	26.43%
* Median Household Income	\$52,587	\$68,904	31.03%
School Enrollment	2,674	2,487	(6.99%)
* High School Graduates	80.40%	82.90%	3.11%
* Bachelor Degrees	16.20%	21.60%	33.33%
Net Assessed Values	795,891,768	1,496,825,064	88.07%
Median Selling Price (Single Family)	234,271	199,500	(14.84%)

*2010 Census Data

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 Burrillville Industrial Foundation (BIF) in FYE 1999. This site currently has four tenants and the remaining three lots are being marketed. In November 2002, the Burrillville Redevelopment Agency acquired a third industrial site, Burrillville Commerce Park – a 254 acre parcel located on Route 102. The Commerce Park currently has two tenants. One tenant, Daniele Proscuitto, recently acquired additional land as part of a 500,000 square foot expansion project. The balance of the park is being marketed by the BIF. The Town has also conducted 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. Other activities include the renovation of the former Stillwater Mill site, which is the location of the recently completed library. A key component of the revitalization of this area included the Woonsocket Neighborhood Development Corporation [WNDC] renovation of the former Clocktower building which was completed in 2011.

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. Additionally, 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 had been approved by the State and is good until March 2016. 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. The Town has also 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 finalized and adopted on June 29, 2011 [#11-175] by the Town Council in conformance with Article 10 of the Burrillville Home Rule Charter. During the year there were seven (7) supplemental budget appropriations adopted by the Town Council, which totaled \$3,757,877 including two transfers totaling \$2,153,099 increase [#11-202 and #11-286] related to capital improvements carried forward from the prior year. Additionally there was a \$827,500 transfer [#12-109] to capital improvements related to the acquisition of refuse/recycling carts and the award of a contract for revaluation services. There was a transfer [\$285,000] made to various reserve funds from additional funds available due to the Town exceeding its fund balance policy in 2011. A \$60,000 transfer related to funding needed for the ongoing Ocean State Power PILOT negotiations. Finally \$459,500 [#11-153] was committed to provide funding for one time contingencies and phased out programs.

ACCOUNTING SYSTEM AND BUDGET CONTROL (Continued)

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.

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, 2012 on March 23, 2011.

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 [revised January 2012]. 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 \$400,000 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 \$18,329,767 in cash and cash equivalents on June 30, 2012. 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.

CASH MANAGEMENT (Continued)

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. When the prior contractual obligations noted above are factored in, outstanding investments are only sufficient to cover less than 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 committed and assigned 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.

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 2012 was \$29,007. This income category was slightly less than last year [\$37,211]. These low earnings continue to reflect the effect of a low interest rate environment. 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 Unassigned 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 (\$3,601,508 or 8.01% of the FYE June 30, 2013 budget - \$44,948,156). This is the second year in which debt service payments did not exceed 12% of budget. Prior to that the annual debt service payments for the last ten (10) years had moderately exceeded 12% of current budget appropriations.

Based upon the results of the audit for FYE June 30, 2012, the Town's Unassigned Fund Balance [\$6,376,298] is approximately 14.19% of the 2013 budget, which is more than the Town's Fund Balance policy by \$982,519. This balance under the existing fund balance policy remains available for one time applications. 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).

FUND BALANCE (Continued)

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 unassigned fund balance is a one-time benefit to the community that is typically impractical to replace in the following year.
- The unassigned 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 committed and assigned 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.
- Our unassigned 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 (which did occur in fiscal year [2010] when a portion of the motor vehicle excise and school state aid was not paid).
- A reduction of unassigned 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 unassigned fund balance level helps to lessen the impact of implementing General Accounting Standards Board Statement Number 11, 34 and 45.
 - GASB 11 requires incorporation of such items as accrued compensated absences into the Town's annual operating results. Currently the cost of these benefits are projected to be approximately \$1,113,249 (\$153,425 to the Town and \$959,824 to the School Department). The Town committed a portion of fund balance to address the issue of unfunded vacation and sick leave benefits. The committed amount as of June 30, 2012 was \$222,317, which represents 144.9% of the Town's total liability \$153,425 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.

FUND BALANCE (Continued)

- Finally, GASB 45, which was implemented in fiscal year 2009, requires the actuarial calculation of Other Post Employment Benefits [OPEB] related to health benefits available to retirees. Even though the Town has minimal exposure in terms of direct payment for retiree health coverage, the actuarially determined amount of the Town's accrued liability for OPEB for the next 30 years is projected to be \$2,190,597 - \$1,577,988 [72.03%] of this amount relates to school employees, \$580,678 [26.51%] for municipal employees \$19,253 [0.88%] for library employees, and \$12,678 [0.58%] for wastewater treatment employees. The Town has committed a portion of fund balance [\$297,331] to assist in covering the unfunded actuarial accrued liability as determined by Clarity In Numbers, LLC. The recommended annual contribution rate [ARC] for 2012 was \$206,572. Of that amount \$209,505 was included with the payment of health insurance premiums during 2012 leaving a net OPEB obligation of \$41,305.
- 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. Over the years the fund balance has helped support a number the projects including the police station and rink renovation projects, 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. The Whipple Avenue Landfill closure also benefited from these available funds. Significant savings have been achieved on these type of endeavors because the Town did not need to borrow on an interim basis and the Town was allowed to time the sale of its bonds.
- A stable unassigned 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:

- A Community Development Block Grant (CDBG) was awarded to the Town in the amount of \$195,000 on August 12, 2011. The grant was \$100,000 for the Mohegan Water District, \$30,000 for Burrillville Housing Authority roof replacement, \$50,000 for Housing Rehabilitation, \$10,000 for Program Administration, and \$3,000 for the Housing Land Trust).
- In terms of economic development, the Burrillville Redevelopment Agency became a permanent agency of the Town by a Charter change that occurred in fiscal year 2005. The Town has continued working on a number of initiatives, including:
 - The Downtown Pascoag Association and Redevelopment Agency continued to work on improvements along Pascoag Main Street.
 - Marketing of the Clear River Drive Industrial Park and Commerce Park continued with the assistance of the Industrial Foundation and private developers.
 - Approximately 44 acres of land in Commerce Park was sold to Daniele Prosciutto for expansion of that facility [which will add approximately 500,000 square feet to their existing commercial operation].

MAJOR INITIATIVES (Continued)

- The Public Safety Department continues to be involved with several ongoing endeavors including the following:
 - Completion of the twelfth year of operating the Municipal Court.
 - Grants were obtained for upgrading the communication system [including dispatch area, radios and antenna tower] and training.
 - Enhancement of the Citizens Police Academy (16th Graduating Class) and Juvenile Hearing Board.
 - Continued the expansion support of a variety of programs such as Click It or Ticket, Community Policing, Senior Citizen, Ride Along, and Child Safety Programs.
 - The Animal Shelter continues to have a solid reputation in response to public safety and public education. The shelter continues to have high return-to-owner and adoption rates.
- The Public Works Department along with its normal duties:
 - Handled approximately 7 winter storms - consisting of 29 inches of snow this year.
 - Applied for and received \$86,121 from FEMA for costs incurred by the Town during Hurricane Irene which occurred in August 2011.
 - Several major construction projects are proceeding with the assistance of grants including:
 - Farmers' Market Pavilion located in the Stillwater Mill Complex.
 - The Rail Trail – Bike Path project.
The Town received a donation of 13 acres of land abutting the Rail Trail.
 - Continued implementation of the Infrastructure Program, which is designed to upgrade and expand the Town's program of sidewalk construction and road paving.
 - A number of roads including Lapham Farm Road, Laurel Ridge, Mowry Street, Sayles Avenue, Tarkiln Road, Ironmine Road and Masse Lane were engineered and paved.
 - The crack sealing and street sign replacement program continued.
 - Equipment purchases included a truck and mower.
 - Continued to sponsor the State DPW Annual Indoor and Outdoor equipment shows.
 - Assisted the Recreation Department in meeting its goals and objectives.

MAJOR INITIATIVES (Continued)

- Administration:
 - The Town received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association for the fifth consecutive year.
 - The Town's WEB site and GIS systems continue to be expanded and enhanced.
- Installed Vermont Rec Track Systems' software at the Spring Lake Beach Recreational Facility for the 2011 season.
- 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 – Burrillville, Glocester, and Foster.
- The Town is home to Renegade 154, a division of the Northern RI Robotics Collaborative, which is a youth organization that has successfully competed on a local, national, and international level. They have been the RI FIRST [For Inspiration and Recognition in Science and Technology] Tech Challenge Champions for several years in a row and have won the international competition in Atlanta for the last 3 years.

DEBT ADMINISTRATION

On January 8, 1997, the Town Council passed an ordinance establishing a Special Revenue Fund, which is 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 before the PILOT agreement expired and (2) to address the Town's outstanding debt burden. The balance committed for Debt Reduction was \$3,257,022 on June 30, 2012.

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 renovating the former Meadow Glen Nursing Home under RIGL 45-12-2 which has been paid off. 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. Finally, a \$2.16 million RICW bond was acquired under RIGL 45-12-2 on June 24, 2010 to pay for the capping of the Whipple Avenue Landfill project, which was completed in fiscal year June 30, 2011. These remaining four issues represent the only time that the Town has elected to issue bonds under RIGL 45-12-2.

DEBT ADMINISTRATION (Continued)

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, 2012, the Town's remaining authorized but unissued debt authority consists of the following - \$500,000 for open space projects.

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 and reaffirmed in 2008. Both Moody's and Fitch recalibrated their Town ratings in April 2010. Moody's upgraded the Town's rating to Aa2; Fitch upgraded the Town to AA. The Fitch rating was reaffirmed when a surveillance review was conducted in October 2010 and, more recently, in October 2012. This is especially noteworthy in the current economy given that a number of communities that have been put on rating watch and/or actually seen their ratings downgraded (particularly in New England). 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 unassigned fund balance sufficient to cover its pending debt obligations.

Historically the Town has utilized a significant amount of its Unassigned 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 unassigned 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 is slightly above (14.19%) its minimal goal of maintaining a sufficient unassigned fund balance. Maintenance of this minimal balance should continue to 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.

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 the Bryant University 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, health and dental, 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).

The Town received a Loss Prevention Leadership Award for 2009 from the Trust based upon an excellent loss history in both the worker compensation and property/liability pools as well as active participation in various training and risk management practices in areas such as public safety, recreation, and general operations.

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 Warwick, Rhode Island has audited the financial statements of the Town of Burrillville for fiscal year ending June 30, 2012.

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.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Burrillville for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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, 2012

TOWN COUNCIL

Nancy F. Binns, President

Wallace F. Lees, Pro-tem

Edward J. Blanchard

Margaret L. Dudley

Kevin D. Heitke

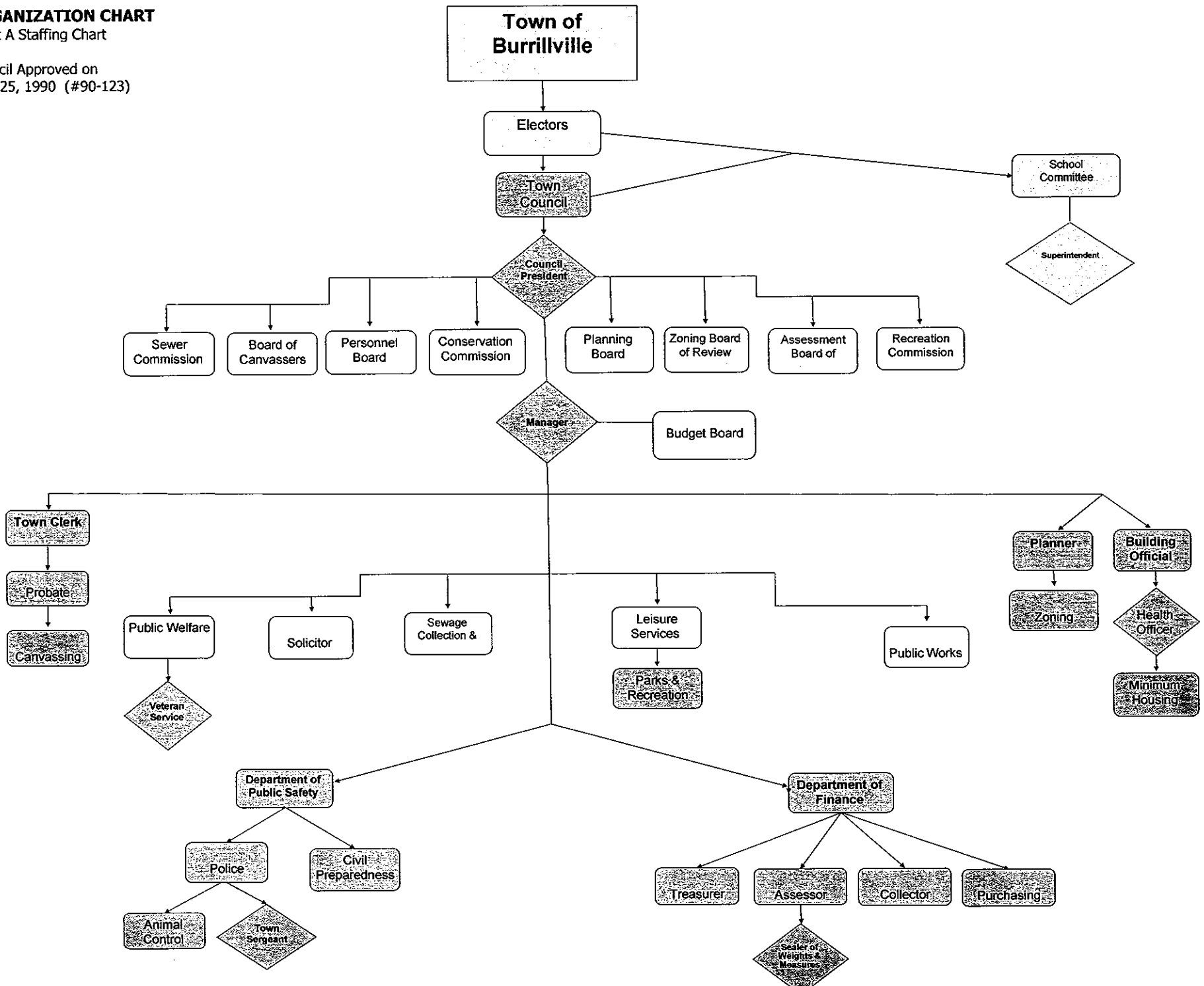
David J. Place

Steven N. Rawson

TOWN OFFICIALS

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

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



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Burrillville
Rhode Island

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

Jeffrey R. Enos

Executive Director

TOWN OF BURRILLVILLE

FINANCIAL SECTION



Gerard R. Cayer
CPA, MST, CVA

Mark V. Caccia
CPA, MST, CVA

Donna T. Caccia
CPA, MST, CFP™

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 aggregate discretely presented component units, 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, 2012, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of June 30, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, historical pension and other post-employment benefit information, and budgetary comparison information on pages 3 through 24 and 80 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

December 21, 2012

Cayer Caccia, LLP

Town of Burrillville, Rhode Island
Management's Discussion and Analysis
JUNE 30, 2012

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, 2012. The Town annually presents its financial statements in compliance with the reporting model required by GASB 34.

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, 2012 by \$88.61 million (net assets). Of this amount, only \$11.14 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2012, the Town's governmental funds reported total net assets of \$61.58 million.
- The Town of Burrillville's total net assets increased by \$4.33 million, or 5.13%, for the year ended. Net assets of governmental activities increased by \$4.62 million, an 8.1% increase from fiscal 2011. Net assets of business-type activities decreased by \$0.29 million, or 1.07% from 2011.
- The Town's general fund reported a fund balance of \$15.8 million at the end of fiscal year ending 2012. This compares to a fund balance of \$13.9 million at the end of fiscal 2011. It is important to note that 2012 is the second year of reporting under the new fund balance requirements which incorporate a number of funds that were previously considered to be special appropriation funds. The unassigned fund balance for the year was \$6.4 million (\$6.5 million in 2011). This is a \$0.1 million decrease over the prior year's unassigned fund balance.
- The Town ended the fiscal year with a budgetary operating excess of revenue over expenditures of \$4,628,514 in 2012. Included in this amount is \$2,983,119 of unexpended capital improvement funds which have been carried over to fiscal year ending June 2013.

Financial Highlights (Continued)

- The School Department ended the fiscal year with a budgetary excess of revenue over expenditures of \$66,266 (\$128,494 deficit in 2011). The School fund balance is \$795,301 (\$872,682 in 2011).
- The Town's total long-term liabilities decreased by \$3,292,420 or 10.9% in 2012 which was primarily due to scheduled debt service payments of \$3,171,771. This decrease was due to the net effect of annual debt payments (\$2,787,000) on outstanding issues and a payment of \$384,771 on a loan to the Burrillville Industrial Foundation which was associated with the sale of land in Commerce Park

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 the Jesse M. Smith Memorial Library and determined that these agencies met the criteria to be disclosed as discretely presented component units.

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 Department, 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.

The Town implemented the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) in fiscal year 2011. GASB 54 establishes criteria for classifying fund balances into specifically defined classifications and clarifies the definitions for governmental funds. GASB 54 defines the following five categories of fund balance:

Nonspendable – items that cannot be spent because they are not in a spendable form or legally or contractually required to be maintained intact.

Restricted – items that are restricted by external parties or imposed by grants, laws or legislation.

Committed – items that have been committed by formal action by the entity's highest level of decision-making authority.

Assigned – items that have been allocated by committee action where the government's intent is to use the funds for a specific purpose.

Unassigned – items that have no restrictions placed on them.

The Town maintains certain funds that have been reclassified to the Town General Fund under GASB 54. The ending fund balance of these funds was \$5,766,264 at June 30, 2012.

Fund Financial Statements (Continued)

The focus of the Town of Burrillville's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. The Fund Balance section of the Balance Sheet for Governmental Funds is presented in the format required by GASB Statement 54.

- *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 Department general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's Overall Operations

The Town of Burrillville has prepared the fiscal year ending June 30, 2012 financials in a format prescribed by the Government Accounting Standards Board Statement 34 (GASB 34).

June 30, 2012

The Town's combined net assets were \$88.61 million in 2012. Analyzing the net assets and net expenses of governmental and business-type activities separately, the governmental activities are \$61.59 million and the business-type activities net assets are \$27.02 million in 2012. 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 (85.59%) 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.

June 30, 2011

The Town's combined net assets were \$84.28 million in 2011. Analyzing the net assets and net expenses of governmental and business-type activities separately, the governmental activities are \$56.97 million and the business-type activities net assets are \$27.31 million in 2011. 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 (83.15%) 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>	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$26,062,204	\$24,318,717	\$4,047,760	\$ 3,916,431	\$30,109,964	\$28,235,148
Capital assets	67,359,717	67,729,296	23,392,265	23,929,435	90,751,982	91,658,731
Total assets	93,421,921	92,048,013	27,440,025	27,845,866	120,861,946	119,893,879
Current liabilities	8,173,491	8,122,045	309,857	411,997	8,483,348	8,534,042
Noncurrent liabilities	23,661,803	26,954,638	106,383	124,153	23,768,186	27,078,791
Total liabilities	31,835,294	35,076,683	416,240	536,150	32,251,534	35,612,833
Net assets:						
Invested in capital assets, net of related debt	52,510,063	50,468,604	23,327,395	23,845,022	75,837,458	74,313,626
Restricted	1,623,115	1,659,612			1,623,115	1,659,612
Unrestricted	7,453,449	4,843,114	3,696,390	3,464,694	11,149,839	8,307,808
Total net assets	\$61,586,627	\$56,971,330	\$27,023,785	\$27,309,716	\$88,610,412	\$84,281,046

The total net assets in governmental activities increased by \$4.62 million. The increase in current and other assets of the governmental activities is approximately \$1.74 million is due primarily to an increase in cash and cash equivalents [\$2.3 million] offset by a decrease in internal balances of \$0.4 million. Governmental activities capital assets decreased by \$0.4 million. For additional analysis see Table 3. Governmental activities current liabilities increased by \$0.05 million.

The net assets in Business-type activities decreased nominally by \$0.3 million.

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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,280,837	\$ 1,592,930	\$ 3,162,415	\$3,156,070	\$ 4,443,252	\$ 4,749,000
Operating grants and contributions	16,843,576	16,056,834	456,526	420,967	17,300,102	16,477,801
Capital grants and contributions	2,172,752	2,748,116	30,000		2,202,752	2,748,116
General revenues:						
Property Taxes	28,336,337	28,287,435			28,336,337	28,287,435
Unrestricted Investment	35,729	49,337	4,193	5,321	39,922	54,658
Contributions not restricted to specific programs	51,700				51,700	
Gain on sale of capital asset	453,114				453,114	
Total Revenues	<u>49,174,045</u>	<u>48,734,652</u>	<u>3,653,134</u>	<u>3,582,358</u>	<u>52,827,179</u>	<u>52,317,010</u>
Expenses:						
General government	3,733,679	3,458,261			3,733,679	3,458,261
Public safety	3,415,060	3,333,909			3,415,060	3,333,909
Public works	2,668,744	2,801,890			2,668,744	2,801,890
Education	32,541,038	32,052,165			32,541,038	32,052,165
Parks and recreation	677,186	704,553			677,186	704,553
Libraries	719,188	687,442			719,188	687,442
Community development	138,389	302,475			138,389	302,475
Interest on long-term debt	897,440	986,957			897,440	986,957
Sewer Authority			1,975,858	1,879,819	1,975,858	1,879,819
School Cafeteria			881,015	831,026	881,015	831,026
Levy Rink			426,675	490,935	426,675	490,935
Extended Day Care			423,541	403,444	423,541	403,444
Total expenses	<u>44,790,724</u>	<u>44,327,652</u>	<u>3,707,089</u>	<u>3,605,224</u>	<u>48,497,813</u>	<u>47,932,876</u>
Revenues over (under) expenses	4,383,321	4,407,000	(53,955)	(22,866)	4,329,366	4,384,134
Transfers in (out)	<u>231,976</u>	<u>110,324</u>	<u>(231,976)</u>	<u>(110,324)</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net assets	4,615,297	4,517,324	(285,931)	(133,190)	4,329,366	4,384,134
Net Assets, July 1,	<u>56,971,330</u>	<u>52,454,006</u>	<u>27,309,716</u>	<u>27,442,906</u>	<u>84,281,046</u>	<u>79,896,912</u>
Net Assets, June 30	<u>\$61,586,627</u>	<u>\$56,971,330</u>	<u>\$27,023,785</u>	<u>\$27,309,716</u>	<u>\$88,610,412</u>	<u>\$84,281,046</u>

The increase in governmental activities revenues of \$0.44 million is primarily the net result of an increase in operating grants/contributions (\$.79 million) from FEMA, CDBG, federal stimulus coupled with the sale of land in Commerce Park (\$.45 million) which was partially offset by a decline in capital grants/contributions (\$.58 million) due to a decline in various one time grants (ARRA, LEAP, EECBG, federal stimulus) and state construction aid (\$.74 million).

Governmental activity expenses increased by \$0.46 million which reflects increased costs associated with general government (\$.28 million) and education (\$.49 million) offset by decreased costs in public works (\$.13 million) and community redevelopment (\$0.16 million).

The net assets associated with business-type activities declined by \$0.29 million which relates to a slight decrease associated with sewer assessment fees received coupled with a slight increase in overall expenses and transfers out related to debt.

Review of Major Governmental Funds

General Fund

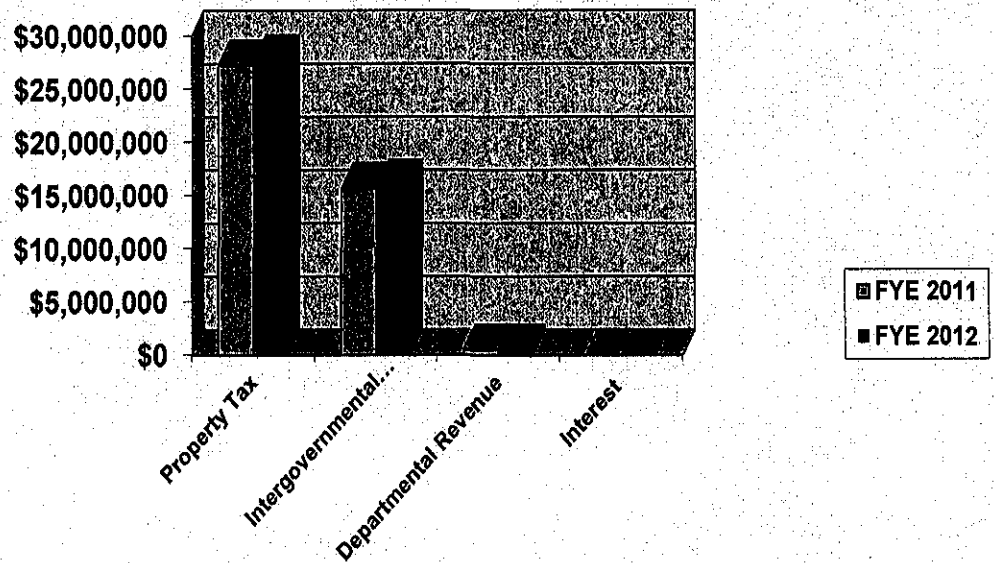
The General Fund is the primary fund through which the majority of the Town's revenues and expenditures flow. The Town finished the year within the limits established by the adopted budget. The Town carefully monitors its expenditures and eliminates all but the most necessary. When savings are incurred 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 2012, there were seven [7] supplementary budget amendments to the General Fund in the net amount of \$3,757,877. This amount was comprised of the carryover of FYE 2011 capital improvement funding (\$2,980,599), transfers of excess fund balance policy funds (\$285,000), \$32,778 for operating budget adjustments, and \$459,500 towards a restricted budget for one time and phased out expenses.

A comparative breakdown of revenues and expenditures associated with the General Fund on a budgetary basis for the fiscal years ending June 30, 2012 and 2011 is listed below. This information is provided for general purposes only.

The Town's general revenues decreased slightly when compared to the prior year by 2.31% or \$1.0 million.

<u>Revenues</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>% Change</u>	<u>\$ Change</u>
Property Taxes	\$27,781,892	\$27,222,631	2.05%	\$559,261
Intergovernmental Revenue	16,030,376	15,639,532	2.50%	390,844
Departmental Revenue	565,477	497,541	13.65%	67,936
Interest Income	21,307	34,890	(38.93)%	(13,583)
Total Revenues	<u>\$44,399,052</u>	<u>\$43,394,594</u>	<u>2.31%</u>	<u>\$1,004,458</u>

REVENUES



June 30, 2012

Overall non-tax revenues were \$445,197 more than the prior year due to moderate increases in State revenue and Medicaid reimbursements. Actual revenues were \$682,748 more than budgeted. The primary reasons for the favorable revenue variance within the fiscal year were:

- First, the Town exceeded its budget expectations in relation to the collection of property taxes. This was primarily due to an increase in tax collections over budgeted projections that totaled \$370,056 - which includes tax revenue of \$314,726. The Town collected approximately 97.69% of the fiscal year 2012 tax levy.
- Second, the Town's intergovernmental revenue was more than the budget by \$208,557. This amount includes additional amounts received from Medicaid reimbursements (\$95,587), State Pilot (\$42,464) and Telephone (\$38,410) revenue. This year represents the twelfth year of funding under the State's motor vehicle phase out program but the program is now only providing minimal funding to the communities.
- Third, there was an increase in departmental revenue (\$117,828) which is primarily due to an increase in building (\$29,443) and service/assessment (\$69,930) receipts.
- Finally, interest income was again under budget in the amount of \$13,693. The decrease is primarily attributed to the continued low interest rate environment.

The Town has continued its aggressive tax collection position, which was implemented many years ago. This again has resulted in the current year collections for the fiscal year ended June 30, 2012 being greater than anticipated. A 97.3% collection rate was budgeted for FYE 2012 and 97.69% was actually collected. The collection rate used for budgeting purposes was based upon historical collection data.

A comparison of actual expenditures incurred during FYE 2012 reveals that the Town expenses were \$4,149,790 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. A significant portion of this amount [\$2,983,119] is for capital improvement activities related to general administration, police, school, and public works projects which has been re-appropriated for FYE June 30, 2013.

The most significant governmental expense for the municipality during 2012 was in providing for public safety, which incurred expenses of \$2.33 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.10 million; general government at \$1.38 million, which includes all administrative offices; general services (\$1.29 million) such as refuse collection/recycling; debt at \$4.08 million, and insurance/benefits at \$1.68 million.

June 30, 2011

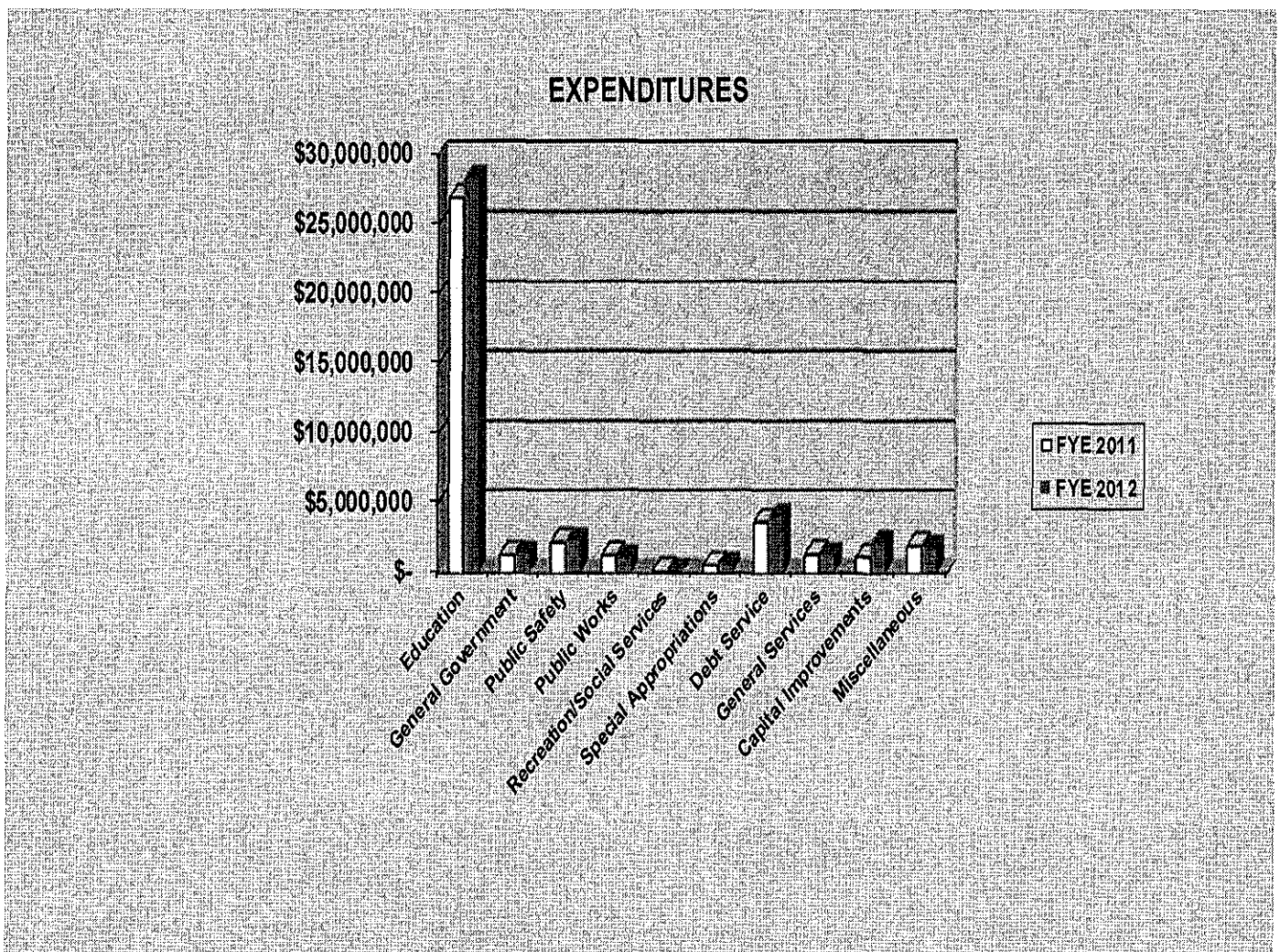
Overall non-tax revenues were \$1,914,802 less than the prior year due to the reduction of state revenue associated with the motor vehicle excise tax. The state reversed a prior law and eliminated most of a motor vehicle exemption which resulted in the cities and towns recouping most of the lost funding by increasing their motor vehicle tax revenue. Actual revenues were \$923,558 more than budgeted. The primary reasons for the favorable revenue variance within the fiscal year were:

- First, the Town exceeded its budget expectations in relation to the collection of property taxes. This was primarily due to an increase in tax collections over budgeted projections that totaled \$402,474 - which includes tax revenue of \$321,103. The Town collected approximately 97.4% of the fiscal year 2011 tax levy.
- Second, the Town's intergovernmental revenue was over budget by \$514,928. This year represents the eleventh year of funding under the State's motor vehicle phase out program but the program now is providing minimal funding to the communities. Federal stabilization funding was \$20,262 less than anticipated and school construction aid was \$85,688 less due to the non-completion of certain school projects. These shortfalls were offset by a number of increases including Medicaid reimbursements (\$70,728), additional State Pilot (\$48,785) and Telephone (\$25,970) revenue, and federal grants (\$66,030).
- Third, interest income was again under budget in the amount of \$15,110. The decrease is primarily attributed to the continued decline in interest rates.
- Fourth, there was a slight increase in departmental revenue (\$21,266) shows that a decline in licenses and fees (\$76,702) was offset by an increase in building (\$31,906) and service/assessment (\$59,721) receipts.

The Town has continued its aggressive tax collection position, which was implemented many years ago. This again has resulted in the current year collections for the fiscal year ended June 30, 2011 being greater than anticipated. A 96.9% collection rate was budgeted for FYE 2011 and 97.4% was actually collected. The collection rate used for budgeting purposes was based upon historical collection data.

A comparison of actual expenditures incurred during FYE 2011 reveals that the Town expenses were \$4,123,742 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. Additionally, a spending freeze was implemented in January 2011 due to the uncertainty of the economy and certain state aid. A significant portion of this amount [\$2,477,697] is for capital improvement activities related to general administration, police, school, public works, and recreation. Of this amount, \$2,003,099 has been re-appropriated for FYE June 30, 2012. It is anticipated that the balance will also be transferred once the fund balance policy is applied.

The most significant governmental expense for the municipality during 2011 was in providing for public safety, which incurred expenses of \$2.25 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.29 million; general government at \$1.34 million, which includes all administrative offices; general services (\$1.35 million) such as refuse collection/recycling; debt at \$3.68 million, and insurance/benefits at \$1.64 million.



	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>% Chg</u>	<u>\$ Chg</u>
<u>Expenditures</u>				
Education	\$28,333,604	\$26,909,193	5.29%	\$1,424,411
General Government	1,382,583	1,341,958	3.03%	40,625
Public Safety	2,329,206	2,246,317	3.69%	82,889
Public Works	1,098,304	1,287,624	(14.70)%	(189,320)
Recreation & Social Services	165,920	163,116	1.72%	2,804
Special Appropriations	598,618	563,537	6.23%	35,081
Debt Services	4,078,997	3,683,124	10.75%	395,873
General Services	1,294,894	1,349,834	(4.07)%	(54,940)
Capital Improvements	2,156,128	1,178,988	82.88%	977,140
Miscellaneous	1,820,610	1,974,279	(7.78)%	(153,669)
<u>Other Financing (Sources) Uses-</u>				
Transfer from Fund Balance	(3,757,877)	(5,211,291)	27.89%	1,453,414
Proceeds from Bond Issuance		(139,229)	100.00%	139,229
Sale of Capital Assets	(913,124)		(100.00)%	(913,124)
Transfers In	(485,598)	(1,087,876)	55.36%	602,278
Transfer Out-Capital Projects	365,419	1,481,037		(1,115,618)
Transfer Out- Wastewater Treatment		139,229	162.46%	(139,229)
Transfer Out- Special Revenue	1,302,854	3,371,859	(61.36)%	(2,069,005)
Total Expenditures (Net of Transfers)	<u>39,770,538</u>	<u>39,251,699</u>	<u>1.32%</u>	<u>518,839</u>
Excess of Revenues over Expenditures- Budgetary Basis	<u>\$ 4,628,514</u>	<u>\$ 4,142,895</u>	<u>11.72%</u>	<u>\$ 485,619</u>

Fund Balance

June 30, 2012

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2012 with a net excess of revenues over expenditures in the amount of \$4,628,514. Note that this amount included as revenue the budgeted amount of \$3,757,877 from the Unassigned 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 \$870,637.

The Town's fund balance increased from \$13,900,748 to \$15,800,289. The Town's fund balance is broken down into the following components which are detailed in footnote 9(a) and comprised of cash or other assets that will eventually be converted into cash such as receivables and equities:

1. Nonspendable. An amount (\$668,840) attributed to tax sale property that was not bid on at public auction. The Town has subsequently acquired tax deeds over the years to protect its interest in those properties that have outstanding taxes/sewer assessments due.

Fund Balance (Continued)

2. Committed. An amount (\$8,617,069) which includes a number of funds that had previously been identified as special revenue funds in prior audits including Other School Activities, Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, and Healthcare Contingency. It also includes \$3,337,518 which was re-appropriated in FYE 2013 for capital projects and one time appropriations.
3. Assigned. An amount (\$138,082) related to funding reserve for the School Department.
4. Unassigned. Finally after all of the above items are considered, the value of what use to be referred to as the Town's Unassigned Fund Balance is \$6,376,298, which is a decrease of \$116,802 over last year's Unassigned Fund Balance (\$6,493,100). This decrease is due to the net effect of budget activity combined with a number of planned fund balance drawdowns during FYE 2012 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2012 of \$6,376,298 which is approximately 14.19% of the total budget currently appropriated for FYE June 30, 2013 (\$44,948,156).

June 30, 2011

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2011 with a net excess of revenues over expenditures in the amount of \$4,142,895. Note that this amount included as revenue the budgeted amount of \$5,211,291 from the Unassigned Fund Balance. When this is factored out, there is actually a net decrease to fund balance associated with the excess of revenues over expenditures of \$1,068,396.

Under the new GASB 54 format, the Town's fund balance increased from \$12,347,970 to \$13,900,748. The Town's fund balance is broken down into the following components which are detailed in footnote 9(a) and comprised of cash or other assets that will eventually be converted into cash such as receivables and equities:

1. Nonspendable. An amount (\$667,189) attributed to tax sale property that was not bid on at public auction. The Town has subsequently acquired tax deeds over the years to protect its interest in those properties that have outstanding taxes/sewer assessments due.

Fund Balance (Continued)

2. Committed. An amount (\$6,642,277) which includes a number of funds that had previously been identified as special revenue funds in prior audits including Other School Activities, Revaluation, Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, and Healthcare Contingency. It also includes \$2,003,099 which was re-appropriated in FYE 2012 for capital projects.
3. Assigned. An amount (\$98,182) related to funding reserved for the School Department.
4. Unassigned. Finally after all of the above items are considered, the value of what use to be referred to as the Town's Unassigned Fund Balance is \$6,493,100, which is a decrease of \$555,985 over last year's Unassigned Fund Balance (\$7,049,085). This decrease is due to the net effect of budget activity combined with a number of planned fund balance drawdowns during FYE 2011 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2011 of \$6,493,100 which is approximately 14.99% of the total budget currently appropriated for FYE June 30, 2012 (\$43,318,971).

School Department

June 30, 2012

The School Department had revenues for the year ended June 30, 2012 of \$14.5 million. This was derived from \$13.4 million of intergovernmental revenues and \$1.1 million of state pension contribution revenues. In addition to general operating revenues, the School Department also received \$15.0 million of other financing sources in the form of transfers in from the General Fund.

Expenditures for the School Department totaled \$29.5 million. This entire amount represents expenditures related to education.

The excess of expenditures over revenues was \$0.08 million for the fiscal year ended June 30, 2012.

June 30, 2011

The School Department had revenues for the year ended June 30, 2011 of \$13.1 million. This was derived from \$12.1 million of intergovernmental revenues and \$1.0 million of state pension contribution revenues. In addition to general operating revenues, the School Department also received \$14.8 million of other financing sources in the form of transfers in from the General Fund.

Expenditures for the School Department totaled \$28.0 million. This entire amount represents expenditures related to education.

The excess of expenditures over revenues was \$0.13 million for the fiscal year ended June 30, 2011.

Business-type Activities

Proprietary Activities

June 30, 2012

Revenues of the Town's business-type activities, were \$3.65 million for the fiscal year ending June 30, 2012. Expenses for the Town's business-type activities were \$3.92 million for the year, resulting in a decrease in net assets of \$0.29 million. The decrease in net assets was the result of several factors, including the following:

- The Town's sewer system recorded charges for services of \$1.90 million, and expenses of \$2.22 million resulting in a decrease in net assets of \$0.30 million.

June 30, 2011

Revenues of the Town's business-type activities, including transfers out of \$0.1 million, were \$3.47 million for the fiscal year ending June 30, 2011. Expenses for the Town's business-type activities were \$3.60 million for the year, resulting in a decrease in net assets of \$0.13 million. The decrease in net assets was the result of several factors, including the following:

- The Town's sewer system recorded charges for services of \$1.90 million, and expenses of \$2.0 million resulting in a decrease in net assets of \$0.1 million.

Capital Asset and Debt Administration

Capital Project Funds

The Town had several active capital projects in fiscal year end June 30, 2012.

Completed capital projects included the Branch River Park Tennis/Basketball Courts, Ironmine Road, Lapham Farm Road, Laurel Ridge, Masse Lane, Mowry Street, Shore Road, Tarkiln Road, and road work related to paving and cracksealing.

Some projects that are continuing to carry balances including the Route 102/Commerce Park, Callahan Renovation, Pavilion, and the Skateboard Park Relocation. Active capital projects carried over from the prior year include the Rail Trail and Sayles Avenue.

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 2012, the Town had \$90.8 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 \$0.9 million or 1.0% over the prior fiscal year's net assets (\$91.7 million).

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.

The Town of Burrillville reports its fixed assets in accordance with GASB 34. The retroactive reporting of pre-GASB-34 infrastructure, roads, bridges, etc. was completed in FYE 2008 as required.

Table 3

Capital Assets - Primary Government June 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 2,866,859	\$ 3,275,169	\$ 382,443	\$ 382,443	\$ 3,249,302	\$ 3,657,612
Construction in progress	1,760,624	331,781			1,760,624	331,781
Leasehold improvements			34,398	34,398	34,398	34,398
Collection systems			34,514,621	34,512,396	34,514,621	34,512,396
Buildings and improvements	70,798,281	70,719,644	7,973,885	7,973,885	78,772,166	78,693,529
Equipment	1,819,128	1,686,134	291,428	266,428	2,110,556	1,952,562
Vehicles	3,766,275	3,631,730	135,261	135,261	3,901,536	3,766,991
Furniture			658,578	610,428	658,578	610,428
Infrastructure	<u>17,117,382</u>	<u>16,025,674</u>			<u>17,117,382</u>	<u>16,025,674</u>
Total Assets	98,128,549	95,670,132	43,990,614	43,915,239	142,119,163	139,585,371
Less accumulated depreciation	<u>(30,768,832)</u>	<u>(27,940,836)</u>	<u>(20,598,349)</u>	<u>(19,985,804)</u>	<u>(51,367,181)</u>	<u>(47,926,640)</u>
Totals	<u>\$67,359,717</u>	<u>\$ 67,729,296</u>	<u>\$23,392,265</u>	<u>\$23,929,435</u>	<u>\$90,751,982</u>	<u>\$ 91,658,731</u>

This year's major capital expenditures included:

- Completion of construction and road/sidewalk improvements (Ironmine Road, Lapham Farm Road, Laurel Ridge, Masse Lane, Shore Road, and Tarkiln Road).
- Construction on Mowry Street was completed.
- Acquisition of various equipment including public works equipment, truck/ mower.
- The School Department also had funding allocated towards various building improvements such as flooring and wireless network.

The 2013 Capital Budget has been adopted and while individual projects are subject to change, the 2013 capital budget calls for spending of capital projects, principally in these major categories: economic development, 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, 2012

The total outstanding long-term bonded debt on June 30, 2012 was \$24,475,654 which represents a decrease of \$3,178,038 from June 30, 2011 (\$27,653,692). This decrease was primarily due to the net effect of annual debt payments (\$2,787,000) on outstanding issues and a payment of \$384,771 on a loan to the Burrillville Industrial Foundation which was associated with the sale of land in Commerce Park.

June 30, 2011

The total outstanding long-term bonded debt on June 30, 2011 was \$27,653,692 which represents a decrease of \$2,561,038 from June 30, 2010 (\$30,214,730). This decrease was primarily the net effect of annual debt payments (\$2,694,000) on outstanding issues offset by additional drawdowns (\$139,229) from RICWFA for new sewer construction.

Table 4

	Long Term Debt			
	June 30			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General Obligation Bonds	\$24,475,654	\$27,653,692		
Leases Payable			\$ 64,870	\$ 84,413
Compensated Absences	1,113,249	1,179,783	71,000	63,174
Net OPEB Obligation	38,300	42,063	3,005	2,373
Landfill Post-Closure Costs	1,017,000	1,050,000		
Totals	<u>\$26,644,203</u>	<u>\$29,925,538</u>	<u>\$138,875</u>	<u>\$149,960</u>

The Town does have overlapping debt totaling \$2,805,444, which is associated with long-term obligations incurred by three (3) out of four (4) 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, 2012 and June 30, 2011. Note that Loans Payable and Bond Anticipation Notes (BANS) are not incorporated in these calculations.

<u>Various Debt Ratios</u>		
	<u>6/30/2012</u>	<u>6/30/2011</u>
Total Outstanding Long-Term Bonded Debt	\$24,346,229	\$27,518,000
Debt per Capita -		
2010 Census (15,955)	\$1,526	\$1,752
(State Average \$1,780)		
City/town average \$1,695		
Net Assessed Values	\$1,496,825,064	\$1,362,813,040
Debt to Net Assessed Values	1.63%	2.02%
Tax Rate per \$ 1,000	\$40.00	\$40.00
Split Rate (RE & MV)	\$16.15	\$15.65
Portion of Tax Rate Funding Debt		
- Percent of Tax Dollar	7.21%	6.90%
Credit Ratings -		
Fitch's Investor's Service	AA	AA
Moody's Rating Agency	Aa2	Aa2

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 A1 credit rating with Moody's Rating Agency was reaffirmed and upgraded by Fitch's Investor's Service to AA- in 2006. Fitch Investor's Service again reaffirmed the AA- rating in 2008. Moody's and Fitch recalibrated the Town's ratings in April 2010 to Aa2 and AA respectively. Fitch reaffirmed its rating when a surveillance review was conducted in October 2010 and, more recently, October 2012.

Historically the Town has utilized a significant amount of its Unassigned 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 unassigned 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 at 14.19% is slightly above its minimal goal of maintaining a sufficient unassigned fund balance. Maintenance of this minimal balance will continue to 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 2013 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 10.59 percent. This compares to the State's average unemployment rate of 11.15 percent and the national average of 8.55 percent.
- According to the Tax Assessor, the average 2013 single family home in Burrillville is valued for assessment purposes at \$232,204, the average commercial property is valued at \$547,954; and the average industrial property is valued at \$759,110.
- Although the Town does not have any immediate plans to go to market, 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 potential Town debt issues.
- The State's overall economy and the continued freeze and reductions of various State aid to the communities continue to impact the Town's budget significantly.
- Certain employment costs including health insurance continue to rise significantly requiring constant reevaluation of those programs

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

A number of factors were considered when the Town's budget for the fiscal year ending June 30, 2013 was being prepared including the following:

- The overall adopted budget was \$44,948,156, which was a slight increase of \$110,208 over the 2012 budget [\$44,837,948].
 - Capital improvements decreased by \$171,567 [6.81%].
 - The School operating budget increased from \$28,333,604 to \$28,733,604 or 1.41%. The net dollar increase is \$400,000.
 - The municipal operating and debt budgets declined by \$118,225 [0.90%].
- The General Fund's largest single revenue source is property taxes – State revenue is second. The Town's tax rate increased from \$16.15 to 16.17 per \$1,000 valuation for fiscal year ending 2013.
- Of this tax rate (\$16.17), 27.1% is utilized for General Fund activities, 57.3% is used for School Operations, 7.0% is used for debt service, and 8.6% is for capital improvements.
- Stated another way, 60.5% is allocated toward School Operations and Debt; 28.2% is allocated towards Municipal Operations and Debt; 8.6% is allocated towards Capital Improvements; and 2.7% is allocated towards Wastewater Treatment Debt.
- The 2013 Budget provides for continuation of the Town's capital improvement program, which annually includes significant infrastructure upgrades. In the past, the Town's CIP Budget did not include any reliance on the current year tax levy. CIP costs are now incorporated in the tax levy due to the expiration of the OSP/TransCanada tax treaty which has brought those property assessments into the tax roll.
- The General Fund's portion of property tax revenue for FY 2013 is estimated to be \$27.83 million. The increase in tax levy (approximately \$1.14 million) relates primarily to the addition of Ocean State Power/TransCanada to the tax roll due to the expiration of a prior PILOT agreement.
- The Town continues to pursue economic development opportunities to assist in spreading the tax burden among commercial and residential property owners.

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 ISLANDSTATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 22,580,173	\$ 2,901,891	\$ 25,482,064	\$ 352,468
Receivables:				
Taxes, net	966,351		966,351	
Sewer assessments and user fees, net		737,426	737,426	
Other	124,845	17,888	142,733	1,050
Town-held tax liens	668,840		668,840	
Due from:				
Primary government				43,125
Other governments	1,201,186	23,620	1,224,806	
Component unit	64,346		64,346	
Internal balances	167,051	(167,051)		
Prepaid expenses		4,729	4,729	181,132
Deposits				1,000
Inventory		15,482	15,482	
Total current assets	25,772,792	3,533,985	29,306,777	578,775
Noncurrent assets:				
Capital assets:				
Non-depreciable	4,627,483	382,443	5,009,926	467,808
Depreciable, net	62,732,234	23,009,822	85,742,056	11,938
Promissory note receivable				50,000
Sewer assessment fees		513,775	513,775	
Bond issuance costs, net	289,412		289,412	
Total noncurrent assets	67,649,129	23,906,040	91,555,169	529,746
TOTAL ASSETS	93,421,921	27,440,025	120,861,946	1,108,521
LIABILITIES:				
Current liabilities:				
Accounts payable	1,612,772	216,603	1,829,375	16,234
Accrued payroll	2,309,429	36,992	2,346,421	18,039
Accrued interest	235,061		235,061	
Due to:				
Primary government				64,346
Other governments	120	4,800	4,920	
Component unit	43,125		43,125	
Current portion of long-term debt	2,982,400	32,492	3,014,892	
Unearned revenue	888,155	16,740	904,895	50,931
Other liabilities	102,429	2,230	104,659	
Total current liabilities	8,173,491	309,857	8,483,348	149,550

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities:				
Long-term debt, net	23,661,803	106,383	23,768,186	
Total noncurrent liabilities	23,661,803	106,383	23,768,186	0
TOTAL LIABILITIES	31,835,294	416,240	32,251,534	149,550
NET ASSETS:				
Invested in capital assets, net of related debt	52,510,063	23,327,395	75,837,458	479,746
Restricted - nonexpendable	777,990		777,990	
Restricted for:				
General government	81,593		81,593	
Public safety	62,604		62,604	
Recreation and social services	112,334		112,334	
Education	548,246		548,246	
Community development	27,883		27,883	
Capital projects	12,465		12,465	
Unrestricted	7,453,449	3,696,390	11,149,839	479,225
TOTAL NET ASSETS	\$ 61,586,627	\$ 27,023,785	\$ 88,610,412	\$ 958,971

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 3,733,679	\$ 462,930	\$ 495,004	\$ 14,786	\$ (2,760,959)		\$ (2,760,959)	
Public safety	3,415,060	179,835	46,809	34,414	(3,154,002)		(3,154,002)	
Public works	2,668,744	10,814	60,469		(2,597,461)		(2,597,461)	
Education	32,541,038	409,517	15,999,846	1,414,723	(14,716,952)		(14,716,952)	
Recreation and social services	677,186	199,143	3,497	403,131	(71,415)		(71,415)	
Libraries	719,188		124,048	305,698	(289,442)		(289,442)	
Community development	138,389	18,598	113,903		(5,888)		(5,888)	
Interest on long-term debt	897,440				(897,440)		(897,440)	
Total governmental activities	44,790,724	1,280,837	16,843,576	2,172,752	(24,493,559)		(24,493,559)	
Business-type activities:								
Sewer Authority	1,975,858	1,899,351	15,482			\$ (61,025)	(61,025)	
School Cafeteria	881,015	439,470	441,044			(501)	(501)	
Levy Rink	426,675	381,426		30,000		(15,249)	(15,249)	
Extended Day Care	423,541	442,168				18,627	18,627	
Total business-type activities	3,707,089	3,162,415	456,526	30,000	0	(58,148)	(58,148)	
Total primary government	\$ 48,497,813	\$ 4,443,252	\$ 17,300,102	\$ 2,202,752	(24,493,559)	(58,148)	(24,551,707)	
Component Units:								
Burrillville Redevelopment Agency	\$ 126,894	\$ 35,587						\$ (91,307)
Jesse M. Smith Memorial Library	637,227	16,488	627,655					6,916
Total component units	\$ 764,121	\$ 52,075	\$ 627,655	\$ 0				(84,391)
General revenues:								
Property taxes					28,336,337		28,336,337	
Unrestricted investment earnings					35,729	4,193	39,922	694
Contributions not restricted to specific programs					51,700		51,700	
Gain on sale of capital asset					453,114		453,114	
Transfers					231,976	(231,976)		
Total general revenues and transfers					29,108,856	(227,783)	28,881,073	694
Change in net assets					4,615,297	(285,931)	4,329,366	(83,697)
Net Assets - beginning of year					56,971,330	27,309,716	84,281,046	1,042,668
Net Assets - end of year					\$ 61,586,627	\$ 27,023,785	\$ 88,610,412	\$ 958,971

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 18,329,767	\$ 871,082	\$ 3,379,324	\$ 22,580,173
Receivables:				
Taxes, net	966,351			966,351
Other	25,814	1,296	97,735	124,845
Town-held tax liens	668,840			668,840
Due from:				
Other funds	576,542	2,778,739	1,137,552	4,492,833
Component unit	64,346			64,346
Other governments	425,849		775,337	1,201,186
TOTAL ASSETS	\$ 21,057,509	\$ 3,651,117	\$ 5,389,948	\$ 30,098,574
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 559,607	\$ 895,587	\$ 157,578	\$ 1,612,772
Accrued payroll and benefits	217,460	1,934,091	157,878	2,309,429
Due to:				
Other funds	3,575,429	7,194	743,159	4,325,782
Component units	43,125			43,125
Other governments			120	120
Deferred revenues	765,420	18,944	869,211	1,653,575
Other liabilities	96,179		6,250	102,429
TOTAL LIABILITIES	5,257,220	2,855,816	1,934,196	10,047,232

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>General Fund</u>	<u>School Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES (Continued):				
FUND BALANCES:				
Nonspendable	668,840		109,150	777,990
Restricted			845,125	845,125
Committed	8,617,069	150,000	2,713,741	11,480,810
Assigned	138,082			138,082
Unassigned	6,376,298	645,301	(212,264)	6,809,335
TOTAL FUND BALANCES	<u>15,800,289</u>	<u>795,301</u>	<u>3,455,752</u>	<u>20,051,342</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 21,057,509</u>	 <u>\$ 3,651,117</u>	 <u>\$ 5,389,948</u>	 <u>\$ 30,098,574</u>

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2012**

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

Total Fund Balances (B-1)	\$ 20,051,342
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	67,359,717
Long-term liabilities (including bond premium) are not due and payable in the current period and therefore are not reported in the funds.	(26,644,203)
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.	765,420
Accrued interest payable is recorded in governmental activities, but is not recorded in the funds.	(235,061)
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.	<u>289,412</u>
Total Net Assets (A-1)	<u><u>\$ 61,586,627</u></u>

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>School Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
General property taxes	\$ 27,781,892			\$ 27,781,892
Intergovernmental	2,679,244	\$ 13,379,752	\$ 2,637,283	18,696,279
Licenses, permits and fees	413,651			413,651
Investment income	29,007		6,722	35,729
Departmental	151,826			151,826
Other	74,744		332,171	406,915
Intergovernmental - pension contribution		1,111,533		1,111,533
TOTAL REVENUES	<u>31,130,364</u>	<u>14,491,285</u>	<u>2,976,176</u>	<u>48,597,825</u>
EXPENDITURES:				
Current:				
General government	2,709,009		48,011	2,757,020
Public safety	2,374,196		82,979	2,457,175
Public works	1,154,523		53,278	1,207,801
Education	93,926	28,171,445	1,854,164	30,119,535
Recreation and social services	216,610		146,267	362,877
Libraries	591,156		127,686	718,842
Community development			138,389	138,389
Employee benefits and other	1,880,728			1,880,728
Intergovernmental - pension contribution		1,111,533		1,111,533
Debt Service:				
Principal	3,171,771			3,171,771
Interest and other costs	907,226			907,226
Capital:				
Capital outlay	2,156,128	195,541	929,743	3,281,412
TOTAL EXPENDITURES	<u>15,255,273</u>	<u>29,478,519</u>	<u>3,380,517</u>	<u>48,114,309</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>15,875,091</u>	<u>(14,987,234)</u>	<u>(404,341)</u>	<u>483,516</u>

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>School Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital asset	913,124			913,124
Transfers in	435,598	14,953,853	370,419	15,759,870
Transfers out	(15,324,272)	(44,000)	(159,622)	(15,527,894)
NET OTHER FINANCING SOURCES (USES)	<u>(13,975,550)</u>	<u>14,909,853</u>	<u>210,797</u>	<u>1,145,100</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,899,541	(77,381)	(193,544)	1,628,616
FUND BALANCE AT BEGINNING OF YEAR	<u>13,900,748</u>	<u>872,682</u>	<u>3,649,296</u>	<u>18,422,726</u>
FUND BALANCE AT END OF YEAR	<u>\$ 15,800,289</u>	<u>\$ 795,301</u>	<u>\$ 3,455,752</u>	<u>\$ 20,051,342</u>

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

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, 2012**

Net Change in Fund Balances - Total Governmental Funds (B-2):	\$ 1,628,616
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 depreciation exceeded capital outlays in the current period.	90,431
Governmental funds do not recognize gains or losses on the sale or disposal of capital assets. The statement of activities includes gains on the disposal of fixed assets during 2012. This is the difference between the proceeds from sale of capital asset (\$913,124) on the governmental funds and the gain on sale of capital asset (\$453,114) on the statement of activities.	(460,010)
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.	3,178,038
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.	71,406
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.	103,297
Adjustment to accrued interest payable related to general obligation bonds which is required to be recorded for government-wide financial statement presentation.	31,343
Bond issuance costs are reported as expenditures in the Governmental Funds financial statements. However, on the Government-Wide financial statements the bond issuance costs are amortized over the term of the bonds.	(27,824)
Change in Net Assets of Governmental Activities (A-2)	\$ 4,615,297

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 2,524,718	\$ 136,016	\$ 241,157	\$ 2,901,891
Receivables:				
Accounts, net	6,500	4,675	6,713	17,888
Sewer assessments and user fees, net	737,426			737,426
Due from:				
Other funds			14,900	14,900
Other governments		23,620		23,620
Prepaid expenses	2,317		2,412	4,729
Inventory	4,565	10,917		15,482
Total current assets	3,275,526	175,228	265,182	3,715,936
Noncurrent assets:				
Sewer assessment fees	513,775			513,775
Net capital assets	23,094,248	29,577	268,440	23,392,265
Total noncurrent assets	23,608,023	29,577	268,440	23,906,040
TOTAL ASSETS	26,883,549	204,805	533,622	27,621,976
LIABILITIES:				
Current liabilities:				
Accounts payable	48,478	148,057	20,068	216,603
Accrued payroll	20,632		16,360	36,992
Due to other funds		54,518	127,433	181,951
Due to other governments	4,800			4,800
Other liabilities	2,230			2,230
Deferred revenue		10,651	6,089	16,740
Capital leases payable			20,512	20,512
Accrued compensated absences	9,700	400	1,880	11,980
Total current liabilities	85,840	213,626	192,342	491,808
Noncurrent liabilities:				
Capital leases payable, net			44,358	44,358
Accrued compensated absences	38,549	3,563	16,908	59,020
Net other post employment benefit obligation	3,005			3,005
Total noncurrent liabilities	41,554	3,563	61,266	106,383
TOTAL LIABILITIES	127,394	217,189	253,608	598,191
NET ASSETS:				
Invested in capital assets, net of related debt	23,094,248	29,577	203,570	23,327,395
Unrestricted	3,661,907	(41,961)	76,444	3,696,390
TOTAL NET ASSETS	\$ 26,756,155	\$ (12,384)	\$ 280,014	\$ 27,023,785

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, 2012**

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
OPERATING REVENUES:				
Charges for usage and service	\$ 1,850,789	\$ 439,470	\$ 823,594	\$ 3,113,853
Miscellaneous	48,562			48,562
Total operating revenues	<u>1,899,351</u>	<u>439,470</u>	<u>823,594</u>	<u>3,162,415</u>
OPERATING EXPENSES:				
Operations	645,480	769,115	276,410	1,691,005
Personnel	755,703	103,786	539,428	1,398,917
Depreciation	574,675	8,114	29,756	612,545
Total operating expenses	<u>1,975,858</u>	<u>881,015</u>	<u>845,594</u>	<u>3,702,467</u>
OPERATING LOSS	<u>(76,507)</u>	<u>(441,545)</u>	<u>(22,000)</u>	<u>(540,052)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	3,516		677	4,193
Intergovernmental	15,482	441,044	30,000	486,526
Interest expense			(4,622)	(4,622)
Total nonoperating revenues	<u>18,998</u>	<u>441,044</u>	<u>26,055</u>	<u>486,097</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(57,509)</u>	<u>(501)</u>	<u>4,055</u>	<u>(53,955)</u>
TRANSFERS IN (OUT)	<u>(242,654)</u>	<u>0</u>	<u>10,678</u>	<u>(231,976)</u>
CHANGE IN NET ASSETS	<u>(300,163)</u>	<u>(501)</u>	<u>14,733</u>	<u>(285,931)</u>
TOTAL NET ASSETS - BEGINNING	<u>27,056,318</u>	<u>(11,883)</u>	<u>265,281</u>	<u>27,309,716</u>
TOTAL NET ASSETS - ENDING	<u>\$ 26,756,155</u>	<u>\$ (12,384)</u>	<u>\$ 280,014</u>	<u>\$ 27,023,785</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012**

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,880,624	\$ 443,097	\$ 819,252	\$ 3,142,973
Cash received from providing services	42,062			42,062
Cash paid to suppliers	(676,277)	(783,700)	(275,075)	(1,735,052)
Cash paid to employees	(753,653)	(99,823)	(533,407)	(1,386,883)
Net cash provided by (used for) operating activities	492,756	(440,426)	10,770	63,100
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Nonoperating grants received	15,482	456,987		472,469
Transfer from (to) other funds	(242,654)		10,678	(231,976)
Increase in due from other funds		(10,296)	(14,900)	(25,196)
Increase in due to other governments	200			200
Increase (decrease) in due to other funds		(441,032)	13,204	(427,828)
Net cash provided by (used for) noncapital financing activities	(226,972)	5,659	8,982	(212,331)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Nonoperating grants received			30,000	30,000
Acquisition of capital assets	(80,535)		(48,150)	(128,685)
Principal payment on capital lease payable			(19,543)	(19,543)
Interest expense			(4,622)	(4,622)
Net cash used for capital and related financing activities	(80,535)	0	(42,315)	(122,850)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	3,516		677	4,193
Net cash provided by investing activities	3,516	0	677	4,193
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	188,765	(434,767)	(21,886)	(267,888)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,335,953	570,783	263,043	3,169,779
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,524,718	\$ 136,016	\$ 241,157	\$ 2,901,891
Reconciliation of operating loss to net cash provided by (used for) operating activities:				
Operating loss	\$ (76,507)	\$ (441,545)	\$ (22,000)	\$ (540,052)
Adjustments to reconcile:				
Depreciation	574,675	8,114	29,756	612,545
Increase in allowance for doubtful accounts			1,146	1,146
Decrease in accounts receivable	23,335	2,271	(2,234)	23,372
(Increase) decrease in prepaid expenses	(171)		809	638
Decrease in inventory		2,709		2,709
Increase (decrease) in accounts payable	(32,856)	(17,294)	526	(49,624)
Increase in accrued payroll	2,745		831	3,576
Increase in other liabilities	2,230			2,230
Increase (decrease) in deferred revenue		1,356	(3,254)	(1,898)
Increase (decrease) in accrued compensated absences	(1,327)	3,963	5,190	7,826
Increase in net other post employment benefit obligation	632			632
Net cash provided by (used for) operating activities	\$ 492,756	\$ (440,426)	\$ 10,770	\$ 63,100

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Agency Funds
	Pupil Activity Funds
ASSETS:	
Cash and cash equivalents	\$ 158,768
Investments	2,519
TOTAL ASSETS	<u>\$ 161,287</u>
LIABILITIES:	
Deposits held in custody for others	<u>\$ 161,287</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2012**

	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 239,042	\$ 113,426	\$ 352,468
Receivables:			
Other	1,050		1,050
Due from:			
Primary government		43,125	43,125
Prepaid expenses	181,132		181,132
Deposits	1,000		1,000
Total current assets	<u>422,224</u>	<u>156,551</u>	<u>578,775</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable	467,808		467,808
Depreciable, net		11,938	11,938
Promissory note receivable	50,000		50,000
Total noncurrent assets	<u>517,808</u>	<u>11,938</u>	<u>529,746</u>
TOTAL ASSETS	<u>940,032</u>	<u>168,489</u>	<u>1,108,521</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	10,260	5,974	16,234
Accrued payroll	1,857	16,182	18,039
Due to:			
Primary government	64,346		64,346
Unearned revenue	50,000	931	50,931
Total current liabilities	<u>126,463</u>	<u>23,087</u>	<u>149,550</u>
TOTAL LIABILITIES	<u>126,463</u>	<u>23,087</u>	<u>149,550</u>
NET ASSETS:			
Invested in capital assets, net of related debt	467,808	11,938	479,746
Unrestricted	345,761	133,464	479,225
TOTAL NET ASSETS	<u>\$ 813,569</u>	<u>\$ 145,402</u>	<u>\$ 958,971</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED JUNE 30, 2012**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	
Burrillville Redevelopment Agency							
Economic Development	\$ 126,894	\$ 35,587	\$ 0	\$ 0	\$ (91,307)		\$ (91,307)
Total Burrillville Redevelopment Agency	126,894	35,587	0	0	(91,307)		(91,307)
Jesse M. Smith Memorial Library							
Operations	637,227	16,488	627,655	0	0	\$ 6,916	6,916
Total Jesse M. Smith Memorial Library	637,227	16,488	627,655	0	0	6,916	6,916
Total component units	\$ 764,121	\$ 52,075	\$ 627,655	\$ 0	(91,307)	6,916	(84,391)
General revenues:							
Unrestricted investment earnings					577	117	694
Total general revenues					577	117	694
Change in net assets					(90,730)	7,033	(83,697)
Net Assets - beginning of year					904,299	138,369	1,042,668
Net Assets - end of year					\$ 813,569	\$ 145,402	\$ 958,971

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

Reporting Entity

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 Manager is appointed by the Council and serves as the chief executive officer over all municipal services.

A seven-member School committee, all elected at large, is vested with legislative authority over the public school system. The Superintendent of Schools, appointed by the School Committee, is the chief executive officer for the school system. The school system provides elementary and primary education to Town residents.

The accompanying financial statements present the government and its component units. In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units." A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Through the application of GASB Statement No. 39 and No. 14 criteria, the Burrillville Redevelopment Agency and the Jesse M. Smith Memorial Library have been presented as component units of the Town, hereafter referred to as "component units", in the accompanying financial statements.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

Burrillville Redevelopment Agency (BRA) - The Burrillville Redevelopment Agency was created and organized as a legally separate public body under Rhode Island general law. The Agency was created to encourage, direct, and regulate new development and redevelopment within Town Districts and to acquire and redevelop those areas, which the Agency determined cannot be redeveloped otherwise in order to carryout RIGL 1956 Chapter 45-31 to 45-33. The Agency is governed by seven members (five voting and two alternates) who are appointed by the Town Council. Officers are elected from among these members. Furthermore, the Town exerts significant control over its functions since the Agency is empowered to act in areas only after appropriate designation by the Town Council. Separate financial statements for the Agency are not issued.

Jesse M. Smith Memorial Library - Established under the Levy Trust in 1933, the Jesse M. Smith Memorial Library (the "Library") provides free educational and reference resources to residents of the Town as well as other patrons. The Library is governed by a Board of Trustees, which must be composed of five members that are appointed by the Town Council. Operations of the Library are primarily financed through an appropriation from the Town's General Fund and the Town Council must approve any issuance of debt. The Library's capital assets belong to the Town. Separate financial statements for the Library are not issued.

Recently Issued Accounting Standards

The Town did not implement any pronouncements for the year ended June 30, 2012.

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

- GASB Statement No. 60 - Accounting and Financial Reporting for Service Concession Arrangements, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 61 - The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 62 - Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position effective for the Town's fiscal year ending June 30, 2013.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards (Continued)

- GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities, effective for the Town's fiscal year ending June 30, 2014.
- GASB Statement No. 66 - Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62, effective for the Town's fiscal year ending June 30, 2014.
- GASB Statement No. 67 - Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25, effective for the Town's fiscal year ending June 30, 2014.
- GASB Statement No. 68 - Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, effective for the Town's fiscal year ending June 30, 2015.

Management is in the process of determining the impact of these pronouncements on the Town's financial statements.

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.

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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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.

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Department – This fund accounts for the operation and maintenance of the Burrillville Public Schools. Its primary revenue sources are the appropriation from the Town of Burrillville, operating aid from the State of Rhode Island, and Medicaid reimbursements.
Proprietary:	Sewer Authority – This fund is used to account for the activities of the Sewer Commission. School Cafeteria Fund – This fund accounts for the School Department's food service operation.
<i>Non-Major:</i>	
Special Revenue:	School Restricted Grants, Domestic Violence Training, Community Recreation, Town Clerk – Technology, Historical Records, Solemn Federal Task Force, Animal Shelter Donation Account, Library Grant, Community Emergency Response Training, Cops Technology Grant, Spring Lake, Community Development Block Grant, Automatic External Defibrillator, FEMA Grant, Active Shooter Grant, Cops That Care, Ocean State Power Funds, Narcotics Guidance Council, Police Grant – Operation Riptide, Police Task Force, Police Legislative Grant and Byrne Grant.
Capital Projects:	Whipple Landfill Capping, Rail Trail Harrisville/Pascoag, Callahan Renovation Project, Route 102 Commerce Park, Major Capital, Pavilion Farmer's Market and Open Space/Land Acquisition.
Permanent:	Cemetery Fund, Frank H. Potter Bridgeway Fund, Alice McGreevy Thompson Fund, and Jesse M. Smith Memorial Library Fund.
Proprietary:	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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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, franchise taxes, licenses, and interest 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.

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 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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$260,500 for property taxes. Major receivable balances for the governmental activities include property taxes (41% of balance) and intergovernmental grants and aid (51% 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.

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 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 nonspendable 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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment (Continued)

Government-Wide Statements

In the government-wide financial statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at 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.

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.....	25 - 60 years
Equipment.....	5 - 25 years
Vehicles	3 - 20 years
Leasehold improvements.....	5 - 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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Compensated Absences (Continued)

At June 30, 2012, 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	\$ 82,352		\$ 82,352
Administrative Departments	38,389		38,389
Public Works Department	28,980		28,980
Recreation Department	3,704		3,704
School Department	41,518	\$918,306	959,824
TOTAL	<u>\$194,943</u>	<u>\$918,306</u>	<u>\$1,113,249</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.

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. During the year ended June 30, 2012, the interfund transfers were primarily to transfer the remaining fund balance of a completed capital project fund to the General Fund, and to reimburse the General Fund for wages and expenses paid by the General Fund for Special Revenue funds.

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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Encumbrances do not constitute expenditures or liabilities under generally accepted accounting principles. The only outstanding encumbrances at June 30, 2012 were for the Burrillville School Department and amounted to \$133,282 at June 30, 2012.

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 Statements

Governmental fund equity is classified as fund balance. Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not expected to be converted to cash, or legally or contractually required to be maintained intact.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Statements (Continued)

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by majority vote of the Town Council. Those committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action it employed to previously commit those accounts.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by majority vote of the Town Council.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Town's charter requires a minimum unassigned fund balance of 5% of the subsequent year's budget. Management, along with Town Council support, has recommend a 12% minimum fund balance since 1988.

The Town applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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 \$90,431 difference are as follows:

Capital outlay	\$ 2,918,427
Depreciation expense	<u>(2,827,996)</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>\$ 90,431</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

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 \$3,178,038 difference are as follows:

Principal repayments – general obligation debt.....	\$3,171,771
Amortization of bond premium.....	28,215
Amortization of deferred charge on refunding	<u>(21,948)</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>\$3,178,038</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 \$71,406 difference are as follows:

Deferred revenue – beginning	\$ (694,014)
Deferred revenue – ending	<u>765,420</u>
Net adjustment to increase <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>\$ 71,406</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 \$103,297 difference are as follows:

Decrease in liability for compensated absences.....	\$ 66,534
Decrease in liability for landfill closure	33,000
Decrease in liability for net OPEB obligation.....	<u>3,763</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>\$103,297</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 \$31,343 difference are as follows:

Accrued Interest – beginning	\$ 266,404
Accrued Interest – ending	<u>(235,061)</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>governmental activities</i>	<u>\$ 31,343</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

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 Department 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 seven supplemental budgetary revisions made during the year totaling \$3,757,877. The increase was due primarily to capital improvement budget appropriations of \$2,003,099 and one-time transfers to other funds totaling \$1,754,778 due to excess fund balance policy.

(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 2012 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 2012.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

2. BUDGETARY PROCESS (Continued)

(b) Reconciliation - Budgetary to GAAP (Continued)

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) (F-2)	\$49,555,651	\$ 44,927,137
Less: Transfer from Fund Balance to revenue for current year	(3,757,877)	
Less: School Department revenues included in General Fund Budget	(13,379,752)	
Less: School Department expenditures included in General Fund		(13,379,752)
Activity of funds classified with the General Fund for the purposes of GASB Statement No. 54	61,064	(967,840)
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance (B-2)	<u>\$32,479,086</u>	<u>\$30,579,545</u>

A reconciliation of the School Department's General Fund revenues, expenditures and other financing sources (uses) as reported on schedules B-2 and F-3 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 (F-3)	\$28,539,605	\$28,473,339
Less: Transfer from Fund Balance to revenue for current year	(206,000)	
Less: Current year encumbrances		(133,282)
Add: Prior year encumbrances		70,929
Adjustment for pension contribution made by State of Rhode Island on behalf of employees	1,111,533	1,111,533
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances – Governmental Funds (B-2)	<u>\$29,445,138</u>	<u>\$29,522,519</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

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's deposits are subject to certain State restrictions. Under Rhode Island general laws, depository institutions must insure deposits of the Town or pledge eligible collateral equal to 100% of deposits maturing in greater than 60 days. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of maturities.

The Town maintains deposits at local financial institutions. At year end, the carrying amount of such deposits was \$23,966,850 while the bank balance was \$24,310,480, of which \$8,965,579 was covered by federal depository insurance and \$15,344,901 was uninsured and collateralized by securities held by the pledging financial institution's trust department in the Town's name. The Town also had nonnegotiable certificates of deposit totaling \$2,009,603 which were FDIC insured under the Certificate of Deposit Account Registry Service (CDARS) at June 30, 2012.

The following is a reconciliation of the Town's cash and cash equivalents as of June 30, 2012:

	<u>Primary Government</u>	<u>Component Units</u>
Total deposits	\$23,614,382	\$352,468
Add: petty cash and cash on hand	16,826	0
Add: certificates of deposit	2,009,603	0
Add: investments classified as cash equivalents	21	0
Less: fiduciary funds cash (not included in the government-wide financial statements)	(158,768)	0
Total cash and cash equivalents reported in the financial statements (A-1)	<u>\$25,482,064</u>	<u>\$352,468</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 - The Town does not have a formal custodial credit risk policy. 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, 2012, the Town had \$21 of uncollateralized institutional money market funds which invest in U.S. government obligations.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

3. DEPOSITS AND INVESTMENTS (Continued)

(b) Investments (Continued)

Concentration of Credit Risk - At June 30, 2012, the Town had substantially all of its investments concentrated in federally insured certificates of deposit. At June 30, 2012, the Town did not have any investments in common stock or other equity investments.

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, 2012, the Town had the following cash and investments:

<u>Description</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Rating</u>
Institutional Money Market Funds-				
U.S. Treasury	\$ 21	Varies (1)	Daily	Aaa-mf/AAAm
Certificate of deposit	<u>2,519</u>	0.10%	5/29/13	not rated
Total investments	2,540			
Deposits	23,966,850			
Certificate of deposit	1,004,585	0.25%	7/05/12	not rated
Certificate of deposit	1,005,018	0.25%	7/12/12	not rated
Petty cash and cash on hand	<u>16,826</u>			
Total cash and investments	<u>\$25,995,819</u>			

(1) Annualized 30 day yield of 0% for June 2012.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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.....	\$ 2,540
Less: investments classified as cash equivalents.....	(21)
Less: fiduciary funds investments (not included in the government-wide statement)	(2,519)
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, 2010. 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 2012 were based on an assessed value of approximately \$1,496,825,064 at December 31, 2010 and amounted to \$26,687,010. Collections on the 2012 tax levy through June 30, 2012 amounted to \$26,069,800, which represents 97.69% 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, 2012 (\$1,226,851) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$260,500. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2012 are recorded as deferred revenue and amounted to \$765,420 at June 30, 2012. Property taxes recognized as revenue for the fiscal year ended June 30, 2012 (due to their collection within the 60 days immediately following June 30, 2012) amounted to \$200,931.

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 \$351,572. 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, 2012

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	\$ 119,496	
Non-major funds	244,663	\$ 120
Total	364,159	120
Federal government:		
Major funds:		
General Fund	306,353	
Non-major funds	530,674	
Total	837,027	0
Total governmental activities	<u>\$1,201,186</u>	<u>\$120</u>
Business-type activities:		
State of Rhode Island:		
Major fund:		
Sewer Commission	\$ 0	\$4,800
Federal government:		
School Cafeteria Fund	23,620	
Total	23,620	0
Total business-type activities	<u>\$ 23,620</u>	<u>\$4,800</u>

6. INTERFUND BALANCES

Individual fund and discretely presented component unit receivable and payable balances at June 30, 2012, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental activities:		
Major funds:		
General Fund	\$ 576,542	\$3,575,429
School Department General Fund	2,778,739	7,194
Non-major funds	1,137,552	743,159
Total governmental activities	<u>4,492,833</u>	<u>4,325,782</u>
Business-type activities:		
Major funds:		
School Cafeteria Fund		54,518
Non-major funds	14,900	127,433
Total business type activities	<u>14,900</u>	<u>181,951</u>
Balances at June 30, 2012	<u>\$4,507,733</u>	<u>\$4,507,733</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

6. INTERFUND BALANCES (Continued)

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Discretely Presented Component Unit Balances:		
Primary government:		
General fund	\$ 64,346	\$ 43,125
Discretely presented component units:		
Burrillville Redevelopment Agency		64,346
Jesse M. Smith Memorial Library	43,125	
Balances at June 30, 2012	<u>\$107,471</u>	<u>\$107,471</u>

As of June 30, 2008, there was a \$150,000 receivable/payable which resulted from the transfer of land from the Town to the Redevelopment Agency. This amount is payable over a five year period (\$30,000 annually). The balance of this receivable/payable at June 30, 2012 was \$30,000.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,275,169	\$ 51,700	\$(460,010)	\$ 2,866,859
Construction in progress	331,781	1,633,841	(204,998)	1,760,624
Total capital assets not being depreciated	3,606,950	1,685,541	(665,008)	4,627,483
Other capital assets:				
Buildings and improvements	70,719,644	78,637		70,798,281
Equipment	1,686,134	132,994		1,819,128
Vehicles	3,631,730	134,545		3,766,275
Infrastructure	16,025,674	1,091,708		17,117,382
Total other capital assets	92,063,182	1,437,884	0	93,501,066
Less: accumulated depreciation for:				
Buildings and improvements	(19,379,509)	(1,520,488)		(20,899,997)
Equipment	(806,272)	(176,794)		(983,066)
Vehicles	(2,003,662)	(225,873)		(2,229,535)
Infrastructure	(5,751,393)	(904,841)		(6,656,234)
Total accumulated depreciation	(27,940,836)	(2,827,996)	0	(30,768,832)
Other capital assets, net	64,122,346	(1,390,112)	0	62,732,234
Governmental activities capital assets, net	\$ 67,729,296	\$ 295,429	\$(665,008)	\$ 67,359,717

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

7. CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 382,443			\$ 382,443
Total capital assets not being depreciated....	382,443	\$ 0	\$0	382,443
Other capital assets:				
Leasehold improvements	34,398			34,398
Collection systems	34,512,396	2,225		34,514,621
Plant and buildings	7,973,885			7,973,885
Plant equipment	266,428	25,000		291,428
Motor vehicles	135,261			135,261
Furniture and equipment	610,428	48,150		658,578
Total other capital assets	43,532,796	75,375	0	43,608,171
Less: accumulated depreciation for:				
Leasehold improvements	(23,583)	(2,268)		(25,851)
Collection systems	(12,329,193)	(508,538)		(12,837,731)
Plant and buildings	(7,041,991)	(44,816)		(7,086,807)
Plant equipment	(144,528)	(16,791)		(161,319)
Motor vehicles	(113,004)	(4,527)		(117,531)
Furniture and equipment	(333,505)	(35,605)		(369,110)
Total accumulated depreciation	(19,985,804)	(612,545)	0	(20,598,349)
Other capital assets, net.....	23,546,992	(537,170)	0	23,009,822
Business-type activities capital assets, net	\$23,929,435	\$ (537,170)	\$0	\$ 23,392,265

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

Governmental activities:	
General government	\$ 232,836
Public safety	174,764
Education	1,083,416
Recreation and social services	261,465
Public works	1,075,515
Total governmental activities depreciation expense.....	\$2,827,996
Business-type activities:	
Sewer Authority	\$ 574,675
School Cafeteria Fund.....	8,114
Non-major enterprise funds.....	29,756
Total business-type activities depreciation expense	\$ 612,545

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

7. CAPITAL ASSETS (Continued)

Discretely Presented Component Units:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Burrillville Redevelopment Agency:				
Capital assets not being depreciated:				
Land	\$467,808			\$467,808
Capital assets, net	\$467,808	\$ 0	\$0	\$467,808
Jesse M. Smith Memorial Library:				
Other capital assets:				
Furniture and equipment.....	\$ 19,009	\$ 4,341		\$ 23,350
Less: accumulated depreciation for:				
Furniture and equipment.....	(7,643)	(3,769)		(11,412)
Other capital assets, net	\$ 11,366	\$ 572	\$0	\$ 11,938

8. LONG-TERM LIABILITIES

(a) Change in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long-term debt:					
General obligation debt.....	\$27,518,000		\$(3,171,771)	\$24,346,229	\$2,792,000
Plus: bond premium, net of amortization	257,286		(28,215)	229,071	
Less: amount deferred on refunding	(121,594)		21,948	(99,646)	
Total long-term debt	27,653,692	\$ 0	(3,178,038)	24,475,654	2,792,000
Other long-term liabilities:					
Compensated absences	1,179,783	357,682	(424,216)	1,113,249	147,400
Landfill closure and post-closure costs	1,050,000		(33,000)	1,017,000	43,000
Net OPEB obligation	42,063		(3,763)	38,300	
Total other long-term liabilities	2,271,846	357,682	(460,979)	2,168,549	190,400
Governmental activities long-term liabilities	\$29,925,538	\$357,682	\$(3,639,017)	\$26,644,203	\$2,982,400

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

8. LONG-TERM LIABILITIES (Continued)

(a) Change in Long-Term Liabilities (Continued):

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities:					
Long-term debt:					
Leases payable.....	\$ 84,413	\$ 0	\$(19,543)	\$ 64,870	\$20,512
Other long-term liabilities:					
Compensated absences	63,174	54,519	(46,693)	71,000	11,980
Net OPEB obligation.....	2,373	632		3,005	
Total other long-term liabilities.....	65,547	55,151	(46,693)	74,005	11,980
Total business-type activities.....	\$149,960	\$55,151	\$(66,236)	\$138,875	\$32,492

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, 2012**

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding

At June 30, 2012, 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, 2011</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding June 30, 2012</u>
School bonds:	12/1/99	\$5,500,000	11/1/14	4.35% - 6.5%	\$ 1,460,000		\$ 365,000	\$ 1,095,000
	8/15/00	8,000,000	8/15/15	4.5% - 5.25%	2,500,000		500,000	2,000,000
	6/15/06	7,500,000	5/15/26	4.0% - 5.0%	5,625,000		375,000	5,250,000
	Subtotal				9,585,000	\$0	1,240,000	8,345,000
Sewer bonds:	3/6/92	2,900,000	9/1/13	6.327%	435,000		145,000	290,000
	11/13/03	5,600,000	9/1/24	1.410%	4,503,000		283,000	4,220,000
	11/1/06	400,000	11/1/26	4.0% - 5.0%	320,000		20,000	300,000
	12/21/06	3,500,000	9/1/27	1.165% - 1.315%	2,975,000		175,000	2,800,000
	Subtotal				8,233,000	0	623,000	7,610,000
Refunding bonds:	10/1/02	9,145,000	7/15/17	2.5% - 5.0%	2,020,000		295,000	1,725,000
	11/1/06	2,090,000	5/1/15	4.0%	910,000		235,000	675,000
	Subtotal				2,930,000	0	530,000	2,400,000
Library bonds:	11/1/06	5,000,000	11/1/26	4.0% - 5.0%	4,000,000	0	250,000	3,750,000
Landfill bonds:	6/24/10	2,160,000	9/1/25	0.27% - 2.79%	2,160,000	0	144,000	2,016,000
					Subtotal general obligation bonds	0	2,787,000	24,121,000
Note payable:	5/20/09	610,000	5/20/19	None	610,000	0	384,771	225,229
					Total general obligation debt	\$0	\$3,171,771	\$24,346,229

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding (Continued)

During the fiscal year ended June 30, 2012, the Town retired \$3,171,771 in principal on its existing outstanding bonds and loans.

During the fiscal year ended June 30, 2012 the Town incurred the following interest expense:

Library bonds	\$171,518
Sewer bonds	146,919
School bonds	438,064
Refunding bonds	102,460
Landfill bonds	<u>46,726</u>
Total	<u>\$905,687</u>

The Town has issued four bonds under the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. The four bonds issued consisted of a 1995, \$4,500,000 School bond issue; \$1,000,000 of the 2000 \$8,000,000 School bond issue; a 2006 \$3,500,000 Wastewater bond issue, and a 2010 \$2,160,000 Landfill bond issue. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

(c) Note Payable

On May 20, 2009, the Town entered into a \$610,000 promissory note with the Industrial Foundation of Burrillville (a Rhode Island nonprofit corporation) related to the purchase of real estate for future Town development. The note is interest-free and matures no later than May 20, 2019. Notwithstanding the May 20, 2019 maturity date, the note requires all proceeds from the sale of certain Town owned lots in Commerce Park to be applied immediately against the outstanding loan principal. Any remaining balance is due on May 20, 2019. Due to the sale of Town property, a principal payment of \$384,771 was made during the fiscal year ended June 30, 2012. The loan may be prepaid at any time without penalty.

(d) Capital Leases

The Levy Rink has a lease agreement for financing the acquisition of an ice resurfacing machine.

The asset acquired through the capital lease is as follows:

Business-type Activities

	<u>Levy Rink</u>
Assets:	
Equipment	\$112,850
Less: accumulated depreciation	<u>(21,630)</u>
Total	<u>\$ 91,220</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

8. LONG-TERM LIABILITIES (Continued)

(d) Capital Leases (Continued)

The following schedule summarizes the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2012:

<u>Fiscal year ending June 30:</u>	<u>Business-type Activities</u>
2013.....	\$ 24,069
2014.....	24,069
2015.....	24,069
Total minimum lease payments	72,207
Less: amount representing interest	(7,337)
Present value of future minimum lease payments	<u>\$ 64,870</u>

(e) Debt Service Requirements

At June 30, 2012, 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>
2013.....	\$2,792,000	\$856,120	\$3,648,120
2014.....	2,768,000	750,139	3,518,139
2015.....	2,618,000	642,639	3,260,639
2016.....	2,029,000	553,635	2,582,635
2017.....	1,590,000	488,663	2,078,663
2018.....	1,586,000	398,931	1,984,931
2019.....	1,512,229	350,389	1,862,618
2020.....	1,294,000	326,056	1,620,056
2021.....	1,301,000	263,637	1,564,637
2022.....	1,308,000	219,358	1,527,358
2023.....	1,315,000	174,639	1,489,639
2024.....	1,323,000	129,437	1,452,437
2025.....	1,326,000	85,717	1,411,717
2026.....	964,000	45,756	1,009,756
2027.....	445,000	12,014	457,014
2028.....	175,000	3,176	178,176
Total	<u>\$24,346,229</u>	<u>\$5,300,306</u>	<u>\$29,646,535</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

9. FUND EQUITY

(a) Fund Balance Constraints

The constraints on fund balance as reported in aggregate in the Governmental Funds Balance Sheet are detailed below according to fund balance classification.

	<u>General Fund</u>	<u>School Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>				
Perpetual care.....			\$ 83,150	\$ 83,150
Endowments.....			26,000	26,000
Tax sale property.....	\$ 668,840			668,840
<i>Restricted for:</i>				
General government.....			81,593	81,593
Public safety.....			62,604	62,604
Recreation and social services.....			112,334	112,334
Education.....			548,246	548,246
Community development.....			27,883	27,883
Capital projects.....			12,465	12,465
<i>Committed to:</i>				
General government.....	129,768			129,768
Public safety.....	64,000			64,000
Recreation and social services.....			254,281	254,281
Education.....	50,000			50,000
Debt service.....	3,257,022			3,257,022
Capital projects.....			2,459,460	2,459,460
Unfunded liability and incentive pay.....	222,317			222,317
Employee benefits.....	1,556,444			1,556,444
Subsequent year's budget.....	3,337,518	\$150,000		3,487,518
<i>Assigned for:</i>				
Education.....	138,082			138,082
<i>Unassigned</i>	<u>6,376,298</u>	<u>645,301</u>	<u>(212,264)</u>	<u>6,809,335</u>
<i>Total Fund Balances</i>	<u>\$15,800,289</u>	<u>\$795,301</u>	<u>\$3,455,752</u>	<u>\$20,051,342</u>

(b) Fund Deficits

The following funds had deficit fund equity balances at June 30, 2012:

Library Grant.....	\$ 3
Rail Trail Harrisville/Pascoag.....	194,437
Pavilion - Farmer's Market.....	17,824
School Cafeteria Fund.....	12,384

It is the intention of the Town to cover the above deficits through General Fund contributions.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

9. FUND EQUITY (Continued)

(b) Fund Deficits (Continued)

The following individual funds had deficits for the year ended June 30, 2012:

Major governmental activities:

School Department \$77,381

Non-major governmental activities:

Special Revenue Funds:

Town Clerk - Technology 4,280
Animal Shelter Donation Account 1,467
Community Development Block Grant 4,435
Ocean State Power Funds 31,468
Narcotics Guidance Council 3,620
Police Task Force 5,079
Police Legislative Grant 1,010

Capital Project Funds:

Whipple Landfill Capping 116,300
Rail Trail Harrisville/Pascoag 71,256
Pavilion - Farmer's Market 17,824

Permanent Funds:

Cemetery Fund 66

Major business-type activities:

Sewer Authority 300,163
School Cafeteria Fund 501

Non-major business-type-activities:

Extended Day Care 14,018

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 schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. 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, 50 Service Avenue, Warwick, RI 02886.

The payroll for employees covered by the System for the year ended June 30, 2012 was approximately \$5,649,009 and the Town wide payroll (municipal, police, and school) was approximately \$22,145,601.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

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 4.98% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by State Statute.

SCHEDULE OF CONTRIBUTIONS FROM THE TOWN

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2010	\$245,784	100%	\$0
2011	\$174,650	100%	\$0
2012	\$281,321	100%	\$0

Annual Pension Cost

For 2012, the Town's annual pension cost of \$281,321 for MERS was equal to the Town's required and actual contributions. The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included mortality rates based on the RP-2000 Combined tables and the age of 65 or completion of service requirements. 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 five year period.

(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, 2012 was approximately \$1,146,086 and the Town wide payroll (municipal, police, and school) was approximately \$22,145,601.

Funding Policy

Covered police employees were required to contribute 10.2% 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 10.79% of annual covered salaries for the year ended June 30, 2012. The contribution requirements of plan members and the Town are established and may be amended by State Statute.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Municipal Police Pension Plan (Continued)

Funding Policy (Continued)

SCHEDULE OF CONTRIBUTIONS FROM THE TOWN

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2010	\$151,315	100%	\$0
2011	\$131,162	100%	\$0
2012	\$123,663	100%	\$0

Annual Pension Cost

For 2012, the Town's annual pension cost of \$123,663 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, 2009 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included mortality rates based on the RP-2000 Combined tables, and the later of a retirement age of 60, or completion of service requirements. 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 five-year period.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 2011 Annual Financial Report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 50 Service Avenue, Warwick, Rhode Island 02886. This report is the most recent report available from the State, who administers the Plan.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

10. DEFINED BENEFIT PENSION PLANS (Continued)

Annual Pension Cost (Continued)

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The information presented in the required supplementary schedules was determined as part of the annual actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>General Municipal Employees Pension Plan</u>	<u>Municipal Police Pension Plan</u>
Valuation date	6/30/11	6/30/11
Actuarial cost method	Entry Age Actuarial Cost	Entry Age Actuarial Cost
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period.....	24 years	24 years
Asset valuation method	5-year Smoothed Market Value	5-year Smoothed Market Value
Actuarial assumptions:		
Investment rate of return	7.50%, compounded annually	7.50%, compounded annually
Projected salary increases	4.0%-8.0%, compounded annually	4.25%-14.25%, compounded annually
Cost-of-living adjustments	2.00% not compounded	2.00% not compounded
Inflation adjustments	2.75%	2.75%

Actuarial Information

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 – Municipal Employees' Retirement System</u>						
2011	\$23,308,991	\$23,383,539	\$(74,548)	99.7%	\$5,657,728	(1.3)%
<u>Police Units – Municipal Employees' Retirement System</u>						
2011	\$7,879,873	\$8,439,844	\$(559,971)	93.4%	\$1,221,576	(45.8)%

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

10. DEFINED BENEFIT PENSION PLANS (Continued)

(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 Department 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, 2012, was \$13,684,877, including \$819,907 of federally reimbursed payroll; the total payroll for all School employees was \$18,019,774.

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, 50 Service Avenue, Warwick, RI 02886.

All full-time classified employees of the Burrillville School Department 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 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 Department was required to contribute 12.55% (also 21.19% for federally reimbursed payroll), 10.60%, and 10.60%, for all full-time employees for fiscal years 2012, 2011, and 2010, respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of June 30, 2010 over a 25-year period; 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** - RP-2000 Combined tables.
- B. **Investment return** - 7.50 percent, compounded annually.
- C. **Salary increase** - Salaries will increase at a rate of 4.0% - 12.75%.
- 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** - 2.0 percent compounded annually, while the plan has a funding level that exceeds 80%. However an interim COLA will be granted in five-year intervals while the COLA is suspended.

CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teacher's Pension Plan (Continued)

Funding Policy (Continued)

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 Department of 8.64% of non-federally reimbursable payrolls, totaling \$1,111,533 for fiscal year ended June 30, 2012. This amount was recognized in the School Department fund as both a revenue and an expenditure.

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>
2012	\$1,300,063	\$1,788,292	100%
2011	\$1,335,557	\$1,547,729	100%
2010	\$1,331,169	\$1,533,960	100%

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the School Department 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 on an annual basis as provided under the will of Austin T. Levy. Total payments made for fiscal year ending June 30, 2012 totaled \$172,620. Total payments to be made for fiscal year ending June 30, 2013 total \$188,200 consisting of \$167,620 for rental of Town Hall facilities and \$21,000 for capital improvements.

School Department

The School Department has contracted with DATTCO to have bus service provided for students through the last day of school in June 2012. The annual payment on this contract varies from year to year based on the transportation needs of the department. There is a 2.9% increase each year on the cost per bus as dictated by the bus transportation contract with DATTCO. Busing costs associated with this agreement totaled approximately \$1,781,565 for the year ended June 30, 2012.

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 2012 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, 2012

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. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The cost of post employment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in future years when it will be paid. The Town adopted the requirements of GASB No. 45 during the year ended June 30, 2009, and recognizes the cost of post employment healthcare in the year when the employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows.

The Town's OPEB Plan is a single-employer defined benefit plan offering healthcare benefits that are administered by the Rhode Island Interlocal Risk Management Trust. The Town provides post employment healthcare benefits to eligible retirees in accordance with the various labor contracts and personnel policies. As of June 30, 2011, 371 individuals (303 active employees, 49 retirees and 19 dependents of retirees) were participating in the Plan. Inasmuch as the plan has no assets, reporting an Other Post Employment Benefit (OPEB) trust fund in the accompanying financial statements is not required. An actuarial consultant, Clarity in Numbers, LLC, was hired to determine the Town's actuarial valuation of the post retirement benefits that are offered to current and future retirees as of July 1, 2011. The plan does not issue a stand-alone report. The last full valuation was performed as of July 1, 2010, the results of which were rolled forward to July 1, 2011.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town, subject to applicable labor contracts. For the most part, participating retirees pay 100% of the cost of the health plan with one exception as identified in *Benefit/Cost Sharing* below. Contributions are recognized when due on a pay-as-you-go basis, pursuant to formal budgetary commitments and contractual requirements.

Benefit Provisions and Contributions:

The Town offers family or individual health insurance to its retirees. Employees vest for OPEB when they vest for pension benefits. Employees can choose individual or family health coverage when they are actively employed.

Plan Type: **Medical:** Self funded health insurance through the Rhode Island Interlocal Risk Management Trust.

Eligibility: **Municipal:** 30 years of service at any age or 10 years of service at age 58 but not after age 65.

Municipal non-union: 30 years of service at any age or 10 years of service at age 58 but not after age 65.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

School (non-certified): 30 years of service at any age or age 58 with at least 10 years of service. Those that retired on or prior to August 31, 1997, can continue to receive benefits after they are 65 years old. There are no employees in this category. For anyone who retired after August 31, 1997, benefits cease at age 65.

School (certified): Age 60 with at least 10 years of service or 28 years of service but not after age 65. Those that retired on or prior to August 31, 1997, can continue to receive benefits after they are 65 years old. There is only one employee in this category. For anyone who retired after August 31, 1997, benefits cease at age 65.

Police: 20 years of service but not after age 65.

Wastewater: 30 years of service at any age or 10 years of service at age 58 but not after age 65.

Benefit/Cost Sharing:

Municipal: If a retiree has over 15 years of service then the Town covers 100% of the premium for the first two years after retirement for the individual or family plan. The second two years after retirement the Town covers 50% of the retiree's family or individual medical plan. If a retiree is Medicare eligible or has less than 15 years of service the retiree is responsible for 100% of the medical premium.

Municipal non-union: If a retiree has over 15 years of service then the Town covers 100% of the premium for the first two years after retirement for the individual or family plan. The second two years after retirement the Town covers 50% of the retiree's family or individual medical plan. If a retiree is Medicare eligible or has less than 15 years of service the retiree is responsible for 100% of the medical premium.

School (certified and non-certified): The retiree is responsible for 100% of the premium cost.

Police: For the first two years after retirement the Town covers 100% of the premium of the retiree's individual or family plan. The second two years after retirement the Town covers 50% of the retiree's family or individual medical plan. If a retiree is Medicare eligible the retiree is responsible for 100% of the medical premium.

Wastewater: The retiree is responsible for 100% of the premium cost.

The Plan provides "spousal benefits" for all Plan members. The Plan does not provide a "surviving spouse benefit" for any of its Plan members.

Classes of Employees Covered

As of July 1, 2011 membership data was as follows:

Active Employees	303
Retirees	49
Dependents of retirees	<u>19</u>
Total Plan Members	<u>371</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The Town may contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year ending June 30, 2012, the Town made no contributions to a trust and instead elected to continue funding on a pay-as-you-go basis, which was determined to be \$209,505. These costs are recognized as an expense when claims or premiums are paid. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

Annual required contribution (ARC).....	\$ 206,572
Interest on net OPEB obligation.....	1,777
Adjustment to annual required contribution	(1,975)
Annual OPEB cost (expense)	206,374
Contributions made.....	(209,505)
Decrease in net OPEB obligation	(3,131)
 Net OPEB obligation - July 1, 2011.....	 44,436
 Net OPEB obligation - June 30, 2012.....	 <u>\$ 41,305</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2010	\$133,239	95.3%	\$28,771
6/30/2011	\$200,899	92.2%	\$44,436
6/30/2012	\$206,374	101.5%	\$41,305

Funded Status and Funding Progress

The funded status of the Plan as of July 1, 2011 was as follows:

<u>Actuarial Valuation Date</u>	<u>(A) Actuarial Value of Assets</u>	<u>(B) Actuarial Accrued Liability (AAL)</u>	<u>(B-A) Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>(A/B) Funded Ratio</u>	<u>(C) Covered Payroll</u>	<u>[(A-B)/C] UAAL as a Percentage of Covered Payroll</u>
July 1, 2011	\$0	\$2,190,597	\$2,190,597	0.0%	Not Available	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Methods and Assumptions

The accompanying schedules of employer contributions present trend information about the amounts contributed to the Plan by employers in comparison to the ARC, an amount that is actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The annual OPEB cost was determined as part of the actuarial valuation. Additional information and assumptions used as of the last actuarial valuations is summarized below:

Discount Rate	4.00%
Health Care and Trend Rate Contribution	7.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Medical Trend Rate Reached	2013
Actuarial Cost Method.....	Entry Age Normal - Level Percentage
The remaining amortization period at June 30, 2011 ..	27 years
Valuation Type	Closed Group
Payroll Growth Rate.....	2.50%
Mortality Rate.....	RP-2000 Combined tables

13. MAJOR REVENUE SOURCE

The Town had a tax treaty and agreement with Transcanada/Ocean State Power (OSP), an electric generating facility, which required OSP to pay the Town annual fixed payments in lieu of taxes. During fiscal year ending June 30, 2012 the Town received \$1,016,865 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.

As of December 31, 2011, the agreement with OSP expired and OSP has been included in the tax levy. Negotiations with OSP for an extension of a new payment in lieu of taxes agreement are ongoing.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

14. 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 respective liability have not been included in the Town's financial statements for the year ended June 30, 2012.

15. 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 for losses that are above the Trust's self-insured retention. 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 25 fiscal years.

During the fiscal year ended June 30, 2012, the Town paid premiums of \$69,120 for workers' compensation coverage and \$121,570 for property and liability coverage.

At June 30, 2012, the Trust held reserves for future payments of open cases of \$168,200 for property and liability claims and \$0 for workers compensation 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, 2012, 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 Department or Sewer Commission Fund because they are treated by the Trust as separate entities having their own coverage.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

16. INTERFUND TRANSFERS

Interfund transfers for fiscal year ended June 30, 2012 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
Major funds:		
General Fund	\$ 435,598	\$15,324,272
School Department	14,953,853	44,000
Non-major funds	370,419	159,622
Total governmental activities	<u>\$15,759,870</u>	<u>\$15,527,894</u>
Business-type activities:		
Major funds:		
Sewer Authority		\$242,654
Non-major funds	\$ 10,678	
Total business-type activities	<u>\$ 10,678</u>	<u>\$242,654</u>

17. LANDFILL CLOSURE AND 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.

The Town utilizes the General Fund to account for closure and postclosure care costs of its two closed landfills (Clear River Road and Whipple Avenue). The Clear River Road landfill was closed in 1991 and has nine remaining years of postclosure monitoring costs.

The Whipple Avenue landfill was closed in 1976. During fiscal year 2008, the Town, in accordance with state and federal regulations, entered into a voluntary compliance program which required the Town to place a final cover on the landfill and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The landfill capping project was completed in fiscal year 2011. Postclosure monitoring costs are estimated at \$30,000 per year for 30 years. These estimates are based on an independent evaluation of the cost to perform closure and postclosure monitoring. These estimates are subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations. Annual postclosure monitoring costs are expected to be funded through General Fund appropriations.

The Town has summarized landfill closure and post closure care costs as follows:

<u>Town Landfill</u>	<u>Year of Closure</u>	<u>Remaining Capping Cost (Estimate)</u>	<u>Monitoring Costs (Estimate)</u>	<u>Years Remaining</u>	<u>Projected Liability</u>	<u>Short-Term Liability</u>	<u>Long-Term Liability</u>
Clear River Road	1991	N/A	\$13,000	9	\$ 117,000	\$13,000	\$104,000
Whipple Avenue	1976	N/A	30,000	30	900,000	30,000	870,000
			<u>\$43,000</u>		<u>\$1,017,000</u>	<u>\$43,000</u>	<u>\$974,000</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

18. PROMISSORY NOTE RECEIVABLE - COMPONENT UNIT

On August 5, 2008, the Burrillville Redevelopment Agency sold real estate for \$160,000. Terms of the note require the Town to hold a \$100,000 promissory note secured by a mortgage. The note requires four principal payments of \$12,500 commencing June 1, 2009 and payable on June 1 of each subsequent year with the final installment due June 1, 2012. The remaining \$50,000 shall be forgiven on July 17, 2012 provided the Borrower has not sold the property within five years of the agreement, and the buyer satisfies all the obligations under the agreement. The note is without interest and contains prepayment penalties which reduce the amount of the loan forgiveness. The balance of the note was \$50,000 at June 30, 2012. The Burrillville Redevelopment Agency has recorded deferred revenue to offset the potential loan forgiveness amount.

19. PUBLIC ENTITY RISK POOL

The Health Pool

The Town participates in a public entity risk pool through the Rhode Island Interlocal Risk Management Trust (the Trust) entitled the Health Pool (the Pool), formerly known as The Governmental Health Group of Rhode Island, Inc. The Pool is part of a not-for-profit organization (the Trust) formed to provide programs of liability, workers compensation, and health insurance coverage to Rhode Island cities, towns and other governmental units. The Pool is governed by the Trust Board of Directors (Board).

Upon joining the Pool, members execute a member agreement. That document, pursuant to which the Pool was established and operates, outlines the rights and responsibilities of both the members and the Pool. Members of the Pool participate in the Pool's health insurance plan administered through the Trust and Blue Cross Blue Shield of Rhode Island (BCBSRI).

Using the rate calculations prepared by BCBSRI, the Trust sets annual contribution rates for the subscribers of each member for each program offered. The Pool agreement requires that those contribution rates be set at a level sufficient, in the aggregate, to satisfy the funding requirements of the Pool. The contributions of each member are used to pay for claims, reinsurance and all administrative expenses. The Pool agreement provides for an annual independent audit of its financial statements.

A member's share of surplus or deficit is equal to the ratio of the member's subscribers (employees and retirees) participating in the Pool's plan for each month of a policy year divided by the sum of all subscribers in the Pool for the same period.

The Pool agreement provides the Trust's Board a discretionary, fully allocable assessment feature with respect to specified circumstances.

After it has been a member of the Pool for an initial three-year period, a member may withdraw from the Pool by providing the Trust's Board with 90 days notice; liquidated damages would also be assessed at that time. The Trust may terminate a member's coverage for failure to pay amounts due.

For the year ended June 30, 2012, unaudited results indicate that the Pool generated \$104,605,126 in revenues and excess of revenues over expenses of \$7,906,970. The Pool had \$39,912,159 in total assets and \$20,220,772 in total equity as of June 30, 2012.

The Pool retains certain levels of insurance risk. Specific losses in excess of \$1 million to a limit of \$2 million are covered by a Backstop Account internal to the Trust that is funded by annual Backstop Account payments from the Health Pool. As of June 30, 2012, the Pool's membership consisted of 43 cities, towns or other governmental units.

Separate financial statements are available at the RI Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

20. SUBSEQUENT EVENTS

As described in Note 13, negotiations with Transcanada/Ocean State Power for an extension of the original payment in-lieu of tax (PILOT) agreement or a new PILOT agreement are ongoing as of June 30, 2012. The Town has, in the interim, included Transcanada/Ocean State Power in the tax levy for the fiscal year ending June 30, 2013.

Subsequent to June 30, 2012, the School Department contracted with Durham School Services for a three-year transportation contract with a total contract cost of \$5,485,061.

(CONCLUDED)

TOWN OF BURRILLVILLE

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BURRILLVILLE, RHODE ISLAND**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 – Municipal Employees' Retirement System</u>						
2009	\$23,499,023	\$22,446,076	\$ 1,052,947	104.7%	\$5,589,303	18.8%
2010	\$23,338,522	\$25,978,360	\$(2,639,838)	89.8%	\$5,552,647	(47.5)%
2011	\$23,308,991	\$23,383,539	\$ (74,548)	99.7%	\$5,657,728	(1.3)%
<u>Police Units – Municipal Employees' Retirement System</u>						
2009	\$7,553,018	\$7,322,217	\$ 230,801	103.2%	\$1,285,819	17.9%
2010	\$7,670,056	\$9,329,853	\$(1,659,797)	82.2%	\$1,256,789	(132.1)%
2011	\$7,879,873	\$8,439,844	\$ (559,971)	93.4%	\$1,221,576	(45.8)%
<u>Other Post Employment Benefits</u>						
7/01/08 (FY10)*	\$0	\$1,693,855	\$1,693,855	0%	\$20,512,566	(8.26)%
7/01/10 (FY11)	\$0	\$2,189,232	\$2,189,232	0%	\$21,013,587	(10.42)%
7/01/10 (FY12)**	\$0	\$2,190,597	\$2,190,597	0%	Not Available	N/A

* As allowed by GASB 45, the valuation results have been projected forward to fiscal year June 30, 2010.

** As allowed by GASB 45, the valuation results have been projected forward to fiscal year June 30, 2012.

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, 2012**

	Originally Adopted <u>Budget</u>	Final Approved <u>Budget</u>	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
REVENUES:				
General property taxes	\$ 27,411,836	\$ 27,411,836	\$ 27,781,892	\$ 370,056
Intergovernmental	15,821,819	15,821,819	16,030,376	208,557
Licenses, permits and fees	365,753	365,753	413,651	47,898
Investment income	35,000	35,000	21,307	(13,693)
Departmental	81,896	81,896	151,826	69,930
Total revenues	43,716,304	43,716,304	44,399,052	682,748
EXPENDITURES:				
Current:				
General government	3,003,168	2,906,729	2,677,477	229,252
Public safety	2,210,643	2,331,373	2,329,206	2,167
Public works	1,247,578	1,249,555	1,098,304	151,251
Recreation and social services	161,927	168,487	165,920	2,567
Libraries	588,500	588,500	588,500	
Employee benefits and other	2,306,077	2,275,527	1,830,728	444,799
Debt service:				
Principal	2,787,000	2,787,000	3,171,771	(384,771)
Interest and other costs	945,884	945,884	907,226	38,658
Capital outlay	2,476,038	5,139,247	2,156,128	2,983,119
Total expenditures	15,726,815	18,392,302	14,925,260	3,467,042
Excess of revenues over expenditures	27,989,489	25,324,002	29,473,792	4,149,790
Other financing sources (uses):				
Transfers out	(28,381,133)	(29,473,523)	(30,001,877)	(528,354)
Proceeds from sale of capital assets			913,124	913,124
Transfers in	391,644	391,644	485,598	93,954
Reappropriation of prior year's designated fund balance		3,757,877	3,757,877	
Net other financing sources (uses)	(27,989,489)	(25,324,002)	(24,845,278)	478,724
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 0	\$ 0	4,628,514	\$ 4,628,514
Less: reappropriated fund balance			(3,757,877)	
Add: excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54			1,028,904	
Fund Balance, beginning of year			13,900,748	
Fund Balance, end of year			\$ 15,800,289	

TOWN OF BURRILLVILLE, RHODE ISLAND

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

**BURRILLVILLE SCHOOL DEPARTMENT GENERAL FUND
YEAR ENDED JUNE 30, 2012**

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Revenues:				
State aid	\$ 12,420,036	\$ 12,420,036	\$ 12,420,036	
Education Jobs Fund	607,610	607,610	607,610	
State Fiscal Stabilization Funds	6,519	6,519	6,519	
Miscellaneous	345,587	345,587	345,587	
Total revenues	<u>13,379,752</u>	<u>13,379,752</u>	<u>13,379,752</u>	\$ 0
Expenditures:				
Current:				
Salaries	16,615,520	16,602,020	16,607,722	(5,702)
Employee benefits	5,788,848	5,813,848	5,856,596	(42,748)
Purchased services	4,834,254	4,662,793	4,560,078	102,715
Supplies and materials	1,076,365	1,147,181	1,127,711	19,470
Other	28,104	32,462	32,619	(157)
Capital outlay	<u>152,514</u>	<u>237,301</u>	<u>244,613</u>	<u>(7,312)</u>
Total expenditures	<u>28,495,605</u>	<u>28,495,605</u>	<u>28,429,339</u>	<u>66,266</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(15,115,853)</u>	<u>(15,115,853)</u>	<u>(15,049,587)</u>	<u>66,266</u>
Other financing sources (uses):				
Transfer from Town of Burrillville	14,953,853	14,953,853	14,953,853	
Transfers to other funds	(44,000)	(44,000)	(44,000)	
Reappropriation of prior year fund balance	206,000	206,000	206,000	
Net other financing sources	<u>15,115,853</u>	<u>15,115,853</u>	<u>15,115,853</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>66,266</u>	<u>\$ 66,266</u>
Add: current year encumbrances			133,282	
Less: prior year encumbrances			(70,929)	
Less: reappropriated fund balance			(206,000)	
Fund balance, beginning of year			<u>872,682</u>	
Fund balance, end of year			<u>\$ 795,301</u>	

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012**

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, 2012:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 4,628,514
Fund balance reappropriated.....	(3,757,877)
Excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54	<u>1,028,904</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 1,899,541</u>

The following reconciliation summarizes the differences for the School Department's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2012:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 66,266
Fund balance reappropriated.....	(206,000)
Current year encumbrances	133,282
Prior year encumbrances.....	<u>(70,929)</u>
Deficiency of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (77,381)</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.

Domestic Violence Training Grant

This fund accounts for grant monies received to update officers on the latest court rulings and law changes related to violence against women.

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.

Solemn Federal Task Force Grant

This fund accounts for grant funding received for the purpose of assisting in various police related undercover activities in the region.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Animal Shelter Donation Account

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

Library Grant

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

Community Emergency Response Training

This fund accounts for monies utilized in the training of local citizens in programs offered through the Town's Emergency Management Agency (EMA).

Cops Technology Grant

This fund accounts for grant funding received to assist in the upgrade of the communication system at the police station including the dispatch area, radios and antenna.

Spring Lake Beach

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

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.

Automatic External Defibrillator

This fund accounts for monies received to assist in the purchase of automated external defibrillators.

FEMA Grant

This fund accounts for FEMA grant funding received to reimburse the Town for costs incurred due to natural disasters.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Active Shooter Grant

This fund accounts for grant monies received through Rhode Island EMA to train officers on an immediate response to an active shooter.

Cops That Care Grant

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

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.

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 Grant – Operation Riptide

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

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.

Byrne Grant

This fund accounts for grant monies utilized for upgrades to the Police Department's radio system.

(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:

Whipple Landfill Capping

This fund accounts for monies utilized for the purpose of capping the Whipple Landfill.

Rail Trail Harrisville/Pascoag

This fund accounts for the purchase and construction of a pedestrian trail between the villages of Harrisville and Pascoag.

Callahan Renovation Project

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

Route 102 Commerce Park

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

Major Capital

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

Pavilion - Farmer's Market

This fund accounts for monies received to construct a pavilion at the former Stillwater Mill Complex for the purpose of providing a permanent location for the Farmer's Market and other activities.

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.

(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, 2012**

	Special Revenue Funds						
	School Restricted Grants	Domestic Violence Training	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Animal Shelter Donation Account
ASSETS:							
Cash and cash equivalents	\$ 654,584		\$ 107,815				
Receivables:							
Other	975						
Due from:							
Other funds	31,577		162	\$ 41,950	\$ 23,296		\$ 1,466
Other governments	346,512					\$ 333	
TOTAL ASSETS	\$ 1,033,648	\$0	\$ 107,977	\$ 41,950	\$ 23,296	\$ 333	\$ 1,466
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable	\$ 86,334		\$ 1,806	\$ 1,654	\$ 699		
Accrued payroll and benefits	146,389						
Due to:							
Other funds	144,917					\$ 333	
Other governments							
Deferred revenues	656,008						
Other liabilities							
TOTAL LIABILITIES	1,033,648	\$0	1,806	1,654	699	333	\$ 0
FUND BALANCES:							
Nonspendable for:							
Perpetual care							
Endowments							
Restricted for:							
General government				40,296	22,597		
Public safety							1,466
Recreation and social services			57,599				
Education							
Community development							
Capital projects							
Committed for:							
Recreation and social services			48,572				
Capital projects							
Unassigned							
TOTAL FUND BALANCES	0	0	106,171	40,296	22,597	0	1,466
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,033,648	\$0	\$ 107,977	\$ 41,950	\$ 23,296	\$ 333	\$ 1,466

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	Special Revenue Funds						
	Library Grant	Community Emergency Response Training	Cops Technology Grant	Spring Lake	Community Development Block Grant	Automatic External Defibrillator	FEMA Grant
ASSETS:							
Cash and cash equivalents				\$ 198,033	\$ 24,815		
Receivables:							
Other					96,030		
Due from:							
Other funds		\$ 44,534	\$ 2,645	24,979	3,068	\$ 18,700	\$ 3,241
Other governments			6,189		119,264		6,929
TOTAL ASSETS	\$ 0	\$ 44,534	\$ 8,834	\$ 223,012	\$ 243,177	\$ 18,700	\$ 10,170
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable			\$ 8,834	\$ 5,186	\$ 28		
Accrued payroll and benefits				11,489			
Due to:							
Other funds	\$ 3			628	3,168		\$ 10,170
Other governments							
Deferred revenues					212,098		
Other liabilities							
TOTAL LIABILITIES	3	\$ 0	8,834	17,303	215,294	\$ 0	10,170
FUND BALANCES:							
Nonspendable for:							
Perpetual care							
Endowments							
Restricted for:							
General government						18,700	
Public safety		44,534					
Recreation and social services							
Education							
Community development					27,883		
Capital projects							
Committed for:							
Recreation and social services				205,709			
Capital projects							
Unassigned	(3)						
TOTAL FUND BALANCES	(3)	44,534	0	205,709	27,883	18,700	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 0	\$ 44,534	\$ 8,834	\$ 223,012	\$ 243,177	\$ 18,700	\$ 10,170

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	Special Revenue Funds						
	Active Shooter Grant	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Police Grant - Operation Riptide	Police Task Force	Police Legislative Grant
ASSETS:							
Cash and cash equivalents			\$ 599,613			\$ 14,716	
Receivables:							
Other			730				
Due from:							
Other funds		\$ 232		\$ 131,244		1,917	\$ 91
Other governments					\$ 2,110		
TOTAL ASSETS	\$0	\$ 232	\$ 600,343	\$ 131,244	\$ 2,110	\$ 16,633	\$ 91
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable			\$ 51,370	\$ 1,667			
Accrued payroll and benefits							
Due to:							
Other funds			55	75,514	\$ 2,110		
Other governments						\$ 120	
Deferred revenues		\$ 232					
Other liabilities							
TOTAL LIABILITIES	\$0	232	51,425	77,181	2,110	120	\$ 0
FUND BALANCES:							
Nonspendable for:							
Perpetual care							
Endowments							
Restricted for:							
General government							
Public safety						16,513	91
Recreation and social services			672	54,063			
Education			548,246				
Community development							
Capital projects							
Committed for:							
Recreation and social services							
Capital projects							
Unassigned							
TOTAL FUND BALANCES	0	0	548,918	54,063	0	16,513	91
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$ 232	\$ 600,343	\$ 131,244	\$ 2,110	\$ 16,633	\$ 91

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	Special Revenue Funds		Capital Project Funds			
	Byrne Grant	Whipple Landfill Capping	Rail Trail Harrisville/ Pascoag	Callahan Renovation Project	Route 102 Commerce Park	Major Capital
ASSETS:						
Cash and cash equivalents				\$ 22		\$ 1,567,888
Receivables:						
Other						
Due from:						
Other funds	\$ 873			12,443	\$ 106,482	684,644
Other governments			\$ 200,000			
TOTAL ASSETS	<u>\$ 873</u>	<u>\$0</u>	<u>\$ 200,000</u>	<u>\$ 12,465</u>	<u>\$ 106,482</u>	<u>\$ 2,252,532</u>
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable						
Accrued payroll and benefits						
Due to:						
Other funds			\$ 394,437			
Other governments						
Deferred revenues	\$ 873					
Other liabilities						
TOTAL LIABILITIES	<u>873</u>	<u>\$0</u>	<u>394,437</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government						
Public safety						
Recreation and social services						
Education						
Community development						
Capital projects				12,465		
Committed for:						
Recreation and social services						
Capital projects					106,482	2,252,532
Unassigned			(194,437)			
TOTAL FUND BALANCES	<u>0</u>	<u>0</u>	<u>(194,437)</u>	<u>12,465</u>	<u>106,482</u>	<u>2,252,532</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 873</u>	<u>\$0</u>	<u>\$ 200,000</u>	<u>\$ 12,465</u>	<u>\$ 106,482</u>	<u>\$ 2,252,532</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	Capital Project Funds		Permanent Funds				Total Non-Major Governmental Funds
	Pavilion - Farmer's Market	Open Space/ Land Acquisition	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	
ASSETS:							
Cash and cash equivalents		\$ 100,446	\$ 82,744	\$ 14,199	\$ 1,062	\$ 13,387	\$ 3,379,324
Receivables:							
Other							97,735
Due from:							
Other funds			406	1,785	134	1,683	1,137,552
Other governments	\$ 94,000						775,337
TOTAL ASSETS	\$ 94,000	\$ 100,446	\$ 83,150	\$ 15,984	\$ 1,196	\$ 15,070	\$ 5,389,948
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable							\$ 157,578
Accrued payroll and benefits							157,878
Due to:							
Other funds	\$ 111,824						743,159
Other governments							120
Deferred revenues							869,211
Other liabilities				\$ 5,984	\$ 196	\$ 70	6,250
TOTAL LIABILITIES	111,824	\$ 0	\$ 0	5,984	196	70	1,934,196
FUND BALANCES:							
Nonspendable for:							
Perpetual care			83,150				83,150
Endowments				10,000	1,000	15,000	26,000
Restricted for:							
General government							81,593
Public safety							62,604
Recreation and social services							112,334
Education							548,246
Community development							27,883
Capital projects							12,465
Committed for:							
Recreation and social services							254,281
Capital projects		100,446					2,459,460
Unassigned	(17,824)						(212,264)
TOTAL FUND BALANCES	(17,824)	100,446	83,150	10,000	1,000	15,000	3,455,752
TOTAL LIABILITIES AND FUND BALANCES	\$ 94,000	\$ 100,446	\$ 83,150	\$ 15,984	\$ 1,196	\$ 15,070	\$ 5,389,948

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds						
	School Restricted Grants	Domestic Violence Training	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Animal Shelter Donation Account
REVENUES:							
Intergovernmental	\$ 1,908,804	\$ 820	\$ 1,770			\$ 5,939	
Investment income			198				
Other	14,614		10,970	\$ 14,786	\$ 2,593		\$ 3,801
TOTAL REVENUES	<u>1,923,418</u>	<u>820</u>	<u>12,938</u>	<u>14,786</u>	<u>2,593</u>	<u>5,939</u>	<u>3,801</u>
EXPENDITURES:							
Current:							
General government				19,066			
Public safety		820				5,939	5,268
Public works							
Public libraries							
Recreation and social services			9,037				
Education	1,854,148						
Community development							
Capital outlay	<u>69,270</u>						
TOTAL EXPENDITURES	<u>1,923,418</u>	<u>820</u>	<u>9,037</u>	<u>19,066</u>	<u>0</u>	<u>5,939</u>	<u>5,268</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>3,901</u>	<u>(4,280)</u>	<u>2,593</u>	<u>0</u>	<u>(1,467)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in							
Transfers out							
NET OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>0</u>	<u>0</u>	<u>3,901</u>	<u>(4,280)</u>	<u>2,593</u>	<u>0</u>	<u>(1,467)</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>102,270</u>	<u>44,576</u>	<u>20,004</u>	<u>0</u>	<u>2,933</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 106,171</u>	<u>\$ 40,296</u>	<u>\$ 22,597</u>	<u>\$ 0</u>	<u>\$ 1,466</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds						
	Library Grant	Community Emergency Response Training	Cops Technology Grant	Spring Lake	Community Development Block Grant	Automatic External Defibrillator	FEMA Grant
REVENUES:							
Intergovernmental	\$ 124,048	\$ 10,691	\$ 22,417		\$ 113,903		\$ 60,469
Investment income				\$ 433	1,453		
Other				189,900	18,598		
TOTAL REVENUES	124,048	10,691	22,417	190,333	133,954	\$ 0	60,469
EXPENDITURES:							
Current:							
General government							
Public safety		3,824					7,191
Public works							53,278
Public libraries	124,048						
Recreation and social services				137,230			
Education							
Community development					138,389		
Capital outlay			22,417	10,958			
TOTAL EXPENDITURES	124,048	3,824	22,417	148,188	138,389	0	60,469
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	6,867	0	42,145	(4,435)	0	0
OTHER FINANCING SOURCES (USES):							
Transfers in							
Transfers out				(38,322)			
NET OTHER FINANCING SOURCES (USES)	0	0	0	(38,322)	0	0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	6,867	0	3,823	(4,435)	0	0
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(3)	37,667	0	201,886	32,318	18,700	0
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (3)	\$ 44,534	\$ 0	\$ 205,709	\$ 27,883	\$ 18,700	\$ 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, 2012**

	Special Revenue Funds						
	Active Shooter Grant	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Police Grant - Operation Riptide	Police Task Force	Police Legislative Grant
REVENUES:							
Intergovernmental	\$ 3,610			\$ 24,645	\$ 18,532		\$ 1,000
Investment income			\$ 913			\$ 25	
Other						1,916	500
TOTAL REVENUES	3,610	\$0	913	24,645	18,532	1,941	1,500
EXPENDITURES:							
Current:							
General government			28,743				
Public safety	3,610			28,265	18,532	7,020	2,510
Public works							
Public libraries			3,638				
Recreation and social services							
Education							
Community development							
Capital outlay							
TOTAL EXPENDITURES	3,610	0	32,381	28,265	18,532	7,020	2,510
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	0	(31,468)	(3,620)	0	(5,079)	(1,010)
OTHER FINANCING SOURCES (USES):							
Transfers in				5,000			
Transfers out				(5,000)			
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	0	0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	0	(31,468)	(3,620)	0	(5,079)	(1,010)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	0	580,386	57,683	0	21,592	1,101
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$0	\$ 548,918	\$ 54,063	\$ 0	\$ 16,513	\$ 91

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds		Capital Project Funds			
	Byrne Grant	Whipple Landfill Capping	Rail Trail Harrisville/ Pascoag	Callahan Renovation Project	Route 102 Commerce Park	Major Capital
REVENUES:						
Intergovernmental	\$ 11,997		\$ 234,638			
Investment income				\$ 30		\$ 3,331
Other						
TOTAL REVENUES	11,997	\$ 0	234,638	30	\$ 0	3,331
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Public libraries						
Recreation and social services						
Education				16		
Community development						
Capital outlay	11,997		495,894			
TOTAL EXPENDITURES	11,997	0	495,894	16	0	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	0	(261,256)	14	0	3,331
OTHER FINANCING SOURCES (USES):						
Transfers in			190,000			42,529
Transfers out		(116,300)				
NET OTHER FINANCING SOURCES (USES)	0	(116,300)	190,000	0	0	42,529
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	(116,300)	(71,256)	14	0	45,860
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	116,300	(123,181)	12,451	106,482	2,206,672
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 0	\$ (194,437)	\$ 12,465	\$ 106,482	\$ 2,252,532

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	Capital Project Funds		Permanent Funds				Total Non-Major Governmental Funds
	Pavilion - Farmer's Market	Open Space/ Land Acquisition	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	
REVENUES:							
Intergovernmental	\$ 94,000						\$ 2,637,283
Investment income		\$ 203	\$ 104	\$ 16	\$ 1	\$ 15	6,722
Other	74,493						332,171
TOTAL REVENUES	168,493	203	104	16	1	15	2,976,176
EXPENDITURES:							
Current:							
General government			170	16	1	15	48,011
Public safety							82,979
Public works							53,278
Public libraries							127,686
Recreation and social services							146,267
Education							1,854,164
Community development							138,389
Capital outlay	319,207						929,743
TOTAL EXPENDITURES	319,207	0	170	16	1	15	3,380,517
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(150,714)	203	(66)	0	0	0	(404,341)
OTHER FINANCING SOURCES (USES):							
Transfers in	132,890						370,419
Transfers out							(159,622)
NET OTHER FINANCING SOURCES (USES)	132,890	0	0	0	0	0	210,797
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(17,824)	203	(66)	0	0	0	(193,544)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	100,243	83,216	10,000	1,000	15,000	3,649,296
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (17,824)	\$ 100,446	\$ 83,150	\$ 10,000	\$ 1,000	\$ 15,000	\$ 3,455,752

(CONCLUDED)

TOWN OF BURRILLVILLE

NON-MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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, 2012**

	<u>Levy Rink</u>	<u>Extended Day Care</u>	<u>Totals</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 6,014	\$ 235,143	\$ 241,157
Receivables:			
Accounts		6,713	6,713
Due from other funds		14,900	14,900
Prepaid expenses		2,412	2,412
Total current assets	<u>6,014</u>	<u>259,168</u>	<u>265,182</u>
Noncurrent assets:			
Net capital assets	224,027	44,413	268,440
Total noncurrent assets	<u>224,027</u>	<u>44,413</u>	<u>268,440</u>
TOTAL ASSETS	<u>230,041</u>	<u>303,581</u>	<u>533,622</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	15,400	4,668	20,068
Accrued payroll		16,360	16,360
Due to other funds	122,933	4,500	127,433
Deferred revenue		6,089	6,089
Capital leases payable	20,512		20,512
Accrued compensated absences	1,880		1,880
Total current liabilities	<u>160,725</u>	<u>31,617</u>	<u>192,342</u>
Noncurrent liabilities:			
Capital leases payable, net	44,358		44,358
Accrued compensated absences	16,908		16,908
Total noncurrent liabilities	<u>61,266</u>	<u>0</u>	<u>61,266</u>
TOTAL LIABILITIES	<u>221,991</u>	<u>31,617</u>	<u>253,608</u>
NET ASSETS:			
Invested in capital assets, net of related debt	159,157	44,413	203,570
Unrestricted	(151,107)	227,551	76,444
TOTAL NET ASSETS	<u>\$ 8,050</u>	<u>\$ 271,964</u>	<u>\$ 280,014</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>Levy Rink</u>	<u>Extended Day Care</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for usage and service	\$ 381,426	\$ 442,168	\$ 823,594
Total operating revenues	<u>381,426</u>	<u>442,168</u>	<u>823,594</u>
OPERATING EXPENSES:			
Operations	192,949	83,461	276,410
Personnel	209,072	330,356	539,428
Depreciation	20,032	9,724	29,756
Total operating expenses	<u>422,053</u>	<u>423,541</u>	<u>845,594</u>
OPERATING INCOME (LOSS)	<u>(40,627)</u>	<u>18,627</u>	<u>(22,000)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income		677	677
Grant income	30,000		30,000
Interest expense	(4,622)		(4,622)
Total nonoperating revenues	<u>25,378</u>	<u>677</u>	<u>26,055</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(15,249)</u>	<u>19,304</u>	<u>4,055</u>
TRANSFERS IN (OUT)	<u>44,000</u>	<u>(33,322)</u>	<u>10,678</u>
CHANGE IN NET ASSETS	<u>28,751</u>	<u>(14,018)</u>	<u>14,733</u>
TOTAL NET ASSETS - BEGINNING	<u>(20,701)</u>	<u>285,982</u>	<u>265,281</u>
TOTAL NET ASSETS - ENDING	<u>\$ 8,050</u>	<u>\$ 271,964</u>	<u>\$ 280,014</u>

TOWN OF BURRILLVILLE, RHODE ISLAND**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012**

	Levy Rink	Extended Day Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 381,426	\$ 437,826	\$ 819,252
Cash paid to suppliers	(195,617)	(79,458)	(275,075)
Cash paid to employees	(203,882)	(329,525)	(533,407)
Net cash provided by (used for) operating activities	(18,073)	28,843	10,770
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from (to) other funds	44,000	(33,322)	10,678
Increase in due from other funds		(14,900)	(14,900)
Increase (decrease) in due to other funds	16,034	(2,830)	13,204
Net cash provided by (used for) noncapital financing activities	60,034	(51,052)	8,982
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Grant income	30,000		30,000
Acquisition of capital assets	(46,119)	(2,031)	(48,150)
Principal payment on capital lease payable	(19,543)		(19,543)
Interest expense	(4,622)		(4,622)
Net cash used for capital and related financing activities	(40,284)	(2,031)	(42,315)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments		677	677
Net cash provided by investing activities	0	677	677
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,677	(23,563)	(21,886)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,337	258,706	263,043
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,014	\$ 235,143	\$ 241,157
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (40,627)	\$ 18,627	\$ (22,000)
Adjustments to reconcile:			
Depreciation	20,032	9,724	29,756
Increase in allowance for doubtful accounts		1,146	1,146
Increase in accounts receivable		(2,234)	(2,234)
Decrease in prepaid expenses		809	809
Increase (decrease) in accounts payable	(2,668)	3,194	526
Increase in accrued payroll		831	831
Decrease in deferred revenue		(3,254)	(3,254)
Increase in accrued compensated absences	5,190		5,190
Net cash provided by (used for) operating activities	\$ (18,073)	\$ 28,843	\$ 10,770

TOWN OF BURRILLVILLE

AGENCY FUNDS

Pupil Activity Funds

This fund accounts for the student activity funds of the School Department.

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2012**

	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
<u>PUPIL ACTIVITY FUNDS</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 181,831	\$ 401,411	\$ 424,474	\$ 158,768
Investments	2,737	11	229	2,519
<u>TOTAL ASSETS</u>	<u>\$ 184,568</u>	<u>\$ 401,422</u>	<u>\$ 424,703</u>	<u>\$ 161,287</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 184,568	\$ 401,422	\$ 424,703	\$ 161,287

TOWN OF BURRILLVILLE

GENERAL FUND BUDGETARY SCHEDULES

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2012**

	<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	\$ 26,243,471	\$ 26,243,471	\$ 26,558,197		\$ 26,558,197	\$ 314,726
Interest on delinquent taxes and other	137,000	137,000	188,433		188,433	51,433
Payment in lieu of taxes	1,031,365	1,031,365	1,035,262		1,035,262	3,897
Total property taxes	27,411,836	27,411,836	27,781,892	\$ 0	27,781,892	370,056
Intergovernmental revenues:						
State of Rhode Island including:						
School aid	12,410,008	12,410,008		12,420,036	12,420,036	10,028
State Fiscal Stabilization Funds	0	0		6,519	6,519	6,519
School construction	1,334,130	1,334,130	1,345,453		1,345,453	11,323
Motor vehicle phase out	214,709	214,709	210,552		210,552	(4,157)
Medicaid reimbursement	250,000	250,000		345,587	345,587	95,587
Education Jobs Fund	598,764	598,764		607,610	607,610	8,846
Distressed community aid	243,867	243,867	243,867		243,867	0
Meals and beverage tax	176,049	176,049	169,391		169,391	(6,658)
Pilot	66,485	66,485	108,949		108,949	42,464
Telephone tax	153,609	153,609	192,019		192,019	38,410
Police and other	68,500	68,500	74,695		74,695	6,195
Library construction	305,698	305,698	305,698		305,698	0
Total intergovernmental revenues	15,821,819	15,821,819	2,650,624	13,379,752	16,030,376	208,557
Departmental revenues:						
Licenses, permits and fees:						
Licenses and fees	286,403	286,403	298,710		298,710	12,307
Building official	44,350	44,350	73,793		73,793	29,443
Miscellaneous	35,000	35,000	41,148		41,148	6,148
Services/assessments	81,896	81,896	151,826		151,826	69,930
Total departmental revenues	447,649	447,649	565,477	0	565,477	117,828
Investment income	35,000	35,000	21,307	0	21,307	(13,693)
Total revenues	43,716,304	43,716,304	31,019,300	13,379,752	44,399,052	682,748

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2012**

	<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	35,775	35,775	33,293		33,293	2,482
Town clerk	207,994	209,454	175,124		175,124	34,330
Tax assessor	145,984	147,104	116,769		116,769	30,335
Town manager	174,053	177,188	176,402		176,402	786
Building official	118,652	120,872	120,479		120,479	393
Town treasurer	249,775	252,585	245,693		245,693	6,892
Tax collector	114,848	114,848	97,175		97,175	17,673
Information systems	199,389	201,519	193,211		193,211	8,308
Town planner	122,794	124,544	124,512		124,512	32
Boards, agencies, and committees	133,096	133,346	84,806		84,806	48,540
General fund contingency	115,000	686	636		636	50
Miscellaneous town expense	11,038	11,038	10,382		10,382	656
Buildings - administration	1,150	4,150	4,101		4,101	49
Total general government	1,629,548	1,533,109	1,382,583	0	1,382,583	150,526
Public Safety:						
Police department	2,065,763	2,183,713	2,183,291		2,183,291	422
Animal control	120,128	122,658	122,621		122,621	37
Civil defense	6,252	6,252	4,581		4,581	1,671
Municipal court	18,500	18,750	18,713		18,713	37
Total public safety	2,210,643	2,331,373	2,329,206	0	2,329,206	2,167
Public Works:						
Highway department	1,247,578	1,249,555	1,098,304		1,098,304	151,251
Total public works	1,247,578	1,249,555	1,098,304	0	1,098,304	151,251

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2012**

	<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	140,227	146,737	144,188		144,188	2,549
Operation of mini-bus	21,700	21,750	21,732		21,732	18
Total recreation and social services	161,927	168,487	165,920	0	165,920	2,567
Special Appropriations	11,650	11,650	10,118	0	10,118	1,532
Debt Service:						
General obligation bonds:						
Principal	2,787,000	2,787,000	3,171,771		3,171,771	(384,771)
Interest	943,884	943,884	905,686		905,686	38,198
Bond registration fees and other	2,000	2,000	1,540		1,540	460
Total debt service	3,732,884	3,732,884	4,078,997	0	4,078,997	(346,113)
General Services	1,373,620	1,373,620	1,294,894	0	1,294,894	78,726
Capital Improvements Program:						
School department	153,171	239,917	145,586		145,586	94,331
Police department	60,000	86,389	11,110		11,110	75,279
Public works	2,203,867	4,278,335	1,878,336		1,878,336	2,399,999
Administration	59,000	534,606	121,096		121,096	413,510
Total capital improvements program	2,476,038	5,139,247	2,156,128	0	2,156,128	2,983,119
Library:						
Pascoag Library	53,500	53,500	53,500		53,500	0
Jesse M. Smith Memorial Library	535,000	535,000	535,000		535,000	0
Total library	588,500	588,500	588,500	0	588,500	0

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2012**

	<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>
Miscellaneous:						
Employee insurance and benefits	2,167,477	2,123,927	1,680,952		1,680,952	442,975
Legal services	95,000	108,000	115,964		115,964	(7,964)
Other professional services	31,950	31,950	23,694		23,694	8,256
Total miscellaneous	2,294,427	2,263,877	1,820,610	0	1,820,610	443,267
Total expenditures	15,726,815	18,392,302	14,925,260	0	14,925,260	3,467,042
Excess of revenues over expenditures	27,989,489	25,324,002	16,094,040	13,379,752	29,473,792	4,149,790
Other financing sources (uses):						
Transfers out:						
Special revenue funds	(28,338,604)	(29,108,104)	(16,256,706)	(13,379,752)	(29,636,458)	(528,354)
Capital project funds	(42,529)	(365,419)	(365,419)		(365,419)	0
Proceeds from sale of capital assets	0	0	913,124		913,124	913,124
Transfers in:						
Special revenue funds	93,322	93,322	93,322		93,322	0
Capital project funds	45,000	0	116,300		116,300	116,300
Enterprise funds	253,322	298,322	275,976		275,976	(22,346)
Reappropriation of prior year's designated fund balance	0	3,757,877	0	3,757,877	3,757,877	0
Net other financing sources (uses)	(27,989,489)	(25,324,002)	(15,223,403)	(9,621,875)	(24,845,278)	478,724
Excess (deficiency) of revenues and other financing sources over expenditures - budgetary basis	\$ 0	\$ 0	\$ 870,637	\$ 3,757,877	\$ 4,628,514	\$ 4,628,514

(CONCLUDED)

TOWN OF BURRILLVILLE

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	102 - 108
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	109 - 114
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	115 - 121
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	122 - 125
Operation Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	126 - 134

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

TOWN OF BURRILLVILLENET ASSETS BY COMPONENT
LAST TEN FISCAL YEARSUnaudited
(Accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Invested in capital assets, net of related debt	\$52,510,063	\$50,468,604	\$ 48,797,754	\$ 45,691,128	\$ 42,950,757	\$ 33,748,145	\$ 16,449,422	\$ 20,677,984	\$ 13,516,167	\$ 14,943,880
Restricted	1,623,115	1,659,612	509,616	509,946	110,529	106,568	7,419,103	1,965,612	1,876,349	1,715,594
Unrestricted (deficit)	7,453,449	4,843,114	5,152,480	677,412	(2,385,712)	6,766,810	10,348,540	7,404,492	6,583,737	514,214
Total governmental activities	\$61,586,627	\$56,971,330	\$ 54,459,850	\$ 46,878,486	\$ 40,675,574	\$ 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	\$23,327,395	\$23,845,022	\$ 23,960,980	\$ 23,772,455	\$ 14,854,961	\$ 22,032,969	\$ 19,869,433	\$ 17,545,499	\$ 17,834,884	\$ 18,122,264
Restricted										
Unrestricted	3,696,390	3,464,694	3,481,926	3,479,732	12,546,693	2,536,364	1,732,818	1,721,584	1,672,774	1,701,312
Total business-type activities	\$27,023,785	\$27,309,716	\$ 27,442,906	\$ 27,252,187	\$ 27,401,654	\$ 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	\$75,837,458	\$74,313,626	\$ 72,758,734	\$ 69,463,583	\$ 57,805,718	\$ 55,781,114	\$ 36,318,855	\$ 38,223,483	\$ 31,351,051	\$ 33,066,144
Restricted	1,623,115	1,659,612	509,616	509,946	110,529	106,568	7,419,103	1,965,612	1,876,349	1,715,594
Unrestricted	11,149,839	8,307,808	8,634,406	4,157,144	10,160,981	9,303,174	12,081,358	9,126,076	8,256,511	2,215,526
Total primary government	\$88,610,412	\$84,281,046	\$ 81,902,756	\$ 74,130,673	\$ 68,077,228	\$ 65,190,856	\$ 55,819,316	\$ 49,315,171	\$ 41,483,911	\$ 36,997,264

TABLE 2

TOWN OF BURRILLVILLE**CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS****Unaudited
(Accrual basis of accounting)**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>EXPENSES:</u>										
Governmental activities:										
General government	\$ 3,733,679	\$ 3,458,261	\$ 1,854,412	\$ 3,576,715	\$ 4,028,881	\$ 3,179,437	\$ 3,434,626	\$ 3,180,474	\$ 2,949,158	\$ 2,694,849
Public safety	3,415,060	3,333,909	3,276,694	3,447,071	3,305,109	2,450,317	2,285,274	1,916,299	2,115,792	1,914,977
Public works	2,668,744	2,801,890	2,390,143	2,540,063	6,521,874	1,857,393	1,363,199	1,335,720	1,072,093	1,356,644
Education	32,541,038	32,052,165	31,766,101	31,299,601	30,258,377	29,403,540	28,569,871	27,756,166	27,184,891	26,983,684
Recreation and social services	677,186	704,553	651,196	679,872	672,229	454,032	425,447	377,328	361,333	350,680
Public libraries	719,188	687,442	663,940	655,149	486,987	406,832	383,873	301,534	282,265	253,346
Community development	138,389	302,475	1,036,258	583,196	83,463	128,780	57,261	153,706	225,817	311,436
Other					1,553,844	3,223,662	2,951,902	2,567,546	1,626,650	1,486,366
Interest on long-term debt	897,440	986,957	1,057,533	1,166,159	1,297,028	1,172,555	929,208	974,424	1,159,186	1,421,244
Total governmental activities	44,790,724	44,327,652	42,696,277	43,947,826	48,207,792	42,276,548	40,400,661	38,563,197	36,977,185	36,773,226
Business-type activities:										
Sewer	1,975,858	1,879,819	1,897,454	1,867,278	1,742,335	1,682,383	1,868,573	1,930,468	1,899,715	1,780,954
School Cafeteria Fund	881,015	831,026	848,061	896,122	935,438	877,141	863,317	813,114	762,035	777,837
Levy Rink	426,675	490,935	433,847	434,991	369,511	292,428	339,196	318,731	262,838	242,991
Extended Day Care	423,541	403,444	426,606	436,463	426,023	416,946	395,503	430,158	346,198	348,186
Total business-type activities	3,707,089	3,605,224	3,605,968	3,634,854	3,473,307	3,268,898	3,466,589	3,492,471	3,270,786	3,149,968
Total primary government expenses	48,497,813	47,932,876	46,302,245	47,582,680	51,681,099	45,545,446	43,867,250	42,055,668	40,247,971	39,923,194

(CONTINUED)

TABLE 2

TOWN OF BURRILLVILLECHANGES IN NET ASSETS
LAST TEN FISCAL YEARSUnaudited
(Accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	462,930	827,003	570,359	625,451	516,877	805,370	748,762	710,807	644,457	749,490
Public safety	179,835	143,367	58,135	127,741	176,930	147,432	52,632	75,089	91,141	73,853
Public works	10,814	24,927	8,546	8,657						
Education	409,517	392,133	295,303	203,044	384,706	267,781	280,777	343,343	303,703	377,709
Other activities	217,741	205,500	217,365	176,241	389,269	235,734	46,490	56,724	61,864	63,748
Operating grants and contributions	16,843,576	16,056,834	17,310,421	16,606,635	16,803,743	18,268,107	17,659,717	17,389,782	16,627,602	17,120,559
Capital grants and contributions	2,172,752	2,748,116	2,298,349	2,949,280	2,842,227	1,153,972	698,531	674,435	206,663	430,342
Total governmental activities program revenues	20,297,165	20,397,880	20,758,478	20,697,049	21,113,752	20,878,396	19,486,909	19,250,180	17,935,430	18,815,701
Business-type activities:										
Charges for services:										
Sewer	1,899,351	1,865,345	1,705,029	1,718,947	2,437,515	1,667,150	1,304,774	1,175,684	1,115,187	1,056,852
School Cafeteria Fund	439,470	456,569	451,403	497,268	578,461	621,452	613,046	593,855	582,873	549,649
Levy Rink	381,426	395,110	395,430	384,349	274,656	236,172	289,665	262,824	303,195	266,375
Extended Day Care	442,168	439,046	417,873	436,301	453,228	429,714	412,502	442,299	426,259	413,117
Operating grants and contributions	456,526	420,967	418,814	354,303	333,980	277,226	232,081	207,699	187,205	202,479
Capital grants and contributions	30,000						500,000			
Total business-type activities revenues	3,648,941	3,577,037	3,388,549	3,391,168	4,077,840	3,231,714	3,352,068	2,682,361	2,614,719	2,488,472
Total primary government revenues	23,946,106	23,974,917	24,147,027	24,088,217	25,191,592	24,110,110	22,838,977	21,932,541	20,550,149	21,304,173
Net (expenses) revenues:										
Governmental activities	(24,493,559)	(23,929,772)	(21,937,799)	(23,250,777)	(27,094,040)	(21,398,152)	(20,913,752)	(19,313,017)	(19,041,755)	(17,957,525)
Business-type activities	(58,148)	(28,187)	(217,419)	(243,686)	604,533	(37,184)	(114,521)	(810,110)	(656,067)	(661,496)
Total primary government net expense	(24,551,707)	(23,957,959)	(22,155,218)	(23,494,463)	(26,489,507)	(21,435,336)	(21,028,273)	(20,123,127)	(19,697,822)	(18,619,021)

TABLE 2

TOWN OF BURRILLVILLE
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
Unaudited
(Accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>GENERAL REVENUES AND OTHER</u>										
<u>CHANGES IN NET ASSETS:</u>										
Governmental activities:										
Property taxes and other	28,336,337	28,287,435	29,870,756	28,656,516	27,883,350	26,766,380	26,123,185	24,613,157	23,405,807	22,161,021
State revenue sharing				778,175	936,763	966,898	762,535	606,149	610,930	641,803
Unrestricted investment earnings	35,729	49,337	50,545	182,379	480,206	886,814	395,289	216,444	158,655	166,203
Grants and contributions not restricted to specific programs	51,700			31,940			229,399	2,400,000		
Gain (loss) on transfer of capital asset	453,114			(122,075)						
Transfers	231,976	110,324	(402,138)	(73,246)	(2,152,228)	(2,934,425)	(2,427,679)	(589,492)	(331,072)	
Total governmental activities	29,108,856	28,447,096	29,519,163	29,453,689	27,148,091	25,685,667	25,082,729	27,246,258	23,844,320	22,969,027
Business-type activities:										
Unrestricted investment earnings	4,193	5,321	6,000	20,973	75,560	69,841	22,010	22,529	9,077	15,111
Transfers	(231,976)	(110,324)	402,138	73,246	2,152,228	2,934,425	2,427,679	589,492	331,072	
Total business-type activities	(227,783)	(105,003)	408,138	94,219	2,227,788	3,004,266	2,449,689	612,021	340,149	15,111
Total primary government	28,881,073	28,342,093	29,927,301	29,547,908	29,375,879	28,689,933	27,532,418	27,858,279	24,184,469	22,984,138
<u>CHANGE IN NET ASSETS:</u>										
Governmental activities	4,615,297	4,517,324	7,581,364	6,202,912	54,051	4,287,515	4,168,977	7,933,241	4,802,565	5,011,502
Business-type activities	(285,931)	(133,190)	190,719	(149,467)	2,832,321	2,967,082	2,335,168	(198,089)	(315,918)	(646,385)
Total primary government	\$ 4,329,366	\$ 4,384,134	\$ 7,772,083	\$ 6,053,445	\$ 2,886,372	\$ 7,254,597	\$ 6,504,145	\$ 7,735,152	\$ 4,486,647	\$ 4,365,117

(CONCLUDED)

TABLE 3

TOWN OF BURRILLVILLE
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
Unaudited
(Modified Accrual Basis of Accounting)

	2012	2011	2010	2009	2008
Revenues:					
Property taxes	\$ 27,781,892	\$ 27,222,631	\$ 26,895,875	\$ 25,779,882	\$ 25,130,561
Intergovernmental revenue	18,696,279	19,578,833	21,547,412	21,949,668	21,924,878
Licenses and permits	413,651	379,920	424,534	396,096	447,898
Investment income	35,729	49,337	50,545	182,379	480,206
Departmental	151,826	117,621	41,059	98,813	156,244
Other revenues	406,915	354,473	666,539	756,099	1,169,525
Total revenues	47,486,292	47,702,815	49,625,964	49,162,937	49,309,312
Expenditures:					
General government	2,757,020	2,859,297	3,050,803	3,005,485	2,990,265
Public safety	2,457,175	2,322,265	2,349,704	2,472,563	2,429,767
Public works	1,207,801	1,322,058	1,056,622	1,245,485	1,287,046
Education	30,119,535	29,742,567	29,409,513	28,974,064	29,154,947
Recreation and social services	362,877	347,489	323,508	358,915	367,361
Libraries	718,842	681,998	654,072	655,149	486,987
Community development	138,389	302,475	1,036,258	578,650	83,463
Employee benefits and other	1,880,728	1,784,316	1,889,863	2,174,298	2,388,966
Debt service:					
Principal	3,171,771	2,694,000	4,630,000	3,636,000	3,695,000
Interest and other costs	907,226	989,124	1,070,078	1,190,662	1,269,412
Bond issuance costs			33,924		
Capital outlay	3,281,412	2,904,027	6,164,637	3,294,558	9,073,084
Total expenditures	47,002,776	45,949,616	51,668,982	47,585,829	53,226,298
Excess of revenue over (under) expenditures	483,516	1,753,199	(2,043,018)	1,577,108	(3,916,986)
Other financing sources (uses):					
Proceeds from bond issuance		139,229	2,796,818	319,597	2,108,229
Bond premium					
Refunding bond proceeds					
Proceeds from loan			1,820,000	610,000	268,000
Proceeds from sale of capital asset	913,124				150,000
Transfers in	15,759,870	17,471,074	22,429,122	17,972,665	22,223,532
Repayment of debt to escrow agent					
Transfers out	(15,527,894)	(17,360,750)	(22,831,260)	(18,045,911)	(24,375,760)
Net other financing sources (uses)	1,145,100	249,553	4,214,680	856,351	374,001
Net change in fund balances	\$ 1,628,616	\$ 2,002,752	\$ 2,171,662	\$ 2,433,459	\$ (3,542,985)
Debt service as a percentage of noncapital expenditures	9.3%	8.6%	12.5%	10.9%	11.2%

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

TABLE 3

TOWN OF BURRILLVILLE
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
Unaudited
(Modified Accrual Basis of Accounting)

	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
Interest on investments	886,814	395,289	216,444	158,655	166,203
Departmental	128,674	33,303	48,168	65,189	54,218
Other revenues	798,780	1,670,019	1,155,052	1,121,918	1,177,129
Total revenues	48,597,856	46,769,270	44,580,497	42,816,677	48,597,856
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	28,392,459	27,753,517	26,846,036		
Education	347,061	322,624	277,772	26,023,368	25,640,448
Recreation and social services	406,832	383,873	301,534	273,603	262,950
Libraries	128,780	57,261	153,706	282,265	253,346
Community development	2,206,948	2,951,902	2,567,546	225,817	311,436
Employee benefits and other				2,307,554	1,486,366
Debt service:	2,893,512	3,167,500			
Principal	1,220,080	882,198	3,487,500	4,217,500	5,092,500
Interest and other costs	77,754	116,224	1,016,212	1,199,232	1,477,153
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	57,555,458
Excess of revenue over (under) expenditures	(8,957,602)	601,427	642,275	(725,283)	(8,957,602)
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			
Proceeds from leasing	2,090,000				138,450
Proceeds from loan					800,000
Transfers in			17,173,325	15,384,293	15,282,526
Repayment of debt to escrow agent	16,619,424	15,101,443			(9,243,350)
Transfers out	(2,079,525)		(17,762,817)	(15,715,365)	(15,282,526)
Bond issuance costs	(19,553,849)	(17,529,122)		(71,000)	(118,470)
Net other financing sources (uses)	5,095,053	7,610,350	(35,541)	19,000	940,446
Net change in fund balances	\$ (3,862,549)	\$ 8,211,777	\$ 606,734	\$ (706,283)	\$ (8,017,156)
Debt service as a percentage of noncapital expenditures	10.0%	9.9%	11.0%	13.4%	12.3%

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

TABLE 4

TOWN OF BURRILLVILLEFUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Unaudited

(Modified Accrual Basis of Accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:										
Reserved			\$ 632,855	\$ 478,502	\$ 747,546	\$ 521,381	\$ 1,824,547	\$ 475,191	\$ 628,296	\$ 552,579
Unreserved			9,598,929	8,040,541	6,649,026	8,854,207	7,221,720	7,015,338	6,390,551	7,724,092
Nonspendable	\$ 668,840	\$ 667,189								
Restricted										
Committed	8,617,069	6,642,277								
Assigned	138,082	98,182								
Unassigned	6,376,298	6,493,100								
Total general fund	15,800,289	13,900,748	10,231,784	8,519,043	7,396,572	9,375,588	9,046,267	7,490,529	7,018,847	8,276,671
All Other Governmental Funds:										
Reserved			870,121	3,285,124	746,019	6,157,429	5,594,556	1,490,421	1,248,053	1,163,015
Unreserved								125,000		
Unreserved, reported in:										
Special revenue funds			3,586,493	6,034,762	4,228,352	4,181,880	3,669,236	2,263,999	1,674,108	1,392,028
Capital project funds			1,731,576	(3,590,617)	(556,090)	(4,357,059)	1,431,848	160,181	873,154	688,731
Nonspendable	109,150	109,216								
Restricted	845,125	883,207								
Committed	2,863,741	2,986,057								
Assigned										
Unassigned	433,037	543,498								
Total all other governmental funds	4,251,053	4,521,978	6,188,190	5,729,269	4,418,281	5,982,250	10,695,640	4,039,601	3,795,315	3,243,774
Total governmental funds	\$20,051,342	\$18,422,726	\$ 16,419,974	\$ 14,248,312	\$ 11,814,853	\$ 15,357,838	\$ 19,741,907	\$ 11,530,130	\$10,814,162	\$ 11,520,445

TABLE 5

TABLE 5

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

Fiscal Year	Net Tax Levy (1)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$15,965,837	\$15,632,662	97.91%	**	**	**
2004	\$17,278,137	\$16,868,002	97.63%	**	**	**
2005	\$18,174,466	\$17,822,568	98.06%	**	**	**
2006	\$19,162,222	\$18,783,376	98.02%	\$329,982	\$19,113,358	99.74%
2007	\$19,481,713	\$19,049,497	97.78%	\$367,236	\$19,416,733	99.67%
2008	\$20,379,384	\$20,007,667	98.18%	\$283,090	\$20,290,757	99.57%
2009	\$21,011,173	\$20,598,406	98.04%	\$318,789	\$20,917,195	99.55%
2010	\$21,867,633	\$21,394,794	97.84%	\$416,832	\$21,811,626	99.74%
2011	\$23,547,101	\$22,939,416	97.42%	\$439,778	\$23,379,194	99.29%
2012	\$26,687,010	\$26,069,800	97.69%	\$0	\$26,069,800	97.69%

(1) Reflects original assessment and additional assessments.

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

** Information not readily available.

TABLE 6

TABLE 6

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

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 *
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%
2008	\$1,565,386,100	\$172,124,708	\$ 53,542,047	\$ 61,065,716	\$ 1,622,903,045	\$1,738,328,026	93.36%
2009	\$1,581,386,800	\$164,041,689	\$ 48,920,328	\$ 61,487,343	\$ 1,635,020,818	\$1,716,016,812	95.28%
2010	\$1,586,321,800	\$149,720,028	\$ 44,494,748	\$ 60,428,974	\$ 1,631,118,106	\$1,708,692,757	95.46%
2011	\$1,265,518,100	\$158,579,377	\$ 36,519,747	\$ 24,764,689	\$ 1,362,813,041	\$1,337,402,395	101.90%
2012	\$1,376,048,600	\$171,002,544	\$ 36,949,767	\$ 13,276,313	\$ 1,496,825,064	\$1,226,905,790	122.00%

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, 2006, effective for the Town's fiscal year ending June 30, 2008.
 Statistical Revaluation as of December 31, 2009, effective for the Town's fiscal year ending June 30, 2011.

* 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
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 [1]	-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
2008	Motor Vehicle	\$40.00	0.00%	\$9.00	\$31.00
	RE/Tangible	\$11.60 [2]	-11.79%	\$2.61	\$8.99
2009	Motor Vehicle	\$40.00	0.00%	\$9.45	\$30.55
	RE/Tangible	\$11.85	2.16%	\$2.80	\$9.05
2010	Motor Vehicle	\$40.00	0.00%	\$9.82	\$30.18
	RE/Tangible	\$12.62	6.50%	\$3.10	\$9.52
2011	Motor Vehicle	\$40.00	0.00%	\$9.82	\$30.18
	RE/Tangible	\$15.65 [3]	24.01%	\$3.10	\$9.52
2012	Motor Vehicle	\$40.00	0.00%	\$15.56	\$24.44
	RE/Tangible	\$16.15	3.19%	\$6.28	\$9.87

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

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

[3] Statistical Revaluation as of December 31, 2009, effective for the Town's fiscal year ending June 30, 2011.

* 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		
FYE	October 31		August 31		September 30		July 31		October 31		
	Tax Rate	Debt Outstanding	Tax Rate	Debt Outstanding	Tax Rate	Debt Outstanding	Tax Rate	Debt Outstanding	Tax Rate	Debt Outstanding	
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	
2008	(a)	--	\$ 1.79	\$ 929,607	\$ 1.20	\$ --	\$ 1.30	\$ 706,535	\$ 1.48	\$ 1,024,069	
2009	(a)	--	\$ 1.87	\$ 908,339	\$ 1.20	\$ --	\$ 1.30	\$ 700,704	\$ 1.48	\$ 975,006	
2010	(a)	--	\$ 2.50	\$ 860,326	\$ 1.25	\$ --	\$ 1.30	\$ 605,342	\$ 1.48	\$ 919,656	
2011	(a)	--	\$ 2.50	\$ 833,310	\$ 1.38	\$ --	\$ 1.39	\$ 586,125	\$ 1.81	\$ 857,924	
2012	(a)	--	\$ 2.50	\$ 781,952	\$ 1.38	\$ --	\$ 1.39	\$ 576,437	\$ 1.81	\$ 1,447,055	

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, 2006, effective for the Town's fiscal year ending June 30, 2008.

Statistical Revaluation as of December 31, 2009 effective for the Town's fiscal year ending June 30, 2011

(a) Glendale Fire District was dissolved and absorbed by the Harrisville and Oakland-Mapleville Fire Districts - 1998

Source: Respective Fire Districts

Table 8

Table 8

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

Taxpayer	Type of Business	Assessed Valuation	2012 Rank	Percentage of Total Assessed Valuation	Tax Levy	Percentage of Tax Levy	Assessed Valuation	Percentage of Total Assessed Valuation	2003 Rank	Tax Levy	Percentage of Tax Levy
Fiscal Year Ending June 30, 2012							Fiscal Year Ending June 30, 2003				
Ocean State							Formerly under a PILOT agreement				
Power/TransCanada	Utility	\$ 111,069,410	1	7.42%	\$ 1,793,771.00	7.62%					
Algonquin Gas	Utility	\$ 14,831,117	2	0.99%	\$ 239,522.55	1.02%	\$ 12,957,900	1.63%	1	\$ 244,904	1.53%
Narragansett Electric	Utility	\$ 14,795,413	3	0.99%	\$ 239,461.18	1.02%	\$ 10,099,600	1.27%	2	\$ 213,944	1.33%
Tennessee Gas Pipeline Co.	Utility	\$ 7,106,104	4	0.47%	\$ 114,763.58	0.49%	\$ 759,780	0.10%	17	\$ 14,360	0.09%
Laginestra Realty LLC	Realty	\$ 5,603,600	5	0.37%	\$ 90,498.14	0.38%	---	----		---	----
Cox Cable RI, Inc.	Cable Company	\$ 5,078,679	6	0.34%	\$ 82,020.67	0.35%	\$ 5,165,548	0.65%	3	\$ 97,629	0.61%
Wright's Farm Inc.	Restaurant	\$ 4,955,990	7	0.33%	\$ 80,039.24	0.34%	\$ 3,436,500	0.43%	6	\$ 63,060	0.39%
Danielle International	Producer/Meat	\$ 4,710,465	8	0.31%	\$ 76,074.02	0.32%	\$ 3,016,900	0.38%	7	\$ 57,019	0.36%
Bliss Golf Investors LLC	Golf Course	\$ 4,694,344	9	0.31%	\$ 75,813.67	0.32%	\$ 817,000	0.10%	16	\$ 15,436	0.10%
Harken, Inc.	Nursing Home	\$ 4,600,255	10	0.31%	\$ 74,294.12	0.32%	\$ 3,835,300	0.48%	4	\$ 72,487	0.45%
Burrillville Health Center	Nursing Home	\$ 4,450,607	11	0.30%	\$ 71,877.30	0.31%	\$ 4,418,700	0.56%	3	\$ 83,513	0.52%
Bradford Court Association	Elderly Housing	\$ 3,855,564	12	0.26%	\$ 62,267.36	0.26%	\$ 2,682,900	0.34%	8	\$ 50,707	0.32%
Stillwater Heights INC	Housing Complex	\$ 2,870,800	13	0.19%	\$ 46,363.42	0.20%	---	---		---	---
Burrillville Nursing Home (Jolly Rest Home)	Nursing Home	\$ 2,855,635	14	0.19%	\$ 46,118.51	0.20%	\$ 2,341,800	0.30%	11	\$ 44,260	0.28%
Bronco Realty LLC	Realty	\$ 2,137,988	15	0.14%	\$ 34,528.51	0.15%	\$ 822,100	0.10%	16	\$ 15,538	0.10%
Laurelle Realty Trust	Golf Course	\$ 1,969,300	16	0.13%	\$ 31,804.20	0.14%	\$ 2,281,200	0.29%	9	\$ 47,825	0.30%
	Mobile Home					0.31%					
Maplehill Mobile Home Park	Park	\$ 1,845,100	17	0.12%	\$ 72,148.53		\$ 3,774,458	0.48%	5	\$ 71,337	0.44%
Lockheed Window	Manufacturing	\$ 1,582,369	18	0.11%	\$ 25,550.86	0.11%	\$ 1,263,973	0.16%	12	\$ 25,380	0.16%
Lambert Family Partnership	Real Estate	----		----	----	----	\$ 779,330	0.10%	18	\$ 14,729	0.09%
Boliden Metech, Inc.	Metals Recycling	----		----	----	----	\$ 1,104,700	0.14%	14	\$ 21,347	0.13%
Pascoag Fire District - Electric	Utility	----		----	----	----	\$ 2,245,180	0.28%	9	\$ 45,792	0.29%
Pascoag Fire District - Water	Utility	----		----	----	----	\$ 1,194,968	0.15%	13	\$ 22,580	0.14%
Harrisville Fire District - Water	Utility	----		----	----	----	\$ 905,203	0.11%	15	\$ 17,108	0.11%
		<u>\$ 87,943,330.00</u>		<u>5.88%</u>	<u>\$ 1,463,146</u>		<u>\$ 63,903,040</u>	<u>8.06%</u>		<u>\$ 1,238,955</u>	
</											

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 CHARGE	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	\$65.00	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	135,224	150.00	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	19A-1	Glendale
2003	15A	10,304	37,341	249.00	19A-2	Glendale
2004	16B Add On	93,378	16,011	270.00	19BT	Mohegan
2005	---	5,073	13,110	285.00	19BC	Mohegan/Spring Lake Road/Joslin Road
2006	87	45,515	45,515	303.00		
2007	14A	151,800	74,125	321.00		
2008	19A-1	49,817	5,432	351.00		
	19A-2	263,723	8,955	---	80	Colonial Road/Paula Drive
	19BT	59,880	---	---	81	Hemlock Farm Estates
	19BC	332,820	---	---	82	Sanwood Estates
	11A	63,429	19,848	---	83	Lynmar Estates
	11B	27,120	8,040	---	84	Whitney Estates
2009	---	---	---	354.00	85	Fox Meadow Estates
2010	---	---	---	354.00	86	Rolling Meadows Estate
2011	20	77,419	93,709	354.00	87	Mill Pond
2012	---	---	107,984	369.00	11A	Smith Estates
					11B	Granite River
					20	Oakland Village

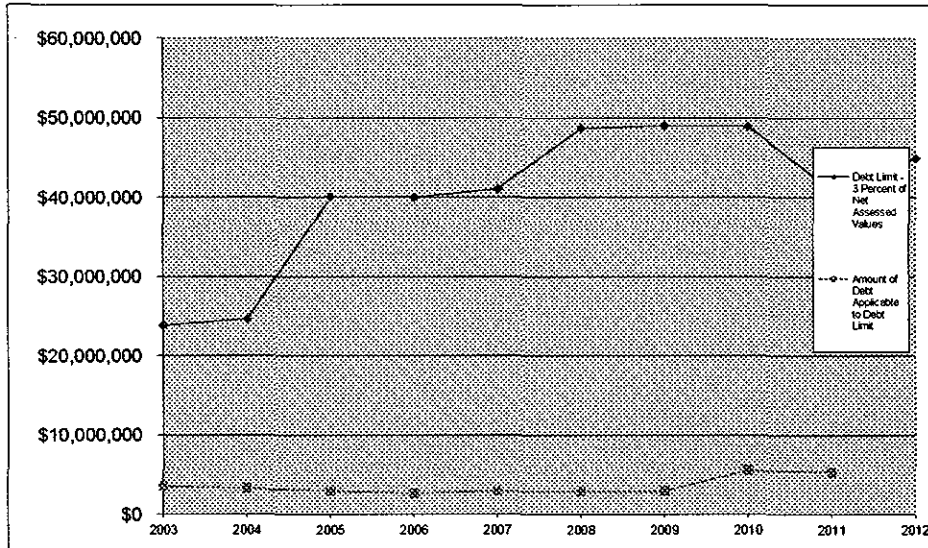
Source: Wastewater Treatment Facility

TABLE 9

TABLE 10

TABLE 10

TOWN OF BURRILLVILLE
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS



Net Assessed Values	\$	1,496,825,064
Debt Limit - 3 Percent of Net Assessed Values		\$44,904,752
Amount of Debt Applicable to Debt Limit:		
Total Bonded Debt	\$24,121,000	
Outstanding Bond Anticipation Notes	0	
Bonds Authorized but Unissued	500,000	
Less: Bonds & Notes Authorized By Special Act	(19,555,000)	
Amount of Debt Applicable to Debt Limit		5,066,000
Legal Debt Margin		\$39,838,752

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net Assessed Valuations	\$ 795,888,972	\$ 821,921,494	\$ 1,338,231,526	\$ 1,335,126,741	\$ 1,370,126,489	\$ 1,622,903,045	\$ 1,635,020,818	\$ 1,631,118,106	\$ 1,362,813,040
Debt Limit - 3 Percent of Net Assessed Values	23,876,669	24,657,645	40,146,346	40,053,802	41,103,795	48,687,091	49,050,625	48,933,543	40,884,391
Amount of Debt Applicable to Debt	3,562,500	3,268,750	2,975,000	2,681,250	2,973,627	2,901,023	2,998,953	5,552,021	5,447,500
Legal Debt Margin	\$ 20,314,169	\$ 21,388,895	\$ 37,171,946	\$ 37,372,552	\$ 38,130,168	\$ 45,786,068	\$ 46,051,672	\$ 43,381,522	\$ 35,436,891
Legal Debt Margin as a Percentage of Debt Limit	17.54%	15.28%	8.00%	7.17%	7.80%	6.34%	6.51%	12.80%	15.37%

TABLE 11A

TABLE 11A

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	Net Assessed Valuation	Annual Gross Bonded Debt	Less State Aid on Debt	Annual Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Gross Bonded Debt Per Capita	Net Bonded Debt Per Capita	Percentage of Personal Income to Gross Debt
2003	\$ 795,900,768	\$4,805,587	\$1,690,109	\$3,115,478	0.39%	\$292.29	\$189.49	9.97%
2004	\$ 821,921,494	\$4,736,732	\$1,410,470	\$3,326,262	0.40%	\$287.20	\$201.68	10.51%
2005	\$ 1,338,231,525	\$4,503,712	\$1,419,023	\$3,084,689	0.23%	\$271.91	\$186.24	11.38%
2006	\$ 1,352,622,852	\$4,049,698	\$1,703,942	\$2,345,756	0.17%	\$245.33	\$142.11	13.33%
2007	\$ 1,370,126,489	\$4,113,592	\$1,500,710	\$2,612,882	0.19%	\$249.23	\$158.31	13.79%
2008	\$ 1,622,903,045	\$4,964,412	\$2,252,182	\$2,712,230	0.17%	\$301.24	\$164.58	11.87%
2009	\$ 1,635,020,818	\$4,826,662	\$2,210,735	\$2,615,927	0.16%	\$292.88	\$158.73	12.54%
2010	\$ 1,631,118,106	\$3,880,078	\$1,588,453	\$2,291,625	0.14%	\$243.19	\$143.63	15.84%
2011	\$ 1,362,813,040	\$3,683,124	\$1,484,312	\$2,198,812	0.16%	\$230.84	\$137.81	NA
2012	\$ 1,496,825,064	\$4,077,458	\$1,345,453	\$2,732,005	0.18%	\$255.56	\$171.23	NA

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, 2006, effective for the Town's fiscal year ending June 30, 2008.
 Statistical Revaluation as of December 31, 2009, effective for the Town's fiscal year ending June 30, 2011.

* 2010 Population Per Census 15,955

** See Table 16A for Personal Income and Population Data Used to Calculate the Ratio

TOWN OF BURRILLVILLE
 RATIO OF OUTSTANDING DEBT
 TO ASSESSED VALUE AND DEBT PER CAPITA
 LAST TEN FISCAL YEARS
 Unaudited

**

Fiscal Year	Estimated Actual Valuation	General Obligation Bonded Debt	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita	Personal Income (in 000s)	Percentage of Personal Income to Debt
2003	\$ 936,343,256	\$28,256,012	3.02%	\$1,719	\$ 478,951	1.70%
2004	\$ 905,798,428	\$25,219,584	2.78%	\$1,529	\$ 497,802	1.97%
2005	\$ 1,574,760,562	\$22,286,035	1.42%	\$1,346	\$ 512,605	2.30%
2006	\$ 1,696,291,514	\$29,002,214	1.71%	\$1,753	\$ 539,789	1.86%
2007	\$ 1,586,896,559	\$34,111,127	2.15%	\$2,062	\$ 567,388	1.66%
2008	\$ 1,738,328,026	\$32,792,356	1.89%	\$1,982	\$ 589,350	1.80%
2009	\$ 1,716,016,812	\$30,085,953	1.75%	\$1,818	\$ 605,148	2.01%
2010	\$ 1,708,692,757	\$29,462,771	1.72%	\$1,781	\$ 614,613	2.09%
2011	\$ 1,337,402,395	\$26,908,000	2.01%	\$1,626	NA	NA
2012	\$ 1,226,905,790	\$24,121,000	1.97%	\$1,458	NA	NA

Note:

Full Property Revaluation as of December 31, 2003, effective for fiscal year ending 2005.
 Statistical Revaluation as of December 31, 2006, effective for fiscal year 2008.
 Statistical Revaluation as of December 31, 2009, effective for fiscal year 2011.
 The Town does not have any lease agreements or special assessment debt.

* 2010 Population Per Census 15,955

** See Table 16A for Personal Income and Population Data Used to Calculate the Ratio

TABLE 12

TABLE 12

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenses	Ratio of Debt Service to General Governmental Expenses
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%
2008	\$3,695,000	\$1,269,412	\$4,964,412	\$48,326,782	10.27%
2009	\$3,636,000	\$1,190,662	\$4,826,662	\$43,947,826	10.98%
2010	\$2,810,000	\$1,068,828	\$3,878,828	\$42,696,277	9.08%
2011	\$2,694,000	\$988,124	\$3,682,124	\$44,327,652	8.31%
2012	\$3,171,771	\$905,687	\$4,077,458	\$44,790,724	9.10%

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
June 30, 2012
Unaudited

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
I. Direct Bonded Debt:			
Town of Burrillville *	\$24,121,000	100.00%	\$24,121,000
II. Overlapping Debt **: 			
Harrisville Fire District	\$781,952	100.00%	\$781,952
Nasonville Fire District	\$0	100.00%	\$0
Oakland-Mapleville Fire District	\$576,437	100.00%	\$576,437
Pascoag Fire District	\$1,447,055	100.00%	\$1,447,055
Total	\$2,805,444	100.00%	\$2,805,444
Total Direct and Overlapping Debt			\$26,926,444

* 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

TABLE 15

TOWN OF BURRILLVILLE
STATUS OF BOND AUTHORIZATIONS
June 30, 2012
Unaudited

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- Construction/Equip/Furnishings	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
36 S2919	2004	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	\$ 3,500,000	\$ -	\$ -
45-12-2	2010	Whipple Landfill Closure	\$ 2,160,000	\$ 2,160,000	\$ -	\$ -
TOTAL			\$ 85,360,000	\$ 84,619,600	\$ -	\$ 500,000

NOTE: With the exception of the 1995, 1999, 2006, and 2010 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	Personal Income		Median Household Income	Median Age	Education Level		School (3) Enrollment	Unemployment Rate (4)		
		(in 000s) (2)	Per Capita (2)			High School Graduate	Bachelor's Degree		Town	RI	USA
2002	16,241	461,886	\$ 29,241	-	-	-	-	2,674	5.60%	5.10%	5.80%
2003	16,441	478,951	\$ 30,321	-	-	-	-	2,605	5.10%	5.40%	6.00%
2004	16,493	497,802	\$ 31,514	-	-	-	-	2,577	4.80%	5.20%	5.50%
2005	16,563	512,605	\$ 32,452	-	-	-	-	2,542	4.80%	5.00%	5.10%
2006	16,507	539,789	\$ 34,173	-	-	-	-	2,559	4.81%	5.14%	4.83%
2007	16,505	567,388	\$ 35,920	-	-	-	-	2,554	4.60%	4.99%	4.53%
2008	16,480	589,350	\$ 37,274	-	-	-	-	2,518	5.50%	5.77%	4.95%
2009	16,480	605,148	\$ 37,928	-	-	-	-	2,556	9.30%	9.47%	7.44%
2010 (1)	15,955	614,613	\$ 38,420	\$68,904	42.4	82.9%	21.6%	2,468	11.84%	12.14%	9.79%
2011	15,995	NA	NA	-	-	-	-	2,474	10.79%	11.26%	9.30%
2012	15,995	NA	NA	-	-	-	-	2,487	10.59%	11.15%	8.55%

Sources:

- (1) 2010 Census Data & Census Bureau Estimates
- (2) US Bureau of Economic Analysis, Regional Economic Information System. The Town's population is 2.55% of Providence County
- (3) Burrillville School Department
- (4) RI Department of Economic Development
RI Department of Labor & Training

NA - Not Available

TABLE 16B

TABLE 16B

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

Fiscal Year	Registered Voters *	% of Total Population	Estimated Population	Births	Deaths	Natural Increase	New Housing Units **	Median Selling Price*** (Single Family)
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	62%	16,507	107	196	-89	42	\$289,500
2007	11,696	71%	16,505	125	217	-92	43	\$268,750
2008	11,790	72%	16,480	119	216	-97	26	\$266,000
2009	10,893	66%	16,576	111	184	-73	22	\$270,067
2010	10,972	69%	15,955	149	155	-6	35	\$240,840
2011	11,576	73%	15,955	113	185	-72	15	\$214,450
2012	11,709	73%	15,955	111	167	-56	7	\$199,500

* Verbal per Town Clerk.

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

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

+Population based on 2010 US Census

TABLE 17

TABLE 17

TOWN OF BURRILLVILLE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
June 30, 2012
Unaudited

Name	Type of Business	2012			2003		
		Number Employed	Percent of Town Employment	Rank	Number Employed	Percent of Town Employment	Rank
Burrillville School Department	Public School System	337	11.91%	1	380.5	16.97%	1
Zambarano Hospital	State Facility	303	10.71%	2	160	7.14%	4
Danielle Prosciutto	Producer/Meats	280	9.90%	3	330	14.72%	2
Wright's Farm	Restaurant	170	6.01%	4	160	7.14%	3
Overlook Nursing Home	Nursing Home	155	5.48%	5	130	5.80%	5
Bayberry Commons Nursing Home	Nursing Home	120	4.24%	6	75	3.35%	10
Pine Grove Health Center	Nursing Home	100	3.53%	7	120	5.35%	6
Lockheed Aluminum	Manufacturer	99	3.50%	8	100	4.46%	8
Town of Burrillville *	Municipal Government	93	3.29%	9	NR	0.00%	NR
Crystal Lake	Golf Course	60	2.12%	10	70	3.12%	9
Bruin Plastics	Manufacturer	50	1.77%	11	NR	0.00%	NR
Ocean State Power	Utility	33	1.17%	12	38	1.69%	11
Boliden Metech, Inc.	Metal Refiner	NR	0.00%	NR	68	3.03%	7
Turex Plastic	Manufacturer	NR	0.00%	NR	55	2.45%	12
Total Town Employment		2829	63.63%		2242	75.22%	

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

NR = Not Ranked

TABLE 18

TABLE 18

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

Fiscal Year	Population	% Change	Median Income		State	% Change
			Town	% 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%
2010	15,955	1.01%	\$ 68,904	31.03%	\$ 55,569	41.86%

Source: Bureau of Census

TABLE 19

TABLE 19

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

Function General Government	Full-time Equivalent Employees									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Animal Control	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0
Board of Canvassers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0
Building Official	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Civil Defense	0.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	0.5	0.5
Information Systems	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Library	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.0	12.0	13.0
Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Municipal Court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Police	31.5	31.5	31.5	31.5	32.5	32.5	30.5	30.5	29.0	28.5
Public Works	16.0	16.0	17.0	17.0	17.0	16.0	14.0	15.5	16.5	16.5
Recreation	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.0	2.0	2.0
Tax Assessor	3.0	4.0	4.0	4.0	4.0	3.0	2.0	2.0	2.0	2.0
Tax Collector	3.0	3.0	3.0	3.0	3.0	3.0	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	3.5	3.0
Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Treasurer	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Waste Water Treatment	8.0	8.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Total	<u>87.5</u>	<u>89.5</u>	<u>89.5</u>	<u>89.5</u>	<u>90.5</u>	<u>88.0</u>	<u>82.0</u>	<u>95.0</u>	<u>92.5</u>	<u>93.5</u>

Full-time Equivalent Municipal Government Employees by Function

N/A - No Information Available

TABLE 20

TABLE 20

TOWN OF BURRILLVILLE
MISCELLANEOUS STATISTICS
 JUNE 30, 2012
 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 20

TABLE 20

TOWN OF BURRILLVILLE
MISCELLANEOUS STATISTICS
JUNE 30, 2012
Unaudited

Road System:	
Total Miles	161.5
State Miles	46.0
Town Miles	115.5
Bridges - Town	8
Sewerage System:	
Miles of Sewer Lines	51
Number of:	
- Treatment Plants	1
- Pump Stations	11
- Residential Users	3,558
- Metered Users	38
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 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
2003	MV	\$28.05	\$4.74	\$3.05	\$0.10	\$4.06	\$0.00	\$40.00
	RE/TANG	\$13.25	\$2.24	\$1.44	\$0.05	\$1.92	\$0.00	\$18.90
2004	MV	\$27.57	\$2.99	\$5.06	\$0.28	\$4.10	\$0.00	\$40.00
	RE/TANG	\$13.64	\$1.48	\$2.51	\$0.14	\$2.03	\$0.00	\$19.80
2005	MV	\$27.62	\$4.08	\$5.01	\$0.00	\$3.29	\$0.00	\$40.00
	RE/TANG	\$8.67	\$1.28	\$1.57	\$0.00	\$1.03	\$0.00	\$12.55
2006	MV	\$28.27	\$3.23	\$5.80	\$0.00	\$2.70	\$0.00	\$40.00
	RE/TANG	\$9.22	\$1.05	\$1.89	\$0.00	\$0.89	\$0.00	\$13.05
2007	MV	\$28.82	\$3.99	\$5.09	\$0.00	\$2.10	\$0.00	\$40.00
	RE/TANG	\$9.48	\$1.31	\$1.67	\$0.00	\$0.69	\$0.00	\$13.15
2008	MV	\$29.19	\$1.36	\$6.19	\$0.86	\$2.40	\$0.00	\$40.00
	RE/TANG	\$8.34	\$0.65	\$1.49	\$0.27	\$0.85	\$0.00	\$11.60
2009	MV	\$29.19	\$1.36	\$6.19	\$0.86	\$2.40	\$0.00	\$40.00
	RE/TANG	\$8.65	\$0.40	\$1.83	\$0.26	\$0.71	\$0.00	\$11.85
2010	MV	\$28.75	\$1.42	\$7.31	\$0.99	\$1.53	\$0.00	\$40.00
	RE/TANG	\$9.07	\$0.45	\$2.31	\$0.31	\$0.48	\$0.00	\$12.62
2011	MV	\$25.98	\$1.19	\$11.28	\$0.16	\$1.39	\$0.00	\$40.00
	RE/TANG	\$10.16	\$0.47	\$4.41	\$0.07	\$0.54	\$0.00	\$15.65
2012	MV	\$23.23	\$1.17	\$11.62	\$0.51	\$1.16	\$2.31	\$40.00
	RE/TANG	\$9.38	\$0.47	\$4.69	\$0.21	\$0.47	\$0.93	\$16.15

TABLE 22

TABLE 22

TOWN OF BURRILLVILLE
ALLOCATION OF TAX BASE
Unaudited

Class of Property	<u>Town Average</u>					State Average
	1980	1990	2000	2010	2012	2010
Residential	61.54%	68.45%	74.92%	82.23%	72.87%	75.29%
Commercial/ Industrial	17.21%	13.99%	12.44%	6.63%	14.95%	17.43%
Motor Vehicle	19.19%	16.55%	12.35%	8.14%	8.47%	3.99%
Tangible	2.06%	1.01%	0.29%	3.00%	3.71%	3.29%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: RI Department of Administration

* Assessment year ending December 31

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:								
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%
2007	\$ 21,163,146	\$ 19,913,112	106.28%	\$1,250,034	\$5,327,953	23.46%	4.74%	7.00%
2008	\$ 23,164,763	\$ 20,971,570	110.46%	\$2,193,193	\$5,420,713	40.46%	5.94%	7.00%
2009	\$ 23,499,023	\$ 22,446,076	104.69%	\$1,052,947	\$5,589,303	18.84%	4.67%	7.00%
2010	\$ 23,338,522	\$ 25,978,360	89.84%	(\$2,639,838)	\$5,552,647	-47.54%	3.08%	7.00%
2011	\$ 23,308,991	\$ 23,383,539	99.68%	(\$74,548)	\$5,657,728	-1.32%	4.98%	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	Annual Covered Payroll	Assets In Excess Of Pension Benefit Obligation As A Percentage Of Covered Payroll	Employer Contribution	Employee Contribution
Police Officers:								
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%
2007	\$6,379,836	\$6,544,766	97.48%	(\$164,930)	\$1,195,875	-13.79%	23.32%	10.20%
2008	\$7,302,211	\$7,039,876	103.73%	\$262,335	\$1,286,345	20.39%	16.41%	10.20%
2009	\$7,553,018	\$7,322,217	103.15%	\$230,801	\$1,285,819	17.95%	12.23%	10.20%
2010	\$7,670,056	\$9,329,853	82.21%	(\$1,659,797)	\$1,256,789	-132.07%	10.17%	10.20%
2011	\$7,879,873	\$8,439,844	93.37%	(\$559,971)	\$1,221,576	-45.84%	10.79%	10.20%

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		
	Residential	Metered	Daily Avg	Max Day	Total		MG Total	Dry Lb. (per 1,000) Daily Avg	Total
2001	2,765	27	0.812	2.580	295.2	5,923	2.162	2.056	750.5
2002	2,814	28	0.7085	1.516	258.6	6,157	2.247	2.282	832.8
2003	2,832	28	0.8035	1.518	293.3	6,177	2.255	2.106	768.6
2004	2,891	28	0.805	1.768	294.6	6,093	2.230	2.202	805.8
2005	2,946	28	0.771	1.650	281.3	6,250	2.280	2.188	798.7
2006	2,963	29	0.872	1.803	318.3	6,204	2.260	2.172	792.6
2007	3,076	46	0.813	1.951	296.7	6,313	2.304	2.161	788.9
2008	3,273	46	0.7982	1.847	292.1	6,445	2.359	2.190	801.4
2009	3,395	41	0.8449	1.784	308.4	6,522	2.381	2.163	789.4
2010	3,419	42	0.9669	2.480	352.9	6,923	2.527	2.028	740.1
2011	3,537	42	0.8213	1.816	298.1	7,618	2.766	2.002	726.7
2012	3,558	38	0.8759	1.641	320.6	9,749	3.568	2.203	806.3

Plant Capacity

1.5

4.5

PLANT EFFLUENT REMOVALS & WEATHER ACTIVITY

Fiscal Year	Biochemical Oxygen Demand *	Total Suspended Solids *	Total Phosphorus	Mean Temperature			Precipitation		
				Average	High (mth)	Low (mth)	Average	High (mth)	Low (mth)
2001	97.40%	96.40%	85.90%	50	75 (June)	23 (Jan)	3.68	9.36 (Sept)	1.12 (Jan)
2002	97.67%	96.90%	87.83%	53	78.8 (Aug)	32.4 (Feb)	2.51	5.87 (May)	.39 (Oct)
2003	97.85%	96.51%	86.76%	49	77.2 (Aug)	20.3 (Feb)	3.84	5.54 (Jun)	2.00 (Jul)
2004	97.82%	96.04%	87.18%	52	78.9 (July)	17.0 (Jan)	3.48	7.63 (Apr)	.71 (Jun)
2005	97.50%	96.90%	89.30%	51	76.1 (Aug)	22.8 (Jan)	3.68	5.49 (Apr)	.55 (Jun)
2006	97.50%	96.40%	86.70%	53	79.3 (Aug)	27.8 (Dec)	4.64	13.39 (Oct)	.38 (Mar)
2007	98.20%	97.50%	87.70%	50	78.0 (July)	20.9 (Feb)	3.82	8.82 (Apr)	.70 (Feb)
2008	98.30%	97.50%	86.80%	49	71.3 (June)	26.6 (Jan)	3.18	6.91 (Feb)	.87 (Aug)
2009	98.30%	97.50%	86.80%	48	74.1 (Jul)	17.9 (Jan)	3.64	6.52 (Dec)	1.85 (Feb)
2010	97.00%	97.50%	88.00%	50	73.1 (Aug)	23.8 (Jan)	3.68	9.36 (Sept)	1.82 (Aug)
2011	98.20%	97.90%	89.80%	49	78.3 (Jul)	19.4 (Jan)	3.25	4.81 (Apr)	1.11 (Jan)
2012	98.50%	98.60%	92.00%	52	77.0 (Jul)	29.5 (Jan)	3.63	8.28 (Aug)	0.71 (Mar)

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

Source: Burrillville Wastewater Treatment Facility

TOWN OF BURRILLVILLE
PERSONNEL CONTRACTS
JUNE 30, 2012
Unaudited

Police Department	International Brotherhood of Police Officers IBPO, Lodge #369 Contract expires June 30, 2015 Under Negotiation
Public Works & Municipal	RI Council 94 AFSCME, AFL-CIO, Local 186 3 Year Contract expires June 30th, 2014
Sewer Department	Building Maintenance Service & Industrial Workers - Local Union 1322 5 Year Contract expires June 30, 2015
School Department	
Teachers	National Education Association Rhode Island Education Association Burrillville Teachers Association 3 Year Contract expired August 31, 2014
Non-Certified	RI Council 94 AFSCME, AFL-CIO, Local 2231 1 Year Contract expires June 30, 2015

TOWN OF BURRILLVILLE

**REPORT IN ACCORDANCE WITH
GOVERNMENT AUDITING
STANDARDS**



Gerard R. Cayer
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Mark V. Caccia
CPA, MST, CVA

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CPA, MST, CFP™

**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 aggregate discretely presented component units, 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, 2012, which collectively comprise the Town of Burrillville, Rhode Island's basic financial statements and have issued our report thereon dated December 21, 2012. 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

Management of the Town of Burrillville, Rhode Island is responsible for establishing and maintaining effective 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2012-1 and 2012-2).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies. (2012-1 and 2012-2).

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 noted certain other matters that we reported to management of the Town of Burrillville, Rhode Island in a separate letter dated December 21, 2012.

The Town of Burrillville, Rhode Island's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Town of Burrillville, Rhode Island's response and, accordingly, we express no opinion on it.

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.

Cayn Caccia, LLP

December 21, 2012

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

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:

Two significant deficiencies disclosed during the audit of the financial statements are summarized below in findings 2012-1 and 2012-2. Both of the deficiencies are reported as material weaknesses.

3. No instances of noncompliance material to the financial statements of the Town of Burrillville, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

B. FINDINGS RELATED TO AUDIT OF FINANCIAL STATEMENTS

2012-1 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 2012, 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, 2012 to prevent and detect misstatements in the financial statement preparation and reporting process.

Recommendation – We recommend that the Town continue to strengthen its internal controls to decrease the risk of misstatements over the financial reporting process. Management can improve controls related to the financial reporting process by dedicating resources to improve the oversight of the financial reporting process.

Corrective Action Plan – The Town will continue to rely on the external auditors to assist in the recording of certain complex transactions and the final preparation of the GAAP financial statements because this does not present an independence issue and is more cost effective.

2012-2 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 component unit 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 adjusting entries to record and reclassify financial activity in the MUNIS general ledger.

Recommendation – We recommend that the Finance Department continue to establish and implement monthly review and reconciliation procedures for the Town's significant side funds, including the Town and School Department interfund reconciliation.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

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

2012-2 Accurate Posting of Side Fund Financial Activity (Continued)

Corrective Action Plan – Posting of financial data and interfund reconciliations are performed on a monthly basis. Certain transactions required additional analysis, research and discussion with the auditors. With the addition of a half-time position, the duties and responsibilities assigned to staff are being reviewed and reprioritized in an effort to focus on the concerns being raised.

C. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2011-1 Oversight of the Town's Financial Reporting Process

Condition: 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 2011, 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, 2011 to prevent and detect misstatements in the financial statement preparation and reporting process.

Recommendation: We recommend that the Town continue to strengthen its internal controls to decrease the risk of misstatements over the financial reporting process. Management can improve controls related to the financial reporting process by dedicating resources to improve the oversight of the financial reporting process.

Current Status: The Town acknowledges that it relied on the external auditors to assist in the recording of certain complex transactions and the final preparation of the GAAP financial statements. Since this does not present an independence issue and is more cost effective, the Town will continue to rely on external auditors to prepare the financial statements.

Finding 2011-2 Accurate Posting of Side Fund Financial Activity

Condition: Required monthly interfund reconciliations and general ledger maintenance procedures related to the Town's larger and more complex side funds (special revenue and component unit 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 adjusting entries to record and reclassify financial activity in the MUNIS general ledger.

Recommendation: We recommend that the Finance Department establish and implement effective review and reconciliation procedures for the Town's significant side funds.

Current Status: Posting of financial data and interfund reconciliations are performed on a monthly basis as time permits. Certain transactions required additional analysis, research and discussion with the auditors.

(CONCLUDED)