



Cayer Caccia

Cayer Caccia, LLP | *Certified Public Accountants and Business Consultants*

BURRILLVILLE SCHOOL DEPARTMENT

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2016**

BURRILLVILLE SCHOOL DEPARTMENT

JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Members of the School Committee
Burrillville School Department
Burrillville, Rhode Island

We have audited the accompanying financial statements of each major fund, and the aggregate remaining fund information of the Burrillville School Department (a department of the Town of Burrillville, Rhode Island), as of and for the year ended June 30, 2016, and related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of the Burrillville School Department, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Burrillville School Department, are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island that is attributable to the transactions of the Burrillville School Department. They do not purport to, and do not present fairly the financial position of the Town of Burrillville, Rhode Island as of June 30, 2016, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the historical pension and budgetary comparison information on pages 39 through 47 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burrillville School Department's financial statements. The combining and individual nonmajor fund financial statements 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 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. Such 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Cayer Caccia, LLP

December 23, 2016

BURRILLVILLE SCHOOL DEPARTMENT

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 297,969	\$ 44,578	\$ 342,547
Intergovernmental receivable	28,204	405,898	434,102
Other receivables	5,174		5,174
Due from Town of Burrillville	3,515,614	750	3,516,364
Due from other funds	327,507	271,225	598,732
TOTAL ASSETS	\$ 4,174,468	\$ 722,451	\$ 4,896,919
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 1,264,448	\$ 37,040	\$ 1,301,488
Accrued payroll and benefits	2,232,859	107,438	2,340,297
Unearned revenues	23,489	77,228	100,717
Due to Town of Burrillville		114,695	114,695
Due to other funds		386,050	386,050
TOTAL LIABILITIES	3,520,796	722,451	4,243,247
FUND BALANCES:			
Unassigned	653,672		653,672
TOTAL FUND BALANCES	653,672	0	653,672
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,174,468	\$ 722,451	\$ 4,896,919

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Federal sources	\$ 429,659	\$ 1,221,453	\$ 1,651,112
State sources	13,287,161	131,018	13,418,179
Miscellaneous		63,859	63,859
Intergovernmental - pension contribution	1,230,265		1,230,265
TOTAL REVENUES	14,947,085	1,416,330	16,363,415
EXPENDITURES:			
Current:			
Salaries	17,869,694	849,385	18,719,079
Employee benefits	6,701,621	329,334	7,030,955
Purchased services	4,679,559	126,693	4,806,252
Supplies and materials	1,151,007	21,265	1,172,272
Other	45,913		45,913
Intergovernmental - pension contribution	1,230,265		1,230,265
Capital outlay	151,624	89,653	241,277
TOTAL EXPENDITURES	31,829,683	1,416,330	33,246,013
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(16,882,598)	0	(16,882,598)
OTHER FINANCING SOURCES (USES):			
Transfers from Town of Burrillville	17,113,180		17,113,180
Transfers to other funds	(44,000)		(44,000)
NET OTHER FINANCING SOURCES	17,069,180	0	17,069,180
NET CHANGE IN FUND BALANCES	186,582	0	186,582
FUND BALANCE AT BEGINNING OF YEAR	467,090	0	467,090
FUND BALANCE AT END OF YEAR	\$ 653,672	\$ 0	\$ 653,672

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

**STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2016**

	Enterprise Funds		
	Cafeteria Fund	Levy Rink	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 400,139	\$ 223,883	\$ 624,022
Inventory	18,009		18,009
Account receivables	4,313		4,313
Due from:			
Other governments	16,446		16,446
Total Current Assets	438,907	223,883	662,790
Noncurrent Assets:			
Net capital assets	10,366	177,031	187,397
TOTAL ASSETS	449,273	400,914	850,187
LIABILITIES:			
Current Liabilities:			
Accounts payable	139,936	28,213	168,149
Unearned revenue	13,827		13,827
Due to other funds	188,375	24,307	212,682
Accrued compensated absences	900	730	1,630
Total Current Liabilities	343,038	53,250	396,288
Noncurrent Liabilities:			
Accrued compensated absences	8,233	6,552	14,785
Total Noncurrent Liabilities	8,233	6,552	14,785
TOTAL LIABILITIES	351,271	59,802	411,073
NET POSITION:			
Net investment in capital assets	10,366	177,031	187,397
Unrestricted	87,636	164,081	251,717
TOTAL NET POSITION	\$ 98,002	\$ 341,112	\$ 439,114

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Funds</u>		
	<u>Cafeteria Fund</u>	<u>Levy Rink</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for usage and service	\$ 461,310	\$ 462,520	\$ 923,830
Total Operating Revenues	<u>461,310</u>	<u>462,520</u>	<u>923,830</u>
OPERATING EXPENSES:			
Operations	802,996	207,822	1,010,818
Personnel	103,267	150,857	254,124
Depreciation	3,955	24,160	28,115
Total Operating Expenses	<u>910,218</u>	<u>382,839</u>	<u>1,293,057</u>
OPERATING INCOME (LOSS)	<u>(448,908)</u>	<u>79,681</u>	<u>(369,227)</u>
NONOPERATING REVENUES:			
Intergovernmental	476,055		476,055
Nonoperating grant		35,000	35,000
Net Nonoperating Revenues	<u>476,055</u>	<u>35,000</u>	<u>511,055</u>
INCOME BEFORE TRANSFERS	27,147	114,681	141,828
TRANSFERS IN	<u>0</u>	<u>44,000</u>	<u>44,000</u>
CHANGE IN NET POSITION	27,147	158,681	185,828
TOTAL NET POSITION - BEGINNING	<u>70,855</u>	<u>182,431</u>	<u>253,286</u>
TOTAL NET POSITION - ENDING	<u>\$ 98,002</u>	<u>\$ 341,112</u>	<u>\$ 439,114</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Funds</u>		
	<u>Cafeteria Fund</u>	<u>Levy Rink</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 462,804	\$ 462,520	\$ 925,324
Cash paid to suppliers	(815,059)	(200,807)	(1,015,866)
Cash paid to employees	(99,463)	(152,112)	(251,575)
Net cash provided by (used for) operating activities	(451,718)	109,601	(342,117)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Nonoperating grants received	487,636		487,636
Transfer from other funds		44,000	44,000
Increase (decrease) in due to other funds	111,376	16,322	127,698
Net cash provided by noncapital financing activities	599,012	60,322	659,334
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Nonoperating grants received		35,000	35,000
Acquisition of capital assets		(28,900)	(28,900)
Net cash provided by capital and related financing activities	0	6,100	6,100
NET INCREASE IN CASH AND CASH EQUIVALENTS	147,294	176,023	323,317
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	252,845	47,860	300,705
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 400,139	\$ 223,883	\$ 624,022
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (448,908)	\$ 79,681	\$ (369,227)
Adjustments to reconcile:			
Depreciation	3,955	24,160	28,115
Increase in accounts receivables	(65)		(65)
Increase in inventory	(6,976)		(6,976)
Increase (decrease) in accounts payable	(5,087)	7,015	1,928
Increase in unearned revenue	1,559		1,559
Increase (decrease) in accrued compensated absences	3,804	(1,255)	2,549
Net cash provided by (used for) operating activities	\$ (451,718)	\$ 109,601	\$ (342,117)
Supplemental cash flow disclosure:			
Capital assets purchased through accounts payable	\$ 0	\$ 12,075	\$ 12,075

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency Funds
	<hr/>
ASSETS:	
Cash and cash equivalents	\$ 127,536
	<hr/>
LIABILITIES:	
Deposits held in custody for others	\$ 127,536
	<hr/>

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The financial statements of the Burrillville School Department (the School Department) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Burrillville School Department is a department of the Town of Burrillville. Those funds and activities which are administered by the School Department are included herein.

Reporting Entity

The School Department's financial statements include all funds over which the School Department exercises significant oversight responsibility or management control. Oversight responsibility is determined upon the basis of the School Department's participation with each entity in the following areas: financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. There are no component units combined with the oversight unit reporting entity for financial presentation purposes.

The accompanying financial statements present only the Burrillville School Department and are not intended to present fairly the financial position of the Town of Burrillville and the results of its operations in conformity with generally accepted accounting principles.

Basis of Presentation

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. 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 School or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the 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 or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Fund Types

General Fund - This fund is used to account for all unrestricted resources available to operate the Burrillville School Department. Revenues are principally from Town of Burrillville appropriations and State of Rhode Island operating aid. Expenditures from this fund are under the budgetary control of the Burrillville School Committee.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (Continued)

Special Revenue Funds - Special revenue funds are used to account for revenues restricted for specific educational purposes. The special revenue funds are used to account for grants-in-aid and related expenditures resulting from Federal, State, and local government funded programs.

Proprietary Fund Types

Enterprise Funds - These funds are used to account for activities that are similar to those found in the private sector. The intent of the School Department is that the costs of providing goods or services on a continuing basis be financed or recorded primarily through user charges and fees or where the School Department has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Operating revenues of the Proprietary Funds consists of customer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue.

Fiduciary Fund Types

Agency Funds - These funds are used to account for assets held by the School in a trustee capacity or as an agent. Funds are custodial in nature and do not involve measurement of results of operations.

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 fund:	See above for description
Proprietary funds:	Cafeteria Fund Levy Rink
<i>Non-major:</i>	
Special Revenue:	Title I, Title II, Woonsocket Perkins, IDEA Part B, K-3 Formative Assessment, Council on the Arts, IP Science, Preschool, Literacy, Burrillville Alumni, Sparks, FFVP Grant, SSS Grant, BMS Champlin, Feinstein Foundation, WCI, Professional Development, CTE State Funds, and Levy Foundation.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

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.
- (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 position.
- (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 fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

All proprietary 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.

Federal and state grants and state aid are susceptible to accrual. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Inventory and Supplies

Governmental Fund Types

Inventory and supplies are recorded as expenditures when purchased.

Proprietary Fund Types

Inventory is recorded at the lower of cost or market, valued on the first-in, first-out (FIFO) basis.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the governmental funds. Encumbrances do not constitute expenditures or liabilities.

Unearned Revenue

The School Department reports unearned revenue on its combined balance sheet. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the School Department before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the School Department has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

Property, Plant and Equipment

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 for governmental fund operations are presented in the Town's basic financial statements. Capital assets used in proprietary fund operations 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 equal to or greater than \$10,000.

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>Class</u>	<u>Useful Life</u>
Land Improvements.....	40 years
Equipment.....	5 - 25 years
Vehicles.....	5 years

Cash and Cash Equivalents

The School Department considers all investments with a maturity date of three months or less when purchased to be cash equivalents.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

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 in spendable form, or legally or contractually required to be maintained intact.

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 formal action of the School Committee. Those committed amounts cannot be used for any other purpose unless the School Committee 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 School Department 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 the School Committee or a management official delegated that authority by formal School Committee action.

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 School Department 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.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Standards

The School Department implemented the following pronouncements for the year ended June 30, 2016.

- GASB Statement No. 72 - Fair Value Measurement and Application.
- GASB Statement No. 73 - Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68.
- GASB Statement No. 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.
- GASB Statement No. 79 – Certain External Investment Pools and Pool Participants.

The adoption of these Statements did not have an impact on the School Department's financial position or results of operations.

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

- GASB Statement No. 74 - Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, effective for the School Department's fiscal year ending June 30, 2017.
- GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, effective for the School Department's fiscal year ending June 30, 2018.
- GASB Statement No. 78 – Pensions Provided through Certain Multiple – Employer Defined Benefit Pension Plans, effective for the School Department's fiscal year ending June 30, 2017.
- GASB Statement No. 82 – Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73, effective for the School Department's fiscal year ending June 30, 2017.

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

Use of Estimates

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

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds. These amounts are classified as "due from other funds" or "due to other funds" on the balance sheet.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transfers

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds. During fiscal year 2016, the School General Fund transferred \$44,000 to the Levy Rink as a budgeted subsidy.

Pensions

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

2. CASH AND INVESTMENTS

Deposits

The School Department does not have a deposit policy for custodial credit risk. At June 30, 2016, the carrying amount of the School Department's cash deposits was \$1,091,198 and the bank balance was \$1,349,317. The funds are on deposit in institutions covered by federal depository insurance. The amount covered by insurance is not determinable because the limits of insurance are determined on a Town-wide basis.

The carrying value of deposits, cash on hand, and petty cash relate to the Schedule A-1, B-1, and C-1 as follows:

Cash deposits	\$1,091,198
Petty cash and cash on hand	<u>2,907</u>
Total cash and cash equivalents.....	<u>\$1,094,105</u>
 Schedule A-1	 \$ 342,547
Schedule B-1	624,022
Schedule C-1	<u>127,536</u>
Total.....	<u>\$1,094,105</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of financial institution failure, the School Department's deposits and/or investments may not be returned. The School Department does not believe that it has a significant custodial credit risk as substantially all investment securities are registered and held in the name of the School Department.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

3. INTERGOVERNMENTAL RECEIVABLE AND PAYABLE

Amounts due from and to the Federal and State consisted of the following at June 30, 2016:

	<u>Due From</u>	<u>Due To</u>
Governmental activities:		
Federal government:		
Non-major funds	\$264,060	
State of Rhode Island:		
Major funds:		
General Fund	28,204	
Non-major funds	141,838	
Total	<u>\$434,102</u>	<u>\$0</u>
Business-type activities:		
Federal government:		
Major funds:		
Cafeteria Fund	<u>\$ 16,446</u>	<u>\$0</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Other capital assets:				
Land Improvements	\$ 20,265	\$ 16,500		\$ 36,765
Equipment	285,715			285,715
Vehicles	11,000			11,000
Total other capital assets at historical cost	<u>316,980</u>	<u>16,500</u>	<u>\$0</u>	<u>333,480</u>
Less: accumulated depreciation for:				
Land Improvements	(4,563)	(2,157)		(6,720)
Equipment	(157,092)	(17,863)		(174,955)
Vehicles	(11,000)			(11,000)
Total accumulated depreciation	<u>(172,655)</u>	<u>(20,020)</u>	<u>0</u>	<u>(192,675)</u>
Governmental activities capital assets, net	<u>\$ 144,325</u>	<u>\$ (3,520)</u>	<u>\$0</u>	<u>\$ 140,805</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	<u>\$ 0</u>	<u>\$ 12,075</u>	<u>\$0</u>	<u>\$ 12,075</u>
Other capital assets:				
Equipment	<u>468,764</u>	<u>28,900</u>		<u>497,664</u>
Total other capital assets at historical cost	<u>468,764</u>	<u>28,900</u>	<u>0</u>	<u>497,664</u>
Less: accumulated depreciation for:				
Equipment	(294,227)	(28,115)		(322,342)
Total accumulated depreciation	<u>(294,227)</u>	<u>(28,115)</u>	<u>0</u>	<u>(322,342)</u>
Business-type activities capital assets, net	<u>\$ 174,537</u>	<u>\$ 12,860</u>	<u>\$0</u>	<u>\$ 187,397</u>

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following function on the Town of Burrillville's government-wide financial statements:

Governmental activities:

Education	<u>\$20,020</u>
Total governmental activities depreciation expense	<u>\$20,020</u>

Depreciation expense was charged to the following funds on the School Department's Statement of Revenues, Expenses and Changes in Fund Net Position (Schedule B-2):

Business-type activities:

Cafeteria Fund	<u>\$ 3,955</u>
Levy Rink	<u>24,160</u>
Total business-type activities depreciation expense	<u>\$28,115</u>

5. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2016 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:					
Other long-term liabilities:					
Compensated absences	<u>\$ 953,529</u>	<u>\$34,433</u>	<u>\$76,442</u>	<u>\$911,520</u>	<u>\$ 178,000</u>
Total other long-term liabilities	<u>953,529</u>	<u>34,433</u>	<u>76,442</u>	<u>911,520</u>	<u>178,000</u>
Governmental activities:					
Long-term liabilities	<u>\$ 953,529</u>	<u>\$34,433</u>	<u>\$76,442</u>	<u>\$911,520</u>	<u>\$ 178,000</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	<u>\$ 13,866</u>	<u>\$ 3,805</u>	<u>\$ 1,256</u>	<u>\$ 16,415</u>	<u>\$ 1,630</u>
Business-type activities:					
Long-term liabilities	<u>\$ 13,866</u>	<u>\$ 3,805</u>	<u>\$ 1,256</u>	<u>\$ 16,415</u>	<u>\$ 1,630</u>

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

Long-term liabilities of the governmental activities of the School Department are presented in the Town of Burrillville's basic financial statements.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

5. LONG-TERM LIABILITIES (Continued)

(b) Capital Leases

The School Department 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>(66,723)</u>
Total.....	<u>\$ 46,127</u>

6. DEFINED BENEFIT PENSION PLANS

(a) Municipal Employees' Retirement System

General Information about the Pension Plan

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

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

Benefits Provided

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

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

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

Benefits Provided (Continued)

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

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

Subsequent to June 30, 2015, litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, which have been included in the determination of the total pension liability at the June 30, 2015 measurement date and are reflected in the summary of benefit provisions described below.

General employees

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

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

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

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

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

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

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

a) Municipal Employees' Retirement System (Continued)

General employees (Continued)

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Other benefit provisions

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

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

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

- (a) The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.
- (b) Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%
- (c) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (i) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

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BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

Employees covered by benefit terms.

At the June 30, 2014 valuation date, the following employees were covered by the benefit terms:

**General
Employees**

Retirees and Beneficiaries	98
Inactive, Nonretired Members	47
Active Members	136
Total	281

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. The Town of Burrillville contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Burrillville contributed \$497,482 in the year ended June 30, 2016 for general employees, which was 8.52% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2014 and rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2015 measurement date (June 30, 2014 valuation rolled forward to June 30, 2015)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll - Closed
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50%
Inflation	2.75%
Mortality	<ul style="list-style-type: none">• Male Employees, MERS General: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.• Female Employees, MERS General: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

Net Pension Liability (Asset) (Continued)

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	<u>3.0%</u>	7.80%
	100.0%	

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

Discount rate - The discount rate used to measure the total pension liability of the plans was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016****6. DEFINED BENEFIT PENSION PLANS (Continued)****(a) Municipal Employees' Retirement System (Continued)****Net Pension Liability (Asset) (Continued)**

Changes in the Net Pension Liability (Asset) - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of June 30, 2014	\$ 26,606,891	\$ 27,022,990	\$ (416,099)
Changes for the Year			
Service cost	558,807		558,807
Interest on the total pension liability	1,965,817		1,965,817
Changes in benefits	556,208		556,208
Difference between expected and actual experience	(703,472)		(703,472)
Changes in assumptions			
Employer contributions		501,237	(501,237)
Employee contributions		120,591	(120,591)
Net investment income		631,724	(631,724)
Benefit payments, including employee refunds	(1,350,801)	(1,350,801)	
Administrative expense		(17,873)	17,873
Other changes		48,443	(48,443)
Net changes	1,026,559	(66,679)	1,093,238
Balances as of June 30, 2015	\$ 27,633,450	\$ 26,956,311	\$ 677,139

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00 Increase (8.5%)
General Employees	\$3,580,883	\$ 677,139	\$(1,699,395)

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

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

For the year ended June 30, 2016, the Town of Burrillville recognized pension expense of \$713,432 for the general employees. The Town of Burrillville reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>General Employees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 0	\$ 544,614
Differences in assumptions	143,106	0
Excess (deficit) investment returns	1,095,048	1,087,325
Contributions subsequent to measurement date	<u>497,482</u>	<u>0</u>
Total	<u>\$1,735,636</u>	<u>\$1,631,939</u>

Deferred outflows of resources totaling \$497,482 related to pensions resulting from the Town of Burrillville's contributions in fiscal year 2016 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2017	\$ (215,705)
2018	(215,705)
2019	(215,704)
2020	237,555
2021	<u>15,774</u>
Total	<u>\$ (393,785)</u>

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System

General Information about the Pension Plan

Plan description - Certain employees of the Burrillville School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Benefit provisions - The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at four-year intervals commencing with the plan year ending June 30, 2106.

The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2015, Burrillville School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Burrillville School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Burrillville School Department; the rates were 8.52% and 13.08% of annual covered payroll for the fiscal year ended June 30, 2016 for the State and Burrillville School Department, respectively. The Burrillville School Department contributed \$1,936,089, \$1,861,211, and \$1,821,960 for the fiscal years ended June 30, 2016, 2015, and 2014, respectively, equal to 100% of the required contributions for each year. For financial reporting purposes, the State's share of contributions are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements and amounted to \$1,230,265 for fiscal year 2016.

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BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2016, the Burrillville School Department reported a liability of \$22,767,283 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Burrillville School Department as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Burrillville School Department were as follows:

Burrillville School Department proportionate share of the net pension liability	\$22,767,283
State's proportionate share of the net pension liability associated with the Burrillville School Department	<u>15,553,893</u>
Total net pension liability	<u>\$38,321,176</u>

The net pension liability was measured as of June 30, 2015, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015. The Burrillville School Department's proportion of the net pension liability was based on a projection of the Burrillville School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2015 the Burrillville School Department's proportion was 0.82699821%.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

For the year ended June 30, 2016, the Burrillville School Department recognized gross pension expense of \$4,300,849 and revenue of \$1,888,666 for support provided by the State. At June 30, 2016, the Burrillville School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$1,936,089
Net difference between projected and actual earnings on pension plan investments	1,282,825
Total	\$3,218,914
Deferred inflows of resources	
Change of assumptions	612,062
Differences between expected and actual experience	148,246
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,323,487
Net difference between projected and actual earnings on pension plan investments	1,300,001
Total	\$4,383,796

Deferred outflows of resources totaling \$1,936,089 related to pensions resulting from the Burrillville School Department's contributions in fiscal year 2016 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (595,643)
2018	(595,643)
2019	(595,643)
2020	(162,309)
2021	(483,015)
Thereafter	(668,718)
Total	\$(3,100,971)

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

Actuarial Assumptions - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 13.50%
Investment rate of return	7.50%

Mortality – male and female teachers: 97% and 92%, respectively of rates in a GRS table based on male and female teacher experience, projected with Scale AA from 2000.

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2015 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<i>Type of Investment</i>	<i>Target Allocation</i>	<i>Long-term expected real rate of return</i>
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	100.0%	

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

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

Actuarial Assumptions (Continued)

Discount rate - the discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00 Increase (8.5%)
\$28,549,990	\$22,767,283	\$18,033,319

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

(c) Teachers' Survivors Benefit Plan

General Information about the Pension Plan

Plan description - Certain employees of the Burrillville School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at www.ersri.org.

Eligibility and plan benefits - the plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

General Information about the Pension Plan (Continued)

Eligibility and plan benefits (Continued)

In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse's Benefit</u>
\$17,000 or less	\$ 750
\$17,001 to \$25,000	\$ 875
\$25,001 to \$33,000	\$ 1,000
\$33,001 to \$40,000	\$ 1,125
\$40,001 and over	\$ 1,250

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

Parent and 1 Child	Parent and 2 or more Children	One Child Alone	Two Children Alone	Three or more Children Alone	Dependent Parent
150%	175%	75%	150%	175%	100%

Contributions - The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Burrillville School Department contributed \$20,010, \$20,027, and \$20,082 for the fiscal years ended June 30, 2016, 2015 and 2014, respectively, equal to 100% of the required contributions for each year.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2016, the Burrillville School Department reported an asset of \$3,098,507 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2015, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015. The Burrillville School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2015 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2015, the Burrillville School Department's proportion was 3.31903683%.

For the year ended June 30, 2016, the Burrillville School Department recognized pension expense of \$199,957 – an increase in the net pension asset. At June 30, 2016, the Burrillville School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$ 20,010
Differences between expected and actual experience	716,372
Net difference between projected and actual investment earnings	393,714
Total	\$1,130,096
Deferred inflows of resources	
Net difference between projected and actual earnings on pension plan investments	\$405,007
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,661
Total	\$426,668

\$20,010 reported as deferred inflows of resources related to pensions resulting from the Burrillville School Department's contributions in fiscal year 2016 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 48,030
2018	48,030
2019	48,030
2020	183,033
2021	84,604
Thereafter	271,691
Total	\$ 683,418

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

Actuarial Assumptions - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 13.50%
Investment rate of return	7.50%

Mortality rates for male and female teachers were based on 97% (males) and 92% (females) of rates in a GRS table based on male and female teacher experience, projected with scale AA from 2000.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.75% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2015 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	<u>3.0%</u>	7.80%
	100.0%	

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

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

Discount rate - the discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$(2,406,228)	\$(3,098,507)	\$(3,665,042)

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

7. DEFINED CONTRIBUTION PLAN

Defined Contribution Plan Description:

Certain employees participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Contribution rates for general employees, public safety employees, teachers, and the employer were as follows for the fiscal year ended June 30, 2016:

	<u>Employee Contribution</u>	<u>Employer Contribution</u>
General employees with more than 20 years of service on July 1, 2012	No DC plan contributions after July 1, 2015	
General employees that had less than 20 years of service on July 1, 2012	5%	1% to 1.5% depending on years of service
Teachers with more than 20 years of service on July 1, 2012	No DC plan contributions after July 1, 2015	
Teachers that had less than 20 years of service on July 1, 2012	7%	3 to 3.5% depending on years of service

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

7. DEFINED CONTRIBUTION PLAN

Defined Contribution Plan Description:

Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The Burrillville School Department recognized pension expense of \$265,746 and \$23,255 for teachers and general employees, respectively for the fiscal year ended June 30, 2016. Burrillville School Department plan members contributed \$677,096 during the fiscal year ended June 30, 2016.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at www.ersri.org.

8. CONTINGENT LIABILITIES AND COMMITMENTS

Contracts

The School Department has contracted with DATTCO, Inc. to have bus service provided for students through the last day of school in June 2016. The annual payment on this contract varies from year to year based on the transportation needs of the Department. There is a 3% increase each year on the cost per bus as dictated by the bus transportation contract with DATTCO, Inc. Busing costs associated with this agreement totaled approximately \$2,042,000 for the year ended June 30, 2016.

Grants

The School Department has received federal and state grants for specific purposes that are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. School Department officials believe such disallowances, if any, would be immaterial.

Self-Insurance

The School Department 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 2016 because School Department officials are of the opinion that, based upon prior years' experience, any claims relating to this period will be immaterial.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

8. CONTINGENT LIABILITIES AND COMMITMENTS

Compensated Absences

School Department non-certified employees are allowed eighteen days of sick leave per year. Unused sick leave accumulates up to a maximum of one hundred forty days for non-certified employees hired before July 1, 1994 and non-certified employees hired after July 1, 1994 will receive a max accumulated at one hundred days. Upon termination, non-certified employees hired before July 1, 1994 shall receive 75% of total accumulated sick leave to a maximum of one hundred forty days. Non-certified employees hired after July 1, 1994 can receive a percentage of their accumulated sick days after five, ten and fifteen years of service.

Certified employees are allowed fifteen days of sick leave per year. Unused sick leave accumulates up to a maximum of one hundred seventy-five days for certified employees. Certified employee's sick leave benefits are forfeited upon termination, unless the employee serves 20 or more years in the Department and retires in which case, the employee receives 100% of total accumulated sick leave (to a maximum of one hundred seventy five days) paid at the current substitute rate.

The total compensated absences accumulated as of June 30, 2016 is estimated at \$911,520 for governmental activities and \$16,415 for business-type activities.

9. INTERFUND BALANCES

Interfund receivable and payable balances at June 30, 2016 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<i>Governmental activities:</i>		
<i>Major fund:</i>		
General Fund	\$327,507	
<i>Non-major funds</i>	271,225	\$386,050
<i>Total governmental activities</i>	<u>\$598,732</u>	<u>\$386,050</u>
<i>Business-type activities:</i>		
<i>Major funds:</i>		
Cafeteria Fund		\$188,375
Levy Rink		24,307
<i>Total business-type activities</i>	<u>\$ 0</u>	<u>\$212,682</u>

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

10. FUND EQUITY

Fund Balance Constraints

The constraints on fund balance as listed in the aggregate in the Governmental Funds Balance Sheet are detailed according to fund balance classification. There were no constraints on the General Fund fund balance at June 30, 2016.

	General Fund
<i>Unassigned</i>	<u>\$653,672</u>
<i>Total Fund Balances</i>	<u>\$653,672</u>

11. RISK MANAGEMENT

The School Department 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 School Department 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 School Department signed a participation agreement which outlines the rights and responsibilities of both the Trust and the School Department. The agreement states that for premiums paid by the School Department, the Trust will assume financial responsibility for the School Department's losses up to the maximum amount of insurance purchased, minus the School Department'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 School Department is insured for general liability for a maximum of \$2,000,000 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 29 fiscal years.

During the fiscal year ended June 30, 2016, the School Department paid premiums of \$190,754 for workers' compensation coverage and \$138,894 for property and liability coverage.

At June 30, 2016, the Trust held reserves for future payments of open cases of \$52,310 for property and liability claims. The Trust is obligated to make payments on the School Department's behalf without any further obligation of the School Department, unless the School Department'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, 2016, the School Department believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

12. PUBLIC ENTITY RISK POOL

The Health Pool

The School Department 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 with 90 days notice; otherwise liquidated damages would be assessed at the time of departure prior to the initial three-year period. The Trust may terminate a member's coverage for failure to pay amounts due.

For the year ended June 30, 2016, unaudited results indicate that the Pool generated \$129,590,219 in revenues and had a change in net position, revenues less expenses, of (\$7,389,364). The Pool had \$62,921,919 in total assets and \$33,311,344 in total equity as of June 30, 2016.

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 Health Excess Claims Stoploss Account internal to the Trust that is funded by annual Stoploss Account payments from the Health Pool. As of June 30, 2016, the Pool's membership consisted of 47 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.

13. SUBSEQUENT EVENTS

On July 6, 2016, the Burrillville School Department entered into a 5-year capital lease for the purchase of an ice resurfacing machine. The annual payment is \$27,785 and the lease term commences on the delivery date of the machine.

(CONCLUDED)

REQUIRED SUPPLEMENTARY INFORMATION

BURRILLVILLE SCHOOL DEPARTMENTSCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	<u>General Employees</u>	
	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
A. Total pension liability		
1. Service Cost	\$ 558,807	\$ 571,246
2. Interest on the Total Pension Liability	1,965,817	1,868,378
3. Changes of benefit terms	556,208	0
4. Difference between expected and actual experience of the Total Pension Liability	(703,472)	0
5. Changes of assumptions	0	206,772
6. Benefit payments, including refunds of employee contributions	(1,350,801)	(1,331,179)
7. Net change in total pension liability	1,026,559	1,315,217
8. Total pension liability – beginning	26,606,891	25,291,674
9. Total pension liability – ending (a)	27,633,450	26,606,891
B. Plan fiduciary net position		
1. Contributions – employer	501,237	476,580
2. Contributions – employee	120,591	120,310
3. Net investment income	631,724	3,599,161
4. Benefit payments, including refunds of employee contributions	(1,350,801)	(1,331,179)
5. Pension Plan Administrative Expense	(17,873)	(22,538)
6. Other	48,443	(47,580)
7. Net change in plan fiduciary net position	(66,679)	2,794,754
8. Plan fiduciary net position – beginning	27,022,990	24,228,236
9. Plan fiduciary net position – ending (b)	26,956,311	27,022,990
C. Net pension liability - ending (a) - (b)	<u>\$ 677,139</u>	<u>\$ (416,099)</u>
D. Plan fiduciary net position as a percentage of the total pension liability	97.55%	101.56%
E. Covered employee payroll	\$ 6,021,628	\$ 5,799,448
F. Net pension liability as a percentage of covered payroll	11.25%	-7.17%

BURRILLVILLE SCHOOL DEPARTMENTSCHEDULE OF EMPLOYER CONTRIBUTIONS**Municipal Employees' Retirement System - General Employees**

	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 497,482	\$ 497,261
Contributions in relation to the actuarially determined contribution	(497,482)	(497,261)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 5,838,991	\$ 6,012,830
Contributions as a percentage of covered-employee payroll	8.52%	8.27%

Notes:

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

Changes in benefit provisions:

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan based on the members years of service (an additional .25% for members with 10-15 years of service and .50% for members with 15-20 years of service) . Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Changes in benefit provisions (Continued):

- Members who retired from a COLA eligible plan before 7/1/2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

(CONCLUDED)

BURRILLVILLE SCHOOL DEPARTMENT**SCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Employees' Retirement System		
	Fiscal 2016	Fiscal 2015
Burrillville School Department's proportionate percentage of the net pension liability	0.82699821%	0.92527010%
Burrillville School Department's proportionate share of the net pension liability	\$ 22,767,283	\$ 22,521,078
State of Rhode Island's proportionate share of the net pension liability associated with the Burrillville School Department	15,553,893	15,443,740
Total	\$ 38,321,176	\$ 37,964,818
Burrillville School Department's covered employee payroll	\$ 14,801,904	\$ 14,552,080
Burrillville School Department's proportionate share of the net pension liability as a percentage of its covered employee payroll	153.81%	154.76%
Plan fiduciary net position as a percentage of the total pension liability	57.55%	61.40%

Notes:

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

BURRILLVILLE SCHOOL DEPARTMENT**SCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S CONTRIBUTIONS**

Employees' Retirement System		
	Fiscal 2016	Fiscal 2015
Actuarially determined contribution	\$ 1,936,089	\$ 1,861,211
Contributions in relation to the actuarially determined contribution	(1,936,089)	(1,861,211)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 14,801,904	\$ 14,552,080
Contributions as a percentage of covered- employee payroll	13.08%	12.79%

Notes:

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

BURRILLVILLE SCHOOL DEPARTMENT**SCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)****Teachers' Survivors Benefit Plan**

	Fiscal 2016	Fiscal 2015
Burrillville School Department's proportionate percentage of the net pension asset	3.31903683%	3.29654812%
Burrillville School Department's proportionate share of the net pension asset	\$ 3,098,507	\$ 4,098,293
Burrillville School Department's covered employee payroll	\$ 13,366,189	\$ 13,966,578
Burrillville School Department's proportionate share of the net pension asset as a percentage of its covered employee payroll	23.2%	29.3%
Plan fiduciary net position as a percentage of the total pension liability	146.6%	173.3%

Notes:

- 1.) The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.
- 2.) The schedules are intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 4.) Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

BURRILLVILLE SCHOOL DEPARTMENTSCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S CONTRIBUTIONS

Teachers' Survivors Benefit Plan		
	Fiscal 2016	Fiscal 2015
Statutorily determined contribution	\$ 20,010	\$ 20,027
Contributions in relation to the statutorily determined contribution	(20,010)	(20,027)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 13,366,189	\$ 13,966,578
Contributions as a percentage of covered- employee payroll	0.15%	0.14%

Notes:

- 1.) The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.
- 2.) The schedules are intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 4.) Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

BURRILLVILLE SCHOOL DEPARTMENT

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

**GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	Originally Adopted <u>Budget</u>	Final Approved <u>Budget</u>	Actual Budgetary <u>Basis</u>	<u>Variance</u>
Revenues:				
State aid	\$ 13,287,161	\$ 13,287,161	\$ 13,287,161	
Miscellaneous	300,000	300,000	429,659	\$ 129,659
Total revenues	<u>13,587,161</u>	<u>13,587,161</u>	<u>13,716,820</u>	<u>129,659</u>
Expenditures:				
Current:				
Salaries	17,837,675	17,837,894	17,869,694	(31,800)
Employee benefits	6,836,076	6,861,199	6,701,621	159,578
Purchased services	4,836,521	4,785,271	4,676,975	108,296
Supplies and materials	1,215,738	1,204,973	1,157,827	47,146
Other	35,840	36,299	45,913	(9,614)
Capital outlay	<u>100,074</u>	<u>136,288</u>	<u>164,205</u>	<u>(27,917)</u>
Total expenditures	<u>30,861,924</u>	<u>30,861,924</u>	<u>30,616,235</u>	<u>245,689</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(17,274,763)</u>	<u>(17,274,763)</u>	<u>(16,899,415)</u>	<u>375,348</u>
Other financing sources (uses):				
Transfer from Town of Burrillville	17,242,839	17,242,839	17,113,180	(129,659)
Transfers to other funds	(44,000)	(44,000)	(44,000)	
Reappropriation of prior year fund balance	75,924	75,924	75,924	
Net other financing sources (uses)	<u>17,274,763</u>	<u>17,274,763</u>	<u>17,145,104</u>	<u>(129,659)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>245,689</u>	<u>\$ 245,689</u>
Add: current year encumbrances			55,077	
Less: prior year encumbrances			(38,260)	
Less: reappropriated fund balance			(75,924)	
Fund balance, beginning of year			<u>467,090</u>	
Fund balance, end of year			<u>\$ 653,672</u>	

BURRILLVILLE SCHOOL DEPARTMENT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

BUDGETARY TO GAAP BASIS RECONCILIATION

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>
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - (Non-GAAP Budgetary Basis) Budget and Actual (D-7).....	\$30,905,924	\$30,660,235
Reappropriated fund balance.....	(75,924)	
Current year encumbrances		(55,077)
Prior year encumbrances		38,260
On-behalf pension contribution by State of Rhode Island	<u>1,230,265</u>	<u>1,230,265</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds GAAP basis (A-2).....	<u>\$32,060,265</u>	<u>\$31,873,683</u>

BURRILLVILLE SCHOOL DEPARTMENT**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS****JUNE 30, 2016**

		Special Revenue					
	<u>Title I</u>	<u>Title II</u>	<u>Woonsocket Perkins</u>	<u>IDEA Part B</u>	<u>K-3 Formative Assessment</u>	<u>Council on the Arts</u>	<u>IP Science</u>
<u>ASSETS</u>							
Cash and cash equivalents						\$ 50	\$ 1,197
Intergovernmental receivable	\$ 105,793	\$ 20,585		\$ 133,545	\$ 1,268		
Due from Town of Burrillville							
Due from other funds				233,251			
TOTAL ASSETS	\$ 105,793	\$ 20,585	\$0	\$ 366,796	\$ 1,268	\$ 50	\$ 1,197
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 623	\$ 15		\$ 95			
Accrued payroll and benefits	34,712	12,146		56,992	\$ 507		
Due to other funds	70,458	8,424		195,014	761		\$ 1,197
Due to Town of Burrillville				114,695			
Unearned revenue						\$ 50	
Total liabilities	105,793	20,585	\$0	366,796	1,268	50	1,197
Fund Balance:							
Restricted for education	0	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 105,793	\$ 20,585	\$0	\$ 366,796	\$ 1,268	\$ 50	\$ 1,197

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue					
	<u>Preschool</u>	<u>Literacy</u>	<u>Burrillville Alumni</u>	<u>Sparks</u>	<u>FFVP Grant</u>	<u>BMS Champlin</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 173	\$ 19,082	\$ 2,770	\$ 275	\$ 975	\$ 5,346
Intergovernmental receivable	2,869					
Due from Town of Burrillville					750	
Due from other funds	42	5,281				
TOTAL ASSETS	\$ 3,084	\$ 24,363	\$ 2,770	\$ 275	\$ 1,725	\$ 5,346
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable	\$ 3	\$ 33				\$ 2,863
Accrued payroll and benefits	3,081					
Due to other funds					\$ 1,725	41
Due to Town of Burrillville						
Unearned revenue		24,330	\$ 2,770	\$ 275		2,442
Total liabilities	3,084	24,363	2,770	275	1,725	5,346
Fund Balance:						
Restricted for education	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,084	\$ 24,363	\$ 2,770	\$ 275	\$ 1,725	\$ 5,346

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2016

	Special Revenue					Total Non-Major Governmental Funds
	<u>Feinstein Foundation</u>	<u>WCI</u>	<u>Professional Development</u>	<u>CTE State Funds</u>	<u>Levy Foundation</u>	
<u>ASSETS</u>						
Cash and cash equivalents	\$ 6,072			\$ 6,592	\$ 2,046	\$ 44,578
Intergovernmental receivable		\$ 141,838				405,898
Due from Town of Burrillville						750
Due from other funds			\$ 32,651			271,225
TOTAL ASSETS	\$ 6,072	\$ 141,838	\$ 32,651	\$ 6,592	\$ 2,046	\$ 722,451
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable		\$ 33,408				\$ 37,040
Accrued payroll and benefits						107,438
Due to other funds		108,430				386,050
Due to Town of Burrillville						114,695
Unearned revenue	\$ 6,072		\$ 32,651	\$ 6,592	\$ 2,046	77,228
Total liabilities	6,072	141,838	32,651	6,592	2,046	722,451
Fund Balance:						
Restricted for education	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,072	\$ 141,838	\$ 32,651	\$ 6,592	\$ 2,046	\$ 722,451

(CONCLUDED)

BURRILLVILLE SCHOOL DEPARTMENT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

	Special Revenue						
	<u>Title I</u>	<u>Title II</u>	<u>Woonsocket Perkins</u>	<u>IDEA Part B</u>	<u>K-3 Formative Assessment</u>	<u>Council on the Arts</u>	<u>IP Science</u>
Revenues:							
Federal sources	\$ 458,934	\$ 109,685	\$ 8,410	\$ 619,839	\$ 3,643		
State sources							\$ 1,198
Local sources						\$ 350	
Total revenues	458,934	109,685	8,410	619,839	3,643	350	1,198
Expenditures:							
Current:							
Salaries	340,715	59,309		428,957	3,625		1,170
Employee benefits	117,363	19,536		185,362	18		28
Purchased services		30,840	4,100	5,520		350	
Supplies and materials	856		3,241				
Capital outlay			1,069				
Total expenditures	458,934	109,685	8,410	619,839	3,643	350	1,198
Net change in fund balances	0	0	0	0	0	0	0
Fund balance, beginning of year	0	0	0	0	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

	<u>Special Revenue</u>						
	<u>Preschool</u>	<u>Literacy</u>	<u>Burrillville Alumni</u>	<u>Sparks</u>	<u>FFVP Grant</u>	<u>SSS Grant</u>	<u>BMS Champlin</u>
Revenues:							
Federal sources	\$ 20,942						
State sources		\$ 10,000			\$ 15,286	\$ 6,969	
Local sources			\$ 995	\$ 696			\$ 60,946
Total revenues	<u>20,942</u>	<u>10,000</u>	<u>995</u>	<u>696</u>	<u>15,286</u>	<u>6,969</u>	<u>60,946</u>
Expenditures:							
Current:							
Salaries	13,836				633	1,140	
Employee benefits	6,907				48	72	
Purchased services		10,000				5,757	
Supplies and materials			995	696	14,605		
Capital outlay	199						60,946
Total expenditures	<u>20,942</u>	<u>10,000</u>	<u>995</u>	<u>696</u>	<u>15,286</u>	<u>6,969</u>	<u>60,946</u>
Net change in fund balances	0	0	0	0	0	0	0
Fund balance, beginning of year	0	0	0	0	0	0	0
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

	<u>Special Revenue</u>					<u>Total Non-Major Governmental Funds</u>
	<u>Feinstein Foundation</u>	<u>WCI</u>	<u>Professional Development</u>	<u>CTE State Funds</u>	<u>Levy Foundation</u>	
Revenues:						
Federal sources						\$ 1,221,453
State sources		\$ 87,623	\$ 1,200	\$ 8,742		131,018
Local sources	\$ 872					63,859
Total revenues	<u>872</u>	<u>87,623</u>	<u>1,200</u>	<u>8,742</u>	<u>\$0</u>	<u>1,416,330</u>
Expenditures:						
Current:						
Salaries						849,385
Employee benefits						329,334
Purchased services		68,926	1,200			126,693
Supplies and materials	872					21,265
Capital outlay		18,697		8,742		89,653
Total expenditures	<u>872</u>	<u>87,623</u>	<u>1,200</u>	<u>8,742</u>	<u>0</u>	<u>1,416,330</u>
Net change in fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 0</u>

(CONCLUDED)

BURRILLVILLE SCHOOL DEPARTMENT**FIDUCIARY FUNDS****COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2016**

	Balance <u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>June 30, 2016</u>
STUDENT ACTIVITY FUNDS:				
<i>Burrillville High School:</i>				
Athletic Association	\$ 15,190	\$ 34,240	\$ 47,099	\$ 2,331
Auren Jenks Scholarship Fund	1,923		250	1,673
Student Activity - Escrow	39,326	99,342	103,596	35,072
Abbie's Scholarship	6,598			6,598
High School Administration	14,084	42,135	39,047	17,172
<i>Burrillville Middle School:</i>				
Student Activity	4,146	74,529	76,731	1,944
<i>Callahan School:</i>				
Student Activity	8,648	22,979	25,437	6,190
<i>Austin T. Levy School:</i>				
PAC	10,898	27,762	31,787	6,873
Student Activity Fund	21,134	25,162	26,195	20,101
<i>Steere Farm School:</i>				
Popcorn Fund	39,554	43,975	53,947	29,582
<i>Total student activity funds</i>	\$ 161,501	\$ 370,124	\$ 404,089	\$ 127,536