

BURRILLVILLE SCHOOL DISTRICT

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2011**

BURRILLVILLE SCHOOL DISTRICT

JUNE 30, 2011

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the funds of the Burrillville School District (a department of the Town of Burrillville, Rhode Island) as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Burrillville School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements of the Burrillville School District are intended to present the financial position, and 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 District. They do not purport to, and do not, present fairly the financial position of the Town of Burrillville, Rhode Island, as of June 30, 2011, 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. Also described in Note 1 to the financial statements, the Burrillville School District adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011. In addition, fund balance classifications in the governmental fund financial statements have been changed to reflect the five new classifications under GASB Statement No. 54.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the funds of the Burrillville School District as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the historical pension and budgetary comparison information on pages 25 through 27 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burrillville School District's financial statements as a whole. 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cayer Caccia, LLP

January 30, 2012

BURRILLVILLE SCHOOL DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 303,940	\$ 659,142	\$ 963,082
Intergovernmental receivable		553,814	553,814
Other receivables	850	585	1,435
Due from Town of Burrillville	2,684,270	32,168	2,716,438
Due from other funds	786,884	376,229	1,163,113
TOTAL ASSETS	\$ 3,775,944	\$ 1,621,938	\$ 5,397,882
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 1,009,201	\$ 77,526	\$ 1,086,727
Accrued payroll and benefits	1,799,888	224,727	2,024,615
Deferred revenues	18,394	833,967	852,361
Due to Town of Burrillville		834	834
Due to other funds	75,779	484,884	560,663
TOTAL LIABILITIES	2,903,262	1,621,938	4,525,200
FUND BALANCES:			
Committed	206,000		206,000
Unassigned	666,682		666,682
TOTAL FUND BALANCES	872,682	0	872,682
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,775,944	\$ 1,621,938	\$ 5,397,882

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Federal sources	\$ 305,878	\$ 1,719,411	\$ 2,025,289
State sources	11,510,990	1,081,454	12,592,444
Miscellaneous	320,728	14,000	334,728
Intergovernmental - pension contribution	971,554		971,554
TOTAL REVENUES	13,109,150	2,814,865	15,924,015
EXPENDITURES:			
Current:			
Salaries	15,893,973	1,677,668	17,571,641
Employee benefits	5,124,578	572,981	5,697,559
Purchased services	4,544,063	432,210	4,976,273
Supplies and materials	1,204,455	52,366	1,256,821
Other	32,469		32,469
Intergovernmental - pension contribution	971,554		971,554
Capital outlay	187,656	79,640	267,296
TOTAL EXPENDITURES	27,958,748	2,814,865	30,773,613
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(14,849,598)	0	(14,849,598)
OTHER FINANCING SOURCES (USES):			
Transfers from Town of Burrillville	14,771,598		14,771,598
Transfers to other funds	(44,000)		(44,000)
NET OTHER FINANCING SOURCES	14,727,598	0	14,727,598
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(122,000)	0	(122,000)
FUND BALANCE AT BEGINNING OF YEAR	994,682	0	994,682
FUND BALANCE AT END OF YEAR	\$ 872,682	\$ 0	\$ 872,682

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DISTRICT

**STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2011**

	Enterprise Funds		
	Cafeteria Fund	Levy Rink	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 570,783	\$ 4,337	\$ 575,120
Inventory	13,626		13,626
Receivables:			
Accounts	6,946		6,946
Due from:			
Other governments	29,267		29,267
Total Current Assets	<u>620,622</u>	<u>4,337</u>	<u>624,959</u>
Noncurrent Assets:			
Net capital assets	37,692	197,940	235,632
TOTAL ASSETS	<u>658,314</u>	<u>202,277</u>	<u>860,591</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	165,351	18,068	183,419
Deferred revenue	9,295		9,295
Due to other funds	495,551	106,899	602,450
Capital lease payable		19,447	19,447
Accrued compensated absences		1,360	1,360
Total Current Liabilities	<u>670,197</u>	<u>145,774</u>	<u>815,971</u>
Noncurrent Liabilities:			
Capital lease payable, net		64,966	64,966
Accrued compensated absences		12,238	12,238
Total Noncurrent Liabilities	<u>0</u>	<u>77,204</u>	<u>77,204</u>
TOTAL LIABILITIES	<u>670,197</u>	<u>222,978</u>	<u>893,175</u>
NET ASSETS:			
Invested in capital assets, net of related debt	37,692	113,527	151,219
Unrestricted	(49,575)	(134,228)	(183,803)
TOTAL NET ASSETS	<u>\$ (11,883)</u>	<u>\$ (20,701)</u>	<u>\$ (32,584)</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2011**

	Enterprise Funds		
	Cafeteria Fund	Levy Rink	Total
OPERATING REVENUES:			
Charges for usage and service	\$ 456,569	\$ 395,110	\$ 851,679
Total Operating Revenues	<u>456,569</u>	<u>395,110</u>	<u>851,679</u>
OPERATING EXPENSES:			
Operations	719,934	238,012	957,946
Personnel	102,978	189,354	292,332
Depreciation	8,114	20,144	28,258
Total Operating Expenses	<u>831,026</u>	<u>447,510</u>	<u>1,278,536</u>
OPERATING LOSS	<u>(374,457)</u>	<u>(52,400)</u>	<u>(426,857)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income		8	8
Intergovernmental	420,967		420,967
Interest expense		(5,726)	(5,726)
Loss on disposal of capital asset		(37,699)	(37,699)
Net Nonoperating Revenues (Expenses)	<u>420,967</u>	<u>(43,417)</u>	<u>377,550</u>
LOSS BEFORE TRANSFERS	<u>46,510</u>	<u>(95,817)</u>	<u>(49,307)</u>
TRANSFERS IN	<u>0</u>	<u>44,000</u>	<u>44,000</u>
CHANGE IN NET ASSETS	<u>46,510</u>	<u>(51,817)</u>	<u>(5,307)</u>
TOTAL NET ASSETS - BEGINNING	<u>(58,393)</u>	<u>31,116</u>	<u>(27,277)</u>
TOTAL NET ASSETS - ENDING	<u>\$ (11,883)</u>	<u>\$ (20,701)</u>	<u>\$ (32,584)</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DISTRICT

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011**

	Enterprise Funds		
	Cafeteria Fund	Levy Rink	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 470,430	\$ 396,110	\$ 866,540
Cash paid to suppliers	(743,104)	(232,775)	(975,879)
Cash paid to employees	(102,978)	(188,687)	(291,665)
Net cash used for operating activities	(375,652)	(25,352)	(401,004)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Nonoperating grants received	415,048		415,048
Transfer from other funds		44,000	44,000
Decrease in due from other funds	40,855		40,855
Increase in due to other funds	398,364	11,993	410,357
Net cash provided by noncapital financing activities	854,267	55,993	910,260
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(32,910)	(26,500)	(59,410)
Proceeds on sale of capital asset		9,995	9,995
Principal payment on capital lease payable		(18,437)	(18,437)
Interest expense		(5,726)	(5,726)
Net cash used for capital and related financing activities	(32,910)	(40,668)	(73,578)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments		8	8
Net cash provided by investing activities	0	8	8
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	445,705	(10,019)	435,686
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	125,078	14,356	139,434
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 570,783	\$ 4,337	\$ 575,120
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (374,457)	\$ (52,400)	\$ (426,857)
Adjustments to reconcile:			
Depreciation	8,114	20,144	28,258
Decrease in accounts receivables	3,471		3,471
Decrease in other receivables	12,914	1,000	13,914
Increase in inventory	(5,503)		(5,503)
Increase (decrease) in accounts payable	(17,667)	5,237	(12,430)
Decrease in deferred revenue	(2,524)		(2,524)
Increase in accrued compensated absences		667	667
Net cash used for operating activities	\$ (375,652)	\$ (25,352)	\$ (401,004)

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 181,831
Investments	2,737
TOTAL ASSETS	<u><u>\$ 184,568</u></u>
LIABILITIES:	
Deposits held in custody for others	<u><u>\$ 184,568</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Reporting Entity

The School District's financial statements include all funds over which the School District exercises significant oversight responsibility or management control. Oversight responsibility is determined upon the basis of the School District'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 District 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 District. 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 DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 District 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 District 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, Field Service, School Permanent, Woonsocket Perkins, Center for Collaborative Education, Kindergarten, IDEA Part B, Preschool, Literacy, Burrillville Alumni, Early Childhood, BMS Champlin, IDEA-ARRA, Preschool-ARRA, Student Technology, Senior Citizens, LEP, Feinstein Foundation, Title IV, SSS Grant, Achieve Alegbra, Title I-ARRA, Title III, RI Council of the Arts, Growth Initiative, Elementary Teachers, Student Equity, Professional Development, and Vocational Education

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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 assets.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the 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 DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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.

Deferred Revenue

The School District reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the School District 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 District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary Activity Accounting and Financial Reporting

The School District has elected to apply to its proprietary funds accounting standards applicable to the private sector issued on or before November 30, 1989 unless those standards conflict with or contradict pronouncements of the Governmental Accounting Standards Board.

Property, Plant and Equipment

In the fund financial statements, fixed 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. Fixed assets used in proprietary fund operations are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The capitalization threshold is any individual item with a total cost 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

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

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 District 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 District 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 DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Standards

The School District implemented the following pronouncement for the year ended June 30, 2011:

→ GASB Statement No. 59 - Financial Instruments Omnibus.

The adoption of this pronouncement did not have an effect on the School District's financial statements.

The School District also implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2011. This pronouncement establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types have also been modified for clarity and consistency.

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

→ GASB Statement No. 60 - Accounting and Financial Reporting for Service Concession Arrangements, effective for the School District's fiscal year ending June 30, 2013.

→ GASB Statement No. 61 - The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34, effective for the School District's fiscal year ending June 30, 2013.

→ GASB Statement No. 62 - Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the School District's fiscal year ending June 30, 2013.

→ GASB Statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position effective for the School District's fiscal year ending June 30, 2013.

Management is in the process of determining the impact of these pronouncements on the School District'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 DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 2011, the School General Fund transferred \$44,000 to the Levy Rink as a budgeted subsidy.

2. CASH AND INVESTMENTS

Deposits

The School District does not have a deposit policy for custodial credit risk. At June 30, 2011, the carrying amount of the School District's cash deposits was \$1,713,448 and the bank balance was \$1,776,603. 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	\$1,713,448
Petty cash and cash on hand.....	6,585
<i>Total cash and cash equivalents</i>	<u>\$1,720,033</u>
 Schedule A-1.....	 \$ 963,082
Schedule B-1.....	575,120
Schedule C-1	181,831
<i>Total</i>	<u>\$1,720,033</u>

Investments

Investments are stated at fair value as follows at June 30, 2011:

	<u>Investment Fair Value</u>	<u>Rate</u>	<u>Maturity</u>	<u>Rating</u>
Certificate of deposit	<u>\$2,737</u>	0.45%	May 29, 2012	N/A
<i>Total investments (Schedule C-1)</i>	<u>\$2,737</u>			

Custodial Credit Risk

Custodial credit risk is the risk that in the event of financial institution failure, the School District's deposits and/or investments may not be returned. The School District 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 District.

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

3. INTERGOVERNMENTAL RECEIVABLE AND PAYABLE

Amounts due from and to the Federal and State Governments consisted of the following at June 30, 2011:

	<u>Due From</u>	<u>Due To</u>
Governmental activities:		
Federal government:		
Non-major funds	\$552,677	
State of Rhode Island:		
Non-major funds	1,137	
Total	<u>\$553,814</u>	<u>\$0</u>
Business-type activities:		
Federal government:		
Major funds:		
School Lunch	<u>\$ 29,267</u>	<u>\$0</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 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			\$ 20,265
Equipment	139,024			139,024
Vehicles	11,000			11,000
Total other capital assets at historical cost	<u>170,289</u>	<u>\$ 0</u>	<u>\$0</u>	<u>170,289</u>
Less: accumulated depreciation for:				
Land Improvements	(2,028)	(507)		(2,535)
Equipment	(91,162)	(14,349)		(105,511)
Vehicles	(11,000)			(11,000)
Total accumulated depreciation	<u>(104,190)</u>	<u>(14,856)</u>	<u>0</u>	<u>(119,046)</u>
Governmental activities capital assets, net	<u>\$ 66,099</u>	<u>\$(14,856)</u>	<u>\$0</u>	<u>\$ 51,243</u>
Business-type activities:				
Other capital assets:				
Equipment	\$ 329,569	\$172,259	\$(91,297)	\$ 410,531
Total other capital assets at historical cost	<u>329,569</u>	<u>172,259</u>	<u>(91,297)</u>	<u>410,531</u>
Less: accumulated depreciation for:				
Equipment	(190,244)	(28,258)	43,603	(174,899)
Total accumulated depreciation	<u>(190,244)</u>	<u>(28,258)</u>	<u>43,603</u>	<u>(174,899)</u>
Business-type activities capital assets, net	<u>\$ 139,325</u>	<u>\$144,001</u>	<u>\$(47,694)</u>	<u>\$ 235,632</u>

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following function on the School District's government-wide financial statements:

Governmental activities:

Education	<u>\$14,856</u>
Total governmental activities depreciation expense	<u>\$14,856</u>

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

Business-type activities:

Cafeteria Fund	\$ 8,114
Levy Rink	<u>20,144</u>
Total business-type activities depreciation expense	<u>\$28,258</u>

5. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2011 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	\$1,067,209	\$ 67,224	\$101,318	\$1,033,115	\$118,100
Total other long-term liabilities.....	<u>1,067,209</u>	<u>67,224</u>	<u>101,318</u>	<u>1,033,115</u>	<u>118,100</u>
Governmental activities:					
Long-term liabilities	<u>\$1,067,209</u>	<u>\$ 67,224</u>	<u>\$101,318</u>	<u>\$1,033,115</u>	<u>\$118,100</u>
Business-Type Activities:					
Long-term debt:					
Leases payable	\$ 0	\$102,850	\$ 18,437	\$ 84,413	\$19,447
Other long-term liabilities:					
Compensated absences	12,931	667		13,598	1,360
Business-type activities:					
Long-term liabilities	<u>\$ 12,931</u>	<u>\$103,517</u>	<u>\$ 18,437</u>	<u>\$ 98,011</u>	<u>\$20,807</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 District are presented in the School District's basic financial statements.

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

5. LONG-TERM LIABILITIES (Continued)

(b) Capital Leases

The School District 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>(10,345)</u>
Total.....	<u>\$102,505</u>

The following schedule summarizes the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2011:

<u>Fiscal year ending</u> <u>June 30:</u>	<u>Business-type</u> <u>Activities</u>
2012	\$ 24,069
2013	24,069
2014	24,069
2015	<u>24,069</u>
Total minimum lease payments	96,276
Less: amount representing interest	<u>(11,863)</u>
Present value of future minimum lease payments	<u>\$ 84,413</u>

6. PENSION PLANS

Teachers' Pension Plan

Plan Description

All full-time teachers including superintendents, principals, school nurses and certain other school officials ("classified employees") in the Burrillville School District participate in the Employees' Retirement System of the State of Rhode Island (ERSRI), a cost-sharing multiple-employer public employee retirement system. In addition to classified employees, the System covers substantially all employees of the State of Rhode Island. The payroll for employees covered by the System for the year ended June 30, 2011, was \$14,058,497 including \$785,902 of federally reimbursed payroll; the total payroll for all School employees was \$18,721,087.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 2010 Annual Financial Report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 50 Service Avenue, Warwick, Rhode Island. This report is the most recent report available from the State, who administers the Plan.

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

6. PENSION PLANS (Continued)

Teachers' Pension Plan (Continued)

Plan Description (Continued)

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

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

Funding Policy

Rhode Island general laws set the contribution rates for participating employees at 9.5% of salary. Annual contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as percentage of participants' payroll. The School District was required to contribute 10.60% (also 17.92% for federally reimbursed payroll), 10.60%, and 11.23%, for all full-time employees for fiscal years 2011, 2010, and 2009, respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of July 1, 1986 over a closed 30-year period; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability. Both employers and employees contribute 1% of the first \$9,600 of salary for survivor benefits. A variety of significant actuarial assumptions are used and these assumptions are summarized below:

- A. ***Mortality*** - 1994 Group Annuity Mortality Tables.
- B. ***Investment return*** – 7.50 percent, compounded annually.
- C. ***Salary increase*** - Salaries will increase at a rate of 4.0% - 12.75%.
- D. ***Retirement age*** - Teachers are assumed to retire at the later of age 61 or completion of the service requirements.
- E. ***Cost of living adjustments*** – 3.0 percent compounded annually beginning in January of the year in which a participant reaches the third anniversary of retirement.

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

6. PENSION PLANS (CONTINUED)

Teachers' Pension Plan (Continued)

Funding Policy (Continued)

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. This resulted in contribution rates paid by the State on behalf of the School District of 7.32% of non-federally reimbursable payrolls totaling \$971,554 for fiscal year ended June 30, 2011.

The amounts contributed to the plan are as follows:

<u>Years Ending June 30,</u>	<u>Employee</u>	<u>Employer</u>	<u>Percentage Contributed</u>
2011	\$1,335,557	\$1,547,729	100%
2010	\$1,331,169	\$1,533,960	100%
2009	\$1,325,310	\$1,610,087	100%

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

Municipal Employees' Pension Plan

Plan Description

The School District also contributes to the Municipal Employees' Retirement System of the State of Rhode Island (MERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participants. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. The payroll for employees covered by the System for the year ended June 30, 2011 was approximately \$2,680,973, the total payroll for employees was approximately \$18,721,087.

Funding Policy

The plan issues a stand-alone publicly available financial report that includes financial statements and required supplementary information. A copy of the report can be obtained from the State Employees Retirement Board, 50 Service Road, Warwick, Rhode Island 02886.

All non-teacher school district employees are eligible to participate in the System. Employees who retire at or after age 58 with 10 years of credited service or at any age after 30 years of credited service are entitled to a retirement benefit payable monthly for life. The retirement benefit is 2% of final average salary per year of credited service with a maximum benefit of 75% of final average salary. Final average salary is the three highest consecutive years of earned salary excluding overtime, bonuses, or severance pays. The System also provides death and disability benefits. Benefits are established by State Statute.

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

6. PENSION PLANS (Continued)

Municipal Employees' Pension Plan (Continued)

Funding Policy (Continued)

Covered employees are required to contribute 7% of their salary to the plan. The School is required to contribute at a rate determined by an actuary; the current rate is 3.08% of annual covered payroll. The contribution requirements of plan members and the School are established and may be amended by state statute.

SCHEDULE OF CONTRIBUTIONS FROM THE SCHOOL

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/09	\$147,459	100%	\$0
6/30/10	\$118,491	100%	\$0
6/30/11	\$ 82,574	100%	\$0

Annual Pension Cost

For 2011, the School District's annual pension cost of \$82,574 for the MERS was equal to the School District's required and actual contributions. The required contribution was determined as part of the June 30, 2008 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included mortality rates based on the 1994 Group Annuity Mortality Table, and a retirement age of 65, or completion of service requirements, if later. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

The information presented in the required supplementary schedules was determined as part of the annual actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

General Municipal Employees Pension Plan	
Valuation date	6/30/10
Actuarial cost method	Entry Age Normal Cost
Amortization method	Level Percent Closed
Remaining amortization period...	19 years
Asset valuation method	5-year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.50%, compounded annually
Projected salary increases	4.0%-8.0%, compounded annually
Cost-of-living adjustments	1.50% not compounded
Inflation adjustments	3.0%

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

7. CONTINGENT LIABILITIES AND COMMITMENTS

Contracts

The District has contracted with DATTCO to have bus service provided for students through the last day of school in June 2012. The annual payment on this contract varies from year to year based on the transportation needs of the district. There is a 2.9% increase each year on the cost per bus as dictated by the bus transportation contract with DATTCO. Busing costs associated with this agreement totaled approximately \$2,128,680 for the year ended June 30, 2011.

Grants

The School District 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 District officials believe such disallowances, if any, would be immaterial.

Self-Insurance

The School District 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 2011 because School District officials are of the opinion that, based upon prior years' experience, any claims relating to this period will be immaterial.

Compensated Absences

School District non-certified employees are allowed eighteen days of sick leave per year plus an additional five days if the employee has perfect attendance for the year. Unused sick leave accumulates up to a maximum of one hundred eighty days for non-certified employees. Upon termination, non-certified employees hired before July 1, 1997 shall receive 75% of total accumulated sick leave to a maximum of one hundred eighty days. Non-certified employees hired after July 1, 1997 can receive a percentage of their accumulated sick days after five years of service.

Certified employees are allowed fifteen days of sick leave per year plus an additional five days per year if the employee has perfect attendance for the year. Unused sick leave accumulates up to a maximum of two hundred fifty days for certified employees. Certified employee's sick leave benefits are forfeited upon termination, unless the employee serves 20 or more years in the District and retires in which case, the employee receives 100% of total accumulated sick leave (to a maximum of two hundred fifty days) paid at the current substitute rate.

The total compensated absences accumulated as of June 30, 2011 is estimated at \$1,033,115 for governmental activities and \$13,598 for business-type activities.

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

8. INTERFUND BALANCES

Interfund receivable and payable balances at June 30, 2011 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental activities:		
Major fund:		
General Fund	\$ 786,884	\$ 75,779
Non-major funds	376,229	484,884
Total governmental activities	<u>\$1,163,113</u>	<u>\$ 560,663</u>
Business-type activities:		
Major funds:		
Cafeteria Fund		\$ 495,551
Levy Rink		106,899
Total business-type activities	<u>\$ 0</u>	<u>\$ 602,450</u>

9. FUND EQUITY

(a) 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.

	<u>General Fund</u>
Committed to:	
Subsequent year's expenditures.....	\$100,000
Curriculum development	106,000
Unassigned	<u>666,682</u>
Total Fund Balances	<u>\$872,682</u>

10. RISK MANAGEMENT

The School District 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 District 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 District signed a participation agreement which outlines the rights and responsibilities of both the Trust and the School District. The agreement states that for premiums paid by the School District, the Trust will assume financial responsibility for the School District's losses up to the maximum amount of insurance purchased, minus the School District'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 District 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 24 fiscal years.

During the fiscal year ended June 30, 2011, the School District paid premiums of \$137,994 for workers' compensation coverage and \$88,552 for property and liability coverage.

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

10. RISK MANAGEMENT (Continued)

At June 30, 2011, the Trust held reserves for future payments of open cases of \$11,500 for property and liability claims and \$334,932 for workers compensation claims. The Trust is obligated to make payments on the School District's behalf without any further obligation of the School District, unless the School District'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, 2011, the School District believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

11. PUBLIC ENTITY RISK POOL

The Health Pool

The School District 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. through June 22, 2010. The Pool is part of a not-for-profit organization (the Trust) formed to provide programs of liability, workers compensation, and health insurance coverage to Rhode Island cities, towns and other governmental units. The Pool is governed by the Trust Board of Directors (Board).

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

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

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

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

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

For the year ended June 30, 2011, unaudited results indicate that the Pool generated \$97,302,780 in revenues and excess of expenses over revenues of \$7,537,316. The Pool had \$29,248,169 in total assets and \$12,915,179 in total equity as of June 30, 2011.

The Pool retains certain levels of insurance risk. Specific losses in excess of \$1 million to a limit of \$2 million are covered by a Backstop Account internal to the Trust that is funded by annual Backstop Account payments from the Health Pool. As of June 30, 2011, the Pool's membership consisted of 39 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.

(CONCLUDED)

REQUIRED SUPPLEMENTARY INFORMATION

BURRILLVILLE SCHOOL DISTRICT
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((a-b)/c)
6/30/08	\$23,164,763	\$20,971,570	\$2,193,193	111%	\$5,420,713	40.5%
6/30/09	\$23,499,023	\$22,446,076	\$1,052,947	105%	\$5,589,303	18.8%
6/30/10	\$23,338,522	\$25,978,360	\$2,639,838	90%	\$5,552,647	47.5%

BURRILLVILLE SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
(UNAUDITED)

GENERAL FUND
YEAR ENDED JUNE 30, 2011

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Revenues:				
State aid	\$ 11,510,990	\$ 11,510,990	\$ 11,510,990	
Federal State Fiscal Stabilization Funds	305,878	305,878	305,878	
Miscellaneous	320,728	320,728	320,728	
Total revenues	<u>12,137,596</u>	<u>12,137,596</u>	<u>12,137,596</u>	\$ 0
Expenditures:				
Current:				
Salaries	16,049,543	16,049,543	15,893,973	155,570
Employee benefits	5,042,140	5,050,140	5,124,578	(74,438)
Purchased services	4,548,537	4,515,205	4,555,407	(40,202)
Supplies and materials	1,033,003	1,053,494	1,219,690	(166,196)
Other	30,645	31,994	32,469	(475)
Capital outlay	<u>161,325</u>	<u>164,817</u>	<u>167,571</u>	<u>(2,754)</u>
Total expenditures	<u>26,865,193</u>	<u>26,865,193</u>	<u>26,993,688</u>	<u>(128,495)</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(14,727,597)</u>	<u>(14,727,597)</u>	<u>(14,856,092)</u>	<u>(128,495)</u>
Other financing sources (uses):				
Transfers from Town of Burrillville	14,771,597	14,771,597	14,771,598	1
Transfers to other funds	(44,000)	(44,000)	(44,000)	0
Net other financing sources	<u>14,727,597</u>	<u>14,727,597</u>	<u>14,727,598</u>	<u>1</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>(128,494)</u>	<u>\$ (128,494)</u>
Add: current year encumbrances			70,929	
Less: prior year encumbrances			(64,435)	
Fund balance, beginning of year			<u>994,682</u>	
Fund balance, end of year			<u>\$ 872,682</u>	

BURRILLVILLE SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011**

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</u>
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - (Non-GAAP Budgetary Basis) Budget and Actual (D-2).....	\$26,909,194	\$27,037,688
Current year encumbrances		(70,929)
Prior year encumbrances.....		64,435
On-behalf pension contribution by State of Rhode Island	<u>971,554</u>	<u>971,554</u>
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance – Governmental Funds GAAP basis (A-2)	<u>\$27,880,748</u>	<u>\$28,002,748</u>

The School Department had a deficiency of revenues over expenditures of \$128,494 on a budgetary basis.

BURRILLVILLE SCHOOL DISTRICT**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	Special Revenue						
	<u>Title I</u>	<u>Title II</u>	<u>Field Service</u>	<u>School Permanent</u>	<u>Woonsocket Perkins</u>	<u>Center for Collaborative Education</u>	<u>Kindergarten</u>
<u>ASSETS</u>							
Cash and cash equivalents	\$ 9,275			\$ 85,829			\$ 168,879
Intergovernmental receivable	71,631	\$ 47,713					
Other receivable						\$ 585	
Due from other funds	24,591		\$ 7,835	32,678			8,832
Due from Town of Burrillville							
TOTAL ASSETS	\$ 105,497	\$ 47,713	\$ 7,835	\$ 118,507	\$0	\$ 585	\$ 177,711
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 9,039	\$ 8,039				\$ 585	
Accrued payroll and benefits	15,052	13,823					
Due to Town of Burrillville							
Due to other funds	81,406	25,851	\$ 7,835	\$ 32,678			\$ 248
Deferred revenue				85,829			177,463
Total liabilities	105,497	47,713	7,835	118,507	\$0	585	177,711
Fund Balance:							
Restricted for education	0	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 105,497	\$ 47,713	\$ 7,835	\$ 118,507	\$0	\$ 585	\$ 177,711

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue					
	IDEA Part B	Preschool	Literacy	Burrillville Alumni	Early Childhood	BMS Champlin
<u>ASSETS</u>						
Cash and cash equivalents	\$ 2,716		\$ 200,033	\$ 13,364	\$ 36,716	\$ 182
Intergovernmental receivable	142,075	\$ 4,592				
Other receivable						
Due from other funds	79		10,632		1,066	
Due from Town of Burrillville						
TOTAL ASSETS	\$ 144,870	\$ 4,592	\$ 210,665	\$ 13,364	\$ 37,782	\$ 182
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable	\$ 14,912	\$ 2	\$ 36	\$ 455	\$ 10	
Accrued payroll and benefits	67,136		33,962		3,305	
Due to Town of Burrillville						
Due to other funds	62,822	4,590	14,223	4,450	839	
Deferred revenue			162,444	8,459	33,628	\$ 182
Total liabilities	144,870	4,592	210,665	13,364	37,782	182
Fund Balance	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 144,870	\$ 4,592	\$ 210,665	\$ 13,364	\$ 37,782	\$ 182

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue					
	<u>IDEA - ARRA</u>	<u>Preschool - ARRA</u>	<u>Student Technology</u>	<u>Senior Citizens</u>	<u>LEP</u>	<u>Feinstein Foundation</u>
<u>ASSETS</u>						
Cash and cash equivalents		\$ 20,918		\$ 1,841	\$ 3,222	\$ 11,311
Intergovernmental receivable	\$ 236,515	4,538				
Other receivable						
Due from other funds	5,106		\$ 85,007			
Due from Town of Burrillville						
TOTAL ASSETS	\$ 241,621	\$ 25,456	\$ 85,007	\$ 1,841	\$ 3,222	\$ 11,311
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable	\$ 39,182					
Accrued payroll and benefits	11,062					
Due to Town of Burrillville						
Due to other funds	191,377	\$ 25,456				
Deferred revenue			\$ 85,007	\$ 1,841	\$ 3,222	\$ 11,311
Total liabilities	241,621	25,456	85,007	1,841	3,222	11,311
Fund Balance	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 241,621	\$ 25,456	\$ 85,007	\$ 1,841	\$ 3,222	\$ 11,311

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue				
	<u>Title IV</u>	<u>SSS Grant</u>	<u>Achieve Algebra</u>	<u>Title I - ARRA</u>	<u>Title III</u>
<u>ASSETS</u>					
Cash and cash equivalents				\$ 10,429	\$ 585
Intergovernmental receivable		\$ 6,962	\$ 1,137	38,205	\$ 446
Other receivable					
Due from other funds		259			
Due from Town of Burrillville					
TOTAL ASSETS	\$0	\$ 7,221	\$ 1,137	\$ 48,634	\$ 446
					\$ 585
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable		\$ 1,528		\$ 3,624	
Accrued payroll and benefits				20,476	
Due to Town of Burrillville					
Due to other funds		5,693	\$ 1,137	24,534	\$ 446
Deferred revenue					\$ 585
Total liabilities	\$0	7,221	1,137	48,634	446
					585
Fund Balance	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$0	\$ 7,221	\$ 1,137	\$ 48,634	\$ 446
					\$ 585

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue					Total Non-Major Governmental Funds
	<u>Growth Initiative</u>	<u>Elementary Teachers</u>	<u>Student Equity</u>	<u>Professional Development</u>	<u>Vocational Education</u>	
<u>ASSETS</u>						
Cash and cash equivalents	\$ 125	\$ 1,100		\$ 44,900	\$ 47,717	\$ 659,142
Intergovernmental receivable						553,814
Other receivable						585
Due from other funds			\$ 200,144			376,229
Due from Town of Burrillville			32,168			32,168
TOTAL ASSETS	\$ 125	\$ 1,100	\$ 232,312	\$ 44,900	\$ 47,717	\$ 1,621,938
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable			\$ 114			\$ 77,526
Accrued payroll and benefits			59,911			224,727
Due to Town of Burrillville			834			834
Due to other funds				\$ 1,299		484,884
Deferred revenue	\$ 125	\$ 1,100	171,453	43,601	\$ 47,717	833,967
Total liabilities	125	1,100	232,312	44,900	47,717	1,621,938
Fund Balance	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 125	\$ 1,100	\$ 232,312	\$ 44,900	\$ 47,717	\$ 1,621,938

(CONCLUDED)

BURRILLVILLE SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue						
	<u>Title I</u>	<u>Title II</u>	<u>Field Service</u>	<u>School Permanent</u>	<u>Woonsocket Perkins</u>	<u>Center for Collaborative Education</u>	<u>Kindergarten</u>
Revenues:							
Federal sources	\$ 317,254	\$ 115,599			\$ 11,561		
State sources				\$ 56,237			
Local sources						\$ 585	
Total revenues	<u>317,254</u>	<u>115,599</u>	<u>\$0</u>	<u>56,237</u>	<u>11,561</u>	<u>585</u>	<u>\$0</u>
Expenditures:							
Current:							
Salaries	228,532	84,283					
Employee benefits	57,084	22,137					
Purchased services	25,123	9,179		56,237	7,338		
Supplies and materials	6,515				2,125		
Capital outlay					2,098	585	
Total expenditures	<u>317,254</u>	<u>115,599</u>	<u>0</u>	<u>56,237</u>	<u>11,561</u>	<u>585</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>0</u>	<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>	<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>	<u>\$0</u>

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue					
	<u>IDEA Part B</u>	<u>Preschool</u>	<u>Literacy</u>	<u>Burrillville Alumni</u>	<u>Early Childhood</u>	<u>BMS Champlin</u>
Revenues:						
Federal sources	\$ 632,019	\$ 19,734				
State sources			\$ 266,602		\$ 86,865	
Local sources				\$ 6,199		
Total revenues	<u>632,019</u>	<u>19,734</u>	<u>266,602</u>	<u>6,199</u>	<u>86,865</u>	<u>\$0</u>
Expenditures:						
Current:						
Salaries	370,326	13,879	218,365	400	72,775	
Employee benefits	144,627	5,855	48,237	3	14,090	
Purchased services	116,888			1,707		
Supplies and materials	178			2,382		
Capital outlay				1,707		
Total expenditures	<u>632,019</u>	<u>19,734</u>	<u>266,602</u>	<u>6,199</u>	<u>86,865</u>	<u>0</u>
Excess of revenues over (under) expenditures	0	0	0	0	0	0
Fund balance, beginning of year	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>

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue					
	<u>IDEA - ARRA</u>	<u>Preschool - ARRA</u>	<u>Student Technology</u>	<u>Senior Citizens</u>	<u>LEP</u>	<u>Feinstein Foundation</u>
Revenues:						
Federal sources	\$ 418,408	\$ 26,356				
State sources			\$ 39,117			
Local sources						\$ 6,826
Total revenues	<u>418,408</u>	<u>26,356</u>	<u>39,117</u>	<u>\$0</u>	<u>\$0</u>	<u>6,826</u>
Expenditures:						
Current:						
Salaries	138,094	5,447				
Employee benefits	54,500	219				
Purchased services	182,136					1,000
Supplies and materials	12,916	13,332	2,857			5,826
Capital outlay	<u>30,762</u>	<u>7,358</u>	<u>36,260</u>			
Total expenditures	<u>418,408</u>	<u>26,356</u>	<u>39,117</u>	<u>0</u>	<u>0</u>	<u>6,826</u>
Excess of revenues over (under) expenditures	0	0	0	0	0	0
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>

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue					
	<u>Title IV</u>	<u>SSS Grant</u>	<u>Achieve Algebra</u>	<u>Title I - ARRA</u>	<u>Title III</u>	<u>RI Council of the Arts</u>
Revenues:						
Federal sources	\$ 468	\$ 6,962		\$ 170,604	\$ 446	
State sources			\$ 1,137			
Local sources						\$ 390
Total revenues	<u>468</u>	<u>6,962</u>	<u>1,137</u>	<u>170,604</u>	<u>446</u>	<u>390</u>
Expenditures:						
Current:						
Salaries		900		109,682		
Employee benefits		13		34,707		
Purchased services	468	4,400		23,101		390
Supplies and materials		1,649	1,137	2,244	446	
Capital outlay				870		
Total expenditures	<u>468</u>	<u>6,962</u>	<u>1,137</u>	<u>170,604</u>	<u>446</u>	<u>390</u>
Excess of revenues over (under) expenditures	<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>

(CONTINUED)

BURRILLVILLE SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue					Total Non-Major Governmental Funds
	<u>Growth Initiative</u>	<u>Elementary Teachers</u>	<u>Student Equity</u>	<u>Professional Development</u>	<u>Vocational Education</u>	
Revenues:						
Federal sources						\$ 1,719,411
State sources			\$ 626,190	\$ 5,306		1,081,454
Local sources						14,000
Total revenues	\$0	\$0	626,190	5,306	\$0	2,814,865
Expenditures:						
Current:						
Salaries			434,685	300		1,677,668
Employee benefits			191,505	4		572,981
Purchased services				4,243		432,210
Supplies and materials				759		52,366
Capital outlay						79,640
Total expenditures	0	0	626,190	5,306	0	2,814,865
Excess of revenues over (under) expenditures	0	0	0	0	0	0
Fund balance, beginning of year	0	0	0	0	0	0
Fund balance, end of year	\$0	\$0	\$ 0	\$ 0	\$0	\$ 0

(CONCLUDED)

BURRILLVILLE SCHOOL DISTRICT**FIDUCIARY FUNDS****COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2011**

	Balance June 30, 2010	Receipts	Disbursements	Balance June 30, 2011
STUDENT ACTIVITY FUNDS:				
<i>Burrillville High School:</i>				
Athletic Association	\$ 4,627	\$ 32,716	\$ 35,098	\$ 2,245
Auren Jenks Scholarship Fund	2,920	17	200	2,737
Walter Ballou Scholarship	43		43	0
Student Activity - Escrow	73,513	87,029	95,566	64,976
Abbie's Scholarship	9,077	5	1,000	8,082
Jackie Moran Scholarship	10,682	5		10,687
High School Administration	29,696	51,410	50,423	30,683
<i>Burrillville Middle School:</i>				
Student Activity	8,720	76,647	75,467	9,900
<i>Callahan School:</i>				
Student Activity	2,521	36,150	35,500	3,171
<i>Austin T. Levy School:</i>				
PAC	18,150	49,867	50,885	17,132
Student Activity Fund	14,709	24,472	18,163	21,018
<i>Steere Farm School:</i>				
Popcorn Fund	14,962	24,349	25,374	13,937
<i>Total student activity funds</i>	\$ 189,620	\$ 382,667	\$ 387,719	\$ 184,568