

BURRILLVILLE SCHOOL DEPARTMENT

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2012**

BURRILLVILLE SCHOOL DEPARTMENT

JUNE 30, 2012

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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 the funds of the Burrillville School Department (a department of the Town of Burrillville, Rhode Island) as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Burrillville School Department'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 Department 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 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, 2012, 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.

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 Department as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Department'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

December 21, 2012

BURRILLVILLE SCHOOL DEPARTMENT

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

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 871,082	\$ 654,584	\$ 1,525,666
Intergovernmental receivable		346,512	346,512
Other receivables	1,296	975	2,271
Due from Town of Burrillville	2,470,584	10,170	2,480,754
Due from other funds	308,155	21,407	329,562
TOTAL ASSETS	\$ 3,651,117	\$ 1,033,648	\$ 4,684,765
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 895,587	\$ 86,334	\$ 981,921
Accrued payroll and benefits	1,934,091	146,389	2,080,480
Deferred revenues	18,944	656,008	674,952
Due to other funds	7,194	144,917	152,111
TOTAL LIABILITIES	2,855,816	1,033,648	3,889,464
FUND BALANCES:			
Committed	150,000		150,000
Unassigned	645,301		645,301
TOTAL FUND BALANCES	795,301	0	795,301
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,651,117	\$ 1,033,648	\$ 4,684,765

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

**STATEMENT OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Federal sources	\$ 614,129	\$ 1,659,821	\$ 2,273,950
State sources	12,420,036	248,983	12,669,019
Miscellaneous	345,587	14,614	360,201
Intergovernmental - pension contribution	1,111,533		1,111,533
TOTAL REVENUES	<u>14,491,285</u>	<u>1,923,418</u>	<u>16,414,703</u>
EXPENDITURES:			
Current:			
Salaries	16,607,722	1,020,041	17,627,763
Employee benefits	5,856,596	434,807	6,291,403
Purchased services	4,570,470	353,721	4,924,191
Supplies and materials	1,104,038	45,579	1,149,617
Other	32,619		32,619
Intergovernmental - pension contribution	1,111,533		1,111,533
Capital outlay	195,541	69,270	264,811
TOTAL EXPENDITURES	<u>29,478,519</u>	<u>1,923,418</u>	<u>31,401,937</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>(14,987,234)</u>	<u>0</u>	<u>(14,987,234)</u>
OTHER FINANCING SOURCES (USES):			
Transfers from Town of Burrillville	14,953,853		14,953,853
Transfers to other funds	(44,000)		(44,000)
NET OTHER FINANCING SOURCES	<u>14,909,853</u>	<u>0</u>	<u>14,909,853</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(77,381)</u>	<u>0</u>	<u>(77,381)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>872,682</u>	<u>0</u>	<u>872,682</u>
FUND BALANCE AT END OF YEAR	<u>\$ 795,301</u>	<u>\$ 0</u>	<u>\$ 795,301</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012**

	Enterprise Funds		
	Cafeteria Fund	Levy Rink	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 136,016	\$ 6,014	\$ 142,030
Inventory	10,917		10,917
Account receivables	4,675		4,675
Due from:			
Other governments	23,620		23,620
Total Current Assets	175,228	6,014	181,242
Noncurrent Assets:			
Net capital assets	29,577	224,027	253,604
TOTAL ASSETS	204,805	230,041	434,846
LIABILITIES:			
Current Liabilities:			
Accounts payable	148,057	15,400	163,457
Deferred revenue	10,651		10,651
Due to other funds	54,518	122,933	177,451
Capital lease payable		20,512	20,512
Accrued compensated absences	400	1,880	2,280
Total Current Liabilities	213,626	160,725	374,351
Noncurrent Liabilities:			
Capital lease payable, net		44,358	44,358
Accrued compensated absences	3,563	16,908	20,471
Total Noncurrent Liabilities	3,563	61,266	64,829
TOTAL LIABILITIES	217,189	221,991	439,180
NET ASSETS:			
Invested in capital assets, net of related debt	29,577	159,157	188,734
Unrestricted	(41,961)	(151,107)	(193,068)
TOTAL NET ASSETS	\$ (12,384)	\$ 8,050	\$ (4,334)

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

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

	Enterprise Funds		
	Cafeteria Fund	Levy Rink	Total
OPERATING REVENUES:			
Charges for usage and service	\$ 439,470	\$ 381,426	\$ 820,896
Total Operating Revenues	439,470	381,426	820,896
OPERATING EXPENSES:			
Operations	769,115	192,949	962,064
Personnel	103,786	209,072	312,858
Depreciation	8,114	20,032	28,146
Total Operating Expenses	881,015	422,053	1,303,068
OPERATING LOSS	(441,545)	(40,627)	(482,172)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	441,044		441,044
Grant income		30,000	30,000
Interest expense		(4,622)	(4,622)
Net Nonoperating Revenues	441,044	25,378	466,422
LOSS BEFORE TRANSFERS	(501)	(15,249)	(15,750)
TRANSFERS IN	0	44,000	44,000
CHANGE IN NET ASSETS	(501)	28,751	28,250
TOTAL NET ASSETS - BEGINNING	(11,883)	(20,701)	(32,584)
TOTAL NET ASSETS - ENDING	\$ (12,384)	\$ 8,050	\$ (4,334)

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

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

	<u>Enterprise Funds</u>		
	<u>Cafeteria Fund</u>	<u>Levy Rink</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 443,097	\$ 381,426	\$ 824,523
Cash paid to suppliers	(783,700)	(195,617)	(979,317)
Cash paid to employees	(99,823)	(203,882)	(303,705)
Net cash used for operating activities	<u>(440,426)</u>	<u>(18,073)</u>	<u>(458,499)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Nonoperating grants received	456,987		456,987
Transfer from other funds		44,000	44,000
Increase in due from Town of Burrillville	(10,296)		(10,296)
Increase (decrease) in due to other funds	(441,032)	16,034	(424,998)
Net cash provided by noncapital financing activities	<u>5,659</u>	<u>60,034</u>	<u>65,693</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Nonoperating grants received		30,000	30,000
Acquisition of capital assets		(46,119)	(46,119)
Principal payment on capital lease payable		(19,543)	(19,543)
Interest expense		(4,622)	(4,622)
Net cash used for capital and related financing activities	<u>0</u>	<u>(40,284)</u>	<u>(40,284)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(434,767)	1,677	(433,090)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>570,783</u>	<u>4,337</u>	<u>575,120</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 136,016</u>	<u>\$ 6,014</u>	<u>\$ 142,030</u>
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (441,545)	\$ (40,627)	\$ (482,172)
Adjustments to reconcile:			
Depreciation	8,114	20,032	28,146
Decrease in accounts receivables	2,271		2,271
Decrease in inventory	2,709		2,709
Decrease in accounts payable	(17,294)	(2,668)	(19,962)
Increase in deferred revenue	1,356		1,356
Increase in accrued compensated absences	3,963	5,190	9,153
Net cash used for operating activities	<u>\$ (440,426)</u>	<u>\$ (18,073)</u>	<u>\$ (458,499)</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

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

SEE NOTES TO FINANCIAL STATEMENTS.

BURRILLVILLE SCHOOL DEPARTMENT

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

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.

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BURRILLVILLE SCHOOL DEPARTMENT

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

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>
Major:	
General fund:	See above for description
Proprietary funds:	Cafeteria Fund Levy Rink
Non-major:	
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, RTTT, BMS Champlin, IDEA-ARRA, Preschool-ARRA, Student Technology, Senior Citizens, LEP, Feinstein Foundation, Common Core Standards, FFVP Grant, NEA Foundation, CRESH Grant, FEMA, RI Council of the Arts, Growth Initiative, Elementary Teachers, Student Equity, Professional Development, and Vocational Education

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

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 DEPARTMENT

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

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 Department 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 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 deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary Activity Accounting and Financial Reporting

The School Department 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 DEPARTMENT

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Standards

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

The School Department 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 Department'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 Department'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 Department'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 Department's fiscal year ending June 30, 2013.
- GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities, effective for the School Department's fiscal year ending June 30, 2014.
- GASB Statement No. 66 - Technical Corrections - 2012- an amendment of GASB Statements No. 10 and No. 62, effective for the School Department's fiscal year ending June 30, 2014.
- GASB Statement No. 67 - Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25, effective for School Department's fiscal year ending June 30, 2014.
- GASB Statement No. 68 - Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, effective for the School Department's fiscal year ending June 30, 2015.

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, 2012**

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 2012, the School General Fund transferred \$44,000 to the Levy Rink as a budgeted subsidy.

2. CASH AND INVESTMENTS

Deposits

The School Department does not have a deposit policy for custodial credit risk. At June 30, 2012, the carrying amount of the School Department's cash deposits was \$1,818,991 and the bank balance was \$1,874,598. 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	\$1,818,991
Petty cash and cash on hand	<u>7,473</u>
Total cash and cash equivalents	<u>\$1,826,464</u>
 Schedule A-1	 \$1,525,666
Schedule B-1	142,030
Schedule C-1	<u>158,768</u>
Total	<u>\$1,826,464</u>

Investments

Investments are stated at fair value as follows at June 30, 2012:

	<u>Investment Fair Value</u>	<u>Rate</u>	<u>Maturity</u>	<u>Rating</u>
Certificate of deposit	<u>\$2,519</u>	0.10%	May 29, 2013	N/A
Total investments (Schedule C-1)	<u>\$2,519</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, 2012**

3. INTERGOVERNMENTAL RECEIVABLE AND PAYABLE

Amounts due from and to the Federal and State consisted of the following at June 30, 2012:

	<u>Due From</u>	<u>Due To</u>
Governmental activities:		
Federal government:		
Non-major funds	\$301,849	
State of Rhode Island:		
Non-major funds	44,663	
Total	<u>\$346,512</u>	<u>\$0</u>
Business-type activities:		
Federal government:		
Major funds:		
School Lunch	<u>\$ 23,620</u>	<u>\$0</u>

4. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
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	(2,535)	(507)		(3,042)
Equipment	(105,511)	(14,349)		(119,860)
Vehicles	(11,000)			(11,000)
Total accumulated depreciation	<u>(119,046)</u>	<u>(14,856)</u>	<u>0</u>	<u>(133,902)</u>
Governmental activities capital assets, net	<u>\$ 51,243</u>	<u>\$(14,856)</u>	<u>\$0</u>	<u>\$ 36,387</u>
Business-type activities:				
Other capital assets:				
Equipment	\$ 410,531	\$46,118		\$ 456,649
Total other capital assets at historical cost	<u>410,531</u>	<u>46,118</u>	<u>\$0</u>	<u>456,649</u>
Less: accumulated depreciation for:				
Equipment	(174,899)	(28,146)		(203,045)
Total accumulated depreciation	<u>(174,899)</u>	<u>(28,146)</u>	<u>0</u>	<u>(203,045)</u>
Business-type activities capital assets, net	<u>\$ 235,632</u>	<u>\$17,972</u>	<u>\$0</u>	<u>\$ 253,604</u>

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

4. CAPITAL ASSETS (Continued)

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

Business-type activities:

Cafeteria Fund	<u>\$ 8,114</u>
Levy Rink	<u>20,032</u>
Total business-type activities depreciation expense	<u>\$28,146</u>

5. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Other long-term liabilities:					
Compensated absences	<u>\$1,033,115</u>	<u>\$46,634</u>	<u>\$119,924</u>	<u>\$959,825</u>	<u>\$129,900</u>
Total other long-term liabilities	<u>1,033,115</u>	<u>46,634</u>	<u>119,924</u>	<u>959,825</u>	<u>129,900</u>
Governmental activities:					
Long-term liabilities	<u>\$1,033,115</u>	<u>\$46,634</u>	<u>\$119,924</u>	<u>\$959,825</u>	<u>\$129,900</u>
Business-Type Activities:					
Long-term debt:					
Leases payable	<u>\$ 84,413</u>	<u>\$ 0</u>	<u>\$ 19,543</u>	<u>\$ 64,870</u>	<u>\$ 20,512</u>
Other long-term liabilities:					
Compensated absences	<u>13,598</u>	<u>9,153</u>		<u>22,751</u>	<u>2,280</u>
Business-type activities:					
Long-term liabilities	<u>\$ 98,011</u>	<u>\$ 9,153</u>	<u>\$ 19,543</u>	<u>\$ 87,621</u>	<u>\$ 22,792</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 School Department's basic financial statements.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

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>(21,630)</u>
Total	<u>\$ 91,220</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, 2012:

<u>Fiscal year ending June 30:</u>	<u>Business-type Activities</u>
2013	\$ 24,069
2014	24,069
2015	<u>24,069</u>
Total minimum lease payments	72,207
Less: amount representing interest	<u>(7,337)</u>
Present value of future minimum lease payments	<u>\$ 64,870</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 Department participate in the Employees' Retirement System of the State of Rhode Island (ERSRI), a cost-sharing multiple-employer public employee retirement system. In addition to classified employees, the System covers substantially all employees of the State of Rhode Island. The payroll for employees covered by the System for the year ended June 30, 2012, was \$13,684,877 including \$819,907 of federally reimbursed payroll; the total payroll for all School employees was \$18,019,774.

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

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

6. PENSION PLANS (Continued)

Teachers' Pension Plan (Continued)

Plan Description (Continued)

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

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

Funding Policy

Rhode Island general laws set the contribution rates for participating employees at 9.5% of salary. Annual contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as percentage of participants' payroll. The School Department was required to contribute 12.55% (also 21.19% for federally reimbursed payroll), 10.60%, and 10.60%, for all full-time employees for fiscal years 2012, 2011, and 2010, respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of June 30, 2010 over a 25-year period; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability. Both employers and employees contribute 1% of the first \$9,600 of salary for survivor benefits. A variety of significant actuarial assumptions are used and these assumptions are summarized below:

- A. ***Mortality*** - RP-2000 Combined tables.
- B. ***Investment return*** - 7.50 percent, compounded annually.
- C. ***Salary increase*** - Salaries will increase at a rate of 4.0% - 12.75%.
- D. ***Retirement age*** - Teachers are assumed to retire at the later of age 61 or completion of the service requirements.
- E. ***Cost of living adjustments*** - 2.0 percent compounded annually, while the plan has a funding level that exceeds 80%. However, an interim COLA will be granted in five-year intervals while the COLA is suspended.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

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 Department of 8.64% of non-federally reimbursable payrolls totaling \$1,111,533 for fiscal year ended June 30, 2012.

The amounts contributed to the plan are as follows:

<u>Years Ending June 30,</u>	<u>Employee</u>	<u>Employer</u>	<u>Percentage Contributed</u>
2012	\$1,300,063	\$1,788,292	100%
2011	\$1,335,557	\$1,547,729	100%
2010	\$1,331,169	\$1,533,960	100%

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

Municipal Employees' Pension Plan

Plan Description

The School Department 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, 2012 was approximately \$2,669,268, the total payroll for employees was approximately \$18,019,774.

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 Department 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 DEPARTMENT

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

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 4.98% 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>
6/30/10	\$118,491	100%	\$0
6/30/11	\$ 82,574	100%	\$0
6/30/12	\$132,930	100%	\$0

Annual Pension Cost

For 2011, the School Department's annual pension cost of \$132,930 for the MERS was equal to the School Department's required and actual contributions. The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included mortality rates based on the RP-2000 Combined tables, and 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	6/30/11
Actuarial cost method.....	Entry Age Actuarial Cost
Amortization method	Level Percent Closed
Remaining amortization period ...	24 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.....	2.00% not compounded
Inflation adjustments	2.75%

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

7. CONTINGENT LIABILITIES AND COMMITMENTS

Contracts

The School Department has contracted with DATTCO to have bus service provided for students through the last day of school in June 2012. The annual payment on this contract varies from year to year based on the transportation needs of the Department. There is a 2.9% increase each year on the cost per bus as dictated by the bus transportation contract with DATTCO. Busing costs associated with this agreement totaled approximately \$1,781,565 for the year ended June 30, 2012. Subsequent to June 30, 2012, the School Department contracted with Durham School Services for a three-year transportation contract with a total contract cost of \$5,485,061.

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 2012 because School Department officials are of the opinion that, based upon prior years' experience, any claims relating to this period will be immaterial.

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. 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 Department 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, 2012 is estimated at \$959,825 for governmental activities and \$22,751 for business-type activities.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

8. INTERFUND BALANCES

Interfund receivable and payable balances at June 30, 2012 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental activities:		
Major fund:		
General Fund	\$308,155	\$ 7,194
Non-major funds	21,407	144,917
Total governmental activities	<u>\$329,562</u>	<u>\$152,111</u>
Business-type activities:		
Major funds:		
Cafeteria Fund		\$ 54,518
Levy Rink		122,933
Total business-type activities	<u>\$ 0</u>	<u>\$177,451</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	\$150,000
Unassigned	<u>645,301</u>
Total Fund Balances	<u>\$795,301</u>

10. 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 25 fiscal years.

During the fiscal year ended June 30, 2012, the School Department paid premiums of \$133,182 for workers' compensation coverage and \$89,048 for property and liability coverage.

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

10. RISK MANAGEMENT (Continued)

At June 30, 2012, the Trust held reserves for future payments of open cases of \$39,872 for property and liability claims and \$496,445 for workers compensation 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, 2012, the School Department 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 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's Board with 90 days notice; liquidated damages would also be assessed at that time. The Trust may terminate a member's coverage for failure to pay amounts due.

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

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

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

(CONCLUDED)

REQUIRED SUPPLEMENTARY INFORMATION

BURRILLVILLE SCHOOL DEPARTMENT
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)
6/30/09	\$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)%
6/30/11	\$23,308,991	\$23,383,539	\$ (74,548)	100%	\$5,657,728	(1.3)%

BURRILLVILLE SCHOOL DEPARTMENT

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

**GENERAL FUND
YEAR ENDED JUNE 30, 2012**

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Revenues:				
State aid	\$ 12,420,036	\$ 12,420,036	\$ 12,420,036	
Federal grant	614,129	614,129	614,129	
Miscellaneous	345,587	345,587	345,587	
Total revenues	<u>13,379,752</u>	<u>13,379,752</u>	<u>13,379,752</u>	<u>\$ 0</u>
Expenditures:				
Current:				
Salaries	16,615,520	16,602,020	16,607,722	(5,702)
Employee benefits	5,788,848	5,813,848	5,856,596	(42,748)
Purchased services	4,834,254	4,662,793	4,560,078	102,715
Supplies and materials	1,076,365	1,147,181	1,127,711	19,470
Other	28,104	32,462	32,619	(157)
Capital outlay	<u>152,514</u>	<u>237,301</u>	<u>244,613</u>	<u>(7,312)</u>
Total expenditures	<u>28,495,605</u>	<u>28,495,605</u>	<u>28,429,339</u>	<u>66,266</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(15,115,853)</u>	<u>(15,115,853)</u>	<u>(15,049,587)</u>	<u>66,266</u>
Other financing sources (uses):				
Transfers from Town of Burrillville	14,953,853	14,953,853	14,953,853	
Transfers to other funds	(44,000)	(44,000)	(44,000)	
Reappropriation of prior year fund balance	206,000	206,000	206,000	
Net other financing sources	<u>15,115,853</u>	<u>15,115,853</u>	<u>15,115,853</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>66,266</u>	<u>\$ 66,266</u>
Add: current year encumbrances			133,282	
Less: prior year encumbrances			(70,929)	
Less: reappropriated fund balance			(206,000)	
Fund balance, beginning of year			<u>872,682</u>	
Fund balance, end of year			<u>\$ 795,301</u>	

BURRILLVILLE SCHOOL DEPARTMENT

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

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).....	\$28,539,605	\$28,473,339
Reappropriated fund balance	(206,000)	
Current year encumbrances		(133,282)
Prior year encumbrances.....		70,929
On-behalf pension contribution by State of Rhode Island	<u>1,111,533</u>	<u>1,111,533</u>
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance – Governmental Funds GAAP basis (A-2)	<u>\$29,445,138</u>	<u>\$29,522,519</u>

BURRILLVILLE SCHOOL DEPARTMENT

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

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>
\$ 100,079	\$ 19,016	\$ 1	\$ 50,627		\$ 1,437	\$ 177,463
1,014	5,660					
TOTAL ASSETS						
\$ 101,093	\$ 24,676	\$ 1	\$ 50,627	\$ 0	\$ 1,437	\$ 177,463

ASSETS

Cash and cash equivalents
Intergovernmental receivable
Other receivable
Due from other funds
Due from Town of Burrillville

LIABILITIES AND FUND BALANCELiabilities:

Accounts payable
Accrued payroll and benefits
Due to other funds
Deferred revenue
Total liabilities

\$ 14,765	\$ 1,805				\$ 1,437	
34,279	11,577					
52,049	11,294					
101,093	24,676	\$ 1	\$ 50,627	\$ 0	1,437	\$ 177,463

Fund Balance:

Restricted for education

0	0	0	0	0	0	0
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TOTAL LIABILITIES AND FUND BALANCE

\$ 101,093	\$ 24,676	\$ 1	\$ 50,627	\$ 0	\$ 1,437	\$ 177,463
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(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

		Special Revenue				
IDEA Part B		<u>Preschool</u>	<u>Literacy</u>	<u>Burrillville Alumni</u>	<u>Early Childhood</u>	<u>RTTT</u> <u>BMS Champlin</u>
Cash and cash equivalents	\$ 390		\$ 162,444	\$ 2,307	\$ 14,462	
Intergovernmental receivable	166,226	\$ 3,997			\$ 12,531	
Other receivable					975	
Due from other funds	520					
Due from Town of Burrillville						
TOTAL ASSETS	\$ 167,136	\$ 3,997	\$ 162,444	\$ 2,307	\$ 14,462	\$ 13,506
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 19,568	\$ 324		\$ 204	\$ 1,666	\$ 4,937
Accrued payroll and benefits	89,127	2,576				
Due to other funds	58,441	1,097				8,569
Deferred revenue			\$ 162,444	2,103	12,796	
Total liabilities	167,136	3,997	162,444	2,307	14,462	13,506
Fund Balance:						
Restricted for education	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 167,136	\$ 3,997	\$ 162,444	\$ 2,307	\$ 14,462	\$ 13,506

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

	<u>Special Revenue</u>				
	<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			\$ 63,104	\$ 1,456	\$ 2,382
Intergovernmental receivable					\$ 11,311
Other receivable					
Due from other funds					
Due from Town of Burrillville					
TOTAL ASSETS	\$0	\$0	\$ 63,104	\$ 1,456	\$ 2,382
					\$ 11,311
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable				\$ 165	
Accrued payroll and benefits					
Due to other funds			\$ 63,104	1,291	\$ 2,382
Deferred revenue			63,104	1,456	2,382
Total liabilities	\$0	\$0	\$ 63,104	1,456	\$ 11,311
Fund Balance:					
Restricted for education	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$0	\$0	\$ 63,104	\$ 1,456	\$ 2,382
					\$ 11,311

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

Special Revenue					
Common Core Standards	FFVP Grant	NEA Foundation	CRESH Grant	FEMA	RI Council of the Arts
\$ 38,778	\$ 3 5,885	\$ 747	\$ 8		\$ 65
				\$ 10,170	
TOTAL ASSETS	\$ 38,778	\$ 5,888	\$ 747	\$ 8 10,170	\$ 65

ASSETS

Cash and cash equivalents
Intergovernmental receivable
Other receivable
Due from other funds
Due from Town of Burrillville

LIABILITIES AND FUND BALANCE**Liabilities:**

Accounts payable
Accrued payroll and benefits
Due to other funds
Deferred revenue
Total liabilities

Fund Balance:

Restricted for education

TOTAL LIABILITIES AND FUND BALANCE

\$ 35,481	\$ 5,885				
3,297				\$ 10,170	\$ 65
38,778	5,888	747	8	10,170	65
0	0	0	0	0	0
\$ 38,778	\$ 5,888	\$ 747	\$ 8	\$ 10,170	\$ 65

(CONTINUED)

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

(CONCLUDED)

BURRILLVILLE SCHOOL DEPARTMENT

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

		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	\$ 520,607	\$ 147,430			\$ 22,648	
State sources				\$ 35,202		
Local sources						
Total revenues	520,607	147,430	\$0	35,202	22,648	\$ 1,437 1,437 \$0
Expenditures:						
Current:						
Salaries	340,131	74,886				
Employee benefits	115,719	36,099				
Purchased services	60,371	35,960		35,202	4,667	
Supplies and materials	4,386	485			2,767	
Capital outlay					15,214	1,437
Total expenditures	520,607	147,430	0	35,202	22,648	1,437 1,437 0
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 \$0

BURRILLVILLE SCHOOL DEPARTMENT

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

	Special Revenue					
	IDEA Part B	Preschool	Literacy	Burrillville Alumni	Early Childhood	BMS Champlin
Revenues:						
Federal sources	\$ 885,781	\$ 24,256			\$ 36,373	
State sources					\$ 20,832	
Local sources				\$ 6,356		\$ 182
Total revenues	885,781	24,256	\$0	6,356	20,832	182
Expenditures:						
Current:						
Salaries	523,786	13,955		160		
Employee benefits	231,286	6,708		2		
Purchased services	117,501			1,788	20,832	36,373
Supplies and materials		41		514		182
Capital outlay	13,208	3,552		3,892		
Total expenditures	885,781	24,256	0	6,356	20,832	182
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

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

		Special Revenue					
		IDEA - <u>ARRA</u>	Preschool - <u>ARRA</u>	Student <u>Technology</u>	Senior <u>Citizens</u>	<u>LEP</u>	Feinstein <u>Foundation</u>
Revenues:							
Federal sources	\$	9,252	\$ 3,304	\$ 21,903	\$ 550	\$ 841	
State sources							
Local sources							
Total revenues		9,252	3,304	21,903	550	841	\$0
Expenditures:							
Current:							
Salaries			2,950				
Employee benefits			354				
Purchased services					550		
Supplies and materials		2,463				841	
Capital outlay		1,618					
		5,171		21,903			
Total expenditures		9,252	3,304	21,903	550	841	0
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

BURRILLVILLE SCHOOL DEPARTMENT

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

	Special Revenue					
	Common Core Standards	FFVP Grant	NEA Foundation	CRESH Grant	FEMA	RI Council of the Arts
Revenues:						
Federal sources						
State sources	\$ 41,156	\$ 34,952			\$ 10,170	
Local sources			\$ 4,500	\$ 944		\$ 520
Total revenues	41,156	34,952	4,500	944	10,170	520
Expenditures:						
Current:						
Salaries	3,207	1,307			10,170	
Employee benefits	90	96				
Purchased services	37,859					
Supplies and materials		32,631	525	944		520
Capital outlay		918	3,975			
Total expenditures	41,156	34,952	4,500	944	10,170	520
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

(CONTINUED)

BURRILLVILLE SCHOOL DEPARTMENT

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

	<u>Special Revenue</u>					<u>Total</u> Non-Major Governmental Funds
	<u>Growth</u> <u>Initiative</u>	<u>Elementary</u> <u>Teachers</u>	<u>Student</u> <u>Equity</u>	<u>Professional</u> <u>Development</u>	<u>Vocational</u> <u>Education</u>	
Revenues:						
Federal sources						\$ 1,659,821
State sources			\$ 93,942	\$ 155		248,983
Local sources	125					14,614
Total revenues	<u>125</u>	<u>\$0</u>	<u>93,942</u>	<u>155</u>	<u>\$0</u>	<u>1,923,418</u>
Expenditures:						
Current:						
Salaries			49,489			1,020,041
Employee benefits			44,453			434,807
Purchased services				155		353,721
Supplies and materials	125					45,579
Capital outlay						69,270
Total expenditures	<u>125</u>	<u>0</u>	<u>93,942</u>	<u>155</u>	<u>0</u>	<u>1,923,418</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>

(CONCLUDED)

BURRILLVILLE SCHOOL DEPARTMENT**FIDUCIARY FUNDS****COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2012**

	Balance <u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>June 30, 2012</u>
STUDENT ACTIVITY FUNDS:				
<i>Burrillville High School:</i>				
Athletic Association	\$ 2,245	\$ 41,895	\$ 38,150	\$ 5,990
Auren Jenks Scholarship Fund	2,737	11	229	2,519
Student Activity - Escrow	64,976	106,191	122,964	48,203
Abbie's Scholarship	8,082	4	500	7,586
Jackie Moran Scholarship	10,687	6		10,693
High School Administration	30,683	37,329	45,242	22,770
<i>Burrillville Middle School:</i>				
Student Activity	9,900	84,095	83,765	10,230
<i>Callahan School:</i>				
Student Activity	3,171	24,511	22,596	5,086
<i>Austin T. Levy School:</i>				
PAC	17,132	41,489	45,987	12,634
Student Activity Fund	21,018	21,689	23,500	19,207
<i>Steere Farm School:</i>				
Popcorn Fund	13,937	44,202	41,770	16,369
<i>Total student activity funds</i>	\$ 184,568	\$ 401,422	\$ 424,703	\$ 161,287