

# TOWN OF BURRILLVILLE, RHODE ISLAND

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PREPARED BY: FINANCE DEPARTMENT

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**

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# ***TOWN OF BURRILLVILLE***

## **INTRODUCTORY SECTION**



TOWN OF BURRILLVILLE, RHODE ISLAND

MUNICIPAL OFFICERS

June 30, 2017

TOWN COUNCIL

John F. Pacheco III, President

Steven N. Rawson, Pro-tem

Jeremy Bailey

Michelle D. Bouchard

Donald A. Fox

David J. Place

Raymond J. Trinke

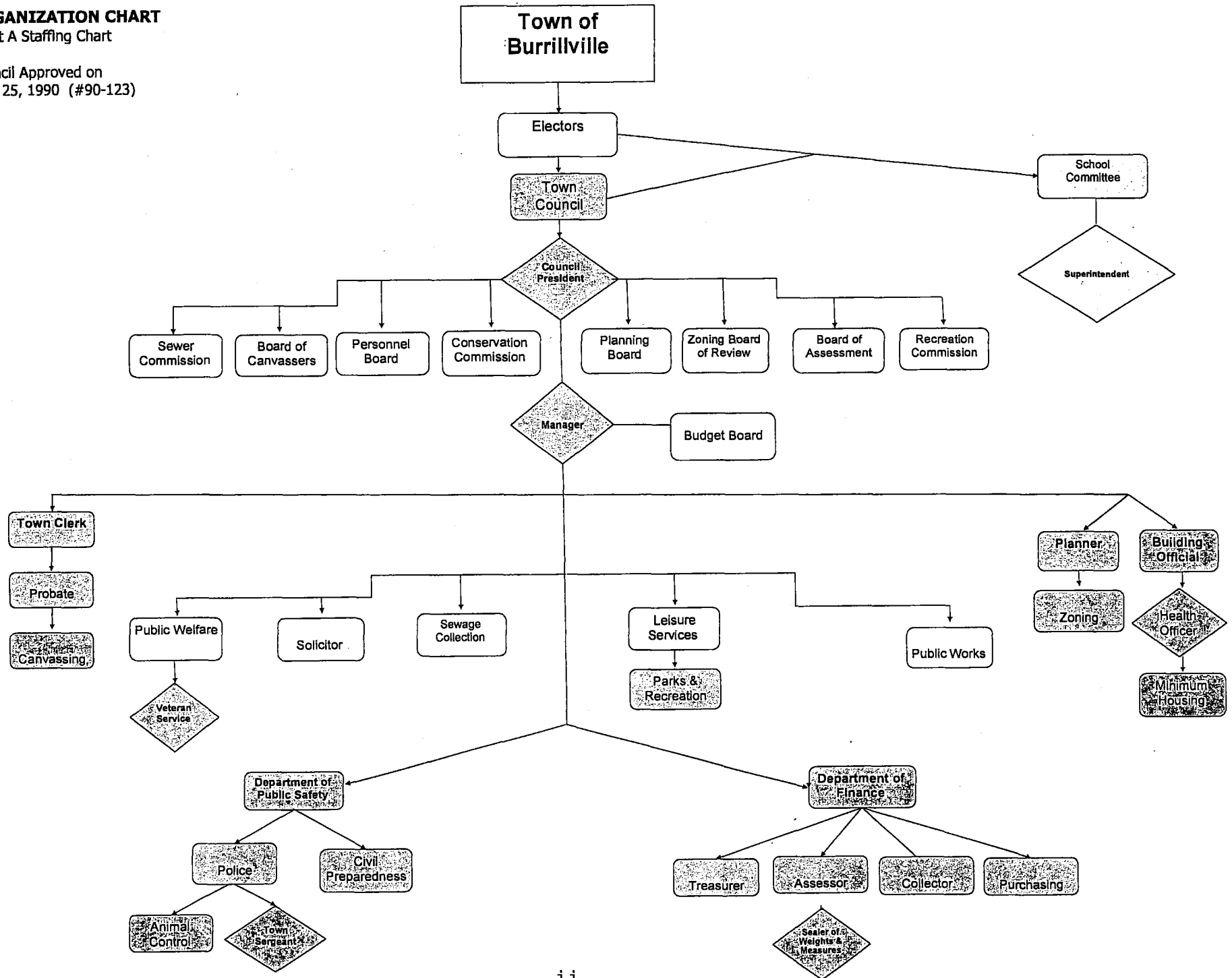
TOWN OFFICIALS

Town Manager	Michael C. Wood
Assessor	Susan R. Makar, RICA
Building Official	Joseph F. Raymond
Clerk	Louise R. Phaneuf, CMC
Emergency Management Director	Glen D. Biddiscombe
Finance Director/Tax Collector	Michael Larocque
Municipal Court Judge	Richard Fleury, Esq.
Planning/Economic Development Coordinator	Ray Goff
Police Chief	Col. Stephen J. Lynch
Probate Court Judge	Timothy F. Kane
Public Works-Director/Engineer	Jeffrey M. McCormick, PE
Recreation Director/Special Events Coordinator	Andrea C. Hall
School Superintendent	Dr. Frank Pallotta
Solicitor	William Dimitri
Treasurer	Rose Doughty
Wastewater Treatment Facility-Superintendent	John E. Martin III

# ORGANIZATION CHART

\* Not A Staffing Chart

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



# ***TOWN OF BURRILLVILLE***

## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITOR'S REPORT**

**Gerard R. Cayer**  
CPA, MST

**Mark V. Caccia**  
CPA, MST

**Donna T. Caccia**  
CPA, MST, CFP™

To the Honorable Town Council  
Burrillville, Rhode Island

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Burrillville, Rhode Island's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, historical pension and other post-employment benefit information, and budgetary comparison information on pages 4 through 23 and 99 through 109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Burrillville, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, detailed budgetary schedules, and Tax Collector's Annual Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, detailed budgetary schedules, and Tax Collector's Annual Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, detailed budgetary schedules, and Tax Collector's Annual Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the Town of Burrillville, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Burrillville, Rhode Island's internal control over financial reporting and compliance.

*Cayen Caccia, LLP*

December 29, 2017

**Town of Burrillville, Rhode Island**  
**Management's Discussion and Analysis**  
**JUNE 30, 2017**

The Town of Burrillville (the Town) provides this Management Discussion and Analysis (MD&A), a format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns for fiscal year ending June 30, 2017. The Town annually presents its financial statements in compliance with the reporting model required by GASB 34.

Effective July 1, 2014, the Town of Burrillville implemented GASB Statement No. 68, which established new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information.

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

**Financial Highlights**

- The total assets of the Town of Burrillville exceeded its liabilities at the close of the fiscal year ending June 30, 2017 by \$79.44 million (net position).
- As of June 30, 2017, the Town's governmental activities reported total net position of \$54.34 million.
- The Town of Burrillville's total net position increased by \$3.75 million, or 4.95%, for the year ended. The net position of governmental activities increased by \$3.34 million, a 6.55% increase from fiscal 2016. The net position of business-type activities increased by \$0.41 million, or 1.64% from 2016.
- The Town's general fund reported a fund balance of \$15.19 million at the end of fiscal year ending 2017. This compares to a fund balance of \$17.56 million at the end of fiscal 2016. The unassigned fund balance for the year was \$7.03 million (\$7.81 million in 2016). This is a \$0.78 million decrease over the prior year's unassigned fund balance.
- The Town ended the fiscal year with a budgetary operating excess of revenues over expenditures of \$4,047,500 in 2017. Included in this amount is \$2,939,319 of unexpended capital improvement funds which have been carried over to fiscal year ending June 2018.

## Financial Highlights (Continued)

- The School Department ended the fiscal year with a budgetary excess of revenues over expenditures of \$145,251 (\$245,689 in 2016). The School fund balance is \$778,320 (\$653,672 in 2016).
- The Town's total noncurrent liabilities (\$48,825,230) increased by \$1,835,052 [government activities increased by \$2,201,233 and business-type activities decreased by \$366,181] or 3.91% in 2017 which was primarily due to an increase in the net pension liability of \$3,935,373, offset by scheduled debt payments of \$1,801,000.

## Overview of the Financial Statements

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

### Basic Financial Statements

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

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

### Government-wide Financial Statements

The *Statement of Net Position* presents information on all of the Town of Burrillville's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Burrillville is improving or deteriorating.

## Government-wide Financial Statements (Continued)

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

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

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

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

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

## Fund Financial Statements

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

## Fund Financial Statements (Continued)

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

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

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

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

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

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

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

Unassigned – items that have no restrictions placed on them.

The Town maintains certain funds that have been reclassified to the Town General Fund under GASB 54. The ending fund balance of these funds was \$3,572,076 at June 30, 2017.

## **Fund Financial Statements (Continued)**

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

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

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

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

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

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

### **Other Information**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### The Town's Overall Operations

The Town of Burrillville has prepared the fiscal year ending June 30, 2017 financials in a format prescribed by the Government Accounting Standards Board Statement 34 (GASB 34).

#### June 30, 2017

The Town's combined net position was \$79.44 million in 2017. Analyzing the net position and net expenses of governmental and business-type activities separately, the governmental activities are \$54.34 million and the business-type activities net position is \$25.10 million in 2017. This analysis focuses on the net position (Table 1), changes in net position - activities (Table 2), and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

By far the largest portion of the Town's net position (98%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### June 30, 2016

The Town's combined net position was \$75.70 million in 2016. Analyzing the net position and net expenses of governmental and business-type activities separately, the governmental activities are \$51.00 million and the business-type activities net position was \$24.70 million in 2016. This analysis focuses on the net position (Table 1), changes in net position - activities (Table 2), and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

By far the largest portion of the Town's net position (121%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The amounts reported in Table 1 and Table 2 for the year ended June 30, 2016 have been restated to reclassify three sewer bonds previously recorded in the General Fund. See Note 9 for details of the restatement.



Table 1  
Town of Burrillville  
Statement of Net Position - Primary Government  
June 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u> As Restated	<u>2017</u>	<u>2016</u> As Restated	<u>2017</u>	<u>2016</u> As Restated
Current and other assets	\$ 34,367,220	\$ 33,648,499	\$ 6,087,118	\$ 10,467,206	\$ 40,454,338	\$ 44,115,705
Capital assets	65,123,180	66,010,555	28,147,095	23,605,357	93,270,275	89,615,912
Total assets	99,490,400	99,659,054	34,234,213	34,072,563	133,724,613	133,731,617
Deferred outflows of resources	10,799,115	6,903,575	0	0	10,799,115	6,903,575
Current liabilities	7,641,693	9,218,696	1,358,720	1,236,795	9,000,413	10,455,491
Noncurrent liabilities	41,052,965	38,851,732	7,772,265	8,138,446	48,825,230	46,990,178
Total liabilities	48,694,658	48,070,428	9,130,985	9,375,241	57,825,643	57,445,669
Deferred inflows of resources	7,255,781	7,492,970	0	0	7,255,781	7,492,970
Net position:						
Net investment in capital assets	58,075,135	57,854,246	19,962,685	15,205,357	78,037,820	73,059,603
Restricted	1,299,897	1,596,497			1,299,897	1,596,497
Unrestricted	(5,035,956)	(8,451,512)	5,140,543	9,491,965	104,587	1,040,453
Total net position	\$ 54,339,076	\$ 50,999,231	\$25,103,228	\$ 24,697,322	\$ 79,442,304	\$ 75,696,553

The total net position in governmental activities increased by \$3.34 million. Governmental activities capital assets decreased by \$0.89 million. For additional analysis see Table 3. Governmental activities current liabilities decreased by \$1.58 million. Governmental activities noncurrent liabilities increased by \$2.20 million.

The net position in Business-type activities increased by \$0.41 million.

Table 2

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016 As Restated</u>	<u>2017</u>	<u>2016 As Restated</u>	<u>2017</u>	<u>2016 As Restated</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,452,441	\$ 1,452,805	\$4,079,372	\$3,855,448	\$ 5,531,813	\$ 5,308,253
Operating grants and contributions	17,399,909	17,924,551	436,327	478,635	17,836,236	18,403,186
Capital grants and contributions	1,749,259	2,345,603	2,400	35,000	1,751,659	2,380,603
General revenues:						
Property Taxes	31,777,195	30,818,461			31,777,195	30,818,461
Unrestricted Investment Contributions not restricted to specific programs	61,121	43,317	7,676	2,929	68,797	46,246
	<u>150,000</u>	<u>650,000</u>			<u>150,000</u>	<u>650,000</u>
Total Revenues	<u>52,589,925</u>	<u>53,234,737</u>	<u>4,525,775</u>	<u>4,372,012</u>	<u>57,115,700</u>	<u>57,606,749</u>
Expenses:						
General government	5,004,812	5,358,017			5,004,812	5,358,017
Public safety	4,003,499	3,887,279			4,003,499	3,887,279
Public works	3,337,629	3,692,622			3,337,629	3,692,622
Education	33,941,693	35,174,139			33,941,693	35,174,139
Parks and recreation	830,729	919,878			830,729	919,878
Libraries	1,026,149	908,905			1,026,149	908,905
Community development	819,787	353,131			819,787	353,131
Interest on long-term debt	263,589	452,687			263,589	452,687
Burrillville Redevelopment Agency		65,000				65,000
Sewer Authority			2,244,037	2,148,279	2,244,037	2,148,279
School Cafeteria			901,071	910,218	901,071	910,218
Levy Rink			435,861	382,839	435,861	382,839
Extended Day Care			561,093	549,839	561,093	549,839
Total expenses	<u>49,227,887</u>	<u>50,811,658</u>	<u>4,142,062</u>	<u>3,991,175</u>	<u>53,369,949</u>	<u>54,802,833</u>
Revenues over (under) expenses	3,362,038	2,423,079	383,713	380,837	3,745,751	2,803,916
Transfers in (out)	<u>(22,193)</u>	<u>20,338</u>	<u>22,193</u>	<u>(20,338)</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net position	3,339,845	2,443,417	405,906	360,499	3,745,751	2,803,916
Net Position, July 1, as restated	50,999,231	48,555,814	24,697,322	24,336,823	75,696,553	72,892,637
Net Position, June 30	<u>\$ 54,339,076</u>	<u>\$50,999,231</u>	<u>\$25,103,228</u>	<u>\$24,697,322</u>	<u>\$79,442,304</u>	<u>\$75,696,553</u>

Governmental activity revenues decreased by \$0.64 million primarily due to a decrease in operating grants and contributions of \$0.53 million, a decrease in capital grants and contributions of \$0.60 million, an increase in property taxes of \$0.96 million, and a decrease in contributions not restricted to specific programs of \$0.50 million.

Governmental activity expenses decreased by \$1.58 million which reflect decreased costs associated with education of (\$1.2 million) and public works of (\$.356 million).

The net position associated with business-type activities increased by \$0.41 million due primarily to an increase in the Sewer Authority of \$0.37 million.

## **Review of Major Governmental Funds**

### **General Fund**

The General Fund is the primary fund through which the majority of the Town's revenues and expenditures flow. The Town finished the year within the limits established by the adopted budget. The Town carefully monitors its expenditures and eliminates all but the most necessary. When savings are incurred in a given area, every effort is made to avoid unnecessary spending so that those savings can be returned to the General Fund.

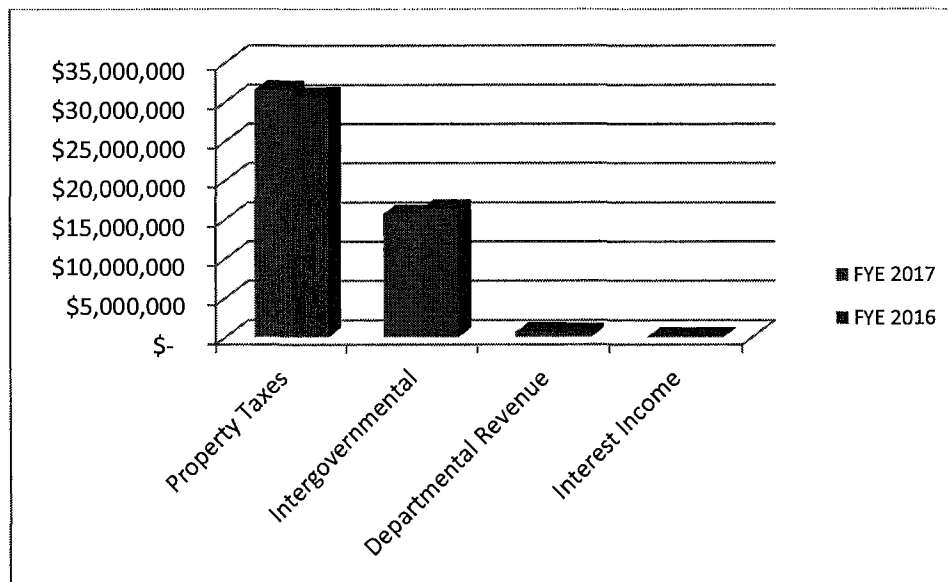
During FYE 2017, there were two (2) supplemental budget appropriations adopted by the Town Council, which totaled \$3,186,464 including one transfer of \$2,186,464 related to capital improvements carried forward from the prior year. The other budget appropriation was a transfer to the major capital fund of \$1,000,000.

A comparative breakdown of revenues and expenditures associated with the General Fund on a budgetary basis for the fiscal years ending June 30, 2017 and 2016 is listed below. This information is provided for general purposes only.

The Town's general revenues increased in FYE 2017 when compared to the prior year by 0.73% or \$346,352.

<b><u>Revenues</u></b>	<b><u>FYE 2017</u></b>	<b><u>FYE 2016</u></b>	<b><u>% Change</u></b>	<b><u>\$ Change</u></b>
Property Taxes	\$31,518,851	\$30,658,653	0.28%	\$ 860,198
Intergovernmental Revenue	15,711,920	16,318,236	0.52%	(606,316)
Departmental Revenue	653,377	574,486	13.73%	78,891
Interest Income	41,776	28,197	48.16%	13,579
Total Revenues	<u>\$47,925,924</u>	<u>\$47,579,572</u>	<u>0.73%</u>	<u>\$ 346,352</u>

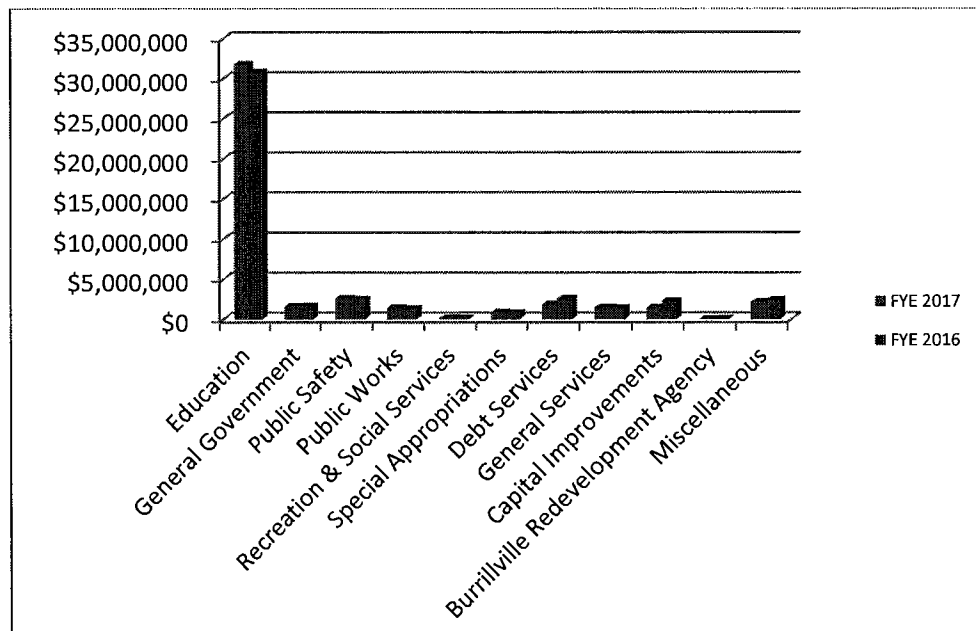
## General Fund (Continued)



The Town's general expenditures decreased in FYE 2017 when compared to the prior year by (.45%) or \$(199,054).

	<u>FYE 2017</u>	<u>FYE 2016</u> <u>As Restated</u>	<u>% Chg</u>	<u>\$ Chg</u>
<b><u>Expenditures</u></b>				
Education	\$31,817,500	\$30,830,000	3.20%	\$987,500
General Government	1,563,601	1,634,819	(4.36)%	(71,218)
Public Safety	2,582,845	2,481,724	4.07%	101,121
Public Works	1,413,021	1,313,932	7.54%	99,089
Recreation & Social Services	152,233	136,770	11.3%	15,463
Special Appropriations	875,799	773,050	13.3%	102,749
Debt Services	1,857,701	2,571,823	(27.77)%	(714,122)
General Services	1,469,069	1,393,451	5.43%	75,618
Capital Improvements	1,432,098	2,257,671	(36.57)%	(825,573)
Burrillville Redevelopment Agency		65,000	(100.00)%	(65,000)
Miscellaneous	2,164,963	2,408,799	(10.12)%	(243,836)
<b><u>Other Financing (Sources) Uses</u></b>				
Transfer from Fund Balance	(3,186,464)	(2,582,275)	(18.56)%	(604,189)
Transfers In	(45,907)	(1,274,200)	52.73%	1,228,293
Transfer Out-Capital Projects	1,612,503	1,256,257	32.28%	356,246
Transfer Out-Special Revenue	31,694	857,383	(57.12)%	(825,689)
Proceeds from refunding bonds		(3,380,000)	100.00%	3,380,000
Bond Premium		(501,691)	100.00%	501,691
Payment to refunded bond escrow agent		3,834,965	100.00%	(3,834,965)
Town – held tax liens	137,768		100.00%	137,768
<b>Total Expenditures ( Net of Transfers)</b>	<b><u>\$ 43,878,424</u></b>	<b><u>\$ 44,077,478</u></b>	<b><u>11.34%</u></b>	<b><u>\$ (199,054)</u></b>
<b>Excess of Revenues over Expenditures- Budgetary Basis</b>	<b><u>\$ 4,047,500</u></b>	<b><u>\$ 3,502,094</u></b>	<b><u>(53.05)%</u></b>	<b><u>\$ (545,406)</u></b>

## General Fund (Continued)



June 30, 2017

Overall non-tax revenues were \$513,846 less than the prior year due mainly to a decrease in intergovernmental [School Construction, School Aid, and Medicaid] revenue. Actual revenues were \$513,097 more than budgeted. The primary reasons for the favorable revenue variance within the fiscal year were:

- First, the Town exceeded its budget expectations in relation to the collection of property taxes. This was primarily due to an increase in tax collections over budgeted projections that totaled \$551,793 - which includes tax revenue of \$539,803. The Town collected approximately 98.30% of the fiscal year 2017 tax levy.
- Second, the Town's intergovernmental revenue was less than the budget by \$224,074. This amount includes additional amounts received from Medicaid reimbursements (\$40,719), revaluation (\$68,544), and school reimbursements (\$49,948) netted against short falls from school construction aid (\$259,696), school operations aid (\$48,176) and PILOT payments (\$47,876).
- Third, the Town's departmental revenue was more than budget by \$167,702 which is primarily due to an increase in real estate transfer stamps (\$54,686) and building/mechanical permits (\$62,992/\$10,500).
- Finally, interest income was over budget in the amount of \$17,676.

The Town has continued its aggressive tax collection position, which was implemented many years ago. A 98.61% collection rate was budgeted for FYE 2017 and 98.3% was actually collected.

## **General Fund (Continued)**

A comparison of actual expenditures incurred during FYE 2017 reveals that the Town expenses were \$4,003,150 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. A significant portion of this amount [\$2,939,319] is for capital improvement activities related to general administration, police, school, and public works projects which has been re-appropriated for FYE June 30, 2018. In addition, the Town had a favorable debt service variance of \$508,936 primarily related to Sewer bond obligation payments budgeted as part of the General Fund budget but correctly recorded by the Sewer Authority.

The most significant governmental expense for the municipality during 2017 was in providing for public safety, which incurred expenses of \$2.58 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.41 million; general government at \$1.56 million, which includes all administrative offices; general services (\$1.47 million) such as refuse collection/recycling; debt at \$1.86 million, and insurance/benefits at \$2.01 million.

### June 30, 2016

Overall non-tax revenues were \$57,472 more than the prior year due mainly to an increase in intergovernmental [Medicaid] and departmental revenue. Actual revenues were \$756,862 more than budgeted. The primary reasons for the favorable revenue variance within the fiscal year were:

- First, the Town exceeded its budget expectations in relation to the collection of property taxes. This was primarily due to an increase in tax collections over budgeted projections that totaled \$539,473 - which includes tax revenue of \$510,719. The Town collected approximately 98.3% of the fiscal year 2016 tax levy.
- Second, the Town's intergovernmental revenue was more than the budget by \$120,881. This amount includes additional amounts received from Medicaid reimbursements \$129,659.
- Third, the Town's departmental revenue was more than budget by \$89,811 which is primarily due to an increase in licenses and fees of \$50,136 and an increase in building official fees of \$33,149.
- Finally, interest income was over budget in the amount of \$6,697.

The Town has continued its aggressive tax collection position, which was implemented many years ago. This again has resulted in the current year collections for the fiscal year ended June 30, 2016 being greater than anticipated. A 98.2% collection rate was budgeted for FYE 2016 and 98.3% was actually collected. The collection rate used for budgeting purposes was based upon historical collection data.

A comparison of actual expenditures incurred during FYE 2016 reveals that the Town expenses were \$2,513,458 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. A significant portion of this amount [\$2,186,464] is for capital improvement activities related to general administration, police, school, and public works projects which has been re-appropriated for FYE June 30, 2017.

## **General Fund (Continued)**

The most significant governmental expense for the municipality during 2016 was in providing for public safety, which incurred expenses of \$2.48 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.31 million; general government at \$1.63 million, which includes all administrative offices; general services (\$1.39 million) such as refuse collection/recycling; debt at \$2.57 million, and insurance/benefits at \$2.06 million.

## **Fund Balance**

### June 30, 2017

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2017 with a net excess of revenues over expenditures in the amount of \$4,047,500. Note that this amount included as revenue the budgeted amount of \$3,186,464 from the Unassigned Fund Balance. When this is factored out, there is a net increase to fund balance associated with the excess of revenues over expenditures of \$861,036.

The Town's fund balance decreased from \$17,558,633 to \$15,194,219. The Town's fund balance is broken down into the following components which are detailed in footnote 9(a) and comprised of cash or other assets that will eventually be converted into cash such as receivables:

1. Nonspendable. An amount (\$389,656) attributed to tax sale property that was not bid on at public auction. The Town has subsequently acquired tax deeds over the years to protect its interest in those properties that have outstanding taxes/sewer assessments due.
2. Committed. An amount (\$7,648,076) which includes a number of funds that had previously been identified as special revenue funds in prior audits including Other School Activities, Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, Drug Addiction Prevention, and Healthcare Contingency. It also includes \$2,939,319 which was re-appropriated in FYE 2017 for capital projects.
3. Assigned. An amount (\$128,540) related to funding reserved for the School Department.
4. Unassigned. Finally after all of the above items are considered, the remaining value of \$7,027,947 is referred to as the Town's Unassigned Fund Balance, which decreased by \$778,251 over last year's Unassigned Fund Balance of \$7,806,198. This decrease is due to the net effect of budget activity combined with a number of planned fund balance draw downs during FYE 2017 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2017 of \$7,027,947 which is approximately 13.91% of the total budget currently appropriated for FYE June 30, 2018 (\$50,517,780).

## **Fund Balance (Continued)**

June 30, 2016

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2016 with a net excess of revenues over expenditures in the amount of \$8,620,938. Note that this amount included as revenue the budgeted amount of \$2,582,275 from the Unassigned Fund Balance. When this is factored out, there is actually a net increase to fund balance associated with the excess of revenues over expenditures of \$6,038,663. The majority of this increase (\$6,300,000) relates to Sewer Bond proceeds.

The Town's fund balance increased from \$16,754,463 to \$22,677,477. The Town's fund balance is broken down into the following components and is comprised of cash or other assets that will eventually be converted into cash such as receivables:

1. Nonspendable. An amount (\$527,424) attributed to tax sale property that was not bid on at public auction. The Town has subsequently acquired tax deeds over the years to protect its interest in those properties that have outstanding taxes/sewer assessments due. This balance also includes \$186,405 for prepaid expenditures.
2. Restricted. An amount (\$5,118,844) related to unspent bond proceeds for Sewer Authority capital projects.
3. Committed. An amount (\$8,910,066) which includes a number of funds that had previously been identified as special revenue funds in prior audits including Other School Activities, Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, Pension Reserve Fund, and Healthcare Contingency. It also includes \$2,186,464 which was re-appropriated in FYE 2017 for capital projects.
4. Assigned. An amount (\$128,540) related to funding reserved for the School Department.
5. Unassigned. Finally after all of the above items are considered, the remaining value of \$7,806,198 is referred to as the Town's Unassigned Fund Balance, which increased by \$1,378,400 over last year's Unassigned Fund Balance of \$6,427,798. This increase is due to the net effect of budget activity combined with a number of planned fund balance draw downs during FYE 2016 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2016 of \$7,806,198 which is approximately 15.11% of the total budget currently appropriated for FYE June 30, 2017 (\$51,729,383).

## **School Department**

June 30, 2017

The School Department had revenues for the year ended June 30, 2017 of \$14.79 million. This was derived from \$13.42 million of intergovernmental revenues and \$1.37 million of state pension contribution revenues. In addition to general operating revenues, the School Department also received \$18.40 million of other financing sources in the form of transfers in from the General Fund.



## **School Department (Continued)**

Expenditures for the School Department totaled \$33.07 million. This entire amount represents expenditures related to education.

The excess of expenditures over revenues was \$0.12 million for the fiscal year ended June 30, 2017.

### June 30, 2016

The School Department had revenues for the year ended June 30, 2016 of \$14.95 million. This was derived from \$13.72 million of intergovernmental revenues and \$1.23 million of state pension contribution revenues. In addition to general operating revenues, the School Department also received \$17.11 million of other financing sources in the form of transfers in from the General Fund.

Expenditures for the School Department totaled \$31.87 million. This entire amount represents expenditures related to education.

The excess of revenues over expenditures was \$0.19 million for the fiscal year ended June 30, 2016.

## **Business-type Activities**

### **Proprietary Activities**

### June 30, 2017

Revenues of the Town's business-type activities were \$4.55 million for the fiscal year ending June 30, 2017. Expenses for the Town's business-type activities were \$4.14 million for the year, resulting in an increase in net position of \$0.41 million. The increase in net position was mainly from the result of an increase in the net position of the Sewer Authority of \$0.37 million

### June 30, 2016

Revenues and transfers in for the Town's business-type activities were \$5.36 million for the fiscal year ending June 30, 2016. Expenses for the Town's business-type activities were \$3.96 million for the year, resulting in an increase in net position of \$1.4 million. The increase in net position was mainly from the following:

- The Town's Sewer Authority recorded charges for services of \$2.36 million, expenses of \$2.12 million and transfers in of \$0.94 million resulting in an increase in net position of \$1.18 million.

## **Capital Assets and Debt Administration**

### **Capital Project Funds**

The Town had several active capital projects during the fiscal year ended June 30, 2017.

Some projects that continue to carry balances at year end include the Public Works Complex and North Road Bridge Project.

## Capital Project Funds (Continued)

Additionally, the Town maintains revolving funds for the purpose of addressing Open Space Land Acquisition, Debt Reduction, and Major Capital projects.

### Capital Assets

At the end of fiscal year 2017, the Town had \$93.27 million invested in a broad range of capital assets, including police and public work equipment, buildings, park facilities, roads, bridges, and sewer lines. (See Table 3.) This amount represents a net increase (including additions and deductions) of \$3.65 million over the prior fiscal year's net capital assets (\$89.62 million).

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

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

Table 3

#### Capital Assets - Primary Government June 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 3,212,397	\$ 2,909,741	\$ 382,443	\$ 382,443	\$ 3,594,840	\$ 3,292,184
Construction in progress	1,085,010	1,624,047	7,054,367	2,054,926	8,139,377	3,678,973
Leasehold improvements			34,398	34,398	34,398	34,398
Collection systems			34,714,465	34,714,465	34,714,465	34,714,465
Buildings and improvements	76,642,004	75,233,740	8,338,522	8,315,374	84,980,526	83,549,114
Equipment	2,995,356	2,719,243	465,151	402,210	3,460,507	3,121,453
Vehicles	5,046,170	4,708,564	135,261	135,261	5,181,431	4,843,825
Furniture			856,502	717,233	856,502	717,233
Infrastructure	22,680,446	22,164,666			22,680,446	22,164,666
Total Assets	111,661,383	109,360,001	51,981,109	46,756,310	163,642,492	156,116,311
Less accumulated depreciation	(46,538,203)	(43,349,446)	(23,834,014)	(23,150,953)	(70,372,217)	(66,500,399)
Totals	<u>\$ 65,123,180</u>	<u>\$ 66,010,555</u>	<u>\$ 28,147,095</u>	<u>\$ 23,605,357</u>	<u>\$ 93,270,275</u>	<u>\$ 89,615,912</u>

- Completion of road/sidewalk improvements (Pascoag Bridgeway, Police parking lot, road resurfacing).
- Acquisition of various equipment including 3 police vehicles, 2 dump trucks, a used excavator, and used paving equipment.
- The School Department also had funding allocated towards various building improvements – primarily related to roof replacements, and building safety.

## Capital Assets and Debt Administration (Continued)

### Capital Assets (Continued)

The 2018 Capital Budget has been adopted and while individual projects are subject to change, the budget calls for spending on capital projects, principally in these major categories: administration, economic development, parks and recreation, schools, and street improvements along with funding for a new DPW facility from the Major Capital Fund.

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

### Debt Administration

#### June 30, 2017

The total outstanding long-term bonded debt on June 30, 2017 was \$19,401,775, which represents a decrease of \$1,941,275 from June 30, 2016 (\$21,343,050). This decrease was primarily due to the net effect of annual debt payments (\$1,801,000) on outstanding issues.

#### June 30, 2016

The total outstanding long-term bonded debt on June 30, 2016 was \$21,343,050, which represents an increase of \$4,350,395 from June 30, 2015 (\$16,992,655). This increase was primarily due to the net effect of additional bond proceeds of \$9,680,000, offset by annual debt payments (\$2,029,000) and bond refundings (\$3,750,000) on outstanding issues.

Table 4

	Long Term Debt June 30			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2017</u>	<u>2016</u> <u>As Restated</u>	<u>2017</u>	<u>2016</u> <u>As Restated</u>
General Obligation Bonds	\$11,339,775	\$12,943,050	\$8,062,000	\$8,400,000
Capital Lease			122,410	
Compensated Absences	1,033,981	1,113,446	93,849	82,538
Net OPEB Obligation			2,834	2,138
Landfill Post-Closure Costs	860,100	930,500		
Totals	<u>\$13,233,856</u>	<u>\$14,986,996</u>	<u>\$8,281,093</u>	<u>\$8,484,676</u>

The Town does have overlapping debt totaling \$2,275,406 which is associated with long-term obligations incurred by three (3) out of four (4) Fire Districts. There is no legal obligation incurred by the Town on these debts. These Fire District debts are assessed against the same property that is being assessed by the Town.

## Debt Administration(Continued)

Below is a comparison of various long-term bonded debt ratios for June 30, 2017 and June 30, 2016. Note that Loans Payable, Bond Anticipation Notes (BANS), and Bond Premiums are not incorporated in these calculations.

	<u>Various Debt Ratios</u>	
	<u>6/30/2017</u>	<u>6/30/2016</u>
Total Outstanding Long-Term Bonded Debt	\$18,948,229	\$20,749,229
Debt per Capita -		
2010 Census (15,955)	\$ 1,188	\$ 1,300
State Average \$1,781		
City/town average \$1,673		
Net Assessed Values	\$1,651,599,015	\$1,486,998,914
Debt to Net Assessed Values	1.15%	1.40%
Tax Rate per \$ 1,000:		
Real Estate	\$ 17.39	\$ 18.88
Motor Vehicle	\$ 40.00	\$ 40.00
Credit Ratings -		
Fitch's Investor's Service	AA	AA
Moody's Rating Agency	Aa2	Aa2

The Town received a rating upgrade by both Fitch's Investor's Service (from A to A+) and Moody's Rating Agency (from A2 to A1) in 2000. Subsequently the Town's A1 credit rating with Moody's Rating Agency was reaffirmed and upgraded by Fitch's Investor's Service to AA- in 2006. Fitch Investor's Service again reaffirmed the AA- rating in 2008. Moody's and Fitch recalibrated the Town's ratings in April 2010 to Aa2 and AA respectively. Fitch reaffirmed its rating when a surveillance review was conducted in 2010, 2012, and, September 2014. In October 2016, Fitch upgraded the Town's General Obligation Bond Rating to AAA while maintaining the Issuers Default Rating (IDR) at AA.

Historically the Town has utilized a significant amount of its Unassigned Fund Balance as an interim source of revenue for capital projects and other one time expenditures. For many years this has allowed the Town to avoid borrowing in anticipation of taxes. As of FYE 1994, the Town returned to its reserve policy objective relative to maintaining an unassigned fund balance that was the greater of either (1) 12% fund balance or (2) one year's annual debt payment. With the results of this year's operations, the Town at 13.91% is above its minimal goal of maintaining a sufficient unassigned fund balance. Maintenance of this minimum balance will continue to be a priority as part of the overall process involved with improving financial operations.

## **Debt Administration (Continued)**

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

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

### **Economic Factors and Next Year's Budgets and Rates**

The Town's elected and appointed officials considered many factors when setting the fiscal year 2018 budget, tax rates, and fees that will be charged for the business-type activities.

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

- The unemployment rate for the Town of Burrillville is 3.9 percent. This compares to the State's average unemployment rate of 4.2 percent and the national average of 4.4 percent.
- According to the Tax Assessor, the average 2017 single family home in Burrillville is valued for assessment purposes at \$230,287, the average commercial property is valued at \$607,611, and the average industrial property is valued at \$889,670.
- The bond market remains favorable with its continued low interest rates and demand for municipal tax exempt debt which will provide a strong market for potential Town debt issues.
- The State's overall economy and reductions of various State aid to the communities continue to impact the Town's budget significantly.
- Certain employment costs including health insurance continue to rise significantly requiring constant reevaluation of those programs.
- The Town of Burrillville is meeting its 10% federal and state affordable housing goal. (Greenridge Affordable Housing Development has opened offering affordable rents for those earning up to 60% of area median income).

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

A number of factors were considered when the Town's budget for the fiscal year ending June 30, 2018 was being prepared including the following:

- The overall adopted budget was \$50,517,780, which was a decrease of \$1,211,603 over the revised 2017 budget [\$51,831,827].
  - Capital improvements increased by \$1,011,052 [23.13%].
  - The School operating budget increased from \$31,857,500 to \$32,500,000 or 2.02%. The net dollar increase is \$642,500.
  - The municipal operating and debt budgets decreased \$1,211,604 [2.23%].
- The General Fund's largest single revenue source is property taxes – State revenue is second. The Town's tax rate was increased from \$17.39 per \$1,000 valuation to \$17.56 per \$1,000 valuation for fiscal year ending 2018. The average single family home value increased from \$229,614 to \$230,287 (\$673 increase). This resulted in the average single family homeowner's tax liability increasing by \$51 when comparing the 2018 tax bill to the prior year.
- The 2018 Budget provides for continuation of the Town's capital improvement program, which annually includes significant infrastructure upgrades. This year's CIP Budget does not include any reliance on the current year tax levy due to the reliance on the revenues generated from the OSP/TransCanada tax agreement.
- The General Fund's portion of property tax revenue for FY 2018 is estimated to be \$32.06 million. The increase in tax levy (approximately \$0.66 million) relates primarily to an increase in school operating expenses.
- The Town continues to pursue economic development opportunities to assist in spreading the tax burden among commercial and residential property owners.

### **Requests for Information**

#### *Contacting the Town's Financial Management*

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

# ***TOWN OF BURRILLVILLE***

## **BASIC FINANCIAL STATEMENTS**

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TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF NET POSITION  
JUNE 30, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 27,782,995	\$ 5,302,283	\$ 33,085,278	\$ 228,967
Receivables:				
Taxes, net	976,181		976,181	
Sewer assessments and user fees, net		660,456	660,456	
Loans				1,550
Other	254,335	8,520	262,855	
Town-held tax liens	389,656		389,656	
Due from:				
Primary government				487,051
Other governments	1,393,440	227,564	1,621,004	
Internal balances	370,022	(370,022)		
Prepaid expenses		6,506	6,506	150,167
Inventory		24,972	24,972	
<b>Total current assets</b>	<b>31,166,629</b>	<b>5,860,279</b>	<b>37,026,908</b>	<b>867,735</b>
<b>Noncurrent assets:</b>				
Loans receivable, net				9,479
Net pension asset	3,191,433		3,191,433	
Capital assets:				
Non-depreciable	4,297,407	7,436,810	11,734,217	217,075
Depreciable, net	60,825,773	20,710,285	81,536,058	67,381
Sewer assessment fees		226,839	226,839	
Net other post-employment benefit asset	9,158		9,158	
<b>Total noncurrent assets</b>	<b>68,323,771</b>	<b>28,373,934</b>	<b>96,697,705</b>	<b>293,935</b>
<b>TOTAL ASSETS</b>	<b>99,490,400</b>	<b>34,234,213</b>	<b>133,724,613</b>	<b>1,161,670</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows related to pensions	10,726,385		10,726,385	
Deferred expense on refunding bonds	72,730	0	72,730	0
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>10,799,115</b>	<b>0</b>	<b>10,799,115</b>	<b>0</b>

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.



TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF NET POSITION  
JUNE 30, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<b>LIABILITIES:</b>				
<b>Current liabilities:</b>				
Accounts payable	1,845,992	374,741	2,220,733	17,198
Accrued payroll	2,632,296	26,594	2,658,890	12,697
Accrued interest	74,599	53,376	127,975	
Retainage payable	23,742	353,743	377,485	
Due to:				
Other governments	732	6,200	6,932	
Component unit	487,051		487,051	
Current portion of long-term debt	1,683,500	508,828	2,192,328	
Unearned revenue	887,047	18,673	905,720	104
Other liabilities	6,734	16,565	23,299	
<b>Total current liabilities</b>	<b>7,641,693</b>	<b>1,358,720</b>	<b>9,000,413</b>	<b>29,999</b>
<b>Noncurrent liabilities:</b>				
Long-term debt, net	11,550,356	7,772,265	19,322,621	
Net pension liability	29,502,609		29,502,609	
<b>Total noncurrent liabilities</b>	<b>41,052,965</b>	<b>7,772,265</b>	<b>48,825,230</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>48,694,658</b>	<b>9,130,985</b>	<b>57,825,643</b>	<b>29,999</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to pensions	7,255,781		7,255,781	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>7,255,781</b>	<b>0</b>	<b>7,255,781</b>	<b>0</b>
<b>NET POSITION:</b>				
Net investment in capital assets	58,075,135	19,962,685	78,037,820	284,456
Restricted - nonexpendable	497,761		497,761	
Restricted for:				
General government	68,617		68,617	
Public safety	71,101		71,101	
Recreation and social services	128,288		128,288	
Education	499,678		499,678	
Community development	34,452		34,452	
Unrestricted	(5,035,956)	5,140,543	104,587	847,215
<b>TOTAL NET POSITION</b>	<b>\$ 54,339,076</b>	<b>\$ 25,103,228</b>	<b>\$ 79,442,304</b>	<b>\$ 1,131,671</b>

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND**STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental activities:</b>								
General government	\$ 5,004,812	\$ 640,741	\$ 1,894,500		\$ (2,469,571)		\$ (2,469,571)	
Public safety	4,003,499	124,841	88,924	\$ 2,577	(3,787,157)		(3,787,157)	
Public works	3,337,629	13,944			(3,323,685)		(3,323,685)	
Education	33,941,693	386,287	14,378,480	1,398,005	(17,778,921)		(17,778,921)	
Recreation and social services	830,729	249,658	81,090	79,475	(420,506)		(420,506)	
Libraries	1,026,149		165,414	269,202	(591,533)		(591,533)	
Community development	819,787	36,970	791,501		8,684		8,684	
Interest on long-term debt	263,589				(263,589)		(263,589)	
<b>Total governmental activities</b>	<b>49,227,887</b>	<b>1,452,441</b>	<b>17,399,909</b>	<b>1,749,259</b>	<b>(28,626,278)</b>		<b>(28,626,278)</b>	
<b>Business-type activities:</b>								
Sewer Authority	2,244,037	2,625,535				\$ 381,498	381,498	
School Cafeteria	901,071	454,533	436,327			(10,211)	(10,211)	
Levy Rink	435,861	449,401		2,400		15,940	15,940	
Extended Day Care	561,093	549,903				(11,190)	(11,190)	
<b>Total business-type activities</b>	<b>4,142,062</b>	<b>4,079,372</b>	<b>436,327</b>	<b>2,400</b>	<b>0</b>	<b>376,037</b>	<b>376,037</b>	
<b>Total primary government</b>	<b>\$ 53,369,949</b>	<b>\$ 5,531,813</b>	<b>\$ 17,836,236</b>	<b>\$ 1,751,659</b>	<b>(28,626,278)</b>	<b>376,037</b>	<b>(28,250,241)</b>	
<b>Component Units:</b>								
Burrillville Redevelopment Agency	\$ 279,090	\$ 36,362	\$ 5,000					\$ (237,728)
Jesse M. Smith Memorial Library	873,494	14,665	907,791					48,962
<b>Total component units</b>	<b>\$ 1,152,584</b>	<b>\$ 51,027</b>	<b>\$ 912,791</b>	<b>\$ 0</b>				<b>(188,766)</b>
<b>General revenues:</b>								
Property taxes					31,777,195		31,777,195	
Unrestricted investment earnings					61,121	7,676	68,797	533
Contributions not restricted to specific programs					150,000		150,000	
<b>Transfers</b>					(22,193)	22,193		
<b>Total general revenues and transfers</b>					<b>31,966,123</b>	<b>29,869</b>	<b>31,995,992</b>	<b>533</b>
<b>Change in net position</b>					<b>3,339,845</b>	<b>405,906</b>	<b>3,745,751</b>	<b>(188,233)</b>
<b>Net Position - beginning of year, as restated</b>					<b>50,999,231</b>	<b>24,697,322</b>	<b>75,696,553</b>	<b>1,319,904</b>
<b>Net Position - end of year</b>					<b>\$ 54,339,076</b>	<b>\$ 25,103,228</b>	<b>\$ 79,442,304</b>	<b>\$ 1,131,671</b>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 23,570,288	\$ 1,321,684	\$ 2,891,023	\$ 27,782,995
Receivables:				
Taxes, net	976,181			976,181
Other	32,834	6,585	214,916	254,335
Town-held tax liens	389,656			389,656
Due from:				
Other funds	432,886	3,175,027	6,188,211	9,796,124
Other governments	313,649	11,269	1,068,522	1,393,440
<b>TOTAL ASSETS</b>	<b>\$ 25,715,494</b>	<b>\$ 4,514,565</b>	<b>\$ 10,362,672</b>	<b>\$ 40,592,731</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 356,168	\$ 1,318,016	\$ 171,808	\$ 1,845,992
Accrued payroll and benefits	131,410	2,394,750	106,136	2,632,296
Retainage payable			23,742	23,742
Due to:				
Other funds	8,675,852		750,250	9,426,102
Component units	487,051			487,051
Other governments			732	732
Unearned revenues		23,479	863,568	887,047
Other liabilities			6,734	6,734
<b>TOTAL LIABILITIES</b>	<b>9,650,481</b>	<b>3,736,245</b>	<b>1,922,970</b>	<b>15,309,696</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	870,794	0	0	870,794
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>870,794</b>	<b>0</b>	<b>0</b>	<b>870,794</b>

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	<u>General Fund</u>	<u>School Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (Continued):</b>				
<b>FUND BALANCES:</b>				
Nonspendable	389,656		108,105	497,761
Restricted			802,136	802,136
Committed	7,648,076		7,529,461	15,177,537
Assigned	128,540	778,320		906,860
Unassigned	7,027,947			7,027,947
<b>TOTAL FUND BALANCES</b>	<u>15,194,219</u>	<u>778,320</u>	<u>8,439,702</u>	<u>24,412,241</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	 <u>\$ 25,715,494</u>	 <u>\$ 4,514,565</u>	 <u>\$ 10,362,672</u>	 <u>\$ 40,592,731</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2017**

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

**Total Fund Balances (B-1)** **\$ 24,412,241**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	111,661,383	
Less: accumulated depreciation	<u>(46,538,203)</u>	
		65,123,180

Net pension asset is not reported in the governmental funds. 3,191,433

Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position. 10,726,385

Net other post-employment benefit (OPEB) asset is not reported in the governmental funds. This amount represents accumulated plan contributions in excess of annual OPEB costs. 9,158

Some liabilities, including bonds payable and related deferred outflows of resources, are not due and payable in the current period and therefore are not reported in the funds.

Governmental bonds payable	(10,886,229)	
Premium	(593,821)	
Current year amortization	140,275	
Deferred expense on refunding bonds	92,741	
Current year amortization	(20,011)	
Compensated absences	(1,033,981)	
Landfill closure and post-closure care costs	<u>(860,100)</u>	
		(13,161,126)

Net pension liability is not reported in the governmental funds. (29,502,609)

Pension related deferrals are not reported in the governmental funds. (7,255,781)

Certain deferred inflows of resources in governmental funds are susceptible to full accrual on the entity-wide statements. 870,794

Accrued interest payable is recorded in governmental activities, but is not recorded in the funds. (74,599)

**Total Net Position (A-1)** **\$ 54,339,076**

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
General property taxes	\$ 31,518,851			\$ 31,518,851
Intergovernmental	2,295,219	\$ 13,416,701	\$ 2,718,787	18,430,707
Licenses, permits and fees	556,268			556,268
Investment income	51,981		9,140	61,121
Departmental	97,109			97,109
Other	194,190		1,530,400	1,724,590
Intergovernmental - pension contribution		1,375,758		1,375,758
<b>TOTAL REVENUES</b>	<b>34,713,618</b>	<b>14,792,459</b>	<b>4,258,327</b>	<b>53,764,404</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	3,134,988		710,406	3,845,394
Public safety	2,612,479		89,849	2,702,328
Public works	1,437,683			1,437,683
Education	45,568	31,503,557	1,302,498	32,851,623
Recreation and social services	153,646		310,133	463,779
Libraries	836,441		187,714	1,024,155
Community development			819,787	819,787
Employee benefits and other	2,237,215			2,237,215
Intergovernmental - pension contribution		1,375,758		1,375,758
<b>Debt Service:</b>				
Principal	1,463,000			1,463,000
Interest and other costs	394,701			394,701
<b>Capital:</b>				
Capital outlay	1,433,048	145,295	1,266,467	2,844,810
<b>TOTAL EXPENDITURES</b>	<b>13,748,769</b>	<b>33,024,610</b>	<b>4,686,854</b>	<b>51,460,233</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>20,964,849</b>	<b>(18,232,151)</b>	<b>(428,527)</b>	<b>2,304,171</b>

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>School Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Town-held tax liens	(137,768)			(137,768)
Transfers in	145,907	18,400,799	4,906,485	23,453,191
Transfers out	(23,337,402)	(44,000)	(93,982)	(23,475,384)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(23,329,263)</u>	<u>18,356,799</u>	<u>4,812,503</u>	<u>(159,961)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,364,414)	124,648	4,383,976	2,144,210
<b>FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED</b>	<u>17,558,633</u>	<u>653,672</u>	<u>4,055,726</u>	<u>22,268,031</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 15,194,219</u></u>	<u><u>\$ 778,320</u></u>	<u><u>\$ 8,439,702</u></u>	<u><u>\$ 24,412,241</u></u>

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES (B-2) TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (A-2)  
YEAR ENDED JUNE 30, 2017**

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<b>Net Change in Fund Balances - Total Governmental Funds (B-2):</b>	<b>\$ 2,144,210</b>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(856,601)
Governmental funds do not recognize gains or losses on the sale or disposal of capital assets. The statement of activities includes losses on the disposal of capital assets during 2017. The disposal of capital assets which were not fully depreciated resulted in a decrease in net assets.	(30,774)
The governmental funds report OPEB contributions as expenditures when paid. However, in the Statement of Activities, differences between OPEB plan contributions and OPEB costs for the year are reported as an OPEB asset.	(22,539)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	2,813,474
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences.	1,463,000
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds. This amount is shown net of the allowance for uncollectible motor vehicle and tangible taxes.	51,279
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	270,129
Adjustment to accrued interest payable related to general obligation bonds which is required to be recorded for government-wide financial statement presentation.	10,848
Pension expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditures in governmental funds.	(2,503,181)
<b>Change in Net Position of Governmental Activities (A-2)</b>	<b><u>\$ 3,339,845</u></b>

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TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017**

	<u>Sewer Authority</u>	<u>School Cafeteria Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Totals</u>
<b>ASSETS:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 4,331,051	\$ 454,228	\$ 517,004	\$ 5,302,283
Accounts receivable, net		3,936	4,584	8,520
Sewer assessments and user fees, net	660,456			660,456
Due from:				
Other funds			843	843
Due from other governments	163,089	64,475		227,564
Prepaid expenses	4,306		2,200	6,506
Inventory	4,565	20,407		24,972
<b>Total current assets</b>	<b>5,163,467</b>	<b>543,046</b>	<b>524,631</b>	<b>6,231,144</b>
<b>Noncurrent assets:</b>				
Sewer assessment fees	226,839			226,839
Net capital assets	27,765,322	6,411	375,362	28,147,095
<b>Total noncurrent assets</b>	<b>27,992,161</b>	<b>6,411</b>	<b>375,362</b>	<b>28,373,934</b>
<b>TOTAL ASSETS</b>	<b>33,155,628</b>	<b>549,457</b>	<b>899,993</b>	<b>34,605,078</b>
<b>LIABILITIES:</b>				
<b>Current liabilities:</b>				
Accounts payable	225,265	133,172	16,304	374,741
Accrued payroll	11,166		15,428	26,594
Accrued interest	53,376			53,376
Retainage payable	353,743			353,743
Due to other funds	62,034	303,314	5,517	370,865
Due to other governments	6,200			6,200
Other liabilities	16,565			16,565
Unearned revenue		14,710	3,963	18,673
Capital lease payable			22,428	22,428
Accrued compensated absences	7,600	980	820	9,400
Current portion of long-term debt	477,000			477,000
<b>Total current liabilities</b>	<b>1,212,949</b>	<b>452,176</b>	<b>64,460</b>	<b>1,729,585</b>
<b>Noncurrent liabilities:</b>				
Capital lease payable, net			99,982	99,982
Accrued compensated absences	68,325	8,770	7,354	84,449
Long-term debt, net	7,585,000			7,585,000
Net other post employment benefit obligation	2,834			2,834
<b>Total noncurrent liabilities</b>	<b>7,656,159</b>	<b>8,770</b>	<b>107,336</b>	<b>7,772,265</b>
<b>TOTAL LIABILITIES</b>	<b>8,869,108</b>	<b>460,946</b>	<b>171,796</b>	<b>9,501,850</b>
<b>NET POSITION:</b>				
Net investment in capital assets	19,703,322	6,411	252,952	19,962,685
Unrestricted	4,583,198	82,100	475,245	5,140,543
<b>TOTAL NET POSITION</b>	<b>\$ 24,286,520</b>	<b>\$ 88,511</b>	<b>\$ 728,197</b>	<b>\$ 25,103,228</b>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2017**

	<u>Sewer Authority</u>	<u>School Cafeteria Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>				
Charges for usage and service	\$ 2,576,347	\$ 454,533	\$ 999,304	\$ 4,030,184
Miscellaneous	49,188			49,188
<b>Total operating revenues</b>	<u>2,625,535</u>	<u>454,533</u>	<u>999,304</u>	<u>4,079,372</u>
<b>OPERATING EXPENSES:</b>				
Operations	712,138	790,162	357,525	1,859,825
Personnel	851,327	106,954	586,030	1,544,311
Depreciation	635,707	3,955	53,399	693,061
<b>Total operating expenses</b>	<u>2,199,172</u>	<u>901,071</u>	<u>996,954</u>	<u>4,097,197</u>
<b>OPERATING INCOME (LOSS)</b>	<u>426,363</u>	<u>(446,538)</u>	<u>2,350</u>	<u>(17,825)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	6,198	720	758	7,676
Intergovernmental		436,327		436,327
Nonoperating grant			2,400	2,400
Interest expense	(44,865)			(44,865)
<b>Total nonoperating revenue (expense)</b>	<u>(38,667)</u>	<u>437,047</u>	<u>3,158</u>	<u>401,538</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>387,696</u>	<u>(9,491)</u>	<u>5,508</u>	<u>383,713</u>
<b>TRANSFERS IN (OUT)</b>	<u>(21,807)</u>	<u>0</u>	<u>44,000</u>	<u>22,193</u>
<b>CHANGE IN NET POSITION</b>	<u>365,889</u>	<u>(9,491)</u>	<u>49,508</u>	<u>405,906</u>
<b>TOTAL NET POSITION - BEGINNING, AS RESTATED</b>	<u>23,920,631</u>	<u>98,002</u>	<u>678,689</u>	<u>24,697,322</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 24,286,520</u>	<u>\$ 88,511</u>	<u>\$ 728,197</u>	<u>\$ 25,103,228</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 2,742,005	\$ 455,793	\$ 1,005,450	\$ 4,203,248
Cash received from providing services	49,188			49,188
Cash paid to suppliers	(682,716)	(799,324)	(374,301)	(1,856,341)
Cash paid to employees	(862,944)	(106,337)	(603,590)	(1,572,871)
<b>Net cash provided by (used for) operating activities</b>	<b>1,245,533</b>	<b>(449,868)</b>	<b>27,559</b>	<b>823,224</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Nonoperating grants received		388,298		388,298
Transfer from other funds			44,000	44,000
Transfer to other funds	(21,807)			(21,807)
Increase in due from other funds			(843)	(843)
Increase (decrease) in due to other funds	62,034	114,939	(59,204)	117,769
Increase in due to other governments	4,400			4,400
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>44,627</b>	<b>503,237</b>	<b>(16,047)</b>	<b>531,817</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Nonoperating grants received			2,400	2,400
Acquisition of capital assets			(112,948)	(112,948)
Principal payment on long-term debt	(338,000)			(338,000)
Interest expense	(102,189)			(102,189)
<b>Net cash used for capital and related financing activities</b>	<b>(440,189)</b>	<b>0</b>	<b>(110,548)</b>	<b>(550,737)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on investments	6,198	720	758	7,676
<b>Net cash provided by investing activities</b>	<b>6,198</b>	<b>720</b>	<b>758</b>	<b>7,676</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>856,169</b>	<b>54,089</b>	<b>(98,278)</b>	<b>811,980</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>3,474,882</b>	<b>400,139</b>	<b>615,282</b>	<b>4,490,303</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 4,331,051</b>	<b>\$ 454,228</b>	<b>\$ 517,004</b>	<b>\$ 5,302,283</b>

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Sewer Authority</u>	<u>School Cafeteria Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Totals</u>
<b><i>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</i></b>				
Operating income (loss)	\$ 426,363	\$ (446,538)	\$ 2,350	\$ (17,825)
Adjustments to reconcile:				
Depreciation	635,707	3,955	53,399	693,061
Decrease in accounts receivable	165,658	377	5,140	171,175
(Increase) decrease in prepaid expenses	109		(1,470)	(1,361)
Increase in inventory		(2,398)		(2,398)
Decrease in accounts payable	23,109	(6,764)	(15,306)	1,039
Decrease in accrued payroll	(22,115)		(18,452)	(40,567)
Increase in other liabilities	6,204			6,204
Increase in unearned revenue		883	1,006	1,889
Increase in accrued compensated absences	9,802	617	892	11,311
Increase in net other post employment benefit obligation	696			696
<b><i>Net cash provided by (used for) operating activities</i></b>	<b><u>\$ 1,245,533</u></b>	<b><u>\$ (449,868)</u></b>	<b><u>\$ 27,559</u></b>	<b><u>\$ 823,224</u></b>
<b><i>Supplemental cash flow disclosure:</i></b>				
Capital assets purchased through bond payable	\$ 4,999,441	\$ 0	\$ 0	\$ 4,999,441
Capital assets purchased through capital lease	\$ 0	\$ 0	\$ 122,410	\$ 122,410

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017

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	Agency Funds
	Pupil Activity Funds
	<hr/>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 190,674
	<hr/>
<b>LIABILITIES:</b>	
Deposits held in custody for others	\$ 190,674
	<hr/>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The Town complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds also apply the same principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

***Reporting Entity***

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

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

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

The accompanying financial statements present the government and its component units. In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by the Governmental Accounting Standards Board (GASB). A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Through the application of GASB criteria, the Burrillville Redevelopment Agency and the Jesse M. Smith Memorial Library have been presented as component units of the Town, hereafter referred to as "component units", in the accompanying financial statements.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reporting Entity (Continued)***

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

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

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

***Recently Issued Accounting Standards***

The Town implemented the following pronouncements for the year ended June 30, 2017.

- GASB Statement No. 74 - Financial Reporting for Postemployment Benefit Plans Other than Pension Plans.
- GASB Statement No. 77 - Tax Abatement Disclosures.
- GASB Statement No. 78 – Pensions Provided through Certain Multiple – Employer Defined Benefit Pension Plans.
- GASB Statement No. 82 – Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73.

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Standards (Continued)***

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

- GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, effective for the Town's fiscal year ending June 30, 2018.
- GASB Statement No. 83 - Certain Asset Retirement Obligations, effective for the Town's fiscal year ending June 30, 2019.
- GASB Statement No. 84 - Fiduciary Activities, effective for the Town's fiscal year ending June 30, 2020.
- GASB Statement No. 85 - Omnibus 2017, effective for the Town's fiscal year ending June 30, 2018.
- GASB Statement No. 86 - Certain Debt Extinguishment Issues, effective for the Town's fiscal year ending June 30, 2018.
- GASB Statement No. 87 - Leases, effective for the Town's fiscal year ending June 30, 2021.

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

***Basis of Presentation***

***Government-Wide Financial Statements***

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

(CONTINUED)



**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation (Continued)***

***Fund Financial Statements***

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

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual, governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

***Governmental Funds***

**General Fund**

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

**Special Revenue Funds**

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

**Capital Project Funds**

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

**Permanent Funds**

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation (Continued)***

***Proprietary Funds***

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

***Fiduciary Funds (Not included in government-wide statements)***

**Agency Funds**

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

- Pupil Activity Funds

***Major and Non-Major Funds***

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

<u>Fund</u>	<u>Brief Description</u>
<b><i>Major:</i></b>	
General:	See above for description
Special Revenue:	Burrillville School Department – This fund accounts for the operation and maintenance of the Burrillville Public Schools. Its primary revenue sources are the appropriation from the Town of Burrillville, operating aid from the State of Rhode Island, and Medicaid reimbursements.
Proprietary:	Sewer Authority – This fund is used to account for the activities of the Sewer Commission.  School Cafeteria Fund – This fund accounts for the School Department's food service operation.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation (Continued)***

***Major and Non-Major Funds***

***Non-Major:***

Special Revenue:	School Restricted Grants, Community Recreation, Town Clerk – Technology, Historical Records, Solemn Federal Task Force, Animal Shelter Donation Account, Library Grant, Community Emergency Response Training, Byrne Grant, Clear River Energy Fund, Spring Lake, Community Development Block Grant, Homeland Security Grant, Partnership for Success, Cops That Care, Ocean State Power Funds, Narcotics Guidance Council, Police Legislative Grant, Police Grant – Operation Riptide, Wallace Lees Scholarship, Snack Pack Program, and Police Task Force.
Capital Projects:	Eagle Peak Recreation, Public Works Complex Fund, School Roof Improvements, Oakland/Mapleville Bike Path, North Road Bridge Project, Open Space/Land Acquisition, and Major Capital.
Permanent:	Cemetery Fund, Frank H. Potter Bridgeway Fund, Alice McGreevy Thompson Fund, and Jesse M. Smith Memorial Library Fund.
Proprietary:	Levy Rink and Extended Day Care.

***Measurement Focus***

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

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

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting***

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

All proprietary funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

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

***Accounts Receivable***

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts totaled \$448,300 for property taxes. Major receivable balances for the governmental activities include property taxes (37% of balance) and intergovernmental grants and aid (53% of balance). Business-type activities report usage and service fees as its major receivables.

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Deposits and Investments***

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

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

***Materials and Supplies***

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

***Prepaid Items***

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

***Property, Plant and Equipment***

**Property, Plant and Equipment**

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

**Government-Wide Statements**

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

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property, Plant and Equipment (Continued)***

**Government-Wide Statements (Continued)**

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

<u>Classes</u>	<u>Useful Life</u>
Buildings and improvements.....	5 - 50 years
Plant.....	5 - 39 years
Collection system.....	25 - 60 years
Equipment.....	3 - 25 years
Vehicles.....	3 - 20 years
Leasehold improvements.....	5 - 15 years
Infrastructure and land improvements ....	5 - 40 years

**Fund Financial Statements**

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

Interest incurred during the construction phase of capital assets of proprietary funds is included as part of the capitalized value of the assets constructed.

***Bond Issuance Costs***

Bond issuance costs are recorded as operating expenses when incurred. The implementation of GASB Statement No. 65 resulted in the write-off of bond issuance costs as of July 1, 2013.

***Amount Deferred on Refunding***

During periods of declining interest rates, the Town has refunded certain bond obligations reducing aggregate debt service. The difference between the reacquisition price and the net carrying amount of the refunded bonds is recorded as an amount deferred on refunding. The deferred amount on refunding is amortized over the remaining life of the refunded bonds, or the life of the new bonds, whichever is shorter. The amortization amount is a component of interest on bonds, and the unamortized balances are recorded as deferred outflows or inflows on the government-wide Statement of Net Position.

***Pensions***

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Deferred Inflows and Outflows of Resources***

In addition to assets, the government-wide statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has two items which qualify for reporting in this category: contributions subsequent to the measurement date for pensions which will be applied to the net pension liability in the next fiscal year and the deferred charges on refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two items which qualify for reporting in this category. On the Statement of Net Position, the Town reports the deferral of pension expense that results from the implementation of GASB Statement No. 68. On the governmental funds Balance Sheet, under the modified accrual basis of accounting, the Town reports unavailable revenue from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

***Accrued Compensated Absences***

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

At June 30, 2017, the Town's obligation to its non-proprietary fund employees for accumulated vacation and sick leave benefits consisted of the following:

	<u>Vacation</u>	<u>Sick Leave</u>	<u>Total</u>
Police Department.....	\$115,544		\$ 115,544
Administrative Departments.....	46,501		46,501
Public Works Department .....	44,437		44,437
Recreation Department.....	3,110		3,110
School Department .....	32,978	\$791,411	824,389
<b>Total.....</b>	<b>\$242,570</b>	<b>\$791,411</b>	<b>\$1,033,981</b>

***Use of Estimates***

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Short-Term Interfund Receivables/Payables***

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

***Advances to Other Funds***

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

***Land Held for Resale***

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

***Long-Term Debt***

In the governmental-wide financial statements, long-term debt obligations are reported as liabilities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures. Interest is reported as an expenditure in the period in which the related payment is made. The total bond premiums at June 30, 2017 were \$956,435, while the accumulated amortization was \$502,889.

***Encumbrances***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in certain governmental funds. Encumbrances do not constitute expenditures or liabilities under generally accepted accounting principles. The only outstanding encumbrances at June 30, 2017 were for the Burrillville School Department and amounted to \$34,474.

(CONTINUED)



**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Equity Classifications***

**Government-Wide Statements**

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

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

**Fund Statements**

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

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

***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 specific purposes pursuant to constraints formally imposed by a simple majority vote of the Town Council through a Town Council resolution. Those committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action it employed to previously commit those accounts.

***Assigned*** - Amounts in the assigned fund balance classification are intended to be used by the Town and 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 Town and School General Funds, assigned amounts represent intended uses established by majority vote of the Town Council and School Committee.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Equity Classifications (Continued)***

**Fund Statements (Continued)**

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

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

***Net Position Flow Assumption***

The Town occasionally funds outlays for a particular purpose from both restricted and unrestricted resources. To determine the amounts to be reported as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to use restricted resources first, then unrestricted as they are needed.

***Fund Balance Flow Assumption***

The Town may fund outlays for a particular purpose from both restricted and unrestricted (total committed, assigned and unassigned fund balances) resources. To calculate the amounts to report as restricted, committed, assigned or unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Reconciliation of Government-Wide and Fund Financial Statements***

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$856,601 difference are as follows:

Capital outlay.....	\$ 2,567,532
Depreciation expense.....	<u>(3,424,133)</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net position</i> <i>of governmental activities</i> .....	<u>\$ (856,601)</u>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reconciliation of Government-Wide and Fund Financial Statements (Continued)***

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

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of this \$1,463,000 difference are as follows:

Principal repayments – general obligation debt .....	<u>\$1,463,000</u>
Net adjustment to decrease <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net position</i> <i>of governmental activities</i> .....	<u>\$1,463,000</u>

Another element of that reconciliation states that, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds." The details of this \$51,279 difference are as follows:

Deferred revenue – beginning.....	\$ (819,515)
Deferred revenue – ending.....	<u>870,794</u>
Net adjustment to decrease <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net</i> <i>position of governmental activities</i> .....	<u>\$ 51,279</u>

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$270,129 difference are as follows:

Decrease in liability for compensated absences .....	\$ 79,465
Decrease in liability for landfill closure .....	70,400
Amortization of current year deferred expense on refunding .....	(20,011)
Amortization of current year bond premium .....	<u>140,275</u>
Net adjustment to decrease <i>net change in fund balances -</i> <i>total governmental funds</i> to arrive at <i>change in net position</i> <i>of governmental activities</i> .....	<u>\$ 270,129</u>

Another element of that reconciliation states that "adjustment to accrued interest payable related to general obligation bonds which is required to be recorded for government-wide financial statement presentation". The details of this \$10,848 difference are as follows:

Accrued Interest – beginning, as restated.....	\$ 85,447
Accrued Interest – ending .....	<u>(74,599)</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net position of</i> <i>governmental activities</i> .....	<u>\$ 10,848</u>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**2. BUDGETARY PROCESS**

**(a) Adoption**

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

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

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

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

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

Budget appropriations lapse at the end of the fiscal year. There were two supplemental budgetary revisions made during the year totaling \$3,186,464. The increase was due primarily to capital improvement budget appropriations of \$2,186,464.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**2. BUDGETARY PROCESS (Continued)**

**(b) Reconciliation - Budgetary to GAAP**

The Town Charter requires annual budgets for the General Fund and Special Revenue - General School Activities. The practices used in the preparation of the 2017 budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with GAAP. The actual results of operations, for purposes of the Statement of Revenues, Expenditures, Other Financing Sources (Uses) - Budget and Actual on a Budgetary Basis - General Fund, and Special Revenue Fund - General School Activities, have been adjusted to a basis consistent with the Town's budget for 2017.

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<b>General Fund:</b>		
<b>Statement of Revenues and Expenditures (Non-GAAP Budgetary Basis) (E-8)</b> .....	\$ 51,158,295	\$ 47,110,795
Less: Transfer from Fund Balance to revenue for current year .....	(3,186,464)	
Less: School Department revenues included in General Fund Budget .....	(13,416,701)	
Less: School Department expenditures included in General Fund .....		(13,416,701)
Activity of funds classified with the General Fund for the purposes of GASB Statement No. 54 .....	<u>304,395</u>	<u>3,529,845</u>
<b>Statement of Revenues, Expenditures, and Changes in Fund Balances (B-2)</b> .....	<u>\$ 34,859,525</u>	<u>\$ 37,223,939</u>

**A reconciliation of the School Department's General Fund revenues, expenditures and other financing sources (uses) as reported on schedules B-2 and E-9 is presented below:**

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<b>Statement of Revenues, Expenditures and Other Financing Sources (Non-GAAP Budgetary Basis) Budget and Actual (E-9)</b> .....	\$31,817,500	\$31,672,249
Less: Current year encumbrances .....		(34,474)
Add: Prior year encumbrances .....		55,077
Adjustment for pension contribution made by State of Rhode Island on behalf of employees .....	<u>1,375,758</u>	<u>1,375,758</u>
<b>Statement of Revenues, Expenditures, and Changes in Fund Balances (B-2)</b> .....	<u>\$33,193,258</u>	<u>\$33,068,610</u>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**3. DEPOSITS AND INVESTMENTS**

**(a) Deposits**

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

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

The Town maintains deposits at local financial institutions. At year end, the carrying amount of such deposits was \$29,434,101 while the bank balance was \$29,612,250, of which \$7,498,896 was covered by federal depository insurance and \$22,113,354 was uninsured and collateralized by securities held by the pledging financial institution's trust department in the Town's name. The Town also had nonnegotiable certificates of deposit totaling \$2,034,656 which were FDIC insured under the Certificate of Deposit Account Registry Service (CDARS) at June 30, 2017.

In addition, at June 30, 2017, the Town had deposits of \$1,015,829 and \$1,011,299 held through Federally Insured Cash Account (FICA) and Insured Cash Sweep Service (ICS), respectively. The FICA and ICS places Town funds at other FDIC insured banks in amounts that do not exceed the FDIC insured maximum. Through the FICA and ICS programs the Town can exclude specific banks to insure the FDIC insured limit is never exceeded at the destination banks.

The following is a reconciliation of the Town's cash and cash equivalents as of June 30, 2017:

	<b><u>Primary Government</u></b>	<b><u>Component Units</u></b>
Total deposits	\$ 29,205,134	\$228,967
Add: petty cash and cash on hand	9,034	0
Add: certificates of deposit (CDARS)	2,034,656	0
Add: Federally Insured Cash Account	1,015,829	
Add: Insured Cash Sweep	1,011,299	0
Less: fiduciary funds cash (not included in the government-wide financial statements)	<u>(190,674)</u>	<u>0</u>
<b>Total cash and cash equivalents reported in the financial statements (A-1)</b>	<b><u>\$ 33,085,278</u></b>	<b><u>\$228,967</u></b>

**(b) Investments**

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

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**3. DEPOSITS AND INVESTMENTS (Continued)**

**(b) Investments (Continued)**

Custodial Credit Risk, Investments – The Town does not have a formal custodial credit risk policy. Custodial credit risk is the risk that in the event of financial institution failure, the Town's investments may not be returned or the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2017, the Town did not have any material uncollateralized investments.

Concentration of Credit Risk - At June 30, 2017, the Town had substantially all of its investments concentrated in federally insured certificates of deposit. At June 30, 2017, the Town did not have any investments in common stock or other equity investments.

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

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

As of June 30, 2017, the Town had the following cash and investments:

<u>Description</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Rating</u>
Deposits	\$29,434,101			
Federally Insured Cash Account	1,015,829			
Insured Cash Sweep	1,011,299			
Certificate of deposit	1,017,204	0.25%	7/06/17	not rated
Certificate of deposit	1,017,452	0.35%	9/28/17	not rated
Petty cash and cash on hand	9,034			
Total cash and investments	<u>\$33,504,919</u>			

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**4. TAXES RECEIVABLE**

The Town's property tax is levied each June 30, for its next fiscal year on the assessed values listed as of the prior December 31 (lien date), for all real property, tangible property, and motor vehicles located in the Town. Assessed values of real property and tangible personal property were established by the Town Assessor's office at 100% of appraised market value as of December 31, 2015. The assessed value of motor vehicles is determined annually at 100% as established by the State Vehicle Value Commission.

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

Net property taxes levied for the fiscal year 2017 were based on an assessed value of approximately \$1,651,599,015 at December 31, 2015 and amounted to \$31,403,323. Collections on the 2017 tax levy through June 30, 2017 amounted to \$30,874,054, which represents 98.3% of the total tax levy.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards. Unpaid property taxes as of June 30, 2017 (\$1,424,481) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$448,300. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2017 are recorded as unearned revenue and amounted to \$791,061 at June 30, 2017. Property taxes recognized as revenue for the fiscal year ended June 30, 2017 (due to their collection within the 60 days immediately following June 30, 2017) amounted to \$185,120.

User charges are assessed each year in an amount necessary to cover the projected operating expenses of the Sewer Commission fund for that year. The allowance for uncollectible accounts of the Sewer Commission fund is based on that portion of sewer assessment and user charges and miscellaneous accounts receivable which is estimated to be doubtful of collection, or which may be abated due to appeals now under consideration. In addition, the Sewer Commission has unrecognized assessment receivables of approximately \$306,880. These receivables are only collectible upon the transfer of title to the property.

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

(CONTINUED)



TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**5. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES**

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

	<u>Due From</u>	<u>Due To</u>
<b>Governmental activities:</b>		
<b>State of Rhode Island:</b>		
<b>Major funds:</b>		
General Fund .....	\$ 313,649	
School Department General Fund .....	11,269	
<b>Non-major funds</b> .....	401,239	\$ 732
<b>Total</b> .....	726,157	732
<b>Federal government:</b>		
<b>Non-major funds</b> .....	403,057	
<b>Total</b> .....	403,057	0
<b>Other governments:</b>		
<b>Non-major funds</b> .....	264,226	
<b>Total</b> .....	264,226	0
<b>Total governmental activities</b> .....	\$ 1,393,440	\$ 732
<b>Business-type activities:</b>		
<b>State of Rhode Island:</b>		
Sewer Authority .....		\$6,200
<b>Total</b> .....	\$ 0	6,200
<b>Federal government:</b>		
School Cafeteria Fund .....	64,475	
<b>Total</b> .....	64,475	0
<b>Other governments:</b>		
Sewer Authority .....	163,089	
<b>Total</b> .....	163,089	0
<b>Total business-type activities</b> .....	\$ 227,564	\$6,200

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**6. INTERFUND BALANCES**

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances represent balances resulting from operating advances. The composition of interfund balances at June 30, 2017 is as follows.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental activities:</b>		
<b>Major funds:</b>		
General Fund.....	\$ 432,886	\$8,675,852
School Department General Fund.....	3,175,027	
<b>Non-major funds</b> .....	<u>6,188,211</u>	<u>750,250</u>
<b>Total governmental activities</b> .....	<u>9,796,124</u>	<u>9,426,102</u>
<b>Business-type activities:</b>		
<b>Major funds:</b>		
Sewer Authority .....		62,034
School Cafeteria Fund.....		303,314
<b>Non-major funds</b> .....	<u>843</u>	<u>5,517</u>
<b>Total business type activities</b> .....	<u>843</u>	<u>370,865</u>
<b>Balances at June 30, 2017</b> .....	<u>\$9,796,967</u>	<u>\$9,796,967</u>

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Discretely Presented Component Unit Balances:</b>		
<b>Primary government:</b>		
General fund.....	\$ 0	\$487,051
<b>Discretely presented component units:</b>		
Burrillville Redevelopment Agency.....	411,397	0
Jesse M. Smith Memorial Library .....	<u>75,654</u>	<u>0</u>
<b>Balances at June 30, 2017</b> .....	<u>\$487,051</u>	<u>\$487,051</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land .....	\$ 2,909,741	\$ 302,656		\$ 3,212,397
Construction in progress .....	1,624,047	1,394,670	\$ (1,933,707)	1,085,010
<b>Total capital assets not being depreciated.</b>	<b>4,533,788</b>	<b>1,697,326</b>	<b>(1,933,707)</b>	<b>4,297,407</b>
<b>Other capital assets:</b>				
Buildings and improvements .....	75,233,740	1,624,888	(216,624)	76,642,004
Equipment .....	2,719,243	276,113		2,995,356
Vehicles .....	4,708,564	387,132	(49,526)	5,046,170
Infrastructure .....	22,164,666	515,780		22,680,446
<b>Total other capital assets</b> .....	<b>104,826,213</b>	<b>2,803,913</b>	<b>(266,150)</b>	<b>107,363,976</b>
Less: accumulated depreciation for:				
Buildings and improvements .....	(27,339,376)	(1,711,963)	185,850	(28,865,489)
Equipment .....	(1,688,945)	(241,559)		(1,930,504)
Vehicles .....	(3,194,937)	(346,122)	49,526	(3,491,533)
Infrastructure .....	(11,126,188)	(1,124,489)		(12,250,677)
<b>Total accumulated depreciation</b> .....	<b>(43,349,446)</b>	<b>(3,424,133)</b>	<b>235,376</b>	<b>(46,538,203)</b>
<b>Other capital assets, net</b> .....	<b>61,476,767</b>	<b>(620,220)</b>	<b>(30,774)</b>	<b>60,825,773</b>
<b>Governmental activities capital assets, net</b> .....	<b>\$ 66,010,555</b>	<b>\$ 1,077,106</b>	<b>\$ (1,964,481)</b>	<b>\$ 65,123,180</b>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**7. CAPITAL ASSETS (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land .....	\$ 382,443			\$ 382,443
Construction in progress .....	2,054,926	\$ 4,999,441	\$ 0	7,054,367
<b>Total capital assets not being depreciated</b> .....	<b>2,437,369</b>	<b>4,999,441</b>	<b>0</b>	<b>7,436,810</b>
<b>Other capital assets:</b>				
Leasehold improvements .....	34,398			34,398
Collection systems .....	34,714,465			34,714,465
Plant and buildings .....	8,315,374	23,148		8,338,522
Plant equipment .....	465,151			465,151
Motor vehicles .....	135,261			135,261
Furniture and equipment .....	654,292	212,210	(10,000)	856,502
<b>Total other capital assets</b> .....	<b>44,318,941</b>	<b>235,358</b>	<b>(10,000)</b>	<b>44,544,299</b>
<b>Less: accumulated depreciation for:</b>				
Leasehold improvements .....	(32,601)	(875)		(33,476)
Collection systems .....	(14,954,652)	(573,417)		(15,528,069)
Plant and buildings .....	(7,294,735)	(57,054)		(7,351,789)
Plant equipment .....	(242,644)	(4,106)		(246,750)
Motor vehicles .....	(135,262)	(4,150)		(139,412)
Furniture and equipment .....	(491,059)	(53,459)	10,000	(534,518)
<b>Total accumulated depreciation</b> .....	<b>(23,150,953)</b>	<b>(693,061)</b>	<b>10,000</b>	<b>(23,834,014)</b>
<b>Other capital assets, net</b> .....	<b>21,167,988</b>	<b>(457,703)</b>	<b>0</b>	<b>20,710,285</b>
<b>Business-type activities capital assets, net</b> .....	<b>\$23,605,357</b>	<b>\$ 4,541,738</b>	<b>\$ 0</b>	<b>\$ 28,147,095</b>

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

<b>Governmental activities:</b>	
General government .....	\$ 231,078
Public safety .....	196,942
Education .....	1,283,487
Recreation and social services .....	340,304
Public works .....	1,372,322
<b>Total governmental activities depreciation expense</b> .....	<b>\$3,424,133</b>
<b>Business-type activities:</b>	
Sewer Authority .....	\$ 635,707
School Cafeteria Fund .....	3,955
Non-major enterprise funds .....	53,399
<b>Total business-type activities depreciation expense</b> .....	<b>\$ 693,061</b>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**7. CAPITAL ASSETS (Continued)**

**Discretely Presented Component Units:**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Burrillville Redevelopment Agency:</b>				
<b>Capital assets not being depreciated:</b>				
Land .....	\$517,833		\$(300,758)	\$217,075
<b>Capital assets, net.....</b>	<u>\$517,833</u>	<u>\$ 0</u>	<u>\$(300,758)</u>	<u>\$217,075</u>
<b>Jesse M. Smith Memorial Library:</b>				
<b>Other capital assets:</b>				
Furniture and equipment.....	\$105,684			\$ 105,684
Less: accumulated depreciation for:				
Furniture and equipment.....	(29,503)	\$(8,800)		(38,303)
<b>Other capital assets, net.....</b>	<u>\$ 76,181</u>	<u>\$(8,800)</u>	<u>\$0</u>	<u>\$ 67,381</u>

**8. LONG-TERM LIABILITIES**

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

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance, as Restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Long-term debt:</b>					
General obligation debt.....	\$12,349,229		\$(1,463,000)	\$10,886,229	\$1,454,000
Plus: bond premium, net of amortization .....	593,821		(140,275)	453,546	
<b>Total long-term debt .....</b>	<u>12,943,050</u>	<u>\$ 0</u>	<u>(1,603,275)</u>	<u>11,339,775</u>	<u>1,454,000</u>
<b>Other long-term liabilities:</b>					
Compensated absences .....	1,113,446	328,307	(407,772)	1,033,981	183,000
Landfill closure and post-closure costs .....	930,500		(70,400)	860,100	46,500
<b>Total other long-term liabilities.....</b>	<u>2,043,946</u>	<u>328,307</u>	<u>(478,172)</u>	<u>1,894,081</u>	<u>229,500</u>
Governmental activities long-term liabilities .....	<u>\$14,986,996</u>	<u>\$328,307</u>	<u>\$(2,081,447)</u>	<u>\$13,233,856</u>	<u>\$1,683,500</u>

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**8. LONG-TERM LIABILITIES (Continued)**

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

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance, As Restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Business-type activities:</b>					
<b>Long-term debt:</b>					
General obligation debt.....	\$8,400,000		\$(338,000)	\$8,062,000	\$477,000
<b>Total long-term debt</b>	<u>8,400,000</u>	<u>\$ 0</u>	<u>(338,000)</u>	<u>8,062,000</u>	<u>477,000</u>
<b>Other long-term liabilities:</b>					
Capital lease .....		122,410		122,410	22,428
Compensated absences .....	82,538	45,144	(33,833)	93,849	9,400
Net OPEB obligation .....	<u>2,138</u>	<u>696</u>		<u>2,834</u>	
<b>Total other long-term liabilities.....</b>	<u>84,676</u>	<u>168,250</u>	<u>(33,833)</u>	<u>219,093</u>	<u>31,828</u>
<b>Total business-type activities.....</b>	<u>\$8,484,676</u>	<u>\$168,250</u>	<u>\$(371,833)</u>	<u>\$8,281,093</u>	<u>\$508,828</u>

GASB requires bonds, notes and other long-term liabilities directly related to and expected to be paid from proprietary funds to be included in the accounts of such funds. Based on the Sewer Commission resolution dated May 9, 2006, the Sewer Authority committed to repaying the cost of the Sewer bonds and all interest associated therewith from its user charges. Therefore, these bonds are specific fund liabilities of the Sewer Authority even though they are general obligation bonds backed by the full faith and credit of the Town.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**8. LONG-TERM LIABILITIES (Continued)**

**(b) Bonds and Notes Outstanding**

At June 30, 2017, the Town's bonds and notes payable are comprised of the following:

**GOVERNMENTAL ACTIVITIES**

<u>Description</u>	<u>Date Issued</u>	<u>Original Principal</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2016, as Restated</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding June 30, 2017</u>
Sewer bonds:	11/13/03	\$5,600,000	9/1/24	1.410%	\$ 3,034,000		\$ 311,000	\$2,723,000
	11/1/06	400,000	11/1/26	4.0% - 5.0%	220,000		20,000	200,000
	Subtotal				<u>3,254,000</u>	<u>\$0</u>	<u>331,000</u>	<u>2,923,000</u>
Refunding bonds:	10/1/02	9,145,000	7/15/17	2.5% - 5.0%	620,000		315,000	305,000
	12/22/15	3,380,000	5/15/26	3.0% - 5.0%	3,380,000		355,000	3,025,000
	Subtotal				<u>4,000,000</u>	<u>0</u>	<u>670,000</u>	<u>3,330,000</u>
Library bonds:	11/1/06	5,000,000	11/1/26	4.0% - 5.0%	2,750,000	0	250,000	2,500,000
Landfill bonds:	6/24/10	2,160,000	9/1/25	0.27% - 2.79%	1,440,000	0	144,000	1,296,000
Road bonds:	8/29/14	680,000	9/1/25	0.30% - 1.85%	680,000	0	68,000	612,000
					<b>Subtotal general obligation bonds</b>	<b>0</b>	<b>1,463,000</b>	<b>10,661,000</b>
Note payable:	5/20/09	610,000	5/20/19	None	225,229	0	0	225,229
					<b>Total general obligation debt</b>	<b>\$ 0</b>	<b>\$1,463,000</b>	<b>\$10,886,229</b>

**BUSINESS-TYPE ACTIVITIES**

Sewer bonds:	12/21/06	\$3,500,000	9/1/27	1.165% - 1.315%	\$ 2,100,000		\$ 175,000	\$1,925,000
	7/30/15	3,700,000	9/1/34	0.53% - 2.67%	3,700,000		163,000	3,537,000
	6/2/16	2,600,000	9/1/35	0.31% - 2.24%	2,600,000			2,600,000
					<b>Total general obligation debt</b>	<b>\$ 0</b>	<b>\$ 338,000</b>	<b>\$8,062,000</b>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**8. LONG-TERM LIABILITIES (Continued)**

**(b) Bonds and Notes Outstanding (Continued)**

During the fiscal year ended June 30, 2017, the Town retired \$1,801,000 in principal on its existing outstanding bonds and loans.

During the fiscal year ended June 30, 2017, the Town incurred the following interest expense:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Library bonds.....	\$108,570	
Sewer bonds.....	68,932	\$102,189
Refunding bonds.....	169,115	
Landfill bonds.....	39,031	
Road bonds.....	8,453	
<b>Total .....</b>	<b>\$394,101</b>	<b>\$102,189</b>

Interest expense for the business-type activities does not include capitalized interest of \$83,146.

The Town has issued five bonds under the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. The five bonds issued consisted of a 2006 \$3,500,000 Wastewater bond issue, a 2010 \$2,160,000 Landfill bond issue, a 2014 \$680,000 Road bond issue, a 2015 \$3,700,000 Wastewater bond issue, a 2015 \$2,600,000 Wastewater bond issue, and a 2015 \$3,380,000 Refunding bond issue. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

**(c) Long-Term Liability Activity**

**2015 Series C Refunding Bonds**

On December 22, 2015, the Town issued the 2015 Series C Refunding Bonds, with term bonds of \$3,380,000 at rates varying from 3.00% to 5.00%. The terms bonds mature at various dates from May 15, 2017 through May 15, 2026.

The Town issued the 2015 Series C Refunding Bonds to fully defease the 2006 Series A General Obligation School Bonds. Upon delivery of the 2015 Series C Refunding Bonds, the Town established an irrevocable escrow trust fund pursuant to a Refunding Trust Agreement between the Town and J.P. Morgan Securities, LLC. Under terms of the Refunding Trust Agreement, the proceeds of the 2015 Series C Refunding Bonds were deposited into escrow funds established for each series of refunded bonds which were invested in investment obligations maturing in amounts and bearing interest at rates sufficient to pay, when due, interest, and upon maturity or prior redemption on the earliest available redemption date, the outstanding principal of the refunded bonds. The escrow fund is pledged solely for the benefit of holders of the applicable series of refunded bonds.

The Town completed the December 22, 2015 refunding to reduce its total debt service payments over the next ten years by \$489,478 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$430,057.

Since those bonds have, in effect, been redeemed under the defeasance, they are no longer outstanding under the Town's bond resolution and therefore, the liability for those bonds and related escrow funds are not reflected in the June 30, 2017 financial statements.

(CONTINUED)



**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**8. LONG-TERM LIABILITIES (Continued)**

**(c) Long-Term Liability Activity (Continued)**

**2015 Series C Refunding Bonds (Continued)**

The outstanding principal of the Town's defeased bonds is summarized below:

<u>Description</u>	Defeased Bonds Outstanding <u>June 30, 2017</u>
2006 Series A School Bonds	\$0

**(d) Note Payable**

On May 20, 2009, the Town entered into a \$610,000 promissory note with the Industrial Foundation of Burrillville (a Rhode Island nonprofit corporation) related to the purchase of real estate for future Town development. The note is interest-free and matures no later than May 20, 2019. Notwithstanding the May 20, 2019 maturity date, the note requires all proceeds from the sale of certain Town owned lots in Commerce Park to be applied immediately against the outstanding loan principal. Any remaining balance is due on May 20, 2019. Due to the sale of Town property, a principal payment of \$384,771 was made during the fiscal year ended June 30, 2012. The outstanding balance of the note payable was \$225,229 at June 30, 2017. The loan may be prepaid at any time without penalty.

**(e) Capital Leases**

The Levy Rink has a lease agreement for financing the acquisition of an ice resurfacing machine. The assets acquired through the capital lease is as follows:

**Business-type Activities**

	<u>Levy Rink</u>
<b>Assets:</b>	
Equipment.....	\$285,260
Less: accumulated depreciation .....	<u>(95,250)</u>
<b>Total.....</b>	<b><u>\$190,010</u></b>

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, 2017:

Fiscal year ending <u>June 30:</u>	Business-type <u>Activities</u>
2018 .....	\$ 27,793
2019 .....	27,793
2020 .....	27,793
2021 .....	27,793
2022 .....	<u>27,793</u>
<b>Total minimum lease payments.....</b>	<b>138,965</b>
Less: amount representing interest.....	<u>(16,555)</u>
<b>Present value of future minimum lease payments</b>	<b><u>\$ 122,410</u></b>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**8. LONG-TERM LIABILITIES (Continued)**

**(f) Debt Service Requirements**

At June 30, 2017, the Town has remaining authorized but unissued bond authority of \$500,000 for Open Space Recreation Projects.

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

<u>Year Ending June 30,</u>	<b><u>Governmental Activities</u></b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018 .....	\$ 1,454,000	\$ 352,969	\$ 1,806,969
2019 .....	1,375,229	314,910	1,690,139
2020 .....	1,152,000	278,865	1,430,865
2021 .....	1,154,000	238,913	1,392,913
2022 .....	1,161,000	198,515	1,359,515
2023 .....	1,163,000	157,597	1,320,597
2024 .....	1,171,000	116,364	1,287,364
2025 .....	1,174,000	74,672	1,248,672
2026 .....	812,000	36,678	848,678
2027 .....	270,000	5,670	275,670
<b>Total</b> .....	<b>\$10,886,229</b>	<b>\$1,775,153</b>	<b>\$12,661,382</b>

<u>Year Ending June 30,</u>	<b><u>Business-Type Activities</u></b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018 .....	\$ 477,000	\$ 161,776	\$ 638,776
2019 .....	479,000	162,727	641,727
2020 .....	481,000	155,860	636,860
2021 .....	483,000	148,537	631,537
2022 .....	486,000	140,699	626,699
2023 .....	489,000	132,295	621,295
2024 .....	493,000	123,392	616,392
2025 .....	497,000	114,073	611,073
2026 .....	501,000	104,206	605,206
2027 .....	506,000	93,540	599,540
2028 .....	511,000	82,085	593,085
2029 .....	341,000	71,609	412,609
2030 .....	347,000	62,210	409,210
2031 .....	354,000	52,338	406,338
2032 .....	360,000	42,044	402,044
2033 .....	367,000	31,367	398,367
2034 .....	374,000	20,462	394,462
2035 .....	382,000	9,331	391,331
2036 .....	134,000	1,836	135,836
<b>Total</b> .....	<b>\$8,062,000</b>	<b>\$1,710,387</b>	<b>\$9,772,387</b>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**9. FUND EQUITY**

**(a) Fund Balance Constraints**

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

	<u>General Fund</u>	<u>School Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><i>Nonspendable:</i></b>				
Perpetual care .....			\$ 82,105	\$ 82,105
Endowments .....			26,000	26,000
Tax sale property .....	\$ 389,656			389,656
<b><i>Restricted for:</i></b>				
Town Clerk .....			68,617	68,617
Police department .....			71,101	71,101
Recreation .....			128,288	128,288
Educational scholarships .....			499,678	499,678
Community development .....			34,452	34,452
<b><i>Committed to:</i></b>				
Recycling program .....	81,883			81,883
Public safety programs .....	10,000			10,000
Recreational programs .....			123,203	123,203
Debt service .....	1,896,166			1,896,166
Capital projects .....	1,265,221		6,920,944	8,186,165
Unfunded liability and incentive pay .....	197,195			197,195
Employee benefits .....	1,258,292			1,258,292
Subsequent year's budget .....	2,939,319			2,939,319
Professional services .....			485,314	485,314
<b><i>Assigned for:</i></b>				
Educational programs .....	128,540	\$778,320		906,860
<b><i>Unassigned</i></b> .....	<u>7,027,947</u>			<u>7,027,947</u>
<b><i>Total Fund Balances</i></b> .....	<u>\$15,194,219</u>	<u>\$778,320</u>	<u>\$8,439,702</u>	<u>\$24,412,241</u>

**(b) Fund Deficits**

There were no funds that had a deficit fund equity balance at June 30, 2017. The Town's policy is to cover deficit fund equity balances through General Fund contributions.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**9. FUND EQUITY (Continued)**

**(c) Fund Deficits**

The following individual funds had deficits for the year ended June 30, 2017:

**Major Funds:**

General Fund .....	\$ 861,036
Less: funds classified with the General Fund for purposes of	
GASB 54 .....	<u>3,225,450</u>
<b>Net General Fund deficit</b> .....	<b>2,364,414</b>

<b>School Cafeteria Fund</b> .....	<b>9,491</b>
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**Non-major governmental activities:**

**Special Revenue Funds:**

Town Clerk Technology .....	603
Ocean State Power Funds .....	9,140
Narcotics Guidance Council .....	347

**Capital Project Funds:**

School Roof Improvements .....	194,019
North Road Bridge Project .....	478,834
Open Space/Land Acquisition .....	93,721

**Proprietary Funds:**

Extended Day Care .....	10,432
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TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**9. FUND EQUITY (Continued)**

**(d) Restatement**

**Governmental Activities**

As discussed in Note 8, bonds directly related to and expected to be paid from proprietary funds should be included in the accounts of such funds. The beginning net position at July 1, 2016 has been restated to reclassify three sewer bond issues previously recorded in the General Fund to the Sewer Authority.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position as of July 1, 2016, as originally reported .....	\$47,690,521	\$28,006,032
To reclassify Sewer bonds payable .....	8,400,000	(8,400,000)
To reclassify accrued interest payable related to Sewer bonds .....	27,554	(27,554)
To reclassify amounts due from other governments .....	(5,118,844)	5,118,844
Net position as of July 1, 2016, as restated .....	<u>\$50,999,231</u>	<u>\$24,697,322</u>

**Governmental Funds**

The beginning fund balance/net position at July 1, 2016 has been restated to reclassify three sewer bond issues that should be recorded as an obligation of the Sewer Authority.

	<u>General Fund</u>	<u>Sewer Authority</u>
Fund balance/net position as of July 1, 2016, as originally reported .....	\$22,677,477	\$27,229,341
To adjust for proceeds from Sewer bonds .....	(6,300,000)	
To adjust for transfers to Sewer Authority related to drawdowns of Sewer bonds .....	1,181,156	(1,181,156)
To reclassify bonds payable balance .....		(2,100,000)
To adjust for accrued interest payable .....		(27,554)
Fund balance/net position as of July 1, 2016, as restated .....	<u>\$17,558,633</u>	<u>\$23,920,631</u>

**10. DEFINED BENEFIT PENSION PLANS**

**(a) Municipal Employees' Retirement System**

**General Information about the Pension Plan**

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

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

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**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(a) Municipal Employees' Retirement System (Continued)**

**Benefits Provided**

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

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

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

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

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

**General employees**

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

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(a) Municipal Employees' Retirement System (Continued)**

***General employees (Continued)***

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

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

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

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

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

***Police and Fire employees***

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

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

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

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**a) Municipal Employees' Retirement System (Continued)**

**Police and Fire employees (Continued)**

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

Prior to July 1, 2012, some units had specific provisions that apply only to that unit. Per section 45-21.2-5 benefits for members eligible to retire prior to June 30, 2012 are preserved for the calculation of the retirement benefits. For service accrued after July 1, 2012, retirement benefits will be calculated in accordance with section 45-21.2-2 and adjustments to benefits will be provided as set forth in 45-21-52. Under these special provisions, the retirement benefit for members eligible to retire on or before June 30, 2012 and having 20 or more years of service is improved. The new formula is 60.00% x Final Average Compensation (FAC), plus 1.50% x FAC x Years of Service in Excess of 20, with a maximum benefit equal to 75% of FAC. In addition to this benefit change, the member contribution rate increased from 9.00% to 10.20%.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described in (a) and (b) above and one calculated based on a 2.25% multiplier for all years of service.

**Other benefit provisions**

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

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

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

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

(CONTINUED)



**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**a) Municipal Employees' Retirement System (Continued)**

**Employees covered by benefit terms.**

At the June 30, 2015 valuation date, the following employees were covered by the benefit terms:

	<u>General Employees</u>	<u>Police Employees</u>
Retirees and Beneficiaries	99	16
Inactive, Nonretired Members	41	3
Active Members	141	22
Total	281	41

**Contributions**

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The Town of Burrillville contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Burrillville contributed \$493,251 in the year ended June 30, 2017 for general employees and \$343,699 for public safety employees, which was 8.11% and 21.78% of annual covered payroll, respectively.

**Net Pension Liability (Asset)** - The total pension liability was determined by actuarial valuations performed as of June 30, 2015 and rolled forward to June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

<b>Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2016 measurement date (June 30, 2015 valuation rolled forward to June 30, 2016)</b>	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll - Closed
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.75%
Mortality	<ul style="list-style-type: none"><li>• Male Employees, MERS General and MERS P&amp;F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.</li><li>• Female Employees, MERS General and MERS P&amp;F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.</li></ul>
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**a) Municipal Employees' Retirement System (Continued)**

***Net Pension Liability (Asset) (Continued)***

The actuarial assumptions used in the June 30, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity:	38.0%	-
U.S. Equity	-	6.98%
International Developed	-	7.26%
International Emerging Markets	-	9.57%
Equity Hedge Funds	8.0%	4.10%
Private Equity	7.0%	10.15%
Core Fixed Income	15.0%	2.37%
Absolute Return Hedge Funds	7.0%	4.10%
Infrastructure	3.0%	5.58%
Real Estate	8.0%	5.33%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.97%
Credit	-	4.97%
Inflation Linked Bonds	-	1.76%
Cash, Overlay, Money Market	<u>3.0%</u>	0.82%
	100.0%	

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

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

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(a) Municipal Employees' Retirement System (Continued)**

**Net Pension Liability (Asset) (Continued)**

<b>Changes in the Net Pension Liability (Asset) - General Employees</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
Balances as of June 30, 2015	\$ 27,633,450	\$ 26,956,311	\$ 677,139
Changes for the Year			
Service cost	570,934		570,934
Interest on the total pension liability	2,034,644		2,034,644
Changes in benefits			
Difference between expected and actual experience	(467,173)		(467,173)
Changes in assumptions			
Employer contributions		505,089	(505,089)
Employee contributions		201,073	(201,073)
Net investment income		(1,813)	1,813
Benefit payments, including employee refunds	(1,580,673)	(1,580,673)	
Administrative expense		(31,557)	31,557
Other changes		4,998	(4,998)
Net changes	557,732	(902,883)	1,460,615
Balances as of June 30, 2016	\$ 28,191,182	\$ 26,053,428	\$ 2,137,754

<b>Changes in the Net Pension Liability (Asset) - Police Employees</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balances as of June 30, 2015	\$ 11,328,232	\$ 9,205,418	\$ 2,122,814
Changes for the Year			
Service cost	284,607		284,607
Interest on the total pension liability	838,227		838,227
Changes in benefits			
Difference between expected and actual experience	(303,421)		(303,421)
Changes in assumptions			
Employer contributions		358,658	(358,658)
Employee contributions		138,824	(138,824)
Net investment income		(3,159)	3,159
Benefit payments, including employee refunds	(588,358)	(588,358)	
Administrative expense		(8,500)	8,500
Other changes		(1)	1
Net changes	231,055	(102,536)	333,591
Balances as of June 30, 2016	\$ 11,559,287	\$ 9,102,882	\$ 2,456,405

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(a) Municipal Employees' Retirement System (Continued)**

**Net Pension Liability (Asset) (Continued)**

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

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00 Increase (8.5%)
General Employees	\$ 5,122,006	\$ 2,137,754	\$ (304,843)
Police Employees	\$ 3,673,824	\$ 2,456,405	\$ 1,460,003

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

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

For the year ended June 30, 2017, the employer recognized pension expense of \$520,918 for the general employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b><u>General Employees</u></b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between expected and actual experience	\$ 0	\$ 748,472
Changes in assumptions	111,273	
Net difference between projected and actual earnings on pension plan investments	2,413,083	724,883
Contributions subsequent to measurement date	493,251	
Total	<u>\$3,017,607</u>	<u>\$1,473,355</u>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(a) Municipal Employees' Retirement System (Continued)**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

Deferred outflows of resources totaling \$493,251 related to pensions resulting from the Town of Burrillville's contributions in fiscal year 2017 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ 77,787
2019	77,788
2020	531,047
2021	<u>364,379</u>
<b>Total</b>	<b><u>\$1,051,001</u></b>

For the year ended June 30, 2017 the employer recognized pension expense of \$222,544 for the police employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b><u>Police Employees</u></b>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 0	\$ 763,362
Changes in assumptions		34,350
Net difference between projected and actual earnings on pension plan investments	828,331	242,868
Contributions subsequent to measurement date	<u>343,699</u>	<u>          </u>
Total	<b><u>\$1,172,030</u></b>	<b><u>\$1,040,580</u></b>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(a) Municipal Employees' Retirement System (Continued)**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

Deferred outflows of resources totaling \$343,699 related to pensions resulting from the Town of Burrillville's contributions in fiscal year 2017 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (83,287)
2019	(83,289)
2020	38,147
2021	(29,909)
2022	(49,902)
Thereafter	<u>(4,009)</u>
<b>Total</b>	<b><u>\$ (212,249)</u></b>

**(b) Employees' Retirement System**

***General Information about the Pension Plan***

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

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

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TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(b) Employees' Retirement System (Continued)**

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

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

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at four-year intervals commencing with the plan year ending June 30, 2016.

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

**Contributions** - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2017, Burrillville School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Burrillville School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Burrillville School Department; the rates were 9.48% and 12.47% of annual covered payroll for the fiscal year ended June 30, 2017 for the State and Burrillville School Department, respectively. The Burrillville School Department contributed \$1,861,155, \$1,936,089, and \$1,861,211 for the fiscal years ended June 30, 2017, 2016, and 2015, and 2014, respectively, equal to 100% of the required contributions for each year. For financial reporting purposes, the State's share of contributions are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements and amounted to \$1,375,758 for fiscal year 2017.

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

At June 30, 2017, the Burrillville School Department reported a liability of \$24,908,450 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Burrillville School Department as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Burrillville School Department were as follows:

Burrillville School Department proportionate share of the net pension liability	\$24,908,450
State's proportionate share of the net pension liability associated with the Burrillville School Department	<u>17,058,630</u>
Total net pension liability	<u>\$41,967,080</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(b) Employees' Retirement System (Continued)**

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

The net pension liability was measured as of June 30, 2016, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. The Burrillville School Department's proportion of the net pension liability was based on a projection of the Burrillville School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2016 the Burrillville School Department proportion was 0.83485176%.

For the year ended June 30, 2017, the Burrillville School Department recognized gross pension expense of \$3,187,073 and revenue of \$1,427,918 for support provided by the State. At June 30, 2017, the Burrillville School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred outflows of resources</b>	
Contributions subsequent to the measurement date	\$1,955,802
Net difference between projected and actual earnings on pension plan investments	2,818,637
Changes in proportion and differences between employer contributions and proportionate share of contributions	192,234
<b>Total</b>	<b>\$4,966,673</b>
<b>Deferred inflows of resources</b>	
Change of assumptions	\$ 515,965
Differences between expected and actual experience	491,457
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,964,337
Net difference between projected and actual earnings on pension plan investments	874,897
<b>Total</b>	<b>\$3,846,656</b>

(CONTINUED)



TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(b) Employees' Retirement System (Continued)**

Deferred outflows of resources totaling \$1,955,802 related to pensions resulting from the Burrillville School Department's contributions in fiscal year 2017 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ (164,215)
2019	(164,215)
2020	273,233
2021	(50,519)
2022	(217,705)
Thereafter	(512,364)
<b>Total</b>	<b><u>\$(835,785)</u></b>

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

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

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

The actuarial assumptions used in the June 30, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(b) Employees' Retirement System (Continued)**

**Actuarial Assumptions (Continued)**

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<i>Type of Investment</i>	<i>Target Allocation</i>	<i>Long-term expected real rate of return</i>
Global Equity:	38.0%	-
U.S. Equity	-	6.98%
International Developed	-	7.26%
International Emerging Markets	-	9.57%
Equity Hedge Funds	8.0%	4.10%
Private Equity	7.0%	10.15%
Core Fixed Income	15.0%	2.37%
Absolute Return Hedge Funds	7.0%	4.10%
Infrastructure	3.0%	5.58%
Real Estate	8.0%	5.33%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.97%
Credit	-	4.97%
Inflation Linked Bonds	-	1.76%
Cash, Overlay, Money Market	3.0%	0.82%
	100.0%	

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(b) Employees' Retirement System (Continued)**

**Actuarial Assumptions (Continued)**

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

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00 Increase (8.5%)
\$30,759,756	\$24,908,450	\$20,118,278

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

**(c) Teachers' Survivors Benefit Plan**

**General Information about the Pension Plan**

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

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

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(c) Teachers' Survivors Benefit Plan (Continued)**

**General Information about the Pension Plan (Continued)**

**Eligibility and plan benefits (Continued)**

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

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

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

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

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

The Burrillville School Department contributed \$20,722, \$20,010, and \$20,027 for the fiscal years ended June 30, 2017, 2016, and 2015, respectively, equal to 100% of the required contributions for each year.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(c) Teachers' Survivors Benefit Plan (Continued)**

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

At June 30, 2017, the Burrillville School Department reported an asset of \$3,191,433 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2016, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2016. The Burrillville School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2016 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2016, the Burrillville School Department's proportion was 3.20515468%.

For the year ended June 30, 2017, the Burrillville School Department recognized pension expense of \$(43,085) – an increase in the net pension asset. At June 30, 2017, the Burrillville School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred outflows of resources</b>	
Contributions subsequent to the measurement date	\$ 20,722
Differences between expected and actual experience	607,543
Net difference between projected and actual investment earnings	844,493
Changes in proportion and differences between employer contributions and proportionate share of contributions	97,317
<b>Total</b>	<b><u>\$1,570,075</u></b>
<b>Deferred inflows of resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$260,740
Differences between expected and actual experience	634,450
<b>Total</b>	<b><u>\$895,190</u></b>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(c) Teachers' Survivors Benefit Plan (Continued)**

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

Deferred inflows of resources totaling \$20,722 related to pensions resulting from the Burrillville School Department contributions in fiscal year 2017 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$123,029
2019	123,029
2020	253,399
2021	158,348
2022	18,514
Thereafter	(22,156)
<b>Total</b>	<b>\$ 654,163</b>

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

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

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

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

The actuarial assumptions used in the June 30, 2016 valuation and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(c) Teachers' Survivors Benefit Plan (Continued)**

**Actuarial Assumptions (Continued)**

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity:	38.0%	-
U.S. Equity	-	6.98%
International Developed	-	7.26%
International Emerging Markets	-	9.57%
Equity Hedge Funds	8.0%	4.10%
Private Equity	7.0%	10.15%
Core Fixed Income	15.0%	2.37%
Absolute Return Hedge Funds	7.0%	4.10%
Infrastructure	3.0%	5.58%
Real Estate	8.0%	5.33%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.97%
Credit	-	4.97%
Inflation Linked Bonds	-	1.76%
Cash, Overlay, Money Market	<u>3.0%</u>	0.82%
	100.0%	

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**(c) Teachers' Survivors Benefit Plan (Continued)**

**Actuarial Assumptions (Continued)**

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

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00 Increase (8.5%)
\$2,532,439	\$3,191,433	\$3,730,610

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

**11. DEFINED CONTRIBUTION PLAN**

**Defined Contribution Plan Description:**

Certain employees participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Contribution rates for general employees, public safety employees, teachers, and the employer were as follows for the fiscal year ended June 30, 2017:

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

(CONTINUED)



**TOWN OF BURRILLVILLE, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**11. DEFINED CONTRIBUTION PLAN (Continued)**

***Defined Contribution Plan Description (Continued):***

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

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

The Town of Burrillville recognized pension expense of \$31,509, for the fiscal year ended June 30, 2017. Town of Burrillville plan members contributed \$145,968 during the fiscal year ended June 30, 2017. The Burrillville School Department recognized pension expense of \$283,571 and \$24,927 for teachers and general employees, respectively for the fiscal year ended June 30, 2017. Burrillville School Department plan members contributed \$840,384 during the fiscal year ended June 30, 2017.

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

**12. CONTINGENT LIABILITIES**

***Board of Administration***

The Town is committed under an agreement for the rental of the Town Hall facilities. The terms are determined by the Board of Administration on an annual basis as provided under the will of Austin T. Levy. Total payments made for fiscal year ending June 30, 2017 totaled \$181,120 consisting of \$164,120 for rental of Town Hall facilities and \$17,000 for capital improvements. Total payments to be made for fiscal year ending June 30, 2018 total \$164,120.

***School Department***

The School Department has contracted with DATTCO, Inc. to have bus service provided for students through the last day of school in June 2018. The annual payment on this contract varies from year to year based on the transportation needs of the department. There is a 2.8% increase each year on the cost per bus as dictated by the bus transportation contract with DATTCO, Inc. Busing costs associated with this agreement totaled approximately \$1,995,000 for the year ended June 30, 2017.

***Grants***

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

***Self-Insurance***

The Town has elected to pay unemployment compensation on a claims-made basis rather than as a percentage of payroll. No accrual has been made for claims expected to arise from service related to fiscal 2017 because Town officials are of the opinion that, based upon prior years' experience, any claims relating to this period will be immaterial.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**12. CONTINGENT LIABILITIES (Continued)**

***Litigation***

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

**13. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

***Plan Description***

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

The Town's OPEB Plan is a single-employer defined benefit plan offering healthcare benefits that are administered by the Rhode Island Interlocal Risk Management Trust. The Town provides post employment healthcare benefits to eligible retirees in accordance with the various labor contracts and personnel policies. As of June 30, 2016, 329 individuals (302 active employees and 27 retirees plus beneficiaries) were participating in the Plan. Since the plan has no assets, reporting an Other Post Employment Benefit (OPEB) trust fund in the accompanying financial statements is not required. An actuarial consultant, Clarity in Numbers, LLC, was hired to determine the Town's actuarial valuation of the post retirement benefits that are offered to current and future retirees as of July 1, 2016. The plan does not issue a stand-alone report.

***Funding Policy***

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

***Benefit Provisions and Contributions:***

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

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

**Eligibility:** Employees are eligible for medical benefits upon retirement if enrolled in the active medical plan immediately prior to retiring. Employees are eligible as follows:

**Council 94/School – NonCertified/Waste Water/Municipal NonUnion(Including Library)**

Years of Service as of July 1, 2012	Benefit Start Date
Less than 5	Normal Social Security Age
Between 5 and 30	59
30 or more	Any age

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**13. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Benefit Provisions and Contributions (Continued):**

**Eligibility (Continued):**

**School (Certified):** Age 60 and 10 years of service, or 28 years of service at any age.

**Police:** 20 years of service at any age.

**Benefit/Cost Sharing:**

All eligible employees may elect coverage in the Plan until age 65. Coverage beyond age 65 is provided only to School retirees who retired prior to August 31, 1997. Spouses may be covered for as long as the retiree is covered (i.e., until retiree attains age 65). The retiree is responsible for paying a portion of the premium as follows:

**Municipal Council 94:** If a retiree has at least 20 years of service, then the Town covers 100% of the premium for a single plan for five years. If a retiree has less than 20 years of service, the retiree is responsible for 100% of the medical premium. If the retiree was hired on or after July 1, 2016, then he or she is required to pay a co-share of \$40 every two weeks for the first five years.

**Municipal non-union (including Library):** If a retiree has over 20 years of service, then the Town covers 100% of the premium for a single plan for the first five years. If the retiree was hired on or after July 1, 2016, then he or she is required to pay a co-share of \$40 every two weeks for the first five years. If a retiree has less than 20 years of service, the retiree is responsible for 100% of the medical premium.

**Municipal Council 94 and Police participants who retired prior to July 1, 2012 have been grandfathered in under the prior coverage:** If a retiree has less than 15 years of service, then he or she must pay 100% of the premium. If a retiree has at least 15 years of service, then the Town pays 100% of the premium for the first two years of retirement, 50% of the premium for the next two years of retirement, and 0% thereafter.

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

**Police:** The Town pays 100% of the premium for a single plan for five years minus the retiree co-share listed below:

Date of hire:	Before July 1, 2005	Between July 1, 2005 and December 31, 2009	After December 31, 2009
Co-share:	None	\$40 every two weeks	15% of the premium

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**13. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

***Classes of Employees Covered***

As of July 1, 2016 membership data was as follows:

Active Employees	302
Retirees plus beneficiaries	<u>27</u>
Total Plan Members	<u>329</u>

The Town may contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year ending June 30, 2017, the Town made no contributions to a trust and instead elected to continue funding on a pay-as-you-go basis, which was determined to be \$237,959. These costs are recognized as an expense when claims or premiums are paid. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

Annual required contribution (ARC) .....	\$ 261,152
Interest on net OPEB obligation .....	(1,182)
Adjustment to annual required contribution .....	<u>1,224</u>
Annual OPEB cost (expense) .....	261,194
Contributions made .....	<u>(237,959)</u>
Increase in net OPEB obligation .....	23,235
 Net OPEB obligation - July 1, 2016 .....	 <u>(29,559)</u>
Net OPEB obligation (asset) - June 30, 2017 .....	<u>\$ (6,324)</u>

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

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation (Asset)</u>
6/30/2015	\$233,843	105.0%	\$ 7,022
6/30/2016	\$236,888	115.4%	\$(29,559)
6/30/2017	\$261,194	91.1%	\$ (6,324)

The governmental activities are reporting a net OPEB asset of \$9,158, while the business-type activities are reporting a net OPEB obligation of \$2,834.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**13. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Funded Status and Funding Progress**

The funded status of the Plan as of July 1, 2016 was as follows:

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(B-A) Unfunded Actuarial Accrued Liability (UAAL)	(A/B) Funded Ratio	(C) Covered Payroll	[(A-B)/C] UAAL as a Percentage of Covered Payroll
July 1, 2016	\$0	\$3,146,108	\$(3,146,108)	0.0%	\$26,050,678	(12.1%)

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

**Actuarial Methods and Assumptions**

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

Discount Rate .....	4.00%
Health Care and Trend Rate Contribution .....	4.50% - 7.50%
Ultimate Medical Trend Rate .....	4.50%
Year Ultimate Medical Trend Rate Reached .....	2037
Actuarial Funding Method .....	Projected Unit Credit
Actuarial Cost Method .....	Entry Age Normal - Level Percentage
The remaining amortization period at June 30, 2014 .	20 years
Valuation Type .....	Open Group
Payroll Growth Rate .....	2.50%
Mortality Rate .....	RP-2014 Combined Healthy Mortality Table for Males and Females Backed off to 2006 and Projected Generationally with Scale MP-2016
General Inflation Rate .....	2.5%

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**14. MAJOR TAX REVENUE SOURCE**

The Town of Burrillville had a tax treaty and agreement with TransCanada/Ocean State Power (OSP), an electric generating facility, which required OSP to pay the Town annual fixed payments in lieu of taxes. As of December 31, 2011, the agreement with OSP expired and OSP has been included in the tax levy.

OSP exercised its right to appeal the tax levy. Ocean State Power then filed four lawsuits in Superior Court challenging the valuation of its property, for the tax years 2011 through 2014.

The Town vigorously defended those suits. The 2011 suit was scheduled for trial on March 28, 2016. On December 9, 2015, the parties signed a settlement regarding all claims by Ocean State Power. The settlement resulted in the dismissal of all claims and suits with no refunds of any taxes or payments of interest to Ocean State Power. In addition, the parties executed a new tax agreement for six (6) years using an agreed assessed valuation of \$160 million. The parties also executed a new tax agreement that will take effect if Ocean State Power builds a new plant.

In June 2017, LS Power Equity Advisors LLC acquired the Ocean State Power facility along with three other generating facilities from TransCanada Corporation.

**15. DEFERRED COMPENSATION PLAN**

The Town offers its municipal employees a deferred compensation plan established in accordance with the provisions of Internal Revenue Code Section 457. The Plan, available to all municipal employees, permits the deferral of a portion of their salary. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Town Council is responsible for establishing or amending the Plan's provisions and establishing or amending contribution requirements. The defined contribution Plan is currently administered by Voya Financial and AXA Equitable Financial Services, LLC.

The Town has implemented the Governmental Accounting Standards Board, Statement No. 32, "Accounting for Internal Revenue Code Section 457 Deferred Compensation Plans." All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, deferred compensation investments and the respective liability have not been included in the Town's financial statements for the year ended June 30, 2017. Employees are allowed to make contributions to the Plan up to IRC limits, currently \$18,000 (\$24,000 if age 50 or older). There is no Town required contribution and no additional obligation incurred by the Town as a result of the employee contributions. Employee contributions to the Plan for the year ended June 30, 2017 were \$90,770. The Town has an obligation to prudently manage these monies.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**16. RISK MANAGEMENT**

The Town of Burrillville is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims for losses that are above the Trust's self-insured retention. Under the participation agreement, the Town is insured for general liability for a maximum of \$5,000,000 per occurrence. There have been no reductions in insurance coverage from the previous year. Settled claims resulting from these risks have not exceeded the Trust Coverage in any of the past 30 fiscal years.

During the fiscal year ended June 30, 2017, the Town paid premiums of \$93,311 for workers' compensation coverage and \$151,473 for property and liability coverage.

At June 30, 2017, the Trust held reserves for future payments of open cases of \$83,869 for property and liability claims and \$33,237 for workers compensation claims for the Town of Burrillville. The Trust is obligated to make payments on the Town's behalf without any further obligation of the Town, unless the Town's applicable limit of liability was exhausted by the size of the loss or the nature of the loss would fall outside the parameters of the Trust policy. As of June 30, 2017, the Town believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

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

**17. INTERFUND TRANSFERS**

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating costs with revenue generated by the fund. During the year ended June 30, 2017, the interfund transfers were primarily to transfer budgeted amounts to the School Department for operations and to a capital project fund.

Interfund transfers for fiscal year ended June 30, 2017 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental activities:</b>		
<b>Major funds:</b>		
General Fund .....	\$ 145,907	\$23,337,402
School Department .....	18,400,799	44,000
<b>Non-major funds</b> .....	4,906,485	93,982
<b>Total governmental activities</b> .....	<u>\$23,453,191</u>	<u>\$23,475,384</u>
 <b>Business-type activities:</b>		
<b>Major funds:</b>		
Sewer Authority .....		\$ 21,807
<b>Non-major funds</b> .....	\$ 44,000	
<b>Total business-type activities</b> .....	<u>\$ 44,000</u>	<u>\$ 21,807</u>

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**18. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

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

The Town utilizes the General Fund to account for closure and postclosure care costs of its two closed landfills (Clear River Road and Whipple Avenue). The Clear River Road landfill was closed in 1991. Postclosure monitoring costs are estimated at \$14,400 per year for the remaining four years.

The Whipple Avenue landfill was closed in 1976. During fiscal year 2008, the Town, in accordance with state and federal regulations, entered into a voluntary compliance program which required the Town to place a final cover on the landfill and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The landfill capping project was completed in fiscal year 2011. Postclosure monitoring costs are estimated at \$32,100 per year for the remaining 25 years. These estimates are based on an independent evaluation of the cost to perform closure and postclosure monitoring. These estimates are subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations. Annual postclosure monitoring costs are expected to be funded through General Fund appropriations.

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

<u>Town Landfill</u>	<u>Year of Closure</u>	<u>Remaining Capping Cost (Estimate)</u>	<u>Monitoring Costs (Estimate)</u>	<u>Years Remaining</u>	<u>Projected Liability</u>	<u>Short-Term Liability</u>	<u>Long-Term Liability</u>
Clear River Road	1991	N/A	\$14,400	4	\$ 57,600	\$14,400	\$ 43,200
Whipple Avenue	1976	N/A	<u>32,100</u>	25	<u>802,500</u>	<u>32,100</u>	<u>770,400</u>
			<u>\$46,500</u>		<u>\$860,100</u>	<u>\$46,500</u>	<u>\$813,600</u>

**19. PUBLIC ENTITY RISK POOL**

***The Health Pool***

The Town participates in a public entity risk pool through the Rhode Island Interlocal Risk Management Trust (the Trust) entitled the Health Pool (the Pool), formerly known as The Governmental Health Group of Rhode Island, Inc. (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).

(CONTINUED)



**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**19. PUBLIC ENTITY RISK POOL (Continued)**

***The Health Pool (Continued)***

Using the rate calculations prepared by the Trust, 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 1) at a level sufficient, in the aggregate, to satisfy the funding requirements of the Pool, and 2) with the intent that over the long term each member is contributing its fair share. 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 participation in the Pool at its discretion, but a withdrawal may only be effective on June 30<sup>th</sup> of any year. Any election to terminate participation in the Pool requires a written notification to the Trust of such intent to withdraw no later than May 1<sup>st</sup> or two (2) months prior to the policy expiration date, whichever date is earlier. Liquidated damages would be assessed at the time of departure prior to the initial three-year period. The Trust may terminate a member's coverage for failure to pay amounts due.

For the year ended June 30, 2017, unaudited results indicate that the Pool generated \$141,397,622 in revenues and had a change in net position, revenues less expenses, of (\$2,099,236). The Pool had \$56,071,374 in total assets and \$31,212,128 in total equity as of June 30, 2017.

The Pool retains certain levels of insurance risk. Specific losses in excess of \$1 million to a limit of \$2 million are covered by a Health Excess Claims Stoploss Account internal to the Trust that is funded by annual Stoploss Account payments from the Health Pool. As of June 30, 2017, the Pool's membership consisted of 45 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.

**20. SUBSEQUENT EVENTS**

***Refunding Bonds***

On September 7, 2017, the Town issued \$2,780,000 of refunding bonds with an interest rate of 2.015% requiring annual principal payments beginning November 1, 2017 through November 1, 2026. The refunding bonds were used to fully defease the 2006 Series A general obligation library and sewer bonds.

***Tax Agreement***

On November 3, 2016, the Town of Burrillville approved a tax agreement with Clear River Energy LLC, an electric generating facility (power plant) proposed for Wallum Lake Road in Pascoag. Much of the revenue from the tax agreement is subject to the state's Energy Facility Siting Board permitting the plant. The Town opposes the plant and has engaged in a lengthy and costly battle to convince the state to deny the application to site the Clear River Energy Center in Burrillville.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**20. SUBSEQUENT EVENTS (Continued)**

***Tax Agreement (Continued)***

Part of the tax agreement provides for payments of \$3,675,000 to the Town before the project is approved. Of that amount, \$1,925,000 was received during FY2017. These "support and impact fees" will be paid even if the power plant is not approved. On December 13, 2016, the Town Council established the Clear River Energy Fund. The provisions of the fund mandate that all money received upfront from Clear River Energy LLC will be deposited in this fund to finance the response and defense against the proposed power plant.

If, despite the Town's efforts to stop the power plant, the state permits construction of the Clear River Energy Plant, the tax agreement provides for the annual payments to the Town. The amount of the annual payment depends upon a number of factors, including the size of the power plant that is approved. Tax payments in the first year after the commercial operation date is achieved would be between \$3,600,000 and \$7,137,500 escalating annually. In the 20<sup>th</sup> and final year, payments would be between \$5,755,141 and \$11,410,366. Originally slated to be operational in 2019, the company recently announced a delay to at least 2021.

The Tax Agreement also includes a Decommissioning Agreement which provides for removal or reuse at the end of the power plant's operating life and restoring the site to its original state, a Property Value Guarantee Agreement (PVA) for 116 neighboring property owners, and an Opt Out Agreement for neighboring property owners who choose to opt out of the PVA.

In August 2017, Nation Grid applied for an interconnect permit to reconstruct the transmission line from the Enbridge (Spectra) compressor station site to the Sherman Farm Road substation. This upgrade would be needed to transmit power from the new power plant should it be built. The project is estimated to cost between \$60 - \$80 million dollars.

(CONCLUDED)

# ***TOWN OF BURRILLVILLE***

## **REQUIRED SUPPLEMENTARY INFORMATION**

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TOWN OF BURRILLVILLE, RHODE ISLAND**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	<b>General Employees</b>			<b>Police Employees</b>		
	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>A. Total pension liability</b>						
1. Service Cost	\$ 570,934	\$ 558,807	\$ 571,246	\$ 284,607	\$ 261,005	\$ 238,634
2. Interest on the Total Pension Liability	2,034,644	1,965,817	1,868,378	838,227	832,456	796,207
3. Changes of benefit terms	0	556,208	0	0	286,545	0
4. Difference between expected and actual experience of the Total Pension Liability	(467,173)	(703,472)	0	(303,421)	0	0
5. Changes of assumptions	0	0	206,772	0	(776,149)	(61,110)
6. Benefit payments, including refunds of employee contributions	(1,580,673)	(1,350,801)	(1,331,179)	(588,358)	(489,084)	(514,109)
7. Net change in total pension liability	557,732	1,026,559	1,315,217	231,055	114,773	459,622
8. Total pension liability – beginning	27,633,450	26,606,891	25,291,674	11,328,232	11,213,459	10,753,837
9. Total pension liability – ending (a)	28,191,182	27,633,450	26,606,891	11,559,287	11,328,232	11,213,459
<b>B. Plan fiduciary net position</b>						
1. Contributions – employer	505,089	501,237	476,580	358,658	330,750	159,913
2. Contributions – employee	201,073	120,591	120,310	138,824	106,479	98,864
3. Net investment income	(1,813)	631,724	3,599,161	(3,159)	215,730	1,205,386
4. Benefit payments, including refunds of employee contributions	(1,580,673)	(1,350,801)	(1,331,179)	(588,358)	(489,084)	(514,109)
5. Pension Plan Administrative Expense	(31,557)	(17,873)	(22,538)	(8,500)	(8,656)	(7,548)
6. Other	4,998	48,443	(47,580)	(1)	0	(1)
7. Net change in plan fiduciary net position	(902,883)	(66,679)	2,794,754	(102,536)	155,219	942,505
8. Plan fiduciary net position – beginning	26,956,311	27,022,990	24,228,236	9,205,418	9,050,199	8,107,694
9. Plan fiduciary net position – ending (b)	26,053,428	26,956,311	27,022,990	9,102,882	9,205,418	9,050,199
<b>C. Net pension liability - ending (a) - (b)</b>	<b>\$ 2,137,754</b>	<b>\$ 677,139</b>	<b>\$ (416,099)</b>	<b>\$ 2,456,405</b>	<b>\$ 2,122,814</b>	<b>\$ 2,163,260</b>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	92.42%	97.55%	101.56%	78.75%	81.26%	80.71%
<b>E. Covered employee payroll</b>	<b>\$ 6,028,871</b>	<b>\$ 6,021,628</b>	<b>\$ 5,799,448</b>	<b>\$ 1,395,130</b>	<b>\$ 1,330,979</b>	<b>\$ 1,235,806</b>
<b>F. Net pension liability as a percentage of covered payroll</b>	35.46%	11.25%	-7.17%	176.07%	159.49%	175.05%

TOWN OF BURRILLVILLE, RHODE ISLAND**SCHEDULE OF EMPLOYER CONTRIBUTIONS****Municipal Employees' Retirement System - General Employees**

	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 493,251	\$ 497,482	\$ 497,261
Contributions in relation to the actuarially determined contribution	(493,251)	(497,482)	(497,261)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 6,082,010	\$ 5,838,991	\$ 6,012,830
Contributions as a percentage of covered-employee payroll	8.11%	8.52%	8.27%

**Municipal Employees' Retirement System - Police Employees**

	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 343,699	\$ 357,575	\$ 323,503
Contributions in relation to the actuarially determined contribution	(343,699)	(357,575)	(323,503)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 1,578,049	\$ 1,394,055	\$ 1,299,209
Contributions as a percentage of covered-employee payroll	21.78%	25.65%	24.90%

**Notes:**

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

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***Changes in benefit provisions:***

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan based on the members years of service (an additional .25% for members with 10-15 years of service and .50% for members with 15-20 years of service). Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before 7/1/2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND**SCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY****Employees' Retirement System**

	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>
Burrillville School Department's proportionate percentage of the net pension liability	0.83485176%	0.82699821%	0.92527010%
Burrillville School Department's proportionate share of the net pension liability	\$ 24,908,450	\$ 22,767,283	\$ 22,521,078
State of Rhode Island's proportionate share of the net pension liability associated with the Burrillville School Department	17,058,630	15,553,893	15,443,740
Total	<u>\$ 41,967,080</u>	<u>\$ 38,321,176</u>	<u>\$ 37,964,818</u>
Burrillville School Department's covered employee payroll	\$ 15,100,097	\$ 14,801,904	\$ 14,552,080
Burrillville School Department's proportionate share of the net pension liability as a percentage of its covered employee payroll	164.96%	153.81%	154.76%
Plan fiduciary net position as a percentage of the total pension liability	54.06%	57.55%	61.40%

**Notes:**

- 1.) The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.
- 2.) The schedules are intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

TOWN OF BURRILLVILLE, RHODE ISLANDSCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S CONTRIBUTIONS**Employees' Retirement System**

	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>
Actuarially determined contribution	\$ 1,861,155	\$ 1,936,089	\$ 1,861,211
Contributions in relation to the actuarially determined contribution	(1,861,155)	(1,936,089)	(1,861,211)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Contributions as a percentage of covered- employee payroll	12.47%	13.08%	12.79%

**Notes:**

- 1.) The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.
- 2.) The schedules are intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.



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

	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>
Burrillville School Department's proportionate percentage of the net pension asset	3.20515468%	3.31903683%	3.29654812%
Burrillville School Department's proportionate share of the net pension asset	\$ 3,191,433	\$ 3,098,507	\$ 4,098,293
Burrillville School Department's covered employee payroll	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Burrillville School Department's proportionate share of the net pension asset as a percentage of its covered employee payroll	21.4%	20.9%	28.2%
Plan fiduciary net position as a percentage of the total pension liability	153.3%	146.6%	173.3%

**Notes:**

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

TOWN OF BURRILLVILLE, RHODE ISLAND**SCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S CONTRIBUTIONS****Teachers' Survivors Benefit Plan**

	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>
Statutorily determined contribution	\$ 20,722	\$ 20,010	\$ 20,027
Contributions in relation to the statutorily determined contribution	(20,722)	(20,010)	(20,027)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Contributions as a percentage of covered- employee payroll	0.14%	0.14%	0.14%

**Notes:**

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

**TOWN OF BURRILLVILLE, RHODE ISLAND****REQUIRED SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)****SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFITS**

Actuarial Valuation Date <u>June 30</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Overfunded (Unfunded) AAL (UAAL) <u>(a-b)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((a-b)/c)</u>
7/01/13 (FY14)	\$0	\$2,712,358	\$(2,712,358)	0%	\$22,066,792	(12.3%)
7/01/14 (FY15)	\$0	\$3,120,605	\$(3,120,605)	0%	\$24,672,541	(12.6%)
7/01/15 (FY16)	\$0	\$3,096,447	\$(3,096,447)	0%	\$25,289,355	(12.2%)
7/01/16 (FY17)	\$0	\$3,146,108	\$(3,146,108)	0%	\$26,050,678	(12.1%)

**Notes to the Schedule of Funding Progress****Changes Since Last Valuation:**

- Mortality was updated from RP-2014 Combined Healthy Mortality Table for Males and Females Projected Generationally with Scale MP-2014 to RP-2014 Combined Healthy Mortality Table for Males and Females Backed off to 2006 and Projected Generationally with Scale MP-2016.
- Health Care and Contribution trend rates were updated from an initial rate of 6.85% in fiscal 2016 and an ultimate rate of 4.00% in fiscal 2036 to an initial rate of 7.50% in fiscal 2017 and an ultimate rate of 4.50% in fiscal 2037.
- The impact of the ACA excise tax on high-cost healthcare plans was estimated and reflected.

TOWN OF BURRILLVILLE, RHODE ISLAND

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

**GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Originally Adopted Budget	Final Approved Budget	Actual Budgetary Basis	Variance
<b>REVENUES:</b>				
General property taxes	\$ 30,967,058	\$ 30,967,058	\$ 31,518,851	\$ 551,793
Intergovernmental	15,935,994	15,935,994	15,711,920	(224,074)
Licenses, permits and fees	388,175	388,175	556,268	168,093
Investment income	24,100	24,100	41,776	17,676
Departmental	97,500	97,500	97,109	(391)
<b>Total revenues</b>	<b>47,412,827</b>	<b>47,412,827</b>	<b>47,925,924</b>	<b>513,097</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	3,302,535	3,335,235	3,032,670	302,565
Public safety	2,690,959	2,692,359	2,582,845	109,514
Public works	1,382,964	1,414,764	1,413,021	1,743
Recreation and social services	159,612	164,612	152,233	12,379
Libraries	835,241	835,241	835,241	
Employee benefits and other	2,405,115	2,334,215	2,205,521	128,694
<b>Debt service:</b>				
Principal	1,801,000	1,801,000	1,463,000	338,000
Interest and other costs	565,637	565,637	394,701	170,936
<b>Capital outlay</b>	<b>2,184,953</b>	<b>4,371,417</b>	<b>1,432,098</b>	<b>2,939,319</b>
<b>Total expenditures</b>	<b>15,328,016</b>	<b>17,514,480</b>	<b>13,511,330</b>	<b>4,003,150</b>
<b>Excess of revenues over expenditures</b>	<b>32,084,811</b>	<b>29,898,347</b>	<b>34,414,594</b>	<b>4,516,247</b>
<b>Other financing sources (uses):</b>				
Transfers out	(35,501,367)	(33,417,347)	(33,461,697)	(44,350)
Transfers in	3,416,556	332,536	45,907	(286,629)
Town-held tax liens	0	0	(137,768)	(137,768)
Reappropriation of prior year's fund balance	0	3,186,464	3,186,464	0
<b>Net other financing sources (uses)</b>	<b>(32,084,811)</b>	<b>(29,898,347)</b>	<b>(30,367,094)</b>	<b>(468,747)</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>4,047,500</b>	<b>\$ 4,047,500</b>
Less: reappropriated fund balance			(3,186,464)	
Less: deficiency of revenues and other sources under expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54			(3,225,450)	
<b>Fund Balance, beginning of year, as restated</b>			<b>17,558,633</b>	
<b>Fund Balance, end of year</b>			<b>\$ 15,194,219</b>	

TOWN OF BURRILLVILLE, RHODE ISLAND

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

**BURRILLVILLE SCHOOL DEPARTMENT GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Originally Adopted Budget	Final Approved Budget	Actual Budgetary Basis	Variance
<b>Revenues:</b>				
State aid	\$ 13,075,982	\$ 13,075,982	\$ 13,075,982	
Miscellaneous	300,000	300,000	340,719	\$ 40,719
<b>Total revenues</b>	<u>13,375,982</u>	<u>13,375,982</u>	<u>13,416,701</u>	<u>40,719</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Salaries	18,809,961	18,809,961	18,881,668	(71,707)
Employee benefits	7,002,719	7,019,309	6,870,287	149,022
Purchased services	4,758,610	4,755,810	4,738,828	16,982
Supplies and materials	1,077,395	1,028,758	964,936	63,822
Other	33,541	39,469	37,972	1,497
<b>Capital outlay</b>	<u>91,274</u>	<u>120,193</u>	<u>134,558</u>	<u>(14,365)</u>
<b>Total expenditures</b>	<u>31,773,500</u>	<u>31,773,500</u>	<u>31,628,249</u>	<u>145,251</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(18,397,518)</u>	<u>(18,397,518)</u>	<u>(18,211,548)</u>	<u>185,970</u>
<b>Other financing sources (uses):</b>				
Transfer from Town of Burrillville	18,441,518	18,441,518	18,400,799	(40,719)
Transfers to other funds	(44,000)	(44,000)	(44,000)	
<b>Net other financing sources (uses)</b>	<u>18,397,518</u>	<u>18,397,518</u>	<u>18,356,799</u>	<u>(40,719)</u>
<b>Excess of revenues and other financing sources over (under) expenditures</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>145,251</u>	<u>\$ 145,251</u>
Add: current year encumbrances			34,474	
Less: prior year encumbrances			(55,077)	
<b>Fund balance, beginning of year</b>			<u>653,672</u>	
<b>Fund balance, end of year</b>			<u>\$ 778,320</u>	

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

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**BUDGETARY TO GAAP BASIS RECONCILIATION**

As more fully described in Note 2, the following reconciliation summarizes the differences for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2017:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis) .....	\$ 4,047,500
Fund balance reappropriated .....	(3,186,464)
Deficiency of revenues and other sources under expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54 .....	<u>(3,225,450)</u>
Net change in fund balance (GAAP) .....	<u>\$ (2,364,414)</u>

The following reconciliation summarizes the differences for the School Department's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2017:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis) .....	\$ 145,251
Current year encumbrances .....	34,474
Prior year encumbrances .....	<u>(55,077)</u>
Net change in fund balance (GAAP) .....	<u>\$ 124,648</u>

# ***TOWN OF BURRILLVILLE***

## **NON-MAJOR GOVERNMENTAL FUNDS**

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### **SPECIAL REVENUE FUNDS**

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

#### **School Restricted Grants**

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

#### **Community Recreation**

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

#### **Town Clerk – Technology**

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

#### **Historical Records**

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

#### **Solemn Federal Task Force**

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

#### **Animal Shelter Donation Account**

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

#### **Library Grant**

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

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(CONTINUED)

# ***TOWN OF BURRILLVILLE***

## **NON-MAJOR GOVERNMENTAL FUNDS**

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### **SPECIAL REVENUE FUNDS**

#### **Community Emergency Response Training**

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

#### **Byrne Grant**

This fund accounts for grant monies utilized for Police Department equipment.

#### **Clear River Energy Fund**

This fund accounts for monies received from Clear River Energy LLC outlined in the November 3, 2016 tax agreement to cover expenses related to the Town's response and defense against the Clear River Energy Center power plant in Burrillville, RI, and any subsequent legal action authorized by the Town Council.

#### **Spring Lake**

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

#### **Community Development Block Grant**

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

#### **Homeland Security Grant**

This fund accounts for grant monies received for School communication improvements.

#### **Partnership for Success**

This fund accounts for grant monies received for substance abuse prevention and awareness.

#### **Cops That Care**

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

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# ***TOWN OF BURRILLVILLE***

## **NON-MAJOR GOVERNMENTAL FUNDS**

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### **SPECIAL REVENUE FUNDS**

#### **Ocean State Power Funds**

This fund accounts for monies received from Ocean State Power. Per an agreement with the Town, Ocean State Power contributed every year for twenty years to the Ocean State Power Scholarship Fund. The fund is headed by a committee which approves the awards of local scholarships.

#### **Narcotics Guidance Council**

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

#### **Police Legislative Grant**

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

#### **Police Grant – Operation Riptide**

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

#### **Wallace Lees Scholarship**

This fund accounts for memorial donations received to be used for scholarships for local students.

#### **Snack Pack Program**

This fund accounts for monies used in the Burrillville Weekend Snack Pack Program (provides weekend meals for needy Burrillville students).

#### **Police Task Force**

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

# ***TOWN OF BURRILLVILLE***

## **NON-MAJOR GOVERNMENTAL FUNDS**

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### **CAPITAL PROJECT FUNDS**

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

#### **Eagle Peak Recreation**

This fund accounts for monies utilized for land acquisition to be used for active and passive recreation purposes.

#### **Public Works Complex Fund**

This fund accounts for expenses related to the new Public Works Complex being constructed on Clear River Drive.

#### **School Roof Improvements**

This fund accounts for monies used to upgrade the roofs at Burrillville's various schools.

#### **Oakland/Mapleville Bike Path**

This fund accounts for monies utilized in the creation of the Oakland/Mapleville Bike Path.

#### **North Road Bridge Project**

This fund accounts for bond proceeds received from the Rhode Island Infrastructure Bank for the purpose of replacing the North Road Bridge.

#### **Open Space/Land Acquisition**

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

#### **Major Capital**

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

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(CONTINUED)

# ***TOWN OF BURRILLVILLE***

## **NON-MAJOR GOVERNMENTAL FUNDS**

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### **PERMANENT FUNDS**

#### **Cemetery Fund**

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

#### **Frank H. Potter Bridgeway Fund**

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

#### **Alice McGreevy Thompson Fund**

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

#### **Jesse M. Smith Memorial Library Fund**

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

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(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue Funds					
	School Restricted Grants	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Animal Shelter Donation Account
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 250,899	\$ 122,358				
Other receivables						
Due from:						
Other funds	80,844	29,083	\$ 33,761	\$ 35,785		\$ 6,424
Other governments	135,285					
<b>TOTAL ASSETS</b>	<b>\$ 467,028</b>	<b>\$ 151,441</b>	<b>\$ 33,761</b>	<b>\$ 35,785</b>	<b>\$0</b>	<b>\$ 6,424</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 4,895		\$ 193	\$ 4		
Retainage payable						
Accrued payroll and benefits	98,759					
Due to:						
Other funds	271,259					
Other governments				732		
Unearned revenues	92,115					
Other liabilities						
<b>TOTAL LIABILITIES</b>	<b>467,028</b>	<b>\$ 0</b>	<b>193</b>	<b>736</b>	<b>\$0</b>	<b>\$ 0</b>
<b>FUND BALANCES:</b>						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government			33,568	35,049		
Public safety						6,424
Recreation and social services		82,482				
Education						
Community development						
Committed for:						
General government						
Recreation and social services		68,959				
Capital projects						
<b>TOTAL FUND BALANCES</b>	<b>0</b>	<b>151,441</b>	<b>33,568</b>	<b>35,049</b>	<b>0</b>	<b>6,424</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 467,028</b>	<b>\$ 151,441</b>	<b>\$ 33,761</b>	<b>\$ 35,785</b>	<b>\$0</b>	<b>\$ 6,424</b>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue Funds					
	Library Grant	Community Emergency Response Training	Byrne Grant	Clear River Energy Fund	Spring Lake	Community Development Block Grant
<b>ASSETS:</b>						
Cash and cash equivalents					\$ 115,528	\$ 30,599
Other receivables						214,186
Due from:						
Other funds		\$ 57,226		\$ 595,560	44,605	3,852
Other governments	\$ 100		\$ 7,560			172,919
<b>TOTAL ASSETS</b>	<b>\$ 100</b>	<b>\$ 57,226</b>	<b>\$ 7,560</b>	<b>\$ 595,560</b>	<b>\$ 160,133</b>	<b>\$ 421,556</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>LIABILITIES:</b>						
Accounts payable				\$ 110,246	\$ 8,590	
Retainage payable						
Accrued payroll and benefits					7,377	
Due to:						
Other funds			\$ 2,577		86,422	\$ 5,026
Other governments						
Unearned revenues			4,983		3,500	382,078
Other liabilities	\$ 100					
<b>TOTAL LIABILITIES</b>	<b>100</b>	<b>\$ 0</b>	<b>7,560</b>	<b>110,246</b>	<b>105,889</b>	<b>387,104</b>
<b>FUND BALANCES:</b>						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government						
Public safety		57,226				
Recreation and social services						
Education						
Community development						34,452
Committed for:						
General government				485,314		
Recreation and social services					54,244	
Capital projects						
<b>TOTAL FUND BALANCES</b>	<b>0</b>	<b>57,226</b>	<b>0</b>	<b>485,314</b>	<b>54,244</b>	<b>34,452</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 100</b>	<b>\$ 57,226</b>	<b>\$ 7,560</b>	<b>\$ 595,560</b>	<b>\$ 160,133</b>	<b>\$ 421,556</b>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

**ASSETS:**

Cash and cash equivalents

Other receivables

Due from:

Other funds

Other governments

**TOTAL ASSETS**

Special Revenue Funds					
Homeland Security Grant	Partnership for Success	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Police Legislative Grant
			\$ 555,103 730		
		\$ 232		\$ 119,939	\$ 293
\$ 8,698	\$ 77,367				
\$ 8,698	\$ 77,367	\$ 232	\$ 555,833	\$ 119,939	\$ 293

**LIABILITIES AND FUND BALANCES:****LIABILITIES:**

Accounts payable

Retainage payable

Accrued payroll and benefits

Due to:

Other funds

Other governments

Unearned revenues

Other liabilities

**TOTAL LIABILITIES**

	\$ 3,008		\$ 38,894		
\$ 8,698	14,224		20,491	\$ 77,317	
	60,135	\$ 232			
8,698	77,367	232	59,385	77,317	\$ 0

**FUND BALANCES:**

Nonspendable for:

Perpetual care

Endowments

Restricted for:

General government

Public safety

Recreation and social services

Education

Community development

Committed for:

General government

Recreation and social services

Capital projects

**TOTAL FUND BALANCES**

					293
			496,448	42,622	
0	0	0	496,448	42,622	293
\$ 8,698	\$ 77,367	\$ 232	\$ 555,833	\$ 119,939	\$ 293

**TOTAL LIABILITIES AND FUND BALANCES**

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</u>
	<u>Police Grant - Operation Riptide</u>	<u>Wallace Lees Scholarship</u>	<u>Snack Pack Program</u>	<u>Police Task Force</u>	<u>Eagle Peak Recreation</u>
<b>ASSETS:</b>					
Cash and cash equivalents				\$ 12,886	
Other receivables					
Due from:					
Other funds		\$ 3,230	\$ 3,184		
Other governments	\$ 2,367				
<b>TOTAL ASSETS</b>	<u>\$ 2,367</u>	<u>\$ 3,230</u>	<u>\$ 3,184</u>	<u>\$ 12,886</u>	<u>\$0</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable					
Retainage payable					
Accrued payroll and benefits					
Due to:					
Other funds	\$ 2,367			\$ 5,728	
Other governments					
Unearned revenues					
Other liabilities					
<b>TOTAL LIABILITIES</b>	<u>2,367</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>5,728</u>	<u>\$0</u>
<b>FUND BALANCES:</b>					
Nonspendable for:					
Perpetual care					
Endowments					
Restricted for:					
General government					
Public safety				7,158	
Recreation and social services			3,184		
Education		3,230			
Community development					
Committed for:					
General government					
Recreation and social services					
Capital projects					
<b>TOTAL FUND BALANCES</b>	<u>0</u>	<u>3,230</u>	<u>3,184</u>	<u>7,158</u>	<u>0</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,367</u>	<u>\$ 3,230</u>	<u>\$ 3,184</u>	<u>\$ 12,886</u>	<u>\$0</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Capital Project Funds				
	Public Works Complex Fund	School Roof Improvements	Oakland/ Mapleville Bike Path	North Road Bridge Project	Open Space/ Land Acquisition
<b>ASSETS:</b>					
Cash and cash equivalents					\$ 101,653
Other receivables					
Due from:					
Other funds	\$ 2,794,405				
Other governments			\$ 400,000	\$ 264,226	
<b>TOTAL ASSETS</b>	<u>\$ 2,794,405</u>	<u>\$0</u>	<u>\$ 400,000</u>	<u>\$ 264,226</u>	<u>\$ 101,653</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable			\$ 5,363		
Retainage payable				\$ 23,742	
Accrued payroll and benefits					
Due to:					
Other funds				161,653	\$ 93,982
Other governments					
Unearned revenues			320,525		
Other liabilities					
<b>TOTAL LIABILITIES</b>	<u>\$ 0</u>	<u>\$0</u>	<u>325,888</u>	<u>185,395</u>	<u>93,982</u>
<b>FUND BALANCES:</b>					
Nonspendable for:					
Perpetual care					
Endowments					
Restricted for:					
General government					
Public safety					
Recreation and social services					
Education					
Community development					
Committed for:					
General government					
Recreation and social services					
Capital projects	2,794,405		74,112	78,831	7,671
<b>TOTAL FUND BALANCES</b>	<u>2,794,405</u>	<u>0</u>	<u>74,112</u>	<u>78,831</u>	<u>7,671</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,794,405</u>	<u>\$0</u>	<u>\$ 400,000</u>	<u>\$ 264,226</u>	<u>\$ 101,653</u>

(CONTINUED)



TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Capital Project Funds	Permanent Funds				Total Non-Major Governmental Funds
	Major Capital	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,586,727	\$ 82,636	\$ 16,174	\$ 1,210	\$ 15,250	\$ 2,891,023
Other receivables						214,916
Due from:						
Other funds	2,379,788					6,188,211
Other governments						1,068,522
<b>TOTAL ASSETS</b>	<b>\$ 3,966,515</b>	<b>\$ 82,636</b>	<b>\$ 16,174</b>	<b>\$ 1,210</b>	<b>\$ 15,250</b>	<b>\$ 10,362,672</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 590	\$ 25				\$ 171,808
Retainage payable						23,742
Accrued payroll and benefits						106,136
Due to:						
Other funds		506				750,250
Other governments						732
Unearned revenues						863,568
Other liabilities			\$ 6,174	\$ 210	\$ 250	6,734
<b>TOTAL LIABILITIES</b>	<b>590</b>	<b>531</b>	<b>6,174</b>	<b>210</b>	<b>250</b>	<b>1,922,970</b>
<b>FUND BALANCES:</b>						
Nonspendable for:						
Perpetual care		82,105				82,105
Endowments			10,000	1,000	15,000	26,000
Restricted for:						
General government						68,617
Public safety						71,101
Recreation and social services						128,288
Education						499,678
Community development						34,452
Committed for:						
General government						485,314
Recreation and social services						123,203
Capital projects	3,965,925					6,920,944
<b>TOTAL FUND BALANCES</b>	<b>3,965,925</b>	<b>82,105</b>	<b>10,000</b>	<b>1,000</b>	<b>15,000</b>	<b>8,439,702</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,966,515</b>	<b>\$ 82,636</b>	<b>\$ 16,174</b>	<b>\$ 1,210</b>	<b>\$ 15,250</b>	<b>\$ 10,362,672</b>

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					
	School Restricted Grants	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Animal Shelter Donation Account
<b>REVENUES:</b>						
Intergovernmental	\$ 1,291,625				\$ 1,077	
Investment income		\$ 314				
Other	4,516	16,579	\$ 15,600	\$ 2,638		\$ 40,248
<b>TOTAL REVENUES</b>	<b>1,296,141</b>	<b>16,893</b>	<b>15,600</b>	<b>2,638</b>	<b>1,077</b>	<b>40,248</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government			3,991	373		
Public safety					1,077	36,895
Public libraries						
Recreation and social services		700				
Education	1,293,036					
Community development						
<b>Capital outlay</b>	<b>3,105</b>		<b>12,212</b>			
<b>TOTAL EXPENDITURES</b>	<b>1,296,141</b>	<b>700</b>	<b>16,203</b>	<b>373</b>	<b>1,077</b>	<b>36,895</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>16,193</b>	<b>(603)</b>	<b>2,265</b>	<b>0</b>	<b>3,353</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in						
Transfers out						
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>0</b>	<b>16,193</b>	<b>(603)</b>	<b>2,265</b>	<b>0</b>	<b>3,353</b>
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>0</b>	<b>135,248</b>	<b>34,171</b>	<b>32,784</b>	<b>0</b>	<b>3,071</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 151,441</b>	<b>\$ 33,568</b>	<b>\$ 35,049</b>	<b>\$ 0</b>	<b>\$ 6,424</b>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					
	Library Grant	Community Emergency Response Training	Byrne Grant	Clear River Energy Fund	Spring Lake	Community Development Block Grant
<b>REVENUES:</b>						
Intergovernmental	\$ 165,414	\$ 4,100	\$ 2,577			\$ 791,501
Investment income					\$ 285	2,825
Other				\$1,175,000	233,079	36,970
<b>TOTAL REVENUES</b>	<b>165,414</b>	<b>4,100</b>	<b>2,577</b>	<b>1,175,000</b>	<b>233,364</b>	<b>831,296</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government				689,686		
Public safety		1,036				
Public libraries	165,414					
Recreation and social services					228,992	
Education						
Community development						819,787
<b>Capital outlay</b>			2,577			
<b>TOTAL EXPENDITURES</b>	<b>165,414</b>	<b>1,036</b>	<b>2,577</b>	<b>689,686</b>	<b>228,992</b>	<b>819,787</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>3,064</b>	<b>0</b>	<b>485,314</b>	<b>4,372</b>	<b>11,509</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in						
Transfers out						
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>0</b>	<b>3,064</b>	<b>0</b>	<b>485,314</b>	<b>4,372</b>	<b>11,509</b>
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>0</b>	<b>54,162</b>	<b>0</b>	<b>0</b>	<b>49,872</b>	<b>22,943</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 57,226</b>	<b>\$ 0</b>	<b>\$ 485,314</b>	<b>\$ 54,244</b>	<b>\$ 34,452</b>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					
	Homeland Security Grant	Partnership for Success	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Police Legislative Grant
<b>REVENUES:</b>						
Intergovernmental		\$ 85,135			\$ 7,641	\$ 1,000
Investment income				\$ 1,118		
Other						
<b>TOTAL REVENUES</b>	\$0	85,135	\$0	1,118	7,641	1,000
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government				10,258		
Public safety					7,988	707
Public libraries						
Recreation and social services		75,673				
Education		9,462				
Community development						
<b>Capital outlay</b>						
<b>TOTAL EXPENDITURES</b>	0	85,135	0	10,258	7,988	707
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	0	0	0	(9,140)	(347)	293
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in						
Transfers out						
<b>NET OTHER FINANCING SOURCES (USES)</b>	0	0	0	0	0	0
<b>NET CHANGE IN FUND BALANCES</b>	0	0	0	(9,140)	(347)	293
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	0	0	0	505,588	42,969	0
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	\$0	\$ 0	\$0	\$ 496,448	\$ 42,622	\$ 293

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</u>
	<u>Police Grant - Operation Riptide</u>	<u>Wallace Lees Scholarship</u>	<u>Snack Pack Program</u>	<u>Police Task Force</u>	<u>Eagle Peak Recreation</u>
<b>REVENUES:</b>					
Intergovernmental	\$ 42,146				
Investment income				\$ 24	
Other			\$ 5,417	353	
<b>TOTAL REVENUES</b>	42,146	\$ 0	5,417	377	\$ 0
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government					
Public safety	42,146				
Public libraries					
Recreation and social services			4,768		
Education					
Community development					
<b>Capital outlay</b>					
<b>TOTAL EXPENDITURES</b>	42,146	0	4,768	0	0
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	0	0	649	377	0
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in					12,656
Transfers out					
<b>NET OTHER FINANCING SOURCES (USES)</b>	0	0	0	0	12,656
<b>NET CHANGE IN FUND BALANCES</b>	0	0	649	377	12,656
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	0	3,230	2,535	6,781	(12,656)
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	\$ 0	\$ 3,230	\$ 3,184	\$ 7,158	\$ 0

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Capital Project Funds				
	Public Works Complex Fund	School Roof Improvements	Oakland/ Mapleville Bike Path	North Road Bridge Project	Open Space/ Land Acquisition
<b>REVENUES:</b>					
Intergovernmental		\$ 247,096	\$ 79,475		
Investment income					\$ 261
Other					
<b>TOTAL REVENUES</b>	<b>\$ 0</b>	<b>247,096</b>	<b>79,475</b>	<b>\$ 0</b>	<b>261</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government					
Public safety					
Public libraries					
Recreation and social services					
Education					
Community development					
<b>Capital outlay</b>	<b>205,595</b>	<b>441,115</b>	<b>98,345</b>	<b>478,834</b>	
<b>TOTAL EXPENDITURES</b>	<b>205,595</b>	<b>441,115</b>	<b>98,345</b>	<b>478,834</b>	<b>0</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>(205,595)</b>	<b>(194,019)</b>	<b>(18,870)</b>	<b>(478,834)</b>	<b>261</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	3,000,000		93,982		
Transfers out					(93,982)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>3,000,000</b>	<b>0</b>	<b>93,982</b>	<b>0</b>	<b>(93,982)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,794,405</b>	<b>(194,019)</b>	<b>75,112</b>	<b>(478,834)</b>	<b>(93,721)</b>
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>0</b>	<b>194,019</b>	<b>(1,000)</b>	<b>557,665</b>	<b>101,392</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ 2,794,405</b>	<b>\$ 0</b>	<b>\$ 74,112</b>	<b>\$ 78,831</b>	<b>\$ 7,671</b>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Capital Project Funds	Permanent Funds				Total Non-Major Governmental Funds
	Major Capital	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	
<b>REVENUES:</b>						
Intergovernmental						\$ 2,718,787
Investment income	\$ 4,068	\$ 162	\$ 41	\$ 3	\$ 39	9,140
Other						1,530,400
<b>TOTAL REVENUES</b>	<b>4,068</b>	<b>162</b>	<b>41</b>	<b>3</b>	<b>39</b>	<b>4,258,327</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	5,990	25	41	3	39	710,406
Public safety						89,849
Public libraries	22,300					187,714
Recreation and social services						310,133
Education						1,302,498
Community development						819,787
<b>Capital outlay</b>	<b>24,684</b>					<b>1,266,467</b>
<b>TOTAL EXPENDITURES</b>	<b>52,974</b>	<b>25</b>	<b>41</b>	<b>3</b>	<b>39</b>	<b>4,686,854</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>(48,906)</b>	<b>137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(428,527)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	1,799,847					4,906,485
Transfers out						(93,982)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>1,799,847</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,812,503</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,750,941</b>	<b>137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,383,976</b>
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>2,214,984</b>	<b>81,968</b>	<b>10,000</b>	<b>1,000</b>	<b>15,000</b>	<b>4,055,726</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ 3,965,925</b>	<b>\$ 82,105</b>	<b>\$ 10,000</b>	<b>\$ 1,000</b>	<b>\$ 15,000</b>	<b>\$ 8,439,702</b>

(CONCLUDED)

# ***TOWN OF BURRILLVILLE***

## **NON-MAJOR PROPRIETARY FUNDS**

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### **ENTERPRISE FUNDS**

#### **Levy Rink**

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

#### **Extended Day Care**

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



TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
JUNE 30, 2017**

	<u>Levy Rink</u>	<u>Extended Day Care</u>	<u>Totals</u>
<b>ASSETS:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 173,684	\$ 343,320	\$ 517,004
Accounts receivable, net		4,584	4,584
Prepaid expenses		2,200	2,200
Due from other funds	843		843
<b>Total current assets</b>	<u>174,527</u>	<u>350,104</u>	<u>524,631</u>
<b>Noncurrent assets:</b>			
Net capital assets	365,834	9,528	375,362
<b>Total noncurrent assets</b>	<u>365,834</u>	<u>9,528</u>	<u>375,362</u>
<b>TOTAL ASSETS</b>	<u>540,361</u>	<u>359,632</u>	<u>899,993</u>
<b>LIABILITIES:</b>			
<b>Current liabilities:</b>			
Accounts payable	8,725	7,579	16,304
Accrued payroll		15,428	15,428
Due to other funds		5,517	5,517
Unearned revenue		3,963	3,963
Capital lease payable	22,428		22,428
Accrued compensated absences	820		820
<b>Total current liabilities</b>	<u>31,973</u>	<u>32,487</u>	<u>64,460</u>
<b>Noncurrent liabilities:</b>			
Capital lease payable, net	99,982		99,982
Accrued compensated absences	7,354		7,354
<b>Total noncurrent liabilities</b>	<u>107,336</u>	<u>0</u>	<u>107,336</u>
<b>TOTAL LIABILITIES</b>	<u>139,309</u>	<u>32,487</u>	<u>171,796</u>
<b>NET POSITION:</b>			
Net investment in capital assets	243,424	9,528	252,952
Unrestricted	157,628	317,617	475,245
<b>TOTAL NET POSITION</b>	<u>\$ 401,052</u>	<u>\$ 327,145</u>	<u>\$ 728,197</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Levy Rink</u>	<u>Extended Day Care</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>			
Charges for usage and service	\$ 449,401	\$ 549,903	\$ 999,304
<b>Total operating revenues</b>	<u>449,401</u>	<u>549,903</u>	<u>999,304</u>
<b>OPERATING EXPENSES:</b>			
Operations	232,804	124,721	357,525
Personnel	156,502	429,528	586,030
Depreciation	46,555	6,844	53,399
<b>Total operating expenses</b>	<u>435,861</u>	<u>561,093</u>	<u>996,954</u>
<b>OPERATING INCOME (LOSS)</b>	<u>13,540</u>	<u>(11,190)</u>	<u>2,350</u>
<b>NONOPERATING REVENUES:</b>			
Nonoperating grant	2,400		2,400
Investment income		758	758
<b>Total nonoperating revenues</b>	<u>2,400</u>	<u>758</u>	<u>3,158</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	15,940	(10,432)	5,508
<b>TRANSFERS IN</b>	<u>44,000</u>	<u>0</u>	<u>44,000</u>
<b>CHANGE IN NET POSITION</b>	59,940	(10,432)	49,508
<b>TOTAL NET POSITION - BEGINNING</b>	<u>341,112</u>	<u>337,577</u>	<u>678,689</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 401,052</u>	<u>\$ 327,145</u>	<u>\$ 728,197</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	Levy Rink	Extended Day Care	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 449,401	\$ 556,049	\$ 1,005,450
Cash paid to suppliers	(252,292)	(122,009)	(374,301)
Cash paid to employees	(155,610)	(447,980)	(603,590)
<b>Net cash provided by (used for) operating activities</b>	<b>41,499</b>	<b>(13,940)</b>	<b>27,559</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfer from other funds	44,000		44,000
Increase in due from other funds	(843)		(843)
Decrease in due to other funds	(24,307)	(34,897)	(59,204)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>18,850</b>	<b>(34,897)</b>	<b>(16,047)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Nonoperating grants received	2,400		2,400
Acquisition of capital assets	(112,948)		(112,948)
<b>Net cash used for capital and related financing activities</b>	<b>(110,548)</b>	<b>0</b>	<b>(110,548)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments		758	758
<b>Net cash provided by investing activities</b>	<b>0</b>	<b>758</b>	<b>758</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(50,199)</b>	<b>(48,079)</b>	<b>(98,278)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>223,883</b>	<b>391,399</b>	<b>615,282</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 173,684</b>	<b>\$ 343,320</b>	<b>\$ 517,004</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 13,540	\$ (11,190)	\$ 2,350
Adjustments to reconcile:			
Depreciation	46,555	6,844	53,399
Decrease in accounts receivable		5,140	5,140
Increase in prepaid expenses		(1,470)	(1,470)
Increase (decrease) in accounts payable	(19,488)	4,182	(15,306)
Decrease in accrued payroll		(18,452)	(18,452)
Increase in unearned revenue		1,006	1,006
Increase in accrued compensated absences	892		892
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 41,499</b>	<b>\$ (13,940)</b>	<b>\$ 27,559</b>
<b>Supplemental cash flow disclosure:</b>			
Capital assets purchased through capital lease	\$ 122,410	\$ 0	\$ 122,410

# ***TOWN OF BURRILLVILLE***

## **AGENCY FUNDS**

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### **Pupil Activity Funds**

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

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2017**

	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
<u>PUPIL ACTIVITY FUNDS</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 127,536	\$ 473,349	\$ 410,211	\$ 190,674
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 127,536	\$ 473,349	\$ 410,211	\$ 190,674

# ***TOWN OF BURRILLVILLE***

## **COMPONENT UNITS**

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### **Burrillville Redevelopment Agency**

This Agency was created to encourage, direct, and regulate new development and redevelopment within the Town Districts and to acquire and redevelop those areas, which the Agency determined cannot be redeveloped otherwise in order to carryout RIGL 1956 Chapter 45-31 to 45-33.

### **Jesse M. Smith Memorial Library**

This component unit was created to account for the activities of the Jesse M. Smith Memorial Library.

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TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF FUND NET POSITION  
COMPONENT UNITS  
JUNE 30, 2017**

	<u>Burrillville Redevelopment Agency</u>	<u>Jesse M. Smith Memorial Library</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 132,117	\$ 96,850	\$ 228,967
Loan receivable	1,550		1,550
Due from:			
Primary government	411,397	75,654	487,051
Prepaid expenses	149,767	400	150,167
<b>Total current assets</b>	<u>694,831</u>	<u>172,904</u>	<u>867,735</u>
<b>Noncurrent assets:</b>			
Loan receivable, net	9,479		9,479
Capital assets:			
Non-depreciable	217,075		217,075
Depreciable, net		67,381	67,381
<b>Total noncurrent assets</b>	<u>226,554</u>	<u>67,381</u>	<u>293,935</u>
<b>TOTAL ASSETS</b>	<u>921,385</u>	<u>240,285</u>	<u>1,161,670</u>
<b>LIABILITIES:</b>			
<b>Current liabilities:</b>			
Accounts payable	6,176	11,022	17,198
Accrued payroll	1,911	10,786	12,697
Unearned revenue		104	104
<b>Total current liabilities</b>	<u>8,087</u>	<u>21,912</u>	<u>29,999</u>
<b>TOTAL LIABILITIES</b>	<u>8,087</u>	<u>21,912</u>	<u>29,999</u>
<b>NET POSITION:</b>			
Net investment in capital assets	217,075	67,381	284,456
Unrestricted	696,223	150,992	847,215
<b>TOTAL NET POSITION</b>	<u>\$ 913,298</u>	<u>\$ 218,373</u>	<u>\$ 1,131,671</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
YEAR ENDED JUNE 30, 2017**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	
<b>Burrillville Redevelopment Agency</b>							
Economic Development	\$ 279,090	\$ 36,362	\$ 5,000	\$ 0	\$ (237,728)		\$ (237,728)
<b>Total Burrillville Redevelopment Agency</b>	279,090	36,362	5,000	0	(237,728)		(237,728)
<b>Jesse M. Smith Memorial Library</b>							
Operations	873,494	14,665	907,791	0	0	\$ 48,962	48,962
<b>Total Jesse M. Smith Memorial Library</b>	873,494	14,665	907,791	0	0	48,962	48,962
<b>Total component units</b>	<u>\$1,152,584</u>	<u>\$ 51,027</u>	<u>\$ 912,791</u>	<u>\$ 0</u>	<u>(237,728)</u>	<u>48,962</u>	<u>(188,766)</u>
<b>General revenues:</b>							
Unrestricted investment earnings					339	194	533
<b>Total general revenues</b>					339	194	533
<b>Change in net position</b>					(237,389)	49,156	(188,233)
<b>Net Position - beginning of year</b>					1,150,687	169,217	1,319,904
<b>Net Position - end of year</b>					<u>\$ 913,298</u>	<u>\$ 218,373</u>	<u>\$ 1,131,671</u>



TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
COMPONENT UNITS  
YEAR ENDED JUNE 30, 2017**

	<u>Burrillville Redevelopment Agency</u>	<u>Jesse M. Smith Memorial Library</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>			
Charges for usage and service	\$ 36,362	\$ 14,665	\$ 51,027
<b>Total operating revenues</b>	<u>36,362</u>	<u>14,665</u>	<u>51,027</u>
<b>OPERATING EXPENSES:</b>			
Operations	45,004	186,100	231,104
Personnel	6,755	678,594	685,349
Depreciation and amortization	6,273	8,800	15,073
<b>Total operating expenses</b>	<u>58,032</u>	<u>873,494</u>	<u>931,526</u>
<b>OPERATING LOSS</b>	<u>(21,670)</u>	<u>(858,829)</u>	<u>(880,499)</u>
<b>NONOPERATING REVENUES:</b>			
Investment income	339	194	533
Nonoperating grants	5,000	907,791	912,791
Loss on sale of capital asset	(221,058)		(221,058)
<b>Total nonoperating revenues</b>	<u>(215,719)</u>	<u>907,985</u>	<u>692,266</u>
<b>CHANGE IN NET POSITION</b>	<u>(237,389)</u>	<u>49,156</u>	<u>(188,233)</u>
<b>TOTAL NET POSITION - BEGINNING</b>	<u>1,150,687</u>	<u>169,217</u>	<u>1,319,904</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 913,298</u>	<u>\$ 218,373</u>	<u>\$ 1,131,671</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CASH FLOWS  
COMPONENT UNITS  
YEAR ENDED JUNE 30, 2017**

	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 36,362	\$ 14,665	\$ 51,027
Cash paid to suppliers	(63,252)	(189,557)	(252,809)
Cash paid to employees	(6,862)	(694,202)	(701,064)
<b>Net cash used for operating activities</b>	<b>(33,752)</b>	<b>(869,094)</b>	<b>(902,846)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Nonoperating grants received	5,000	907,791	912,791
Increase in due from primary government	(52,427)	(51,885)	(104,312)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(47,427)</b>	<b>855,906</b>	<b>808,479</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of capital asset	79,700		79,700
<b>Net cash provided by capital and related financing activities</b>	<b>79,700</b>	<b>0</b>	<b>79,700</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Collections on loan receivable	1,479		1,479
Interest on investments	339	194	533
<b>Net cash provided by investing activities</b>	<b>1,818</b>	<b>194</b>	<b>2,012</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>339</b>	<b>(12,994)</b>	<b>(12,655)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>131,778</b>	<b>109,844</b>	<b>241,622</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 132,117</b>	<b>\$ 96,850</b>	<b>\$ 228,967</b>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>			
Operating loss	\$ (21,670)	\$ (858,829)	\$ (880,499)
Adjustments to reconcile:			
Depreciation and amortization	6,273	8,800	15,073
Increase in prepaid expenses		(400)	(400)
Decrease in accounts payable	(18,248)	(3,057)	(21,305)
Decrease in accrued payroll	(107)	(15,608)	(15,715)
<b>Net cash used for operating activities</b>	<b>\$ (33,752)</b>	<b>\$ (869,094)</b>	<b>\$ (902,846)</b>

# ***TOWN OF BURRILLVILLE***

## **GENERAL FUND BUDGETARY SCHEDULES**

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TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
<b>Property taxes:</b>						
Current and prior years	\$ 30,782,058	\$ 30,782,058	\$ 31,321,861		\$ 31,321,861	\$ 539,803
Interest on delinquent taxes and other	167,000	167,000	172,062		172,062	5,062
Payment in lieu of taxes	18,000	18,000	24,928		24,928	6,928
<b>Total property taxes</b>	<b>30,967,058</b>	<b>30,967,058</b>	<b>31,518,851</b>	<b>\$ 0</b>	<b>31,518,851</b>	<b>551,793</b>
<b>Intergovernmental revenues:</b>						
State of Rhode Island including:						
School aid	13,124,158	13,124,158		13,075,982	13,075,982	(48,176)
School construction	1,407,500	1,407,500	1,147,804		1,147,804	(259,696)
Motor vehicle phase out	200,798	200,798	207,064		207,064	6,266
Medicaid reimbursement	300,000	300,000		340,719	340,719	40,719
Meals and beverage tax	215,655	215,655	191,550		191,550	(24,105)
Pilot	145,198	145,198	97,322		97,322	(47,876)
Telephone tax	198,184	198,184	202,015		202,015	3,831
Police and other	68,000	68,000	109,568		109,568	41,568
Library construction	276,501	276,501	269,202		269,202	(7,299)
Revaluation and other	0	0	70,694		70,694	70,694
<b>Total intergovernmental revenues</b>	<b>15,935,994</b>	<b>15,935,994</b>	<b>2,295,219</b>	<b>13,416,701</b>	<b>15,711,920</b>	<b>(224,074)</b>
<b>Departmental revenues:</b>						
Licenses, permits and fees:						
Licenses and fees	285,175	285,175	344,375		344,375	59,200
Building official	63,000	63,000	153,277		153,277	90,277
Miscellaneous	40,000	40,000	58,616		58,616	18,616
Services/assessments	97,500	97,500	97,109		97,109	(391)
<b>Total departmental revenues</b>	<b>485,675</b>	<b>485,675</b>	<b>653,377</b>	<b>0</b>	<b>653,377</b>	<b>167,702</b>
<b>Investment income</b>	<b>24,100</b>	<b>24,100</b>	<b>41,776</b>	<b>0</b>	<b>41,776</b>	<b>17,676</b>
<b>Total revenues</b>	<b>47,412,827</b>	<b>47,412,827</b>	<b>34,509,223</b>	<b>13,416,701</b>	<b>47,925,924</b>	<b>513,097</b>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
<b>General Government:</b>						
Elected officials	46,000	46,200	46,177		46,177	23
Town clerk	247,614	249,014	233,634		233,634	15,380
Tax assessor	137,915	140,715	139,177		139,177	1,538
Town manager	207,150	208,550	195,041		195,041	13,509
Building official	129,491	130,891	129,649		129,649	1,242
Town treasurer	304,993	307,793	250,118		250,118	57,675
Tax collector	162,375	162,375	122,819		122,819	39,556
Information systems	210,917	213,717	207,846		207,846	5,871
Town planner	134,182	135,582	93,044		93,044	42,538
Boards, agencies, and committees	156,093	157,593	124,879		124,879	32,714
General fund contingency	96,000	96,000	8,415		8,415	87,585
Miscellaneous town expense	13,500	13,500	11,773		11,773	1,727
Buildings - administration	2,400	2,400	1,029		1,029	1,371
<b>Total general government</b>	<b>1,848,630</b>	<b>1,864,330</b>	<b>1,563,601</b>	<b>0</b>	<b>1,563,601</b>	<b>300,729</b>
<b>Public Safety:</b>						
Police department	2,522,283	2,523,683	2,432,965		2,432,965	90,718
Animal control	136,184	136,184	121,352		121,352	14,832
Civil defense	9,942	9,942	9,171		9,171	771
Municipal court	22,550	22,550	19,357		19,357	3,193
<b>Total public safety</b>	<b>2,690,959</b>	<b>2,692,359</b>	<b>2,582,845</b>	<b>0</b>	<b>2,582,845</b>	<b>109,514</b>
<b>Public Works:</b>						
Highway department	1,382,964	1,414,764	1,413,021		1,413,021	1,743
<b>Total public works</b>	<b>1,382,964</b>	<b>1,414,764</b>	<b>1,413,021</b>	<b>0</b>	<b>1,413,021</b>	<b>1,743</b>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
<b>Recreation and Social Services:</b>						
Participation recreation	136,112	140,112	127,883		127,883	12,229
Operation of mini-bus	23,500	24,500	24,350		24,350	150
<b>Total recreation and social services</b>	<b>159,612</b>	<b>164,612</b>	<b>152,233</b>	<b>0</b>	<b>152,233</b>	<b>12,379</b>
<b>Special Appropriations</b>	<b>41,650</b>	<b>41,650</b>	<b>40,558</b>	<b>0</b>	<b>40,558</b>	<b>1,092</b>
<b>Debt Service:</b>						
General obligation bonds:						
Principal	1,801,000	1,801,000	1,463,000		1,463,000	338,000
Interest	563,637	563,637	394,101		394,101	169,536
Bond registration fees and other	2,000	2,000	600		600	1,400
<b>Total debt service</b>	<b>2,366,637</b>	<b>2,366,637</b>	<b>1,857,701</b>	<b>0</b>	<b>1,857,701</b>	<b>508,936</b>
<b>General Services</b>	<b>1,453,905</b>	<b>1,470,905</b>	<b>1,469,069</b>	<b>0</b>	<b>1,469,069</b>	<b>1,836</b>
<b>Capital Improvements Program:</b>						
School department	399,888	866,732	577,364		577,364	289,368
Police department	125,665	180,948	116,339		116,339	64,609
Public works	1,536,000	2,822,853	686,119		686,119	2,136,734
Administration	115,900	425,884	52,276		52,276	373,608
Recreation	7,500	75,000	0		0	75,000
<b>Total capital improvements program</b>	<b>2,184,953</b>	<b>4,371,417</b>	<b>1,432,098</b>	<b>0</b>	<b>1,432,098</b>	<b>2,939,319</b>
<b>Library:</b>						
Pascoag Library	64,500	64,500	64,500		64,500	0
Jesse M. Smith Memorial Library	770,741	770,741	770,741		770,741	0
<b>Total library</b>	<b>835,241</b>	<b>835,241</b>	<b>835,241</b>	<b>0</b>	<b>835,241</b>	<b>0</b>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
<b>Miscellaneous:</b>						
Employee insurance and benefits	2,206,765	2,135,865	2,009,394		2,009,394	126,471
Legal services	130,000	130,000	126,615		126,615	3,385
Other professional services	26,700	26,700	28,954		28,954	(2,254)
<b>Total miscellaneous</b>	<b>2,363,465</b>	<b>2,292,565</b>	<b>2,164,963</b>	<b>0</b>	<b>2,164,963</b>	<b>127,602</b>
<b>Total expenditures</b>	<b>15,328,016</b>	<b>17,514,480</b>	<b>13,511,330</b>	<b>0</b>	<b>13,511,330</b>	<b>4,003,150</b>
<b>Excess of revenues over expenditures before other financing sources (uses)</b>	<b>32,084,811</b>	<b>29,898,347</b>	<b>20,997,893</b>	<b>13,416,701</b>	<b>34,414,594</b>	<b>4,516,247</b>
<b>Other financing sources (uses):</b>						
Transfers out:						
Special revenue funds	(34,879,220)	(31,817,500)	(18,432,493)	(13,416,701)	(31,849,194)	(31,694)
Capital project funds	(622,147)	(1,599,847)	(1,612,503)		(1,612,503)	(12,656)
Transfers in:						
Special revenue funds	3,050,820	24,100	24,100		24,100	0
Capital project funds	22,300	0	0		0	0
Enterprise funds	343,436	308,436	21,807		21,807	(286,629)
Town-held tax liens	0	0	(137,768)		(137,768)	(137,768)
Reappropriation of prior year's designated fund balance	0	3,186,464		3,186,464	3,186,464	0
<b>Net other financing uses</b>	<b>(32,084,811)</b>	<b>(29,898,347)</b>	<b>(20,136,857)</b>	<b>(10,230,237)</b>	<b>(30,367,094)</b>	<b>(468,747)</b>
<b>Net change in fund balance - budgetary basis</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 861,036</b>	<b>\$ 3,186,464</b>	<b>\$ 4,047,500</b>	<b>\$ 4,047,500</b>

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND**TAX COLLECTOR'S ANNUAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>Real Estate and Personal Property Taxes</b>								
Fiscal Year End	Balance July 1, 2016	Current year Assessment	Additions	(Abatements)	Refunds and Adjustments	Amount to be Collected	Collections	Balance June 30, 2017
2017		\$ 31,403,323	\$ 16,208	\$ 10,806	\$ 26,637	\$ 31,435,362	\$ 30,874,054	\$ 561,308
2016	\$ 561,493			605	12,903	573,791	422,063	151,728
2015	135,008			1,000	10,328	144,336	34,687	109,649
2014	98,340			1,102	10,945	108,183	12,630	95,553
2013	83,990			10	10,607	94,587	5,181	89,406
2012	92,220			42	(317)	91,861	3,105	88,756
2011	86,481			107	118	86,492	1,665	84,827
2010	52,040				69	52,109	1,411	50,698
2009	54,588				490	55,078	2,340	52,738
2008	49,481					49,481	1,577	47,904
2007 and prior	125,474			31,486	(718)	93,270	1,356	91,914
	1,339,115	<u>\$ 31,403,323</u>	<u>\$ 16,208</u>	<u>\$ 45,158</u>	<u>\$ 71,062</u>	<u>\$ 32,784,550</u>	<u>\$ 31,360,069</u>	1,424,481
Less: estimated allowance for uncollectible accounts	(407,400)							(448,300)
Net property taxes	<u>\$ 931,715</u>							<u>\$ 976,181</u>

**Schedule of Most Recent Net Assessed Property  
Value by Category**

Description of Property	Rates	Assessed Valuations	Levy
Real-Property- Residential	\$ 17.39	\$ 1,163,003,600	\$ 19,639,791
Real-Property-Commercial/Industrial	17.39	264,243,600	4,557,774
Motor Vehicles	40.00	146,824,606	4,744,247
Tangible and Personal Property	17.39	141,540,109	2,461,511
<b>Total</b>		<u>1,715,611,915</u>	<u>\$ 31,403,323</u>
Exemptions		(64,012,900)	
<b>Net Assessed Values</b>		<u>\$ 1,651,599,015</u>	

**Reconciliation of Current Year Property Tax Revenue**

Current year collections	\$ 31,360,069
<u>Adjustments and reversals</u>	
Add: Revenue collected 60 days subsequent to fiscal year ended ended June 30, 2017	185,120
Less: Prior year revenue collected 60 days subsequent to fiscal year ended June 30, 2016	(197,245)
Less refunds and adjustments	(71,062)
Add miscellaneous adjustment	44,979
Current year property tax revenue	<u>\$ 31,321,861</u>



# ***TOWN OF BURRILLVILLE***

## **REPORT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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**Gerard R. Cayer**  
CPA, MST

**Mark V. Caccia**  
CPA, MST

**Donna T. Caccia**  
CPA, MST, CFP™

***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS***

To the Honorable Town Council,  
Burrillville, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Burrillville, Rhode Island's basic financial statements and have issued our report thereon dated December 29, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Burrillville, Rhode Island's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

## Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2017-1, 2017-2).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies. (2017-1, 2017-2).

## Compliance and Other Matters

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

## The Town of Burrillville, Rhode Island's Response to Findings

The Town of Burrillville, Rhode Island's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Town of Burrillville, Rhode Island's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cayer Caccia, LLP*

December 29, 2017

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2017**

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**A. SUMMARY OF AUDITOR'S RESULTS**

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

Two significant deficiencies disclosed during the audit of the financial statements are summarized below in findings 2017-1 and 2017-2. Both of the deficiencies are reported as material weaknesses.
3. No instances of noncompliance material to the financial statements of the Town of Burrillville, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**B. FINDINGS RELATED TO AUDIT OF FINANCIAL STATEMENTS**

**2017-1 Oversight of the Town's Financial Reporting Process**

The Town Council and management are responsible for the effective oversight of the financial reporting process, including the preparation of Town financial statements and related footnote disclosures. During fiscal year 2017, the Town relied upon the external auditor to prepare its financial statements and related footnote disclosures to ensure that they were prepared in accordance with generally accepted accounting principles. Therefore, adequate controls were not in place as of June 30, 2017 to prevent and detect misstatements in the financial statement preparation and reporting process.

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

**Corrective Action Plan** – Management is not aware of any misstatements in the financial statement and reporting process. Management will move to reduce the exposure when we reorganize and staff the financial department. We will still rely on the independent, external auditors to assist with the complex transactions and preparation of GAAP financial statements, but we will modify our internal controls to be more proactive.

**2017-2 Accurate Posting of Financial Activity**

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

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

**Corrective Action Plan** – Posting of financial data is performed on a monthly basis. Certain transactions required additional analysis, research and discussion with the auditors. The duties and responsibilities assigned to staff will be reprioritized in an effort to focus on the concerns being raised.

(CONTINUED)

**TOWN OF BURRILLVILLE, RHODE ISLAND**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2017**

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**C. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**2016-1 Oversight of the Town's Financial Reporting Process**

The Town Council and management are responsible for the effective oversight of the financial reporting process, including the preparation of Town financial statements and related footnote disclosures. During fiscal year 2016, the Town relied upon the external auditor to prepare its financial statements and related footnote disclosures to ensure that they were prepared in accordance with generally accepted accounting principles. Therefore, adequate controls were not in place as of June 30, 2016 to prevent and detect misstatements in the financial statement preparation and reporting process.

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

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

**2016-2 Accurate Posting of Financial Activity**

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

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

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

(CONCLUDED)