

TOWN OF BURRILLVILLE, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY: FINANCE DEPARTMENT

TOWN OF BURRILLVILLE, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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TOWN OF BURRILLVILLE, RHODE ISLAND

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

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(CONCLUDED)

TOWN OF BURRILLVILLE

INTRODUCTORY SECTION



TOWN OF BURRILLVILLE, RHODE ISLAND

MUNICIPAL OFFICERS

June 30, 2020

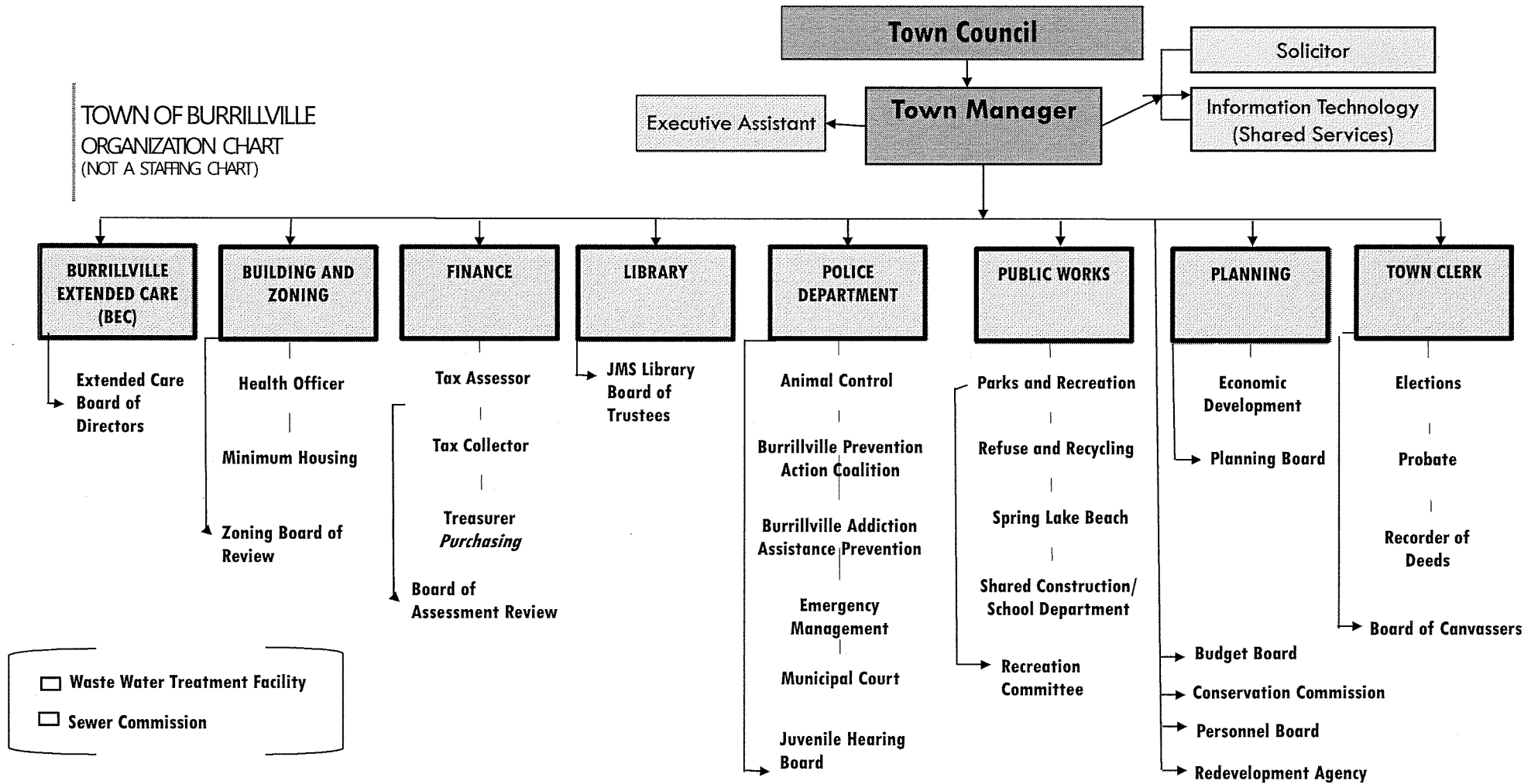
TOWN COUNCIL

John F. Pacheco III, President
Stephen N. Rawson, Vice President
Dennis M. Anderson
Jeremy Bailey
Donald A. Fox
Amanda K. Gingell
Raymond J. Trinquere

TOWN OFFICIALS

Town Manager	Michael C. Wood
Assessor	Jennifer Mooney
Building Official	Joseph F. Raymond
Town Clerk	Vicki Martin
Emergency Management Director	Glen D. Biddiscombe
Acting Finance Director/Tax Collector	Rosanna Doughty
Municipal Court Judge	Brenda Ferry
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. Michael Sollitto
Solicitor	William Dimitri
Wastewater Treatment Facility-Superintendent	Michael Emond

**TOWN OF BURRILLVILLE
ORGANIZATION CHART
(NOT A STAFFING CHART)**



TOWN OF BURRILLVILLE

FINANCIAL SECTION



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, 2020, 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, 2020, 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 102 through 114 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, Tax Collector's Annual Report, and Annual Supplemental Transparency 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, Tax Collector's Annual Report, and Annual Supplemental Transparency 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, Tax Collector's Annual Report, and Annual Supplemental Transparency 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 March 19, 2021, 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.

Cayer Caccia, LLP

Warwick, Rhode Island
March 19, 2021

Town of Burrillville, Rhode Island
Management's Discussion and Analysis
JUNE 30, 2020

The Town of Burrillville (the Town) provides this Management Discussion and Analysis (MD&A), in 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, 2020. 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 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, 2020 by \$75.37 million (net position).
- As of June 30, 2020, the Town's governmental activities reported total net position of \$50.36 million.
- The Town of Burrillville's total net position decreased by \$0.90 million, or 1.18%, for the year ended June 30, 2020. The net position of governmental activities decreased by \$0.66 million, a 1.3% decrease from fiscal 2019. The net position of business-type activities decreased by \$0.23 million, or 0.92% from 2019.
- The Town's general fund reported a fund balance of \$14.36 million at the end of fiscal year ending 2020. This compares to a fund balance of \$13.98 million at the end of fiscal 2019. The unassigned fund balance for the year was \$7.72 million (\$8.24 million in 2019). This is a \$0.52 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 \$4,047,606 in 2020. Included in this amount is \$3,365,932 of unexpended capital improvement funds which have been carried over to fiscal year ending June 2021.

Financial Highlights (Continued)

- The School Department ended the fiscal year with a budgetary surplus of revenues over expenditures of \$586,367 (deficiency of \$63,782 in 2019). The School fund balance is \$1,174,806 (\$573,708 in 2019).
- The Town's total noncurrent liabilities (\$50,946,803) decreased by \$650,246 [government activities decreased by \$145,619 or 0.3% and business-type activities decreased by \$504,627 or 7.5% in 2020 which was primarily due to an increase in the net pension liability of \$878,934 offset by scheduled debt payments of \$1,654,000 and an increase in the OPEB liability of \$259,013.

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 inter-fund 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 \$2,559,016 at June 30, 2020.

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, 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 and post employment 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, 2020 financials in a format prescribed by the Government Accounting Standards Board Statement 34 (GASB 34).

June 30, 2020

The Town's combined net position was \$75.37 million in 2020. Analyzing the net position and net expenses of governmental and business-type activities separately, the governmental activities are \$50.35 million and the business-type activities net position was \$25.02 million in 2020. 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 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, 2019

The Town's combined net position was \$76.27 million in 2019. Analyzing the net position and net expenses of governmental and business-type activities separately, the governmental activities are \$51.02 million and the business-type activities net position is \$25.25 million in 2019. 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 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 27,208,319	\$ 30,792,355	\$ 5,197,691	\$ 5,516,088	\$ 32,406,010	\$ 36,308,443
Capital assets	68,844,988	67,650,210	27,003,311	27,595,778	95,848,299	95,245,988
Total assets	96,053,307	98,442,565	32,201,002	33,111,866	128,254,309	131,554,431
Deferred outflows of resources	10,402,516	12,833,993	1,194	0	10,403,710	12,833,993
Current liabilities	5,292,493	7,548,202	912,003	1,080,840	6,204,496	8,629,042
Noncurrent liabilities	44,678,373	44,823,992	6,268,430	6,773,057	50,946,803	51,597,049
Total liabilities	49,970,866	52,372,194	7,180,433	7,853,897	57,151,299	60,226,091
Deferred inflows of resources	6,129,442	7,885,552	3,940	6,773	6,133,382	7,892,325
Net position:						
Net investment in capital assets	63,659,858	61,728,850	20,326,177	20,413,207	83,986,035	82,142,057
Restricted	1,625,803	1,533,145			1,625,803	1,533,145
Unrestricted	(14,930,146)	(12,243,183)	4,691,646	4,837,989	(10,238,500)	(7,405,194)
Total net position	\$ 50,355,515	\$ 51,018,812	\$25,017,823	\$25,251,196	\$ 75,373,338	\$ 76,270,008

The total net position in governmental activities decreased by \$0.66 million. Governmental activities current and other assets decreased by \$3.58 million. Governmental activities deferred outflows of resources decreased by \$2.43 million. Governmental activities current liabilities decreased by \$2.26 million. Governmental activities noncurrent liabilities decreased by \$0.15 million. Governmental activities deferred inflows of resources decreased by \$1.76 million.

The net position in Business-type activities decreased by \$0.23 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,510,697	\$ 1,495,273	\$4,052,862	\$4,141,280	\$ 5,563,559	\$ 5,636,553
Operating grants and contributions	17,520,427	18,056,127	313,408	411,186	17,833,835	18,467,313
Capital grants and contributions	1,657,955	974,708			1,657,955	974,708
General revenues:						
Property Taxes	34,284,701	33,854,883			34,284,701	33,854,883
Unrestricted Investment Contributions not restricted to specific programs	303,859	407,952	22,037	28,447	325,896	436,399
Gain on sale of capital asset		582,000				582,000
		10,000				10,000
Total Revenues	<u>55,277,639</u>	<u>55,380,943</u>	<u>4,388,307</u>	<u>4,580,913</u>	<u>59,665,946</u>	<u>59,961,856</u>
Expenses:						
General government	5,505,057	5,692,901			5,505,057	5,692,901
Public safety	4,829,536	4,713,918			4,829,536	4,713,918
Public works	4,450,494	4,414,773			4,450,494	4,414,773
Education	38,740,507	37,274,247			38,740,507	37,274,247
Parks and recreation	901,751	932,918			901,751	932,918
Libraries	1,095,727	1,081,371			1,095,727	1,081,371
Community development	66,203	779,604			66,203	779,604
Burrillville Redevelopment Agency	125,000	60,000			125,000	60,000
Interest on long-term debt	191,456	235,747			191,456	235,747
Sewer Authority			2,889,305	2,861,091	2,889,305	2,861,091
School Cafeteria			662,677	849,764	662,677	849,764
Levy Rink			504,902	459,771	504,902	459,771
Extended Day Care			600,001	622,376	600,001	622,376
Total expenses	<u>55,905,731</u>	<u>55,185,479</u>	<u>4,656,885</u>	<u>4,793,002</u>	<u>60,562,616</u>	<u>59,978,481</u>
Revenues over (under) Expenses	(628,092)	195,464	(268,578)	(212,089)	(896,670)	(16,625)
Transfers in (out)	<u>(35,205)</u>	<u>(21,216)</u>	<u>35,205</u>	<u>21,216</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net position	(663,297)	174,248	(233,373)	(190,873)	(896,670)	(16,625)
Net Position, July 1	<u>51,018,812</u>	<u>50,844,564</u>	<u>25,251,196</u>	<u>25,442,069</u>	<u>76,270,008</u>	<u>76,286,633</u>
Net Position, June 30	<u>\$ 50,355,515</u>	<u>\$51,018,812</u>	<u>\$25,017,823</u>	<u>\$25,251,196</u>	<u>\$75,373,338</u>	<u>\$76,270,008</u>

Governmental activity revenues decreased by \$0.10 million primarily due to a decrease in operating grants and contributions of \$0.54 million, an increase in capital grants and contributions of \$0.68 million, an increase in property taxes of \$0.43 million, and a decrease in contributions not restricted to specific programs of \$0.58 million.

Governmental activity expenses increased by \$0.72 million which reflect increased costs associated with education of (\$1.47 million), offset by a decrease in community development (\$0.71 million).

The net position associated with business-type activities decreased by \$0.23 million due primarily to a decrease in the Sewer Authority of \$0.12 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. Every effort is made to avoid unnecessary spending so that savings can be returned to the General Fund.

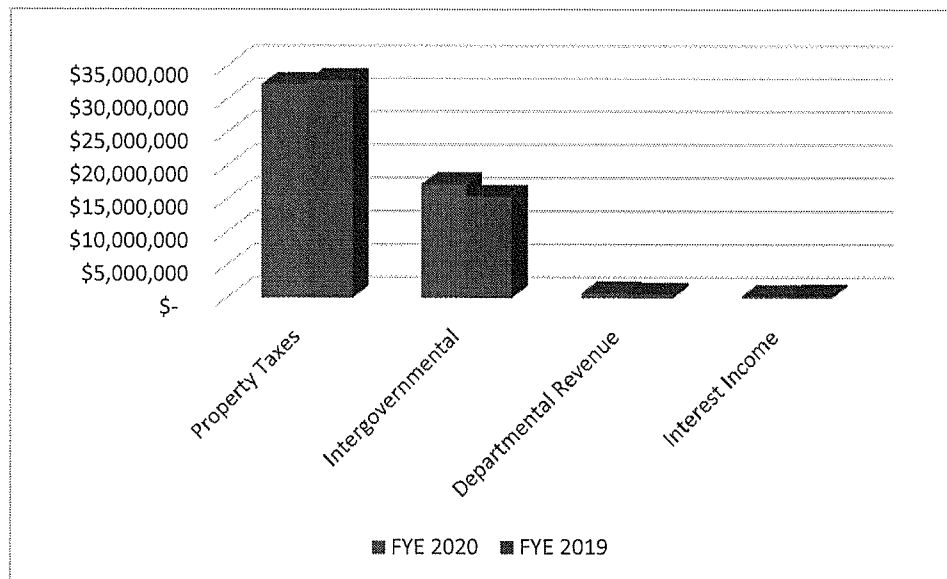
During FYE 2020, there were nine (9) supplemental budget appropriations adopted by the Town Council, which totaled \$3,690,255 including one transfer of \$2,794,496 related to capital improvements carried forward from the prior year.

A comparative breakdown of revenues and expenditures associated with the General Fund on a budgetary basis for the fiscal years ending June 30, 2020 and 2019 is listed below. This information is provided for general purposes only.

The Town's general revenues increased in FYE 2020 when compared to the prior year by 2.79% or \$1,368,106.

<u>Revenues</u>	<u>FYE 2020</u>	<u>FYE 2019</u>	<u>% Change</u>	<u>\$ Change</u>
Property Taxes	\$32,249,151	\$32,882,951	(1.93%)	\$ (633,800)
Intergovernmental Revenue	17,212,636	15,317,425	12.37%	1,895,211
Departmental Revenue	740,017	577,727	28.09%	162,290
Interest Income	262,779	318,374	(17.46%)	(55,595)
Total Revenues	<u>\$50,464,583</u>	<u>\$49,096,477</u>	<u>2.79%</u>	<u>\$ 1,368,106</u>

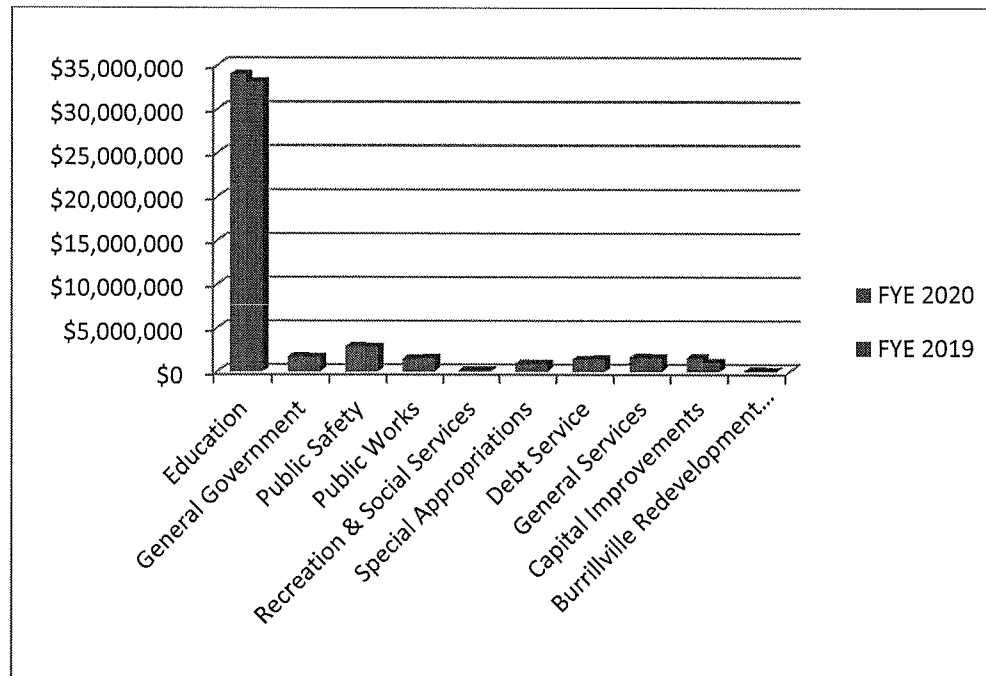
General Fund (Continued)



The Town's general expenditures increased in FYE 2020 when compared to the prior year by 1.75% or \$798,694.

	<u>FYE 2020</u>	<u>FYE 2019</u>	<u>% Chg</u>	<u>\$ Chg</u>
<u>Expenditures</u>				
Education	\$34,000,956	\$33,132,051	2.62%	\$868,905
General Government	1,716,584	1,694,774	1.29%	21,810
Public Safety	2,892,162	2,797,484	3.38%	94,678
Public Works	1,471,834	1,558,333	(5.55)%	(86,499)
Recreation & Social Services	172,762	171,357	0.82%	1,405
Special Appropriations	915,276	933,550	(1.96)%	(18,274)
Debt Service	1,405,677	1,443,296	(2.61)%	(37,619)
General Services	1,618,277	1,564,979	3.41%	53,298
Capital Improvements	1,591,927	1,037,707	53.41%	(554,220)
Burrillville Redevelopment Agency	125,000	60,000	108.33%	65,000
Miscellaneous	2,507,535	2,432,350	3.09%	75,185
<u>Other Financing (Sources) Uses</u>				
Transfer from Fund Balance	(3,690,254)	(3,581,904)	(3.02)%	(108,350)
Transfers In-Special Revenue	(31,600)	(186,636)	83.07%	155,036
Transfers In-Enterprise	(8,795)	(12,784)	31.20%	3,989
Transfers Out-Capital Projects	996,053	1,319,000	(24.48)%	(322,947)
Transfers Out-Special Revenue	733,583	1,254,726	(41.53)%	(521,143)
Total Expenditures (Net of Transfers)	<u>\$ 46,416,977</u>	<u>\$ 45,618,283</u>	<u>1.75%</u>	<u>\$ 798,694</u>
Excess of Revenues over Expenditures- Budgetary Basis	<u>\$ 4,047,606</u>	<u>\$ 3,478,194</u>	<u>16.37%</u>	<u>\$ 569,412</u>

General Fund (Continued)



June 30, 2020

Overall non-tax revenues were \$2,001,906 more than the prior year due mainly to an increase in intergovernmental [school construction, motor vehicle phase out, and ESSER Grant]. Actual revenues were \$408,063 more than budgeted. The primary reasons for the favorable revenue variance within the fiscal year were:

- The Town's intergovernmental revenue was more than the budget by \$81,637. This amount includes additional amounts received for school construction aid (\$216,630) and ESSER Grant (\$394,852), offset by a decrease in school aid (\$393,492) and other state aid shortfalls (\$148,476).
- The Town's departmental revenue was more than budget by \$192,341 which is primarily due to an increase in licenses and fees of \$211,206.
- Interest income was over budget in the amount of \$167,779.

The Town has continued its aggressive tax collection position, which was implemented many years ago. A 98.75% collection rate was budgeted for FYE 2020 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 2020 reveals that the Town expenses were \$3,681,478 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. A significant portion of this amount [\$3,365,932] is for capital improvement activities related to general administration, police, school, and public works projects which has been re-appropriated for FYE June 30, 2021.

General Fund (Continued)

The most significant governmental expense for the municipality during 2020 was in providing for public safety, which incurred expenses of \$2.89 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.47 million; general government at \$1.72 million, which includes all administrative offices; general services (\$1.62 million) such as refuse collection/recycling; debt at \$1.41 million, and insurance/benefits at \$2.38 million.

June 30, 2019

Overall non-tax revenues were \$727,893 less than the prior year due mainly to a decrease in intergovernmental [School Construction and School Aid] revenue. Actual revenues were \$611,483 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 \$138,538 - which includes tax revenue of \$126,087. The Town collected approximately 98.5% of the fiscal year 2019 tax levy.
- Second, the Town's intergovernmental revenue was more than the budget by \$209,520. This amount includes additional amounts received from Medicaid reimbursements (\$145,603), school construction aid (\$25,031), and police and other (\$23,620).
- Third, the Town's departmental revenue was more than budget by \$40,051 which is primarily due to an increase in licenses and fees (\$46,705).
- Finally, interest income was over budget in the amount of \$223,374.

The Town has continued its aggressive tax collection position, which was implemented many years ago. A 98.78% collection rate was budgeted for FYE 2019 and 98.5% was actually collected.

A comparison of actual expenditures incurred during FYE 2019 reveals that the Town expenses were \$3,494,796 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. A significant portion of this amount [\$2,794,497] is for capital improvement activities related to general administration, police, school, and public works projects which has been re-appropriated for FYE June 30, 2020. In addition, the Town had a favorable debt service variance of \$489,292.

The most significant governmental expense for the municipality during 2019 was in providing for public safety, which incurred expenses of \$2.80 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.56 million; general government at \$1.69 million, which includes all administrative offices; general services (\$1.56 million) such as refuse collection/recycling; debt at \$1.44 million, and insurance/benefits at \$2.30 million.

Fund Balance

June 30, 2020

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2020 with a net excess of revenues over expenditures in the amount of \$4,047,606. Note that this amount included as revenue the budgeted amount of \$3,690,254 from the Unassigned Fund Balance.

The Town's fund balance increased from \$13,982,874 to \$14,364,750. GASB Statement No. 54 funds accounted for \$24,524 of this increase. The Town's fund balance is broken down into the following components which are detailed in footnote 9(a) and is comprised of cash or other assets that will eventually be converted into cash such as receivables:

1. Nonspendable. An amount \$285,507 attributed mainly 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 \$6,306,284 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 \$3,365,932 which was re-appropriated in FYE 2021 for capital projects.
3. Assigned. An amount \$53,669 related to funding reserved for the School Department.
4. Unassigned. Finally after all of the above items are considered, the remaining value of \$7,719,290 is referred to as the Town's Unassigned Fund Balance, which decreased by \$521,705 over last year's Unassigned Fund Balance of \$8,240,995. This decrease is due to the net effect of budget activity combined with a number of planned fund balance draw downs during FYE 2020 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2020 of \$7,719,290 which is approximately 14.85% of the total budget currently appropriated for FYE June 30, 2021 (\$51,967,729).

June 30, 2019

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2019 with a net excess of revenues over expenditures in the amount of \$3,478,194. Note that this amount included as revenue the budgeted amount of \$3,581,904 from the Unassigned Fund Balance. When this is factored out, there is a net decrease to fund balance associated with the deficiency of revenues under expenditures of \$103,710.

Fund Balance (Continued)

The Town's fund balance increased from \$13,922,761 to \$13,982,874. GASB Statement No. 54 funds accounted for \$163,823 of this increase. 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 (\$291,834) 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 (\$5,316,922) which includes a number of funds that had previously been identified as special revenue funds in prior audits including Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, Pension Reserve Fund, and Healthcare Contingency. It also includes \$2,794,497 which was re-appropriated in FYE 2020 for capital projects.
3. Assigned. An amount (\$133,123) related to funding reserved for the School Department.
4. Unassigned. Finally after all of the above items are considered, the remaining value of \$8,240,995 is referred to as the Town's Unassigned Fund Balance, which decreased by \$478,121 over last year's Unassigned Fund Balance of \$8,719,116. This decrease is due to the net effect of budget activity combined with a number of planned fund balance draw downs during FYE 2019 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2019 of \$8,240,995 which is approximately 16.32% of the total budget currently appropriated for FYE June 30, 2020 (\$50,496,620).

School Department

June 30, 2020

The School Department had revenues for the year ended June 30, 2020 of \$14.83 million. This was derived from \$13.45 million of intergovernmental revenues and \$1.38 million of state pension contribution revenues. In addition to general operating revenues, the School Department also received \$20.55 million of other financing sources in the form of transfers in from the General Fund.

Expenditures for the School Department totaled \$34.74 million. This entire amount represents expenditures related to education.

The excess of expenditures over revenues was \$0.60 million for the fiscal year ended June 30, 2020.

June 30, 2019

The School Department had revenues for the year ended June 30, 2019 of \$14.42 million. This was derived from \$12.87 million of intergovernmental revenues and \$1.55 million of state pension contribution revenues. In addition to general operating revenues, the School Department also received \$20.26 million of other financing sources in the form of transfers in from the General Fund.

School Department (Continued)

Expenditures for the School Department totaled \$34.86 million. This entire amount represents expenditures related to education.

The excess of expenditures over revenues was \$0.18 million for the fiscal year ended June 30, 2019.

Business-type Activities

Proprietary Activities

June 30, 2020

Revenues and transfers in for the Town's business-type activities were \$4.42 million for the fiscal year ending June 30, 2020. Expenses for the Town's business-type activities were \$4.65 million for the year, resulting in a decrease in net position of \$0.23 million. The decrease in net position was mainly from the decrease in the net position of the Sewer Authority of \$0.12 million.

June 30, 2019

Revenues of the Town's business-type activities were \$4.60 million for the fiscal year ending June 30, 2019. Expenses for the Town's business-type activities were \$4.79 million for the year, resulting in an decrease in net position of \$0.19 million. The decrease in net position was mainly from the decrease in the net position of the Sewer Authority of \$0.26 million

Capital Assets and Debt Administration

Capital Project Funds

The Town had several active capital projects during the fiscal year ended June 30, 2020.

Some projects that continue to carry balances at year end include the Public Works Complex, Harrisville Pond Dam, and Oakland Mapleville Bike Path.

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

Capital Assets

At the end of fiscal year 2020, the Town had \$95.85 million invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, roads, bridges, and sewer lines. (See Table 3.) This amount represents a net increase (including additions and deductions) of \$0.60 million over the prior fiscal year's net capital assets (\$95.25 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.

Capital Assets (Continued)

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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 3,212,397	\$ 3,212,397	\$ 382,443	\$ 382,443	\$ 3,594,840	\$ 3,594,840
Construction in progress	985,627	3,623,243			985,627	3,623,243
Leasehold improvements			55,683	34,398	55,683	34,398
Collection systems			42,695,348	42,695,348	42,695,348	42,695,348
Buildings and improvements	86,828,804	80,298,369	8,470,846	8,384,314	95,299,650	88,682,683
Equipment	3,127,886	3,100,447	496,845	475,175	3,624,731	3,575,622
Vehicles	5,820,234	5,662,977	194,951	135,261	6,015,185	5,798,238
Furniture			953,997	892,354	953,997	892,354
Infrastructure	25,792,597	25,203,859			25,792,597	25,203,859
Total Assets	125,767,545	121,101,292	53,250,113	52,999,293	179,017,658	174,100,585
Less accumulated depreciation	(56,922,557)	(53,451,082)	(26,246,802)	(25,403,515)	(83,169,359)	(78,854,597)
Totals	<u>\$ 68,844,988</u>	<u>\$ 67,650,210</u>	<u>\$27,003,311</u>	<u>\$27,595,778</u>	<u>\$ 95,848,299</u>	<u>\$ 95,245,988</u>

- Construction of road and sidewalk improvements [Sayles Ave. reconstruction started, Buxton Street, Oakland Mapleville Bike Path].
- DPW Facility – DPW moved into its new facility in April 2020. Infrastructure work is still ongoing.
- Acquisition of various equipment including public works equipment [used John Deere loader] and 4 police vehicles [including 1 vehicle outfitted for canine use].
- The School Department also had funding allocated toward various communication and building improvements.

The 2021 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, street improvements, parks and recreation, Harrisville Dam repairs, and various school structural repairs [funded by bonding].

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

Debt Administration

June 30, 2020

The total outstanding long-term bonded debt on June 30, 2020 was \$14,492,962, which represents a decrease of \$1,702,162 from June 30, 2019 (\$16,195,124). This decrease was due to annual debt payments (\$1,702,162).

June 30, 2019

The total outstanding long-term bonded debt on June 30, 2019 was \$16,195,124, which represents a decrease of \$1,928,391 from June 30, 2018 (\$18,123,515). This decrease was due to annual debt payments (\$1,928,391) on outstanding issues.

Table 4

	Long Term Debt June 30			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$7,867,962	\$9,089,124	\$6,625,000	\$7,106,000
Capital Lease			52,134	76,571
Compensated Absences	1,056,493	1,018,414	82,273	80,805
Net OPEB Obligation			25,931	23,248
Landfill Post-Closure Costs	743,100	791,100		
Totals	<u>\$9,667,555</u>	<u>\$10,898,638</u>	<u>\$6,785,338</u>	<u>\$7,286,624</u>

Debt Administration(Continued)

Below is a comparison of various long-term bonded debt ratios for June 30, 2020 and June 30, 2019. Note that Loans Payable, Bond Anticipation Notes (BANS), and Bond Premiums are not incorporated in these calculations.

<u>Various Debt Ratios</u>		
	<u>6/30/2020</u>	<u>6/30/2019</u>
Total Outstanding Long-Term Bonded Debt	\$14,208,000	\$15,862,000
Debt per Capita -		
2010 Census (15,955)	\$890	\$ 994
State Average \$1,781		
City/town average \$1,673		
Net Assessed Values	\$1,909,483,502	\$1,677,480,239
Debt to Net Assessed Values	0.74%	0.95%
Tax Rate per \$ 1,000:		
Real Estate	\$ 16.00	\$ 18.20
Motor Vehicle	\$ 35.00	\$ 40.00
Credit Ratings -		
Fitch's Investor's Service	N/A	N/A
Moody's Rating Agency	N/A	N/A

The Town's last public issue matured on July 15, 2017 along with the Town's public rating. Therefore, as of June 30, 2020, the Town did not have an outstanding public rating as there was no public debt.

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% of fund balance or (2) one year's annual debt payment. With the results of this year's operations the Town, at 14.85%, 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 2021 budget, tax rates, and fees that will be charged for the business-type activities.

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

- The unemployment rate for the Town of Burrillville is 10.8 percent. This compares to the State's average unemployment rate of 12.4 percent and the national average of 11.1 percent.
- According to the Tax Assessor, the average 2020 single family home in Burrillville is valued for assessment purposes at \$273,959, the average commercial property is valued at \$639,036, and the average industrial property is valued at \$971,121.
- 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 reductions of various State aid to the communities continue to impact the Town's budget.
- Certain employment costs including health insurance continue to rise requiring constant evaluation of those programs.
- The Town of Burrillville continues to maintain its compliance with the 10% affordable housing requirement.

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, 2021 was being prepared including the following:

- The overall adopted budget was \$51,967,729, which was an increase of \$1,471,109 over the revised 2020 budget [\$50,496,620].
 - Capital improvements decreased by \$1,016,964 [39.46 %].
 - The School operating budget increased from \$34,000,956 to \$35,152,838 or 3.39%. The net dollar increase is \$1,151,882.
 - The municipal operating debt budget increased \$162,554 [1.25%].
- The General Fund's largest single revenue source is property taxes – State revenue is second. The Town's tax rate was increased from \$16.00 per \$1,000 valuation to \$16.01 per \$1,000 valuation for fiscal year ending 2021. The average single family home value increased from \$272,676 to \$273,940 (\$1,315 increase). This resulted in the average single family homeowner's tax liability increasing by \$24 when comparing the 2021 tax bill to the prior year.
- The 2021 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 2021 is estimated to be \$30.48 million. The increase in tax levy (approximately \$0.94 million) relates primarily to an increase in school and municipal 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

TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 20,447,661	\$ 4,525,382	\$ 24,973,043	\$ 359,195
Receivables:				
Taxes, net	951,806		951,806	
Sewer assessments and user fees, net		612,440	612,440	
Loans				1,550
Other	238,531	24,855	263,386	
Town-held tax liens	283,267		283,267	
Due from:				
Primary government				257,574
Other governments	1,446,324	7,856	1,454,180	
Internal balances	147,747	(147,747)		
Prepaid expenses	2,240	3,364	5,604	130,948
Inventory		19,812	19,812	
Total current assets	23,517,576	5,045,962	28,563,538	749,267
Noncurrent assets:				
Loans receivable, net				6,429
Net pension asset	3,690,743		3,690,743	
Capital assets:				
Non-depreciable	4,198,024	382,443	4,580,467	217,075
Depreciable, net	64,646,964	26,620,868	91,267,832	586,713
Sewer assessment fees		151,729	151,729	
Total noncurrent assets	72,535,731	27,155,040	99,690,771	810,217
TOTAL ASSETS	96,053,307	32,201,002	128,254,309	1,559,484
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions	10,184,166		10,184,166	
Deferred outflows related to other post-employment benefits	152,518	1,194	153,712	
Deferred expense on refunding bonds	65,832		65,832	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,402,516	1,194	10,403,710	0

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES:				
Current liabilities:				
Accounts payable	1,161,653	244,950	1,406,603	37,095
Accrued payroll	1,781,961	43,270	1,825,231	18,864
Accrued interest	49,471	50,772	100,243	
Accrued expenses				4,191
Retainage payable	27,992		27,992	
Due to:				
Other governments	171,058	8,600	179,658	
Component unit	257,574		257,574	
Current portion of long-term debt	1,380,800	516,908	1,897,708	12,656
Unearned revenue	286,318	34,799	321,117	2,100
Other liabilities	175,666	12,704	188,370	
Total current liabilities	5,292,493	912,003	6,204,496	74,906
Noncurrent liabilities:				
Long-term debt, net	8,286,755	6,242,499	14,529,254	49,774
Net other post-employment benefit liability	3,312,066	25,931	3,337,997	
Net pension liability	33,079,552		33,079,552	
Total noncurrent liabilities	44,678,373	6,268,430	50,946,803	49,774
TOTAL LIABILITIES	49,970,866	7,180,433	57,151,299	124,680
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	5,626,213		5,626,213	
Deferred inflows related to other post-employment benefits	503,229	3,940	507,169	
TOTAL DEFERRED INFLOWS OF RESOURCES	6,129,442	3,940	6,133,382	0
NET POSITION:				
Net investment in capital assets	63,659,858	20,326,177	83,986,035	803,788
Restricted - nonexpendable	394,357		394,357	
Restricted for:				
General government	121,921		121,921	
Public safety	175,840		175,840	
Recreation and social services	408,947		408,947	
Education	474,093		474,093	
Community development	50,645		50,645	
Unrestricted	(14,930,146)	4,691,646	(10,238,500)	631,016
TOTAL NET POSITION	\$ 50,355,515	\$ 25,017,823	\$ 75,373,338	\$ 1,434,804

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

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	
Primary Government:								
Governmental activities:								
General government	\$ 5,505,057	\$ 720,945	\$ 488,564		\$ (4,295,548)		\$ (4,295,548)	
Public safety	4,829,536	86,214	85,456	\$ 28,109	(4,629,757)		(4,629,757)	
Public works	4,450,494	13,432			(4,437,062)		(4,437,062)	
Education	38,740,507	409,223	16,713,852	1,111,755	(20,505,677)		(20,505,677)	
Recreation and social services	901,751	234,036	52,122	271,469	(344,124)		(344,124)	
Libraries	1,095,727		173,742	246,622	(675,363)		(675,363)	
Community development	66,203	46,847	6,691		(12,665)		(12,665)	
Burrillville Redevelopment Agency	125,000				(125,000)		(125,000)	
Interest on long-term debt	191,456				(191,456)		(191,456)	
Total governmental activities	55,905,731	1,510,697	17,520,427	1,657,955	(35,216,652)		(35,216,652)	
Business-type activities:								
Sewer Authority	2,889,305	2,758,351				\$ (130,954)	(130,954)	
School Cafeteria	662,677	300,656	313,408			(48,613)	(48,613)	
Levy Rink	504,902	461,274				(43,628)	(43,628)	
Extended Day Care	600,001	532,581				(67,420)	(67,420)	
Total business-type activities	4,656,885	4,052,862	313,408	0	0	(290,615)	(290,615)	
Total primary government	\$ 60,562,616	\$ 5,563,559	\$ 17,833,835	\$ 1,657,955	(35,216,652)	(290,615)	(35,507,267)	
Component Units:								
Burrillville Redevelopment Agency	\$ 76,197	\$ 68,858		\$ 125,000				\$ 117,661
Jesse M. Smith Memorial Library	933,401	8,739	\$ 986,276					61,614
Total component units	\$ 1,009,598	\$ 77,597	\$ 986,276	\$ 125,000				179,275
General revenues:								
Property taxes					34,284,701		34,284,701	
Unrestricted investment earnings					303,859	22,037	325,896	3,004
Transfers					(35,205)	35,205		
Total general revenues and transfers					34,553,355	57,242	34,610,597	3,004
Change in net position					(663,297)	(233,373)	(896,670)	182,279
Net Position - beginning of year					51,018,812	25,251,196	76,270,008	1,252,525
Net Position - end of year					\$ 50,355,515	\$ 25,017,823	\$ 75,373,338	\$ 1,434,804

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 17,135,245	\$ 281,213	\$ 3,031,203	\$ 20,447,661
Receivables:				
Taxes, net	951,806			951,806
Other	6,378	19,007	213,146	238,531
Town-held tax liens	283,267			283,267
Due from:				
Other funds	745,841	2,918,083	1,240,287	4,904,211
Other governments	251,460	439,321	755,543	1,446,324
Prepaid expenditures	2,240			2,240
TOTAL ASSETS	\$ 19,376,237	\$ 3,657,624	\$ 5,240,179	\$ 28,274,040
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 260,056	\$ 815,329	\$ 86,268	\$ 1,161,653
Accrued payroll and benefits	262,257	1,507,455	12,249	1,781,961
Retainage payable			27,992	27,992
Due to:				
Other funds	3,273,190	151,373	1,331,901	4,756,464
Component units	257,574			257,574
Other governments	22,994		148,064	171,058
Unearned revenues		8,661	360,980	369,641
Other liabilities	167,205		8,461	175,666
TOTAL LIABILITIES	4,243,276	2,482,818	1,975,915	8,702,009
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	768,211	0	0	768,211
TOTAL DEFERRED INFLOWS OF RESOURCES	768,211	0	0	768,211

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (Continued):				
FUND BALANCES:				
Nonspendable	285,507		108,850	394,357
Restricted			1,231,446	1,231,446
Committed	6,306,284	19,501	2,064,439	8,390,224
Assigned	53,669	1,155,305		1,208,974
Unassigned	7,719,290		(140,471)	7,578,819
TOTAL FUND BALANCES	<u>14,364,750</u>	<u>1,174,806</u>	<u>3,264,264</u>	<u>18,803,820</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 19,376,237</u>	 <u>\$ 3,657,624</u>	 <u>\$ 5,240,179</u>	 <u>\$ 28,274,040</u>

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020**

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

Total Fund Balances (B-1) \$ 18,803,820

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

Governmental capital assets	125,767,545	
Less: accumulated depreciation	<u>(56,922,557)</u>	
		68,844,988

Net pension asset is not reported in the governmental fund statements. 3,690,743

Deferred outflows related to pension plans are reported in the Statement of Net Position but not in the governmental fund statements. 10,184,166

Net other post-employment benefit (OPEB) liability is not reported in the governmental fund statements. This amount represents accumulated plan contributions in excess of annual OPEB costs. (3,312,066)

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 governmental fund statements.

Governmental bonds payable	(7,583,000)	
Premium	(333,124)	
Current year amortization	48,162	
Deferred expense on refunding bonds	76,764	
Current year amortization	(10,932)	
Compensated absences	(1,056,493)	
Landfill closure and post-closure care costs	<u>(743,100)</u>	
		(9,601,723)

Net pension liability is not reported in the governmental fund statements. (33,079,552)

Pension related deferrals are not reported in the governmental fund statements. (5,626,213)

Certain deferred inflows of resources in governmental fund statements are susceptible to full accrual on the government-wide statements. 851,534

Other post-employment benefit related deferrals are not reported in the governmental funds. (350,711)

Accrued interest payable is recorded in governmental activities, but is not recorded in the governmental fund statements. (49,471)

Total Net Position (A-1) \$ 50,355,515

(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, 2020**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
REVENUES:				
General property taxes	\$ 32,249,151			\$ 32,249,151
Intergovernmental	3,766,571	\$ 13,446,065	\$ 1,913,438	19,126,074
Licenses, permits and fees	683,552			683,552
Investment income	273,148		30,711	303,859
Departmental	56,465			56,465
Other	91,704		429,622	521,326
Intergovernmental - pension contribution		1,383,358		1,383,358
TOTAL REVENUES	37,120,591	14,829,423	2,373,771	54,323,785
EXPENDITURES:				
Current:				
General government	3,400,589		178,737	3,579,326
Public safety	2,969,116		107,650	3,076,766
Public works	1,491,606			1,491,606
Education	278,272	33,273,768	1,316,956	34,868,996
Recreation and social services	222,940		369,431	592,371
Libraries	915,276		173,742	1,089,018
Community development			66,203	66,203
Burrillville Redevelopment Agency	125,000			125,000
Employee benefits and other	2,510,272			2,510,272
Intergovernmental - pension contribution		1,383,358		1,383,358
Debt Service:				
Principal	1,173,000			1,173,000
Interest and other costs	232,677		3,142	235,819
Capital:				
Capital outlay	1,864,328	82,090	4,216,897	6,163,315
TOTAL EXPENDITURES	15,183,076	34,739,216	6,432,758	56,355,050
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	21,937,515	(19,909,793)	(4,058,987)	(2,031,265)

(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, 2020**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES):				
Transfers in	583,056	20,554,891	2,085,397	23,223,344
Transfers out	(22,138,695)	(44,000)	(1,075,854)	(23,258,549)
NET OTHER FINANCING SOURCES (USES)	<u>(21,555,639)</u>	<u>20,510,891</u>	<u>1,009,543</u>	<u>(35,205)</u>
NET CHANGE IN FUND BALANCES	381,876	601,098	(3,049,444)	(2,066,470)
FUND BALANCE AT BEGINNING OF YEAR	<u>13,982,874</u>	<u>573,708</u>	<u>6,313,708</u>	<u>20,870,290</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 14,364,750</u></u>	<u><u>\$ 1,174,806</u></u>	<u><u>\$ 3,264,264</u></u>	<u><u>\$ 18,803,820</u></u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONCLUDED)

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, 2020**

Net Change in Fund Balances - Total Governmental Funds (B-2):	\$ (2,066,470)
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 capital outlay exceeded depreciation in the current period.	1,194,778
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 liability.	539,557
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	2,905,500
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.	1,173,000
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.	55,229
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.	47,151
Adjustment to accrued interest payable related to general obligation bonds which is required to be recorded for government-wide financial statement presentation.	7,133
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.	(4,262,845)
Other post-employment benefit expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(256,330)
Change in Net Position of Governmental Activities (A-2)	\$ (663,297)

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 3,955,333	\$ 83,397	\$ 486,652	\$ 4,525,382
Accounts receivable, net		3,246	21,609	24,855
Sewer assessments and user fees, net	612,440			612,440
Due from:				
Other governments		7,856		7,856
Prepaid expenses	3,364			3,364
Inventory	4,565	15,247		19,812
Total current assets	4,575,702	109,746	508,261	5,193,709
Noncurrent assets:				
Sewer assessment fees	151,729			151,729
Net capital assets	26,543,499		459,812	27,003,311
Total noncurrent assets	26,695,228	0	459,812	27,155,040
TOTAL ASSETS	31,270,930	109,746	968,073	32,348,749
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to other post-employment benefits	1,194	0	0	1,194
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,194	0	0	1,194
LIABILITIES:				
Current liabilities:				
Accounts payable	178,196	20,979	45,775	244,950
Accrued payroll	22,124		21,146	43,270
Accrued interest	50,772			50,772
Due to:				
Other funds	74,623	8,667	64,457	147,747
Other governments	8,600			8,600
Other liabilities	12,704			12,704
Unearned revenue		27,520	7,279	34,799
Capital lease payable			25,508	25,508
Accrued compensated absences	6,000	1,200	1,200	8,400
Current portion of long-term debt	483,000			483,000
Total current liabilities	836,019	58,366	165,365	1,059,750

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2020**

	<u>Sewer Authority</u>	<u>School Cafeteria Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Totals</u>
LIABILITIES (Continued):				
Noncurrent liabilities:				
Capital lease payable, net			26,626	26,626
Accrued compensated absences	53,118	10,403	10,352	73,873
Long-term debt, net	6,142,000			6,142,000
Net other post employment benefit obligation	25,931			25,931
Total noncurrent liabilities	6,221,049	10,403	36,978	6,268,430
TOTAL LIABILITIES	7,057,068	68,769	202,343	7,328,180
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to other post-employment benefits	3,940			3,940
TOTAL DEFERRED INFLOWS OF RESOURCES	3,940	0	0	3,940
NET POSITION:				
Net investment in capital assets	19,918,499		407,678	20,326,177
Unrestricted	4,292,617	40,977	358,052	4,691,646
TOTAL NET POSITION	\$ 24,211,116	\$ 40,977	\$ 765,730	\$ 25,017,823

(CONCLUDED)

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, 2020**

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
OPERATING REVENUES:				
Charges for usage and service	\$ 2,702,078	\$ 300,656	\$ 993,855	\$ 3,996,589
Miscellaneous	56,273			56,273
Total operating revenues	<u>2,758,351</u>	<u>300,656</u>	<u>993,855</u>	<u>4,052,862</u>
OPERATING EXPENSES:				
Operations	1,016,434	564,469	380,584	1,961,487
Personnel	950,810	98,208	661,994	1,711,012
Depreciation	784,318		58,969	843,287
Total operating expenses	<u>2,751,562</u>	<u>662,677</u>	<u>1,101,547</u>	<u>4,515,786</u>
OPERATING INCOME (LOSS)	<u>6,789</u>	<u>(362,021)</u>	<u>(107,692)</u>	<u>(462,924)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	18,953	602	2,482	22,037
Intergovernmental		313,408		313,408
Interest expense	(137,743)		(3,356)	(141,099)
Total nonoperating revenue (expense)	<u>(118,790)</u>	<u>314,010</u>	<u>(874)</u>	<u>194,346</u>
LOSS BEFORE TRANSFERS	<u>(112,001)</u>	<u>(48,011)</u>	<u>(108,566)</u>	<u>(268,578)</u>
TRANSFERS IN (OUT)	<u>(8,795)</u>	<u>0</u>	<u>44,000</u>	<u>35,205</u>
CHANGE IN NET POSITION	<u>(120,796)</u>	<u>(48,011)</u>	<u>(64,566)</u>	<u>(233,373)</u>
TOTAL NET POSITION - BEGINNING	<u>24,331,912</u>	<u>88,988</u>	<u>830,296</u>	<u>25,251,196</u>
TOTAL NET POSITION - ENDING	<u>\$ 24,211,116</u>	<u>\$ 40,977</u>	<u>\$ 765,730</u>	<u>\$ 25,017,823</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 2,726,574	\$ 313,189	\$ 988,012	\$ 4,027,775
Cash received from providing services	56,273			56,273
Cash paid to suppliers	(1,165,998)	(668,962)	(353,215)	(2,188,175)
Cash paid to employees	(943,528)	(96,341)	(657,084)	(1,696,953)
Net cash provided by (used for) operating activities	673,321	(452,114)	(22,287)	198,920
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Nonoperating grants received		321,984		321,984
Transfer from (to) other funds	(8,795)		44,000	35,205
Decrease in due from other funds	18,579			18,579
Increase in due to other funds	74,623	8,644	42,710	125,977
Increase in due to other governments	2,200			2,200
Net cash provided by noncapital financing activities	86,607	330,628	86,710	503,945
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(59,690)		(169,460)	(229,150)
Principal payment on long-term debt	(481,000)			(481,000)
Principal payment on capital lease			(24,437)	(24,437)
Interest expense	(140,106)		(3,356)	(143,462)
Net cash used for capital and related financing activities	(680,796)	0	(197,253)	(878,049)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	18,953	602	2,482	22,037
Net cash provided by investing activities	18,953	602	2,482	22,037
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	98,085	(120,884)	(130,348)	(153,147)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,857,248	204,281	617,000	4,678,529
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,955,333	\$ 83,397	\$ 486,652	\$ 4,525,382

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 6,789	\$ (362,021)	\$ (107,692)	\$ (462,924)
Adjustments to reconcile:				
Depreciation	784,318		58,969	843,287
(Increase) decrease in accounts receivable	24,496	958	(11,011)	14,443
Decrease in prepaid expenses			1,452	1,452
Increase in inventory		(3,777)		(3,777)
Increase in deferred outflows	(1,194)			(1,194)
Increase (decrease) in accounts payable	(149,564)	(100,716)	25,917	(224,363)
Increase in accrued payroll	9,292		4,643	13,935
Increase in unearned revenue		11,575	5,168	16,743
Increase (decrease) in accrued compensated absences	(666)	1,867	267	1,468
Increase in net other post employment benefit obligation	2,683			2,683
Decrease in deferred inflows	(2,833)			(2,833)
Net cash provided by (used for) operating activities	\$ 673,321	\$ (452,114)	\$ (22,287)	\$ 198,920
Supplemental cash flow disclosure:				
Capital assets purchased through accounts payable	\$ 21,670	\$ 0	\$ 0	\$ 21,670

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2020

	Agency Funds
	Pupil Activity Funds
	<hr/>
ASSETS:	
Cash and cash equivalents	\$ 175,566
	<hr/>
LIABILITIES:	
Deposits held in custody for others	\$ 175,566
	<hr/>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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, 2020

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 pronouncement for the year ended June 30, 2020.

- GASB Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance.

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

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

- GASB Statement No. 84 – Fiduciary Activities, effective for the Town's fiscal year ending June 30, 2021.
- GASB Statement No. 87 – Leases, effective for the Town's fiscal year ending June 30, 2022.
- GASB Statement No. 89 – Accounting for Interest Costs Incurred before the End of a Construction Period, effective for the Town's fiscal year ending June 30, 2022.
- GASB Statement No. 92 – Omnibus 2020, effective for the Town's fiscal year ending June 30, 2022.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards (Continued)

- GASB Statement No. 96 – Subscription – Based Technology Arrangements, effective for the Town's fiscal year ending June 30, 2023.
- GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32.

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.

Fund Financial Statements

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Capital Project Funds

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

Permanent Funds

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

Proprietary Funds

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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, Canine Program, Animal Shelter Donation Account, Library Grant, Community Emergency Response Training, Byrne Grant, Clear River Energy Fund, Spring Lake, COVID-19, Community Development Block Grant, Blackstone Valley Prevention Coalition, Partnership for Success, Cops That Care, Ocean State Power Funds, Narcotics Guidance Council, Police Legislative Grant, Police Grant – Operation Riptide, COVID Donations, Voter Access, Bullet Proof Vest, RI Senior Grant, Electric Vehicle Grant, Wallace Lees Scholarship, Snack Pack Program, Police Grants, and Police Task Force.
Capital Projects:	Dog Park, Commerce Park Water Loop, Public Works Complex Fund, Animal Control Facility Renovation, Wilson Spillway, Oakland/Mapleville Bike Path, North Road Bridge Project, Open Space/Land Acquisition, School Department Capital Projects, 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, 2020

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 \$488,900 for property taxes. 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, 2020**

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. The Town did not have any investments at June 30, 2020.

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, 2020**

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, the Employees' Retirement System Plan (ERS), and the Teachers' Survivors Benefit Plan (TSB) and additions to/deductions from MERS, ERS and TSB fiduciary net position have been determined on the same basis as they are reported by MERS, ERS and TSB. 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, 2020

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 reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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 or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflow of resources related to pension/OPEB in the government-wide financial statements. A deferred inflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become 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, 2020, 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.....	\$143,166		\$ 143,166
Administrative Departments.....	52,005		52,005
Public Works Department.....	62,807		62,807
Recreation Department.....	4,176		4,176
School Department	36,486	\$757,853	794,339
Total	<u>\$298,640</u>	<u>\$757,853</u>	<u>\$1,056,493</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Short-Term Interfund Receivables/Payables

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

Advances to Other Funds

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

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, 2020 were \$501,691, while the accumulated amortization was \$216,729.

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, 2020 were for the Burrillville School Department and amounted to \$14,731.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020**

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 \$1,194,778 difference are as follows:

Capital outlay.....	\$4,666,253
Depreciation expense	<u>(3,471,475)</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>\$ 1,194,778</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 \$1,173,000 difference are as follows:

Principal repayments – general obligation debt	<u>\$ 1,173,000</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>\$ 1,173,000</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 \$55,229 difference are as follows:

Deferred revenue – beginning.....	\$ (796,305)
Deferred revenue – ending	<u>851,534</u>
Net adjustment to increase <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>\$ 55,229</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 \$47,151 difference are as follows:

Increase in liability for compensated absences	\$ (38,079)
Decrease in liability for landfill closure	48,000
Amortization of current year deferred expense on refunding	(10,932)
Amortization of current year bond premium.....	<u>48,162</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>\$ 47,151</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 \$7,133 difference are as follows:

Accrued interest – beginning.....	\$ 56,604
Accrued interest – ending	<u>(49,471)</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>\$ 7,133</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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 nine supplemental budgetary revisions made during the year totaling \$3,690,255. The increase was due primarily to capital improvement budget appropriations of \$2,794,496.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 2020 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 2020.

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
General Fund:		
Statement of Revenues and Expenditures (Non-GAAP Budgetary Basis) (E-8)	\$ 54,195,232	\$ 50,147,626
Less: Transfer from Fund Balance to revenue for current year	(3,690,254)	
Less: School Department revenues included in General Fund Budget	(12,711,350)	
Less: School Department expenditures included in General Fund		(12,711,350)
Activity of funds classified with the General Fund for the purposes of GASB Statement No. 54	(89,981)	(114,505)
Statement of Revenues, Expenditures, and Changes in Fund Balances (B-2)	\$ 37,703,647	\$ 37,321,771

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>
Statement of Revenues, Expenditures and Other Financing Sources (Non-GAAP Budgetary Basis) Budget and Actual (E-9)	\$ 34,000,956	\$ 33,414,589
Less: Current year encumbrances		(14,731)
Adjustment for pension contribution made by State of Rhode Island on behalf of employees	1,383,358	1,383,358
Statement of Revenues, Expenditures, and Changes in Fund Balances (B-2)	\$ 35,384,314	\$ 34,783,216

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 \$20,903,243 while the bank balance was \$21,261,500, of which \$7,155,180 was covered by federal depository insurance and \$14,106,320 was uninsured and collateralized by securities held by the pledging financial institution's trust department in the Town's name.

In addition, at June 30, 2020 the Town had deposits of \$1,065,994 and \$3,159,855 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, 2020:

	<u>Primary Government</u>	<u>Component Units</u>
Total deposits	\$ 20,903,243	\$ 359,195
Add: petty cash and cash on hand	19,517	0
Add: Federally Insured Cash Account	1,065,994	0
Add: Insured Cash Sweep	3,159,855	0
Less: fiduciary funds cash (not included in the government-wide financial statements)	<u>(175,566)</u>	<u>0</u>
Total cash and cash equivalents reported in the financial statements (A-1)	<u>\$ 24,973,043</u>	<u>\$ 359,195</u>

(b) Investments

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020, the Town did not have any material uncollateralized investments.

Concentration of Credit Risk - At June 30, 2020, 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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2018. 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 2020 were based on an assessed value of approximately \$1,909,483,502 at December 31, 2018 and amounted to \$32,220,651. Collections on the 2020 tax levy through June 30, 2020 amounted to \$31,676,599, 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, 2020 (\$1,440,706) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$488,900. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2020 are recorded as unearned revenue and amounted to \$768,211 at June 30, 2020. Property taxes recognized as revenue for the fiscal year ended June 30, 2020 (due to their collection within the 60 days immediately following June 30, 2020) amounted to \$183,595.

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 \$270,173. 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, 2020

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>
Governmental activities:		
State of Rhode Island:		
Major funds:		
General Fund	\$ 229,747	\$22,994
School Department General Fund	35,557	
Non-major funds	420,029	804
Total	<u>685,333</u>	<u>23,798</u>
Federal government:		
Major funds:		
General Fund	21,713	
School Department General Fund	403,764	
Non-major funds	259,825	147,260
Total	<u>685,302</u>	<u>147,620</u>
Other governments:		
Non-major funds	75,689	
Total	<u>75,689</u>	<u>0</u>
Total governmental activities	<u>\$ 1,446,324</u>	<u>\$171,058</u>
Business-type activities:		
State of Rhode Island:		
Sewer Authority		\$8,600
Total	<u>\$ 0</u>	<u>8,600</u>
Federal government:		
School Cafeteria Fund	7,856	
Total	<u>7,856</u>	<u>0</u>
Total business-type activities	<u>\$ 7,856</u>	<u>\$8,600</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020 is as follows.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental activities:		
Major funds:		
General Fund	\$ 745,841	\$3,273,190
School Department General Fund.....	2,918,083	151,373
Non-major funds	<u>1,240,287</u>	<u>1,331,901</u>
Total governmental activities	<u>4,904,211</u>	<u>4,756,464</u>
Business-type activities:		
Major funds:		
Sewer Authority		74,623
School Cafeteria Fund		8,667
Non-major funds		<u>64,457</u>
Total business type activities	<u>0</u>	<u>147,747</u>
Balances at June 30, 2020	<u>\$4,904,211</u>	<u>\$4,904,211</u>

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Discretely Presented Component Unit Balances:		
Primary government:		
General Fund		\$ 257,574
Discretely presented component units:		
Burrillville Redevelopment Agency	\$ 100,989	
Jesse M. Smith Memorial Library	<u>156,585</u>	
Balances at June 30, 2020	<u>\$ 257,574</u>	<u>\$ 257,574</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,212,397			\$ 3,212,397
Construction in progress	3,623,243	\$ 3,541,224	\$(6,178,840)	985,627
Total capital assets not being depreciated	6,835,640	3,541,224	(6,178,840)	4,198,024
Other capital assets:				
Buildings and improvements	80,298,369	6,530,435		86,828,804
Equipment	3,100,447	27,439		3,127,886
Vehicles	5,662,977	343,118	(185,861)	5,820,234
Infrastructure	25,203,859	588,738		25,792,597
Total other capital assets	114,265,652	7,489,730	(185,861)	121,569,521
Less: accumulated depreciation for:				
Buildings and improvements	(32,362,793)	(1,876,485)		(34,239,278)
Equipment	(2,304,296)	(210,255)		(2,514,551)
Vehicles	(4,160,686)	(361,590)		(4,522,276)
Infrastructure	(14,623,307)	(1,209,006)	185,861	(15,646,452)
Total accumulated depreciation	(53,451,082)	(3,657,336)	185,861	(56,922,557)
Other capital assets, net	60,814,570	3,832,394	0	64,646,964
Governmental activities capital assets, net	\$ 67,650,210	\$ 7,373,618	\$ (6,178,840)	\$ 68,844,988

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

7. CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 382,443			\$ 382,443
Total capital assets not being depreciated ...	382,443	\$ 0	\$0	382,443
Other capital assets:				
Leasehold improvements	34,398	21,285		55,683
Collection systems	42,695,348			42,695,348
Plant & buildings	8,384,314	86,532		8,470,846
Plant equipment	475,175	21,670		496,845
Motor vehicles	135,261	59,690		194,951
Furniture and equipment	892,354	61,643		953,997
Total other capital assets	52,616,850	250,820	0	52,867,670
Less: accumulated depreciation for:				
Leasehold improvements	(34,341)	(946)		(35,287)
Collection systems	(16,823,108)	(708,997)		(17,532,105)
Plant and buildings	(7,479,543)	(114,353)		(7,593,896)
Plant equipment	(290,938)	(14,800)		(305,738)
Motor vehicles	(135,261)	(1,990)		(137,251)
Furniture and equipment	(640,324)	(2,201)		(642,525)
Total accumulated depreciation	(25,403,515)	(843,287)	0	(26,246,802)
Other capital assets, net	27,213,335	(592,467)	0	26,620,868
Business-type activities capital assets, net	\$27,595,778	\$ (592,467)	\$0	\$ 27,003,311

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

Governmental activities:	
General government	\$ 228,962
Public safety	233,965
Education	1,328,705
Recreation and social services	295,506
Public works	1,570,198
Total governmental activities depreciation expense	\$3,657,336
Business-type activities:	
Sewer Authority	\$ 784,318
Non-major enterprise funds	58,969
Total business-type activities depreciation expense	\$ 843,287

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

7. CAPITAL ASSETS (Continued)

Discretely Presented Component Units:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Burrillville Redevelopment Agency:				
Capital assets not being depreciated:				
Land	\$217,075	\$ 0	\$0	\$217,075
Other capital assets:				
Buildings and improvements	439,625	23,250		462,875
Less: accumulated depreciation for:				
Buildings and improvements		(9,438)		(9,438)
Other capital assets, net.....	<u>439,625</u>	<u>13,812</u>	<u>0</u>	<u>453,437</u>
Capital assets, net.....	<u>\$656,700</u>	<u>\$13,812</u>	<u>\$0</u>	<u>\$670,512</u>
Jesse M. Smith Memorial Library:				
Other capital assets:				
Furniture and equipment	\$162,182	\$43,016		\$ 205,198
Less: accumulated depreciation for:				
Furniture and equipment	(57,729)	(14,193)		(71,922)
Other capital assets, net.....	<u>\$ 104,453</u>	<u>\$ 28,823</u>	<u>\$0</u>	<u>\$ 133,276</u>

8. LONG-TERM LIABILITIES

(a) Change in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long-term debt:					
General obligation debt	\$8,756,000	\$ 0	\$(1,173,000)	\$7,583,000	\$1,207,800
Plus: bond premium, net of amortization	333,124		(48,162)	284,962	
Total long-term debt	<u>9,089,124</u>	<u>0</u>	<u>(1,221,162)</u>	<u>7,867,962</u>	<u>1,207,800</u>
Other long-term liabilities:					
Compensated absences	1,018,414	352,149	(314,070)	1,056,493	125,000
Landfill closure and post-closure costs	791,100		(48,000)	743,100	48,000
Total other long-term liabilities	<u>1,809,514</u>	<u>352,149</u>	<u>(362,070)</u>	<u>1,799,593</u>	<u>173,000</u>
Governmental activities long-term liabilities	<u>\$10,898,638</u>	<u>\$ 352,149</u>	<u>\$(1,583,232)</u>	<u>\$9,667,555</u>	<u>\$1,380,800</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, 2020

8. LONG-TERM LIABILITIES (Continued)

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

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities:					
Long-term debt:					
General obligation debt.....	\$7,106,000		\$(481,000)	\$6,625,000	\$483,000
Total long-term debt	<u>7,106,000</u>	<u>\$ 0</u>	<u>(481,000)</u>	<u>6,625,000</u>	<u>483,000</u>
Other long-term liabilities:					
Capital lease	76,571		(24,437)	52,134	25,508
Compensated absences	80,805	43,348	(41,880)	82,273	8,400
Net OPEB obligation	23,248	2,683		25,931	
Total other long-term liabilities.....	<u>180,624</u>	<u>46,031</u>	<u>(66,317)</u>	<u>160,338</u>	<u>33,908</u>
Total business-type activities.....	<u>\$7,286,624</u>	<u>\$ 46,031</u>	<u>\$(547,317)</u>	<u>\$6,785,338</u>	<u>\$516,908</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, 2020**

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding

At June 30, 2020, 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, 2019</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding June 30, 2020</u>
Sewer bonds:	11/13/03	\$5,600,000	9/1/24	1.410%	\$ 2,083,000	\$0	\$ 330,000	\$1,753,000
Refunding bonds:	12/22/15	3,380,000	5/15/26	3.0% - 5.0%	2,330,000		340,000	1,990,000
	9/7/17	2,780,000	11/1/26	2.015%	2,160,000	0	290,000	1,870,000
	Subtotal				4,490,000	0	630,000	3,860,000
Landfill bonds:	6/24/10	2,160,000	9/1/25	0.27% - 2.79%	1,008,000		144,000	864,000
Road bonds:	8/29/14	680,000	9/1/25	0.30% - 1.85%	476,000		68,000	408,000
Water bonds:	6/19/18	700,000	9/1/37	1.0% - 2.710%	699,000	0	1,000	698,000
Total general obligation debt					\$8,756,000	\$ 0	\$1,173,000	\$7,583,000

BUSINESS-TYPE ACTIVITIES

Sewer bonds:	12/21/06	\$3,500,000	9/1/27	1.165% - 1.315%	\$ 1,575,000		\$ 175,000	\$1,400,000
	7/30/15	3,700,000	9/1/34	0.53% - 2.67%	3,205,000		169,000	3,036,000
	6/2/16	2,600,000	9/1/35	0.31% - 2.24%	2,326,000		137,000	2,189,000
Total general obligation debt					\$ 7,106,000	\$0	\$ 481,000	\$6,625,000

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding (Continued)

During the fiscal year ended June 30, 2020, the Town retired \$1,173,000 in principal for the governmental activities and \$481,000 in principal for the business-type activities on its existing outstanding bonds and loans.

During the fiscal year ended June 30, 2020, the Town incurred the following interest expense:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Sewer bonds	\$ 27,062	\$137,743
Refunding bonds.....	157,012	
Landfill bonds.....	25,250	
Road bonds.....	8,850	
Water bonds	17,554	
Total	<u>\$235,728</u>	<u>\$137,743</u>

The Town has issued seven bonds under the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. The seven bonds issued consisted of a 2006 \$3,500,000 Wastewater bond, a 2010 \$2,160,000 Landfill bond, a 2014 \$680,000 Road bond, a 2015 \$3,700,000 Wastewater bond, a 2016 \$2,600,000 Wastewater bond, a 2015 \$3,380,000 Refunding bond; and a \$700,000 Drinking Water bond. 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

2017 General Obligation Refunding Bonds

On September 7, 2017, the Town issued the 2017 General Obligation Refunding Bonds in the amount of \$2,780,000. The bond requires interest at 2.015% and annual principal payments beginning November 1, 2017 through November 1, 2026.

The Town issued the 2017 Refunding Bonds to advance refund the 2006 Series A General Obligation Bonds which had an outstanding principal balance of \$2,700,000 and interest rates ranging from 4.00% to 5.00%. Under terms of the refunding agreement, the proceeds of the 2017 Refunding Bond were deposited in an escrow account pledged solely for the benefit of holders of the 2006 Series A Bonds. As a result, the 2006 Series A Bonds are considered defeased, and the Town has removed the liability from its accounts. The 2006 Series A Bonds were redeemed in full from the escrow deposits on October 10, 2017.

The Town completed the September 7, 2017 refunding to reduce its total debt service payments over the next ten years by \$232,909 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$210,558.

Since the Series 2006 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, 2020 financial statements.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

8. LONG-TERM LIABILITIES (Continued)

(c) Long-Term Liability Activity (Continued)

2018 Water System Improvement Bond

On June 19, 2018, the Town issued a \$700,000 bond financed through the Rhode Island Infrastructure Bank to provide financing for improvements to the Town's municipal water system. The bond requires interest at rates varying between 1.00% to 2.71% and annual principal payments beginning September 1, 2018 through September 1, 2037.

The "Water System Improvements" capital project fund was established to account for the water line extension at the Route 102 / Daniele Drive intersection with Broncos Highway (Route 102). The Harrisville Fire District and Industrial Foundation of Burrillville are also participating in this project.

Burrillville Redevelopment Agency

On February 12, 2018, the Burrillville Redevelopment Agency (BRA) borrowed \$90,000 from the Industrial Foundation of Burrillville. The term of the promissory note is seven years and requires interest at 2.00%, commencing March 1, 2018. Principal and interest payments totaling \$3,452.55 are due quarterly beginning June 1, 2018, with a final payment due March 1, 2025. The note may be prepaid anytime without penalty.

Annual principal and interest requirements on the promissory note are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$12,656	\$1,154	\$13,810
2022	12,911	899	13,810
2023	13,171	639	13,810
2024	13,437	373	13,810
2025	<u>10,255</u>	<u>103</u>	<u>10,358</u>
Total.....	<u>\$62,430</u>	<u>\$3,168</u>	<u>\$65,598</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

8. LONG-TERM LIABILITIES (Continued)

(d) Capital Lease

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>
Assets:	
Equipment.....	\$285,260
Less: accumulated depreciation	<u>(180,828)</u>
Total	<u>\$104,432</u>

The following schedule summarizes the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2020:

<u>Fiscal year ending</u> <u>June 30:</u>	<u>Business-type</u> <u>Activities</u>
2021	\$ 27,793
2022	<u>27,793</u>
Total minimum lease payments	55,586
Less: amount representing interest.....	<u>(3,452)</u>
Present value of future minimum lease payments	<u>\$ 52,134</u>

(e) Operating Lease

In October, 2018, the Town entered into a lease agreement for an electric vehicle. The lease is for 36 months and requires monthly payments of \$270. Lease expense for the year ended June 30, 2020 was \$3,317. Future minimum lease payments are summarized below:

<u>Fiscal year ending</u> <u>June 30:</u>	
2021	\$ 3,239
2022	<u>540</u>
Total minimum lease payments	<u>\$ 3,779</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

8. LONG-TERM LIABILITIES (Continued)

(f) Debt Service Requirements

At June 30, 2020, the Town has remaining authorized but unissued bond authority of \$500,000 for Open Space Recreation Projects.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Governmental Activities</u>	
		<u>Interest</u>	<u>Total</u>
2021	\$1,207,800	\$217,785	\$1,425,585
2022	1,209,800	182,145	1,391,945
2023	1,206,800	146,066	1,352,866
2024	1,204,800	109,872	1,314,672
2025	1,202,800	73,427	1,276,227
2026	835,800	40,740	876,540
2027	288,800	15,097	303,897
2028	38,800	11,660	50,460
2029	38,800	10,694	49,494
2030	38,800	9,662	48,462
2031	38,800	8,593	47,393
2032	38,800	7,493	46,293
2033	38,800	6,359	45,159
2034	38,800	5,202	44,002
2035	38,800	4,036	42,836
2036	38,800	2,882	41,682
2037	38,800	1,733	40,533
2038	38,400	578	38,978
Total	\$7,583,000	\$854,024	\$8,437,024

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Business-Type Activities</u>	
		<u>Interest</u>	<u>Total</u>
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
Total	\$6,625,000	\$1,230,024	\$7,855,024

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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.

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>				
Perpetual care			\$ 82,850	\$ 82,850
Endowments			26,000	26,000
Tax sale property	\$ 283,267			283,267
Prepaid expenditures	2,240			2,240
<i>Restricted for:</i>				
General Government			5,613	5,613
Town Clerk			116,308	116,308
Police department			175,840	175,840
Recreation			408,947	408,947
Education			474,093	474,093
Community development			50,645	50,645
<i>Committed to:</i>				
Recycling program	9,245			9,245
Revaluation project	418,006			418,006
Recreational programs			122,721	122,721
Debt service	928,211			928,211
Capital projects			1,791,132	1,791,132
Unfunded liability and incentive pay	95,232			95,232
Employee benefits	1,045,150	\$ 19,501		1,064,651
Subsequent year's budget	3,803,177			3,803,177
Professional services	7,263		150,586	157,849
<i>Assigned for:</i>				
Educational programs	53,669	1,155,305		1,208,974
<i>Unassigned</i>	7,719,290		(140,471)	7,578,819
<i>Total Fund Balances</i>	<u>\$14,364,750</u>	<u>\$1,174,806</u>	<u>\$3,264,264</u>	<u>\$18,803,820</u>

(b) Fund Deficits

The following funds had a fund equity deficit balance at June 30, 2020:

COVID-19	\$ 22,993
Commerce Park Water Loop	330
School Department Capital Projects	117,148

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, 2020

9. FUND EQUITY (Continued)

(c) Fund Deficits

The following individual funds had deficits for the year ended June 30, 2020:

Major Funds:

Sewer Authority	\$ 120,796
School Cafeteria Fund	48,011

Non-major governmental activities:

Special Revenue Funds:

Animal Shelter Donation Account	9,305
Spring Lake	7,370
COVID-19	22,993
Community Development Block Grant	9,861
Partnership for Success	11,630
Ocean State Power Funds	9,296
Police Legislative Grant	1,554
Snack Pack Program	1,350

Capital Project Funds:

Commerce Park Water Loop	307,823
Public Works Complex Fund	2,474,157
North Road Bridge Project	3,142
School Department Capital Projects	117,148
Major Capital	387,640

Non-major business-type activities:

Extended Day Care	64,938
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(CONTINUED)

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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.

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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

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 described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

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

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

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

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

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.

(CONTINUED)

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

Police and Fire Employees (Continued)

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.

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 $60.00\% \times \text{Final Average Compensation (FAC)}$, plus $1.50\% \times \text{FAC} \times \text{Years of Service in Excess of 20}$, 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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

a) Municipal Employees' Retirement System (Continued)

Other benefit provisions (Continued)

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 (a) 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.

Employees covered by benefit terms.

At the June 30, 2019 valuation date, the following employees were covered by the benefit terms:

	<u>General Employees</u>	<u>Police Employees</u>
Retirees and Beneficiaries	117	19
Inactive, Nonretired Members	49	5
Active Members	140	25
Total	306	49

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

a) Municipal Employees' Retirement System (Continued)

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 \$484,697 in the year ended June 30, 2020 for general employees and \$400,713 for public safety employees, which was 7.31% and 22.03% of annual covered payroll, respectively.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2018 and rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2019 measurement date (June 30, 2018 valuation rolled forward to June 30, 2019)	
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	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

a) Municipal Employees' Retirement System (Continued)

Net Pension Liability (Asset) (Continued)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
GROWTH:		
Global Equity		
U.S. Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	<u>4.70%</u>	8.90%
Subtotal	<u>40.00%</u>	
Private Growth		
Private Equity	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	<u>1.50%</u>	9.81%
Subtotal	<u>15.00%</u>	
INCOME:		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	<u>3.20%</u>	3.98%
Subtotal	<u>8.00%</u>	
STABILITY:		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	<u>4.00%</u>	4.20%
Subtotal	<u>8.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	<u>1.00%</u>	3.76%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	<u>3.00%</u>	0.77%
Subtotal	<u>21.00%</u>	
Total	<u>100.00%</u>	

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

Net Pension Liability (Asset) (Continued)

Discount rate - The discount rate used to measure the total pension liability of the plans was 7.00 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.

Changes in the Net Pension Liability (Asset) - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of June 30, 2018	\$ 30,961,231	\$ 29,251,916	\$ 1,709,315
Changes for the Year			
Service cost	583,868		583,868
Interest on the total pension liability	2,126,886		2,126,886
Changes in benefits			
Difference between expected and actual experience	741,351		741,351
Changes in assumptions			
Employer contributions		489,370	(489,370)
Employee contributions		189,728	(189,728)
Net investment income		1,879,140	(1,879,140)
Benefit payments, including employee refunds	(1,738,151)	(1,738,151)	
Administrative expense		(29,375)	29,375
Other changes		42,751	(42,751)
Net changes	1,713,954	833,463	(880,491)
Balances as of June 30, 2019	\$ 32,675,185	\$ 30,085,379	\$ 2,589,806

Changes in the Net Pension Liability (Asset) - Police Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2018	\$ 13,610,470	\$ 10,677,799	\$ 2,932,671
Changes for the Year			
Service cost	366,578		366,578
Interest on the total pension liability	943,333		943,333
Changes in benefits			
Difference between expected and actual experience	20,964		20,964
Changes in assumptions			
Employer contributions		367,613	(367,613)
Employee contributions		172,427	(172,427)
Net investment income		704,300	(704,300)
Benefit payments, including employee refunds	(635,158)	(635,158)	
Administrative expense		(11,010)	11,010
Other changes			
Net changes	695,717	598,172	97,545
Balances as of June 30, 2019	\$ 14,306,187	\$ 11,275,971	\$ 3,030,216

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 7.0 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 (6.0%)	Current Single Discount Rate (7.0%)	1.00% Increase (8.0%)
General Employees	\$ 6,036,055	\$ 2,589,806	\$ (230,851)
Police Employees	\$ 4,526,058	\$ 3,030,216	\$ 1,806,020

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, 2020, the employer recognized pension expense of \$1,072,183 for the general employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>General Employees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 584,385	\$ 472,627
Changes in assumptions	558,523	
Net difference between projected and actual earnings on pension plan investments	503,466	580,190
Contributions subsequent to measurement date	484,697	
Total	<u>\$2,131,071</u>	<u>\$1,052,817</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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 \$484,697 related to pensions resulting from the Town of Burrillville's contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. 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>
2021	\$ 408,900
2022	11,675
2023	33,116
2024	139,866
2025	0
Thereafter	<u>0</u>
Total	<u>\$ 593,557</u>

For the year ended June 30, 2020 the employer recognized pension expense of \$489,354 for the police employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

Police Employees

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 226,637	\$ 367,797
Changes in assumptions	364,274	7,590
Net difference between projected and actual earnings on pension plan investments	169,512	216,439
Contributions subsequent to measurement date	<u>400,713</u>	<u> </u>
Total	<u>\$1,161,136</u>	<u>\$ 591,826</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 \$400,713 related to pensions resulting from the Town of Burrillville's contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. 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>
2021	\$ 16,535
2022	(3,460)
2023	120,100
2024	44,645
2025	(11,809)
Thereafter	<u>2,586</u>
Total	<u>\$ 168,597</u>

(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>.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 2020, 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 10.49% and 14.12% of annual covered payroll for the fiscal year ended June 30, 2020 for the State and Burrillville School Department, respectively. The Burrillville School Department contributed \$1,996,253, \$2,148,341 and \$1,991,879, for the fiscal years ended June 30, 2020, 2019, and 2018, respectively, equal to 100% of the required contributions for each year. The State's share of contributions for fiscal 2020 was \$1,383,358 and is reflected as on behalf-payments and included in both revenue and expenditures on the financial statements.

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

At June 30, 2020, the Burrillville School Department reported a liability of \$27,459,530 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	\$27,459,530
State's proportionate share of the net pension liability associated with the Burrillville School Department	<u>20,570,031</u>
Total net pension liability	<u>\$48,029,561</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2019, 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, 2018 rolled forward to June 30, 2019. 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, 2019 the Burrillville School Department proportion was 0.86059292%.

For the year ended June 30, 2020, the Burrillville School Department recognized gross pension expense of \$4,997,238 and revenue of \$2,281,983 for support provided by the State. At June 30, 2020, the Burrillville School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources		
Contributions subsequent to the measurement date		\$1,996,253
Changes in assumptions		1,606,816
Difference between expected and actual experience		334,387
Net difference between projected and actual earnings on pension plan investments		616,230
Changes in proportion and differences between employer contributions and proportionate share of contributions		1,201,895
Total		<u>\$5,755,581</u>
Deferred inflows of resources		
Change in assumptions		\$ 216,721
Differences between expected and actual experience		458,573
Changes in proportion and differences between employer contributions and proportionate share of contributions		1,280,879
Net difference between projected and actual earnings on pension plan investments		659,440
Total		<u>\$2,615,613</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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)

Deferred outflows of resources totaling \$1,996,253 related to pensions resulting from the Burrillville School Department's contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. 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:	
2021	\$ 224,753
2022	(251,332)
2023	290,465
2024	562,682
2025	318,352
Thereafter	(1,205)
Total	\$1,143,715

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

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality – variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
GROWTH:		
Global Equity		
U.S. Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	<u>4.70%</u>	8.90%
Subtotal	<u>40.00%</u>	
Private Growth		
Private Equity	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	<u>1.50%</u>	9.81%
Subtotal	<u>15.00%</u>	
INCOME:		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	<u>3.20%</u>	3.98%
Subtotal	<u>8.00%</u>	
STABILITY:		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	<u>4.00%</u>	4.20%
Subtotal	<u>8.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	<u>1.00%</u>	3.76%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	<u>3.00%</u>	0.77%
Subtotal	<u>21.00%</u>	
Total	<u>100.00%</u>	

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

Actuarial Assumptions (Continued)

Discount rate - the discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 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 (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$33,935,312	\$27,459,530	\$22,158,451

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

(c) Teachers' Survivors Benefit Plan

General Information about the Pension Plan

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

General Information about the Pension Plan (Continued)

Eligibility and plan benefits (Continued)

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

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

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

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse's Benefit</u>
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 962.50
\$25,001 to \$33,000	\$ 1,100.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

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 \$11,500; 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 \$23,837, \$24,253, and \$24,725, for the fiscal years ended June 30, 2020, 2019, and 2018, respectively, equal to 100% of the required contributions for each year.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

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

At June 30, 2020, the Burrillville School Department reported an asset of \$3,690,743 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, 2019, 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, 2018 rolled forward to June 30, 2019. The Burrillville School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2019 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2019, the Burrillville School Department's proportion was 3.25330808%.

For the year ended June 30, 2020, the Burrillville School Department recognized pension expense of \$13,119 – a decrease in the pension asset. At June 30, 2020, the Burrillville School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$ 23,837
Difference between expected and actual experience	402,207
Changes in assumptions	321,592
Net difference between projected and actual investment earnings	179,853
Changes in proportion and differences between employer contributions and proportionate share of contributions	208,889
Total	\$1,136,378
Deferred inflows of resources	
Net difference between projected and actual earnings on pension plan investments	\$216,198
Changes in proportion and differences between employer contributions and proportionate share of contributions	169,568
Difference between expected and actual experience	980,191
Total	\$1,365,957

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

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

Deferred outflows of resources totaling \$23,837 related to pensions resulting from the Burrillville School Department contributions in fiscal year 2020 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 52,020
2022	(89,916)
2023	(11,295)
2024	8,357
2025	(66,486)
Thereafter	(146,096)
Total	\$ (253,416)

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

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality-Variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.5% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2018 valuation and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
GROWTH:		
Global Equity		
U.S. Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	<u>4.70%</u>	8.90%
Subtotal	<u>40.00%</u>	
Private Growth		
Private Equity	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	<u>1.50%</u>	9.81%
Subtotal	<u>15.00%</u>	
INCOME:		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	<u>3.20%</u>	3.98%
Subtotal	<u>8.00%</u>	
STABILITY:		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	<u>4.00%</u>	4.20%
Subtotal	<u>8.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	<u>1.00%</u>	3.76%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	<u>3.00%</u>	0.77%
Subtotal	<u>21.00%</u>	
Total	<u>100.00%</u>	

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

Actuarial Assumptions (Continued)

Discount rate - the discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 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 (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$(2,844,056)	\$(3,690,743)	\$(4,321,165)

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 PENSION PLAN

Defined Contribution Plan Description:

Certain employees participating in the defined benefit plan, as described above, may 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, 2020:

	<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, 2020

11. DEFINED CONTRIBUTION PENSION 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 \$35,143, for the fiscal year ended June 30, 2020. Town of Burrillville plan members contributed \$145,570 during the fiscal year ended June 30, 2020. The Burrillville School Department recognized pension expense of \$320,416 and \$27,329 for teachers and general employees, respectively for the fiscal year ended June 30, 2020. Burrillville School Department plan members contributed \$963,786 during the fiscal year ended June 30, 2020.

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, 2020 totaled \$164,120. Total payments to be made for fiscal year ending June 30, 2021 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 2021. The annual payment on this contract varies from year to year based on the transportation needs of the department. There is a 2.75% 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 \$1,578,210 for the year ended June 30, 2020.

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 2020 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, 2020

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 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, 2018, 387 individuals (372 active employees and 15 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, Sage View Consulting Group, 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, 2019. 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)

Date of hire is before July 1, 2007: The earlier of age 59 with five years of service or 30 years of service regardless of age.

Date of hire is after July 1, 2007: Age 60 with 5 years of service.

School (Certified): Age 60 and 20 years of service.

Police: The earlier of age 50 with 25 years of service and 27 years of service regardless of age.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

Benefit Provisions and Contributions (Continued):

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 minus the retiree co-share listed below.

Date of hire:	Before July 1, 2006	Between July 1, 2006 and December 31, 2011	After December 31, 2011
Co-share:	None	\$40 every two weeks	15% of the premium

If a retiree has less than 20 years of service, the retiree is responsible for 100% of the medical premium.

Municipal non-union (including Library): If a retiree has at least 20 years of service, then the Town covers 100% of the premium for a single plan for the first five years minus the retiree co-share listed below:

Date of hire:	Before April 15, 2007	Between April 15, 2007 and December 31, 2011	After December 31, 2011
Co-share:	None	\$40 every two weeks	15% of the premium

If a retiree has less than 20 years of service, the retiree is responsible for 100% of the medical premium.

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

Police: 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.

Dental Coverage: Dental benefits are offered to some groups, with the retiree responsible for paying 100% of the premium.

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, 2020

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

Classes of Employees Covered

As of July 1, 2018 membership data was as follows:

Active Employees	372
Retirees plus beneficiaries	<u>15</u>
Total Plan Members	<u>387</u>

Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at June 30, 2020 were as follows:

	<u>General Government</u>	<u>Sewer</u>
Total OPEB liability	\$ 3,312,066	\$25,931
Plan fiduciary net position	<u>0</u>	<u>0</u>
Town's net OPEB liability	<u>\$ 3,312,066</u>	<u>\$25,931</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%

The Town of Burrillville's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher. Rates were taken from the Bond Buyer 20-year Bond GO index as of the measurement date.

Changes in the Net OPEB Liability:

	General Employees <u>Increase (Decrease)</u>		
	Total OPEB <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net OPEB <u>Liability</u>
Balances as of June 30, 2019	\$ 3,055,736	\$ 0	\$ 3,055,736
Changes for the Year			
Service cost	96,619		96,619
Interest on the total OPEB liability	118,366		118,366
Difference between expected and actual experience	0		0
Changes in assumptions	228,945		228,945
Employee contributions			0
Employer contributions		187,600	(187,600)
Benefit payments	(187,600)	(187,600)	0
Net changes	256,330	0	256,330
Balances as of June 30, 2020	<u>\$ 3,312,066</u>	<u>\$ 0</u>	<u>\$ 3,312,066</u>

	Sewer <u>Increase (Decrease)</u>		
	Total OPEB <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net OPEB <u>Liability</u>
Balances as of June 30, 2019	\$ 23,248	\$ 0	\$ 23,248
Changes for the Year			
Service cost	737		737
Interest on the total OPEB liability	917		917
Difference between expected and actual experience	0		0
Changes in assumptions	1,623		1,623
Employee contributions			
Employer contributions		594	(594)
Benefit payments	(594)	(594)	0
Net changes	2,683	0	2,683
Balances as of June 30, 2020	<u>\$ 25,931</u>	<u>\$ 0</u>	<u>\$ 25,931</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the employer recognized OPEB expense of \$(95,599) for the general employees and \$(778) for the sewer employees. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>General Employees</u>		<u>Sewer Employees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 0	\$(338,059)	\$ 0	\$ (2,647)
Differences in assumptions	152,518	(165,170)	1,194	(1,293)
Excess (deficit) investment returns	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 152,518</u>	<u>\$(503,229)</u>	<u>\$ 1,194</u>	<u>\$ (3,940)</u>

Amounts currently reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$(313,016)
2022	44,808
2023	(32,048)
2024	(32,048)
2025	(21,153)
Thereafter	<u>0</u>
Total	<u>\$(353,457)</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, calculated using the discount rate of 3.50%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current rate.

	<u>1% Decrease</u> <u>2.50%</u>	<u>Current Discount Rate</u> <u>3.50%</u>	<u>1% Increase</u> <u>4.50%</u>
Net OPEB Liability	\$3,656,263	\$3,337,997	\$3,057,444

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, calculated using the current healthcare cost trend rates as well as what the Town's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	<u>1% Decrease</u>	<u>Current</u> <u>Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$3,007,969	\$3,337,997	\$3,720,260

Funded Status and Funding Progress

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 basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used in the July 1, 2018 funding valuation:

Discount Rate.....	3.50% for determining fiscal 2020 disclosure
Actuarial Cost Method.....	Entry Age
Amortization Method	Level Dollar
Initial medical inflation rate.....	7.50%
Ultimate medical inflation rate.....	4.50%
Year when ultimate inflation rate reached	2040
Asset Valuation Method	N/A
Mortality Table.....	Pub. 2010 Public Retirement Plans Mortality Table projected generationally with Scale MP-2019
Salary Increase	N/A

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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.

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

Fiscal year ending June 30, 2022 is the last year covered under the Town's six-year tax agreement with OSP. The Town engaged an independent Company to have an appraisal of the facility completed by December 31, 2021. Negotiations for a new tax agreement will commence in fiscal year 2021.

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, 2020. Employees are allowed to make contributions to the Plan up to IRC limits, currently \$19,500 (\$26,000 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, 2020 were \$126,470. The Town has an obligation to prudently manage these monies.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 33 fiscal years.

During the fiscal year ended June 30, 2020, the Town paid premiums of \$144,902 for workers' compensation coverage and \$256,766 for property and liability coverage.

At June 30, 2020, the Trust held reserves for future payments of open cases of \$211,286 for property and liability claims and \$5,061 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, 2020, 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, 2020, 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, 2020 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
Major funds:		
General Fund	\$ 583,056	\$22,138,695
School Department	20,554,891	44,000
Non-major funds	2,085,397	1,075,854
Total governmental activities	<u>\$23,223,344</u>	<u>\$23,258,549</u>
 Business-type activities:		
Major funds		
Sewer Authority		\$ 8,795
Non-major funds	\$ 44,000	
Total business-type activities	<u>\$ 44,000</u>	<u>\$ 8,795</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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 \$14,900 for the remaining year.

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 \$33,100 per year for the remaining 22 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	\$14,900	1	\$ 14,900	\$14,900	\$ 0
Whipple Avenue	1976	N/A	33,100	22	728,200	33,100	695,100
			<u>\$48,000</u>		<u>\$743,100</u>	<u>\$48,000</u>	<u>\$695,100</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). 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 Trustees (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, Blue Cross Blue Shield of Rhode Island for medical coverage and CVS for pharmacy coverage.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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 30th 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 1st 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, 2020, unaudited results indicate that the Pool generated \$145,198,787 in revenues and had a change in net position, revenues less expenses, of \$6,163,861. The Pool had \$64,207,648 in total assets and \$39,089,324 in total equity as of June 30, 2020.

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, 2020, the Pool's membership consisted of 47 cities, towns or other governmental units.

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

20. SUBSEQUENT EVENTS

Management continues to evaluate the potential consequences of the COVID-19 virus and its impact on the Town's future financial operations and has concluded that while it is reasonably possible that the virus could have a negative effect on the Town's financial operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

(CONCLUDED)

TOWN OF BURRILLVILLE

REQUIRED SUPPLEMENTARY INFORMATION

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

	General Employees					
	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
A. Total pension liability						
1. Service Cost	\$ 583,868	\$ 612,949	\$ 574,233	\$ 570,934	\$ 558,807	\$ 571,246
2. Interest on the Total Pension Liability	2,126,886	2,098,853	2,077,583	2,034,644	1,965,817	1,868,378
3. Changes of benefit terms	0	0	0	0	556,208	0
4. Difference between expected and actual experience of the Total Pension Liability	741,351	(598,194)	(196,024)	(467,173)	(703,472)	0
5. Changes of assumptions	0	0	1,414,072	0	0	206,772
6. Benefit payments, including refunds of employee contributions	(1,738,151)	(1,659,039)	(1,554,384)	(1,580,673)	(1,350,801)	(1,331,179)
7. Net change in total pension liability	1,713,954	454,569	2,315,480	557,732	1,026,559	1,315,217
8. Total pension liability – beginning	30,961,231	30,506,662	28,191,182	27,633,450	26,606,891	25,291,674
9. Total pension liability – ending (a)	32,675,185	30,961,231	30,506,662	28,191,182	27,633,450	26,606,891
B. Plan fiduciary net position						
1. Contributions – employer	489,370	483,944	505,102	505,089	501,237	476,580
2. Contributions – employee	189,728	198,255	201,088	201,073	120,591	120,310
3. Net investment income	1,879,140	2,188,863	2,973,434	(1,813)	631,724	3,599,161
4. Benefit payments, including refunds of employee contributions	(1,738,151)	(1,659,039)	(1,554,384)	(1,580,673)	(1,350,801)	(1,331,179)
5. Pension Plan Administrative Expense	(29,375)	(29,139)	(28,092)	(31,557)	(17,873)	(22,538)
6. Other	42,751	69,686	(151,230)	4,998	48,443	(47,580)
7. Net change in plan fiduciary net position	833,463	1,252,570	1,945,918	(902,883)	(66,679)	2,794,754
8. Plan fiduciary net position – beginning	29,251,916	27,999,346	26,053,428	26,956,311	27,022,990	24,228,236
9. Plan fiduciary net position – ending (b)	30,085,379	29,251,916	27,999,346	26,053,428	26,956,311	27,022,990
C. Net pension liability - ending (a) - (b)	\$ 2,589,806	\$ 1,709,315	\$ 2,507,316	\$ 2,137,754	\$ 677,139	\$ (416,099)
D. Plan fiduciary net position as a percentage of the total pension liability	92.07%	94.48%	91.78%	92.42%	97.55%	101.56%
E. Covered employee payroll	\$ 6,619,821	\$ 6,541,615	\$ 6,228,126	\$ 6,028,871	\$ 6,021,628	\$ 5,799,448
F. Net pension liability as a percentage of covered payroll	39.12%	26.13%	40.26%	35.46%	11.25%	-7.17%

(CONTINUED)

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

	Police Employees					
	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
A. Total pension liability						
1. Service Cost	\$ 366,578	\$ 344,307	\$ 300,347	\$ 284,607	\$ 261,005	\$ 238,634
2. Interest on the Total Pension Liability	943,333	913,952	855,725	838,227	832,456	796,207
3. Changes of benefit terms	0	0	0	0	286,545	0
4. Difference between expected and actual experience of the Total Pension Liability	20,964	(222,964)	392,564	(303,421)	0	0
5. Changes of assumptions	0	0	685,079	0	(776,149)	(61,110)
6. Benefit payments, including refunds of employee contributions	(635,158)	(618,245)	(599,582)	(588,358)	(489,084)	(514,109)
7. Net change in total pension liability	695,717	417,050	1,634,133	231,055	114,773	459,622
8. Total pension liability – beginning	13,610,470	13,193,420	11,559,287	11,328,232	11,213,459	10,753,837
9. Total pension liability – ending (a)	14,306,187	13,610,470	13,193,420	11,559,287	11,328,232	11,213,459
B. Plan fiduciary net position						
1. Contributions – employer	367,613	308,922	329,218	358,658	330,750	159,913
2. Contributions – employee	172,427	158,993	151,157	138,824	106,479	98,864
3. Net investment income	704,300	798,999	1,066,189	(3,159)	215,730	1,205,386
4. Benefit payments, including refunds of employee contributions	(635,158)	(618,245)	(599,582)	(588,358)	(489,084)	(514,109)
5. Pension Plan Administrative Expense	(11,010)	(10,637)	(10,073)	(8,500)	(8,656)	(7,548)
6. Other	0	0	(24)	(1)	0	(1)
7. Net change in plan fiduciary net position	598,172	638,032	936,885	(102,536)	155,219	942,505
8. Plan fiduciary net position – beginning	10,677,799	10,039,767	9,102,882	9,205,418	9,050,199	8,107,694
9. Plan fiduciary net position – ending (b)	11,275,971	10,677,799	10,039,767	9,102,882	9,205,418	9,050,199
C. Net pension liability - ending (a) - (b)	\$ 3,030,216	\$ 2,932,671	\$ 3,153,653	\$ 2,456,405	\$ 2,122,814	\$ 2,163,260
D. Plan fiduciary net position as a percentage of the total pension liability	78.82%	78.45%	76.10%	78.75%	81.26%	80.71%
E. Covered employee payroll	\$ 1,724,262	\$ 1,589,600	\$ 1,511,560	\$ 1,395,130	\$ 1,330,979	\$ 1,235,806
F. Net pension liability as a percentage of covered payroll	175.74%	184.49%	208.64%	176.07%	159.49%	175.05%

(CONCLUDED)

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

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Actuarially determined contribution	\$ 489,370	\$ 483,944	\$ 505,102	\$ 505,089	\$ 501,237	\$ 476,580
Contributions in relation to the actuarially determined contribution	(489,370)	(483,944)	(505,102)	(505,089)	(501,237)	(476,580)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 6,619,821	\$ 6,541,615	\$ 6,228,126	\$ 6,028,871	\$ 6,021,628	\$ 5,799,448
Contributions as a percentage of covered-employee payroll	7.39%	7.40%	8.11%	8.38%	8.32%	8.22%

Municipal Employees' Retirement System - Police Employees

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Actuarially determined contribution	\$ 367,613	\$ 308,922	\$ 329,218	\$ 358,658	\$ 330,750	\$ 159,913
Contributions in relation to the actuarially determined contribution	(367,613)	(308,922)	(329,218)	(358,658)	(330,750)	(159,913)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 1,724,262	\$ 1,589,600	\$ 1,511,560	\$ 1,395,130	\$ 1,330,979	\$ 1,235,806
Contributions as a percentage of covered-employee payroll	21.32%	19.43%	21.78%	25.71%	24.85%	12.94%

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

Changes in benefit provisions:

June 30, 2019 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

(CONCLUDED)

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

	Employees' Retirement System					
	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Burrillville School Department's proportionate percentage of the net pension liability	0.86059292%	0.86737424%	0.81491404%	0.83485176%	0.82699821%	0.92527010%
Burrillville School Department's proportionate share of the net pension liability	\$ 27,459,530	\$ 27,558,632	\$ 25,703,094	\$ 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	20,570,031	20,556,760	19,425,363	17,058,630	15,553,893	15,443,740
Total	<u>\$ 48,029,561</u>	<u>\$ 48,115,392</u>	<u>\$ 45,128,457</u>	<u>\$ 41,967,080</u>	<u>\$ 38,321,176</u>	<u>\$ 37,964,818</u>
Burrillville School Department's covered employee payroll	\$ 15,483,952	\$ 15,440,528	\$ 15,044,403	\$ 14,925,060	\$ 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	177.34%	178.48%	170.85%	166.89%	153.81%	154.76%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	54.30%	54.00%	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					
	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Actuarially determined contribution	\$ 1,996,253	\$ 2,148,341	\$ 1,991,879	\$ 1,861,155	\$ 1,936,089	\$ 1,861,211
Contributions in relation to the actuarially determined contribution	(1,996,253)	(2,148,341)	(1,991,879)	(1,861,155)	(1,936,089)	(1,861,211)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 15,483,952	\$ 15,440,528	\$ 15,044,403	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Contributions as a percentage of covered- employee payroll	12.89%	13.91%	13.24%	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					
	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Burrillville School Department's proportionate percentage of the net pension asset	3.25330808%	3.32308118%	3.41762439%	3.20515468%	3.31903683%	3.29654812%
Burrillville School Department's proportionate share of the net pension asset	\$ 3,690,743	\$ 2,965,162	\$ 2,827,278	\$ 3,191,433	\$ 3,098,507	\$ 4,098,293
Burrillville School Department's covered employee payroll	\$ 15,483,952	\$ 15,440,528	\$ 15,044,403	\$ 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	23.8%	19.2%	18.8%	21.4%	20.9%	28.2%
Plan fiduciary net position as a percentage of the total pension liability	150.2%	137.4%	136.1%	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 ISLANDSCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S CONTRIBUTIONS

	Teachers' Survivors Benefit Plan					
	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Statutorily determined contribution	\$ 23,837	\$ 24,253	\$ 24,725	\$ 20,722	\$ 20,010	\$ 20,027
Contributions in relation to the statutorily determined contribution	(23,837)	(24,253)	(24,725)	(20,722)	(20,010)	(20,027)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 15,483,952	\$ 15,440,528	\$ 15,044,403	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Contributions as a percentage of covered-employee payroll	0.15%	0.16%	0.16%	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.
- 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 CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OPEB TRUST FUND
LAST THREE FISCAL YEARS*

	General Employees		
	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Total OPEB liability			
Service cost	\$ 96,619	\$ 94,008	\$ 106,149
Interest on the total OPEB liability	118,366	129,083	113,564
Effect of economic/demographic gains or losses	0	0	0
Effect of assumptions changes or inputs	228,945	(50,937)	(244,656)
Differences between expected and actual experience	0	(1,020,985)	0
Employee contributions	0	0	252,761
Benefit payments	(187,600)	(250,906)	(273,020)
Net change in total OPEB liability	256,330	(1,099,737)	(45,202)
Total OPEB liability - beginning	3,055,736	4,155,473	4,200,675
Total OPEB liability - ending	3,312,066	3,055,736	4,155,473
Plan fiduciary net position			
Contributions - employer	187,600	250,906	20,259
Contributions - employee	0	0	252,761
Net investment income	0	0	0
Benefit payments	(187,600)	(250,906)	(273,020)
OPEB plan administrative expense	0	0	0
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position - beginning	0	0	0
Plan fiduciary net position - ending	0	0	0
Net OPEB liability (asset) - ending	\$ 3,312,066	\$ 3,055,736	\$ 4,155,473
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 27,159,793	\$ 24,536,319	\$ 23,683,959
Net OPEB liability as a percentage of covered payroll	12.19%	12.45%	17.55%

*Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OPEB TRUST FUND
LAST THREE FISCAL YEARS*

	Sewer Employees		
	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Total OPEB liability			
Service cost	\$ 737	\$ 263	\$ 293
Interest on the total OPEB liability	917	780	689
Effect of economic/demographic gains or losses	0	0	0
Effect of assumptions changes or inputs	1,623	(419)	(833)
Differences between expected and actual experience	0	(1,131)	0
Employee contributions	0	0	0
Benefit payments	(594)	(1,834)	0
Net change in total OPEB liability	2,683	(2,341)	149
Total OPEB liability - beginning	23,248	25,589	25,440
Total OPEB liability - ending	25,931	23,248	25,589
Plan fiduciary net position			
Contributions - employer	594	1,834	0
Contributions - employee	0	0	0
Net investment income	0	0	0
Benefit payments	(594)	(1,834)	0
OPEB plan administrative expense	0	0	0
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position - beginning	0	0	0
Plan fiduciary net position - ending	0	0	0
Net OPEB liability (asset) - ending	\$ 25,931	\$ 23,248	\$ 25,589
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 628,631	\$ 623,817	\$ 622,325
Net OPEB liability as a percentage of covered payroll	4.12%	3.73%	4.11%

*Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

(CONCLUDED)

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, 2020**

	Originally Adopted Budget	Final Approved Budget	Actual Budgetary Basis	Variance
REVENUES:				
General property taxes	\$ 32,282,845	\$ 32,282,845	\$ 32,249,151	\$ (33,694)
Intergovernmental	17,130,999	17,130,999	17,212,636	81,637
Licenses, permits and fees	450,176	450,176	683,552	233,376
Investment income	95,000	95,000	262,779	167,779
Departmental	97,500	97,500	56,465	(41,035)
Total revenues	50,056,520	50,056,520	50,464,583	408,063
EXPENDITURES:				
Current:				
General government	3,502,462	3,518,962	3,334,861	184,101
Public safety	2,954,603	2,954,603	2,892,162	62,441
Public works	1,469,425	1,472,425	1,471,834	591
Recreation and social services	174,510	183,010	172,762	10,248
Libraries	915,276	915,276	915,276	0
Employee benefits and other	2,562,960	2,543,460	2,507,535	35,925
Burrillville Redevelopment Agency	0	125,000	125,000	0
Debt service:				
Principal	1,173,000	1,173,000	1,173,000	0
Interest and other costs	254,917	254,917	232,677	22,240
Capital outlay	2,577,364	4,957,859	1,591,927	3,365,932
Total expenditures	15,584,517	18,098,512	14,417,034	3,681,478
Excess of revenues over expenditures	34,472,003	31,958,008	36,047,549	4,089,541
Other financing sources (uses):				
Transfers out	(34,512,103)	(35,688,362)	(35,730,592)	(42,230)
Transfers in	40,100	40,100	40,395	295
Reappropriation of prior year's fund balance	0	3,690,254	3,690,254	0
Net other financing sources (uses)	(34,472,003)	(31,958,008)	(31,999,943)	(41,935)
Excess of revenues and other sources over expenditures and other uses	\$ 0	\$ 0	4,047,606	\$ 4,047,606
Less: reappropriated fund balance			(3,690,254)	
Add: excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54			24,524	
Fund Balance, beginning of year			13,982,874	
Fund Balance, end of year			\$ 14,364,750	

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, 2020**

	Originally Adopted <u>Budget</u>	Final Approved <u>Budget</u>	Actual Budgetary <u>Basis</u>	<u>Variance</u>
Revenues:				
State aid	\$ 13,106,202	\$ 13,106,202	\$ 12,711,350	\$ (394,852)
Federal sources	0	0	403,764	403,764
Miscellaneous	300,000	300,000	330,951	30,951
Total revenues	<u>13,406,202</u>	<u>13,406,202</u>	<u>13,446,065</u>	<u>39,863</u>
Expenditures:				
Current:				
Salaries	19,715,047	19,578,473	19,504,578	73,895
Employee benefits	7,526,318	7,478,351	7,553,535	(75,184)
Purchased services	5,623,356	5,786,390	5,130,737	655,653
Supplies and materials	1,004,990	1,020,681	1,048,945	(28,264)
Other	37,060	39,048	50,528	(11,480)
Capital outlay	<u>50,185</u>	<u>54,013</u>	<u>82,266</u>	<u>(28,253)</u>
Total expenditures	<u>33,956,956</u>	<u>33,956,956</u>	<u>33,370,589</u>	<u>586,367</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(20,550,754)</u>	<u>(20,550,754)</u>	<u>(19,924,524)</u>	<u>626,230</u>
Other financing sources (uses):				
Transfer from Town of Burrillville	20,594,754	20,594,754	20,554,891	(39,863)
Transfers to other funds	(44,000)	(44,000)	(44,000)	
Net other financing sources (uses)	<u>20,550,754</u>	<u>20,550,754</u>	<u>20,510,891</u>	<u>(39,863)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>586,367</u>	<u>\$ 586,367</u>
Add: current year encumbrances			14,731	
Fund balance, beginning of year			<u>573,708</u>	
Fund balance, end of year			<u>\$ 1,174,806</u>	

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

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, 2020:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 4,047,606
Fund balance reappropriated	(3,690,254)
Excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....	<u>24,524</u>
Net change in fund balance (GAAP)	<u>\$ 381,876</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, 2020:

Excess of revenues and other sources under expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 586,367
Current year encumbrances.....	<u>14,731</u>
Net change in fund balance (GAAP)	<u>\$ 601,098</u>

TOWN OF BURRILLVILLE

OTHER SUPPLEMENTARY INFORMATION

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

School Restricted Grants

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

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.

Canine Program

This fund accounts for the cost of setting up a canine program within the Burrillville Police Department.

Animal Shelter Donation Account

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

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Library Grant

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

Community Emergency Response Training

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

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.

COVID-19

This fund accounts for grant revenue and expenditures related to the COVID-19 Pandemic.

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.

Blackstone Valley Prevention Coalition

This fund accounts for grant money received for substance abuse prevention and awareness through the regional coalition – Blackstone Valley Prevention Coalition.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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.

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.

COVID Donations

This fund accounts for donations and corresponding expenses due to the COVID -19 Pandemic.

Voter Access Grant

This fund accounts for grant money received to upgrade election security.

Bullet Proof Vest Program

This fund accounts for grant money received from the Department of Justice to upgrade police officers' bulletproof vests.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

RI Senior Grant

This fund accounts for grant money received for senior community activities.

Electric Vehicle Grant

This fund accounts for grant money received for the purchase of an electric vehicle, charging stations, and related supplies.

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 Grants

This fund accounts for various grants and donations given to the Police Department.

Police Task Force

This fund accounts for monies received from drug related asset forfeitures.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

Dog Park

This fund accounts for grant money and matching funds related to the creation of a new fenced dog park, walking paths, and parking lot near the existing animal shelter.

Commerce Park Water Loop

This fund accounts for expenses related to a water system improvement project for Commerce Park.

Public Works Complex Fund

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

Animal Control Facility Renovation

This fund accounts for expenses related to renovating the Animal Control facility.

Wilson Spillway

This fund accounts for grant money and matching funds related to the Wilson Reservoir Spillway flood control project.

Oakland/Mapleville Bike Path

This fund accounts for the construction of the Oakland/Mapleville Bike Path.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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.

School Department Capital Projects

This fund allows the Burrillville School Department to utilize the remaining capital funds from the approved five-year plan for additional school capital projects approved by Rhode Island Department of Education (RIDE).

Major Capital

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

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Cemetery Fund

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

Frank H. Potter Bridgeway Fund

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

Alice McGreevy Thompson Fund

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

Jesse M. Smith Memorial Library Fund

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

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds						
	School Restricted Grants	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Canine Program	Animal Shelter Donation Account
ASSETS:							
Cash and cash equivalents	\$ 73,412	\$ 189,587					
Other receivables						\$ 4,000	
Due from:							
Other funds	230,353	16,126	\$ 74,799	\$ 42,313		82,096	\$ 13,456
Other governments	143,761						
TOTAL ASSETS	\$ 447,526	\$ 205,713	\$ 74,799	\$ 42,313	\$0	\$ 86,096	\$ 13,456
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable	\$ 1,201						\$ 514
Retainage payable							
Accrued payroll and benefits							
Due to:							
Other funds	263,494						
Other governments	147,260			\$ 804			
Unearned revenues	35,571						
Other liabilities							
TOTAL LIABILITIES	447,526	\$ 0	\$ 0	804	\$0	\$ 0	514
FUND BALANCES:							
Nonspendable for:							
Perpetual care							
Endowments							
Restricted for:							
General government			74,799	41,509			
Public safety						86,096	12,942
Recreation and social services		134,161					
Education							
Community development							
Committed for:							
General government							
Recreation and social services		71,552					
Capital projects							
Unassigned							
TOTAL FUND BALANCES	0	205,713	74,799	41,509	0	86,096	12,942
TOTAL LIABILITIES AND FUND BALANCES	\$ 447,526	\$ 205,713	\$ 74,799	\$ 42,313	\$0	\$ 86,096	\$ 13,456

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds					
	Library Grant	Community Emergency Response Training	Byrne Grant	Clear River Energy Fund	Spring Lake	COVID-19
ASSETS:						
Cash and cash equivalents					\$ 145,133	\$ 46,729
Other receivables						187,002
Due from:						
Other funds		\$ 59,452		\$ 150,586	115,078	4,221
Other governments						79,063
TOTAL ASSETS	\$0	\$ 59,452	\$0	\$ 150,586	\$ 260,211	\$ 317,015
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable					\$ 8,029	\$ 13,198
Retainage payable						\$ 6,995
Accrued payroll and benefits					9,419	
Due to:						
Other funds					190,994	1,556
Other governments						
Unearned revenues						257,819
Other liabilities					600	
TOTAL LIABILITIES	\$0	\$ 0	\$0	\$ 0	209,042	50,781
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government						
Public safety		59,452				
Recreation and social services						
Education						
Community development						50,645
Committed for:						
General government				150,586		
Recreation and social services					51,169	
Capital projects						
Unassigned						(22,993)
TOTAL FUND BALANCES	0	59,452	0	150,586	51,169	(22,993)
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$ 59,452	\$0	\$ 150,586	\$ 260,211	\$ 317,015

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds					
	Blackstone Valley Prevention Coalition	Partnership for Success	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Police Legislative Grant
ASSETS:						
Cash and cash equivalents				\$ 559,205		
Other receivables	\$ 13,500					
Due from:						
Other funds		\$ 109,154	\$ 232		\$ 193,823	\$ 277
Other governments						
TOTAL ASSETS	\$ 13,500	\$ 109,154	\$ 232	\$ 559,205	\$ 193,823	\$ 277
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ 337	\$ 313		\$ 40,396	\$ 2,965	
Retainage payable						
Accrued payroll and benefits		2,076			754	
Due to:						
Other funds	6,977			49,716	49,861	
Other governments						
Unearned revenues	6,186		\$ 232		2,968	
Other liabilities						
TOTAL LIABILITIES	13,500	2,389	232	90,112	56,548	\$ 0
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government						
Public safety						277
Recreation and social services		106,765			137,275	
Education				469,093		
Community development						
Committed for:						
General government						
Recreation and social services						
Capital projects						
Unassigned						
TOTAL FUND BALANCES	0	106,765	0	469,093	137,275	277
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,500	\$ 109,154	\$ 232	\$ 559,205	\$ 193,823	\$ 277

(CONTINUED)

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds					
	Police Grant - Operation Riptide	COVID Donations	Voter Access	Bullet Proof Vest	RI Senior Grant	Electric Vehicle Grant
ASSETS:						
Cash and cash equivalents						
Other receivables						
Due from:						
Other funds		\$ 5,613			\$ 15,775	\$ 1,382
Other governments	\$ 2,391			\$ 6,822		
TOTAL ASSETS	\$ 2,391	\$ 5,613	\$0	\$ 6,822	\$ 15,775	\$ 1,382
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable					\$ 17	
Retainage payable						
Accrued payroll and benefits						
Due to:						
Other funds	\$ 2,391					
Other governments						
Unearned revenues				\$ 6,822		\$ 1,382
Other liabilities						
TOTAL LIABILITIES	2,391	\$ 0	\$0	6,822	17	1,382
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government		5,613				
Public safety						
Recreation and social services					15,758	
Education						
Community development						
Committed for:						
General government						
Recreation and social services						
Capital projects						
Unassigned						
TOTAL FUND BALANCES	0	5,613	0	0	15,758	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,391	\$ 5,613	\$0	\$ 6,822	\$ 15,775	\$ 1,382

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds				Capital Project Funds	
	Wallace Lees Scholarship	Snack Pack Program	Police Grants	Police Task Force	Dog Park	Commerce Park Water Loop
ASSETS:						
Cash and cash equivalents				\$ 9,104		
Other receivables						
Due from:						
Other funds	\$ 5,000	\$ 15,507	\$ 7,969			
Other governments						
TOTAL ASSETS	\$ 5,000	\$ 15,507	\$ 7,969	\$ 9,104	\$0	\$ 0
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable		\$ 519				
Retainage payable						
Accrued payroll and benefits						
Due to:						
Other funds						\$ 330
Other governments						
Unearned revenues						
Other liabilities						
TOTAL LIABILITIES	\$ 0	519	\$ 0	\$ 0	\$0	330
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government						
Public safety			7,969	9,104		
Recreation and social services		14,988				
Education	5,000					
Community development						
Committed for:						
General government						
Recreation and social services						
Capital projects						
Unassigned						(330)
TOTAL FUND BALANCES	5,000	14,988	7,969	9,104	0	(330)
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,000	\$ 15,507	\$ 7,969	\$ 9,104	\$0	\$ 0

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Capital Project Funds					
	Public Works Complex Fund	Animal Control Facility Renovation	Wilson Spillway	Oakland/ Mapleville Bike Path	North Road Bridge Project	Open Space/ Land Acquisition
ASSETS:						
Cash and cash equivalents						\$ 9,845
Other receivables	\$ 8,644					
Due from:						
Other funds	44,589		\$ 52,486			
Other governments			98,711	\$ 321,318	\$ 75,689	
TOTAL ASSETS	\$ 53,233	\$0	\$ 151,197	\$ 321,318	\$ 75,689	\$ 9,845
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ 7,097			\$ 4,612		
Retainage payable				27,992		
Accrued payroll and benefits						
Due to:						
Other funds				116,806		
Other governments						
Unearned revenues						
Other liabilities						
TOTAL LIABILITIES	7,097	\$0	\$ 0	149,410	\$ 0	\$ 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	46,136		151,197	171,908	75,689	9,845
Unassigned	46,136	0	151,197	171,908	75,689	9,845
TOTAL FUND BALANCES	46,136	0	151,197	171,908	75,689	9,845
TOTAL LIABILITIES AND FUND BALANCES	\$ 53,233	\$0	\$ 151,197	\$ 321,318	\$ 75,689	\$ 9,845

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Capital Project Funds		Permanent Funds				
	School Department Capital Projects	Major Capital	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	Total Non-Major Governmental Funds
ASSETS:							
Cash and cash equivalents		\$ 1,880,934	\$ 83,393	\$ 16,782	\$ 1,256	\$ 15,823	\$ 3,031,203
Other receivables							213,146
Due from:							
Other funds							1,240,287
Other governments							755,543
TOTAL ASSETS	\$ 0	\$ 1,880,934	\$ 83,393	\$ 16,782	\$ 1,256	\$ 15,823	\$ 5,240,179
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable			\$ 75				\$ 86,268
Retainage payable							27,992
Accrued payroll and benefits							12,249
Due to:							
Other funds	\$ 117,148	\$ 494,577	468				1,331,901
Other governments							148,064
Unearned revenues		50,000					360,980
Other liabilities				\$ 6,782	\$ 256	\$ 823	8,461
TOTAL LIABILITIES	117,148	544,577	543	6,782	256	823	1,975,915
FUND BALANCES:							
Nonspendable for:							
Perpetual care			82,850				82,850
Endowments				10,000	1,000	15,000	26,000
Restricted for:							
General government							121,921
Public safety							175,840
Recreation and social services							408,947
Education							474,093
Community development							50,645
Committed for:							
General government							150,586
Recreation and social services							122,721
Capital projects		1,336,357					1,791,132
Unassigned	(117,148)						(140,471)
TOTAL FUND BALANCES	(117,148)	1,336,357	82,850	10,000	1,000	15,000	3,264,264
TOTAL LIABILITIES AND FUND BALANCES	\$ 0	\$ 1,880,934	\$ 83,393	\$ 16,782	\$ 1,256	\$ 15,823	\$ 5,240,179

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds						
	School Restricted Grants	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Canine Program	Animal Shelter Donation Account
REVENUES:							
Intergovernmental	\$ 1,384,135				\$ 561		
Investment income		\$ 2,285					
Other	5,013	14,156	\$ 16,422	\$ 2,730		\$ 41,000	\$ 19,623
TOTAL REVENUES	1,389,148	16,441	16,422	2,730	561	41,000	19,623
EXPENDITURES:							
Current:							
General government			134				
Public safety					561	23,203	28,928
Public libraries							
Recreation and social services		2,168					
Education	1,316,755						
Community development							
Debt service:							
Interest and other costs							
Capital outlay	72,393	2,354	1,029			17,701	
TOTAL EXPENDITURES	1,389,148	4,522	1,163	0	561	40,904	28,928
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	11,919	15,259	2,730	0	96	(9,305)
OTHER FINANCING SOURCES (USES):							
Transfers in						86,000	
Transfers out							
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	0	86,000	0
NET CHANGE IN FUND BALANCES	0	11,919	15,259	2,730	0	86,096	(9,305)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	193,794	59,540	38,779	0	0	22,247
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 205,713	\$ 74,799	\$ 41,509	\$ 0	\$ 86,096	\$ 12,942

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds					
	Library Grant	Community Emergency Response Training	Byrne Grant	Clear River Energy Fund	Spring Lake	Community Development Block Grant
REVENUES:						
Intergovernmental	\$ 173,742		\$ 1,288			\$ 6,691
Investment income					\$ 1,160	2,804
Other					219,880	46,847
TOTAL REVENUES	173,742	\$ 0	1,288	\$ 0	221,040	56,342
EXPENDITURES:						
Current:						
General government				114,180		50,781
Public safety						
Public libraries	173,742					
Recreation and social services					228,410	
Education						
Community development						66,203
Debt service:						
Interest and other costs						
Capital outlay			1,288			
TOTAL EXPENDITURES	173,742	0	1,288	114,180	228,410	66,203
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	0	0	(114,180)	(7,370)	(22,993)
OTHER FINANCING SOURCES (USES):						
Transfers in				125,000		
Transfers out						
NET OTHER FINANCING SOURCES (USES)	0	0	0	125,000	0	0
NET CHANGE IN FUND BALANCES	0	0	0	10,820	(7,370)	(22,993)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	59,452	0	139,766	58,539	60,506
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 59,452	\$ 0	\$ 150,586	\$ 51,169	\$ (22,993)

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds					
	Blackstone Valley Prevention Coalition	Partnership for Success	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Police Legislative Grant
REVENUES:						
Intergovernmental						\$ 1,000
Investment income				\$ 976		
Other	\$ 26,045	\$ 660			\$ 4,895	
TOTAL REVENUES	<u>26,045</u>	<u>660</u>	<u>\$0</u>	<u>976</u>	<u>4,895</u>	<u>1,000</u>
EXPENDITURES:						
Current:						
General government				10,272		
Public safety					27,326	2,554
Public libraries						
Recreation and social services	26,045	69,049				
Education		201				
Community development						
Debt service:						
Interest and other costs						
Capital outlay						
TOTAL EXPENDITURES	<u>26,045</u>	<u>69,250</u>	<u>0</u>	<u>10,272</u>	<u>27,326</u>	<u>2,554</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>(68,590)</u>	<u>0</u>	<u>(9,296)</u>	<u>(22,431)</u>	<u>(1,554)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in		56,960			46,221	
Transfers out						
NET OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>56,960</u>	<u>0</u>	<u>0</u>	<u>46,221</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	<u>0</u>	<u>(11,630)</u>	<u>0</u>	<u>(9,296)</u>	<u>23,790</u>	<u>(1,554)</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>0</u>	<u>118,395</u>	<u>0</u>	<u>478,389</u>	<u>113,485</u>	<u>1,831</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 0</u>	<u>\$ 106,765</u>	<u>\$0</u>	<u>\$ 469,093</u>	<u>\$ 137,275</u>	<u>\$ 277</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds					
	Police Grant - Operation Riptide	COVID Donations	Voter Access	Bullet Proof Vest	RI Senior Grant	Electric Vehicle Grant
REVENUES:						
Intergovernmental	\$ 32,498		\$ 1,700		\$ 9,249	\$ 3,317
Investment income						
Other		\$ 8,500			6,650	
TOTAL REVENUES	32,498	8,500	1,700	\$0	15,899	3,317
EXPENDITURES:						
Current:						
General government		2,887				
Public safety	25,078					
Public libraries						
Recreation and social services					23,660	3,317
Education						
Community development						
Debt service:						
Interest and other costs						
Capital outlay	7,420		1,700			
TOTAL EXPENDITURES	32,498	2,887	1,700	0	23,660	3,317
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	5,613	0	0	(7,761)	0
OTHER FINANCING SOURCES (USES):						
Transfers in					23,519	
Transfers out						
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	23,519	0
NET CHANGE IN FUND BALANCES	0	5,613	0	0	15,758	0
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	0	0	0	0	0
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 5,613	\$ 0	\$0	\$ 15,758	\$ 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, 2020**

	Special Revenue Funds				Capital Project Funds	
	Wallace Lees Scholarship	Snack Pack Program	Police Grants	Police Task Force	Dog Park	Commerce Park Water Loop
REVENUES:						
Intergovernmental				\$ 16		
Investment income						
Other		\$ 6,201	\$ 11,000			
TOTAL REVENUES	\$ 0	6,201	11,000	16	\$ 0	\$ 0
EXPENDITURES:						
Current:						
General government						
Public safety						
Public libraries						
Recreation and social services		7,551	9,231			
Education						
Community development						
Debt service:						
Interest and other costs						335,095
Capital outlay						335,095
TOTAL EXPENDITURES	0	7,551	9,231	0	0	335,095
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	(1,350)	1,769	16	0	(335,095)
OTHER FINANCING SOURCES (USES):						
Transfers in					2,198	27,272
Transfers out						
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	2,198	27,272
NET CHANGE IN FUND BALANCES	0	(1,350)	1,769	16	2,198	(307,823)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	5,000	16,338	6,200	9,088	(2,198)	307,493
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 5,000	\$ 14,988	\$ 7,969	\$ 9,104	\$ 0	\$ (330)

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Capital Project Funds					
	Public Works Complex Fund	Animal Control Facility Renovation	Wilson Spillway	Oakland/ Mapleville Bike Path	North Road Bridge Project	Open Space/ Land Acquisition
REVENUES:						
Intergovernmental				\$ 271,469		
Investment income						\$ 119
Other						
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	271,469	\$ 0	119
EXPENDITURES:						
Current:						
General government						
Public safety						
Public libraries						
Recreation and social services						
Education						
Community development						
Debt service:						
Interest and other costs					3,142	
Capital outlay	2,816,102	57,572		583,365		
TOTAL EXPENDITURES	2,816,102	57,572	0	583,365	3,142	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(2,816,102)	(57,572)	0	(311,896)	(3,142)	119
OTHER FINANCING SOURCES (USES):						
Transfers in	341,945	85,057		421,955		
Transfers out						
NET OTHER FINANCING SOURCES (USES)	341,945	85,057	0	421,955	0	0
NET CHANGE IN FUND BALANCES	(2,474,157)	27,485	0	110,059	(3,142)	119
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	2,520,293	(27,485)	151,197	61,849	78,831	9,726
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 46,136	\$ 0	\$ 151,197	\$ 171,908	\$ 75,689	\$ 9,845

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Capital Project Funds		Permanent Funds				Total Non-Major Governmental Funds
	School Department Capital Projects	Major Capital	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	
REVENUES:							
Intergovernmental							\$ 1,913,438
Investment income		\$ 22,674	\$ 269	\$ 202	\$ 15	\$ 191	30,711
Other							429,622
TOTAL REVENUES	\$ 0	22,674	269	202	15	191	2,373,771
EXPENDITURES:							
Current:							
General government			75	202	15	191	178,737
Public safety							107,650
Public libraries							173,742
Recreation and social services							369,431
Education							1,316,956
Community development							66,203
Debt service:							
Interest and other costs							3,142
Capital outlay	252,148	68,730					4,216,897
TOTAL EXPENDITURES	252,148	68,730	75	202	15	191	6,432,758
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(252,148)	(46,056)	194	0	0	0	(4,058,987)
OTHER FINANCING SOURCES (USES):							
Transfers in	135,000	734,270					2,085,397
Transfers out		(1,075,854)					(1,075,854)
NET OTHER FINANCING SOURCES (USES)	135,000	(341,584)	0	0	0	0	1,009,543
NET CHANGE IN FUND BALANCES	(117,148)	(387,640)	194	0	0	0	(3,049,444)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	1,723,997	82,656	10,000	1,000	15,000	6,313,708
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (117,148)	\$ 1,336,357	\$ 82,850	\$ 10,000	\$ 1,000	\$ 15,000	\$ 3,264,264

(CONCLUDED)

TOWN OF BURRILLVILLE

NON-MAJOR PROPRIETARY FUNDS

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, 2020**

	Levy Rink	Extended Day Care	Totals
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 235,999	\$ 250,653	\$ 486,652
Accounts receivable, net		21,609	21,609
Total current assets	235,999	272,262	508,261
Noncurrent assets:			
Net capital assets	374,892	84,920	459,812
Total noncurrent assets	374,892	84,920	459,812
TOTAL ASSETS	610,891	357,182	968,073
LIABILITIES:			
Current liabilities:			
Accounts payable	29,427	16,348	45,775
Accrued payroll		21,146	21,146
Due to other funds	29,028	35,429	64,457
Unearned revenue		7,279	7,279
Capital lease payable	25,508		25,508
Accrued compensated absences	1,200		1,200
Total current liabilities	85,163	80,202	165,365
Noncurrent liabilities:			
Capital lease payable, net	26,626		26,626
Accrued compensated absences	10,352		10,352
Total noncurrent liabilities	36,978	0	36,978
TOTAL LIABILITIES	122,141	80,202	202,343
NET POSITION:			
Net investment in capital assets	322,758	84,920	407,678
Unrestricted	165,992	192,060	358,052
TOTAL NET POSITION	\$ 488,750	\$ 276,980	\$ 765,730

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Levy Rink</u>	<u>Extended Day Care</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for usage and service	\$ 461,274	\$ 532,581	\$ 993,855
Total operating revenues	<u>461,274</u>	<u>532,581</u>	<u>993,855</u>
OPERATING EXPENSES:			
Operations	272,360	108,224	380,584
Personnel	173,364	488,630	661,994
Depreciation	55,822	3,147	58,969
Total operating expenses	<u>501,546</u>	<u>600,001</u>	<u>1,101,547</u>
OPERATING LOSS	<u>(40,272)</u>	<u>(67,420)</u>	<u>(107,692)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income		2,482	2,482
Interest expense	(3,356)		(3,356)
Total nonoperating revenues (expenses)	<u>(3,356)</u>	<u>2,482</u>	<u>(874)</u>
LOSS BEFORE TRANSFERS	<u>(43,628)</u>	<u>(64,938)</u>	<u>(108,566)</u>
TRANSFERS IN	<u>44,000</u>	<u>0</u>	<u>44,000</u>
CHANGE IN NET POSITION	<u>372</u>	<u>(64,938)</u>	<u>(64,566)</u>
TOTAL NET POSITION - BEGINNING	<u>488,378</u>	<u>341,918</u>	<u>830,296</u>
TOTAL NET POSITION - ENDING	<u>\$ 488,750</u>	<u>\$ 276,980</u>	<u>\$ 765,730</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	Levy Rink	Extended Day Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 461,274	\$ 526,738	\$ 988,012
Cash paid to suppliers	(252,440)	(100,775)	(353,215)
Cash paid to employees	(173,097)	(483,987)	(657,084)
Net cash provided by (used for) operating activities	<u>35,737</u>	<u>(58,024)</u>	<u>(22,287)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from other funds	44,000		44,000
Increase in due to other funds	11,122	31,588	42,710
Net cash provided by noncapital financing activities	<u>55,122</u>	<u>31,588</u>	<u>86,710</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(86,532)	(82,928)	(169,460)
Principal payment on capital lease	(24,437)		(24,437)
Interest expense	(3,356)		(3,356)
Net cash used for capital and related financing activities	<u>(114,325)</u>	<u>(82,928)</u>	<u>(197,253)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments		2,482	2,482
Net cash provided by investing activities	<u>0</u>	<u>2,482</u>	<u>2,482</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,466)	(106,882)	(130,348)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>259,465</u>	<u>357,535</u>	<u>617,000</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 235,999</u>	<u>\$ 250,653</u>	<u>\$ 486,652</u>
 Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (40,272)	\$ (67,420)	\$ (107,692)
Adjustments to reconcile:			
Depreciation	55,822	3,147	58,969
Increase in accounts receivable		(11,011)	(11,011)
Decrease in prepaid expenses		1,452	1,452
Increase in accounts payable	19,920	5,997	25,917
Increase in accrued payroll		4,643	4,643
Increase in unearned revenue		5,168	5,168
Increase in accrued compensated absences	267		267
Net cash provided by (used for) operating activities	<u>\$ 35,737</u>	<u>\$ (58,024)</u>	<u>\$ (22,287)</u>

TOWN OF BURRILLVILLE

AGENCY FUNDS

Pupil Activity Funds

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

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020**

	<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	\$ 185,475	\$ 246,603	\$ 256,512	\$ 175,566
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 185,475	\$ 246,603	\$ 256,512	\$ 175,566

TOWN OF BURRILLVILLE

COMPONENT UNITS

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.

TOWN OF BURRILLVILLE, RHODE ISLAND

COMBINING STATEMENT OF FUND NET POSITION
COMPONENT UNITS
JUNE 30, 2020

	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 233,400	\$ 125,795	\$ 359,195
Loan receivable	1,550		1,550
Due from:			
Primary government	100,989	156,585	257,574
Prepaid expenses	130,948		130,948
Total current assets	466,887	282,380	749,267
Noncurrent assets:			
Loan receivable, net	6,429		6,429
Capital assets:			
Non-depreciable	217,075		217,075
Depreciable, net	453,437	133,276	586,713
Total noncurrent assets	676,941	133,276	810,217
TOTAL ASSETS	1,143,828	415,656	1,559,484
LIABILITIES:			
Current liabilities:			
Accounts payable	2,417	34,678	37,095
Accrued expenses	4,191		4,191
Accrued payroll		18,864	18,864
Deferred revenue		2,100	2,100
Note payable, current portion	12,656		12,656
Total current liabilities	19,264	55,642	74,906
Noncurrent liabilities:			
Note payable, net	49,774		49,774
Total noncurrent liabilities	49,774	0	49,774
TOTAL LIABILITIES	69,038	55,642	124,680
NET POSITION:			
Net investment in capital assets	670,512	133,276	803,788
Unrestricted	404,278	226,738	631,016
TOTAL NET POSITION	\$ 1,074,790	\$ 360,014	\$ 1,434,804

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED JUNE 30, 2020**

	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	
Burrillville Redevelopment Agency							
Economic Development	\$ 76,197	\$ 68,858	\$ 0	\$ 125,000	\$ 117,661		\$ 117,661
Total Burrillville Redevelopment Agency	76,197	68,858	0	125,000	117,661		117,661
Jesse M. Smith Memorial Library							
Operations	933,401	8,739	986,276	0	0	\$ 61,614	61,614
Total Jesse M. Smith Memorial Library	933,401	8,739	986,276	0	0	61,614	61,614
Total component units	<u>\$ 1,009,598</u>	<u>\$ 77,597</u>	<u>\$ 986,276</u>	<u>\$ 125,000</u>	117,661	61,614	179,275
General revenues:							
Unrestricted investment earnings					2,814	190	3,004
Total general revenues					2,814	190	3,004
Change in net position					120,475	61,804	182,279
Net Position - beginning of year					954,315	298,210	1,252,525
Net Position - end of year					<u>\$ 1,074,790</u>	<u>\$ 360,014</u>	<u>\$ 1,434,804</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
COMPONENT UNITS
YEAR ENDED JUNE 30, 2020**

	<u>Burrillville Redevelopment Agency</u>	<u>Jesse M. Smith Memorial Library</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for usage and service	\$ 68,858	\$ 8,739	\$ 77,597
Total operating revenues	<u>68,858</u>	<u>8,739</u>	<u>77,597</u>
OPERATING EXPENSES:			
Operations	53,918	186,408	240,326
Personnel	5,164	732,800	737,964
Depreciation and amortization	15,711	14,193	29,904
Total operating expenses	<u>74,793</u>	<u>933,401</u>	<u>1,008,194</u>
OPERATING LOSS	<u>(5,935)</u>	<u>(924,662)</u>	<u>(930,597)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	2,814	190	3,004
Interest expense	(1,404)		(1,404)
Nonoperating grants	125,000	986,276	1,111,276
Net nonoperating revenues	<u>126,410</u>	<u>986,466</u>	<u>1,112,876</u>
CHANGE IN NET POSITION	120,475	61,804	182,279
TOTAL NET POSITION - BEGINNING	<u>954,315</u>	<u>298,210</u>	<u>1,252,525</u>
TOTAL NET POSITION - ENDING	<u>\$ 1,074,790</u>	<u>\$ 360,014</u>	<u>\$ 1,434,804</u>

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CASH FLOWS
COMPONENT UNITS
YEAR ENDED JUNE 30, 2020**

	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 68,858	\$ 8,739	\$ 77,597
Cash paid to suppliers	(53,274)	(187,116)	(240,390)
Cash paid to employees	(7,021)	(724,975)	(731,996)
Net cash provided by (used for) operating activities	8,563	(903,352)	(894,789)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Nonoperating grants received		988,376	988,376
Increase in due from primary government	(96,504)	(2,767)	(99,271)
Decrease in due to primary government		(10,937)	(10,937)
Net cash provided by (used for) noncapital financing activities	(96,504)	974,672	878,168
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(23,250)	(43,016)	(66,266)
Nonoperating grants received	125,000		125,000
Principal payment on note payable	(12,406)		(12,406)
Net cash provided by (used for) capital and related financing activities	89,344	(43,016)	46,328
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	2,814	190	3,004
Interest expense	(1,404)		(1,404)
Net cash provided by investing activities	1,410	190	1,600
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,813	28,494	31,307
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	230,587	97,301	327,888
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 233,400	\$ 125,795	\$ 359,195
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (5,935)	\$ (924,662)	\$ (930,597)
Adjustments to reconcile:			
Depreciation and amortization	15,711	14,193	29,904
Decrease in accounts payable	(3,547)	(708)	(4,255)
Increase in accrued expenses	4,191		4,191
Increase (decrease) in accrued payroll	(1,857)	7,825	5,968
Net cash provided by (used for) operating activities	\$ 8,563	\$ (903,352)	\$ (894,789)

TOWN OF BURRILLVILLE

GENERAL FUND BUDGETARY SCHEDULES

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budgetary Basis	Actual Budgetary Basis	Variance
Property taxes:						
Current and prior years	\$ 32,097,845	\$ 32,097,845	\$ 32,081,555		\$ 32,081,555	\$ (16,290)
Interest on delinquent taxes and other	167,000	167,000	147,488		147,488	(19,512)
Payment in lieu of taxes	18,000	18,000	20,108		20,108	2,108
Total property taxes	32,282,845	32,282,845	32,249,151	\$ 0	32,249,151	(33,694)
Intergovernmental revenues:						
State of Rhode Island including:						
School aid	13,104,842	13,104,842		12,711,350	12,711,350	(393,492)
School construction	823,042	823,042	1,039,362		1,039,362	216,320
Motor vehicle phase out	1,978,490	1,978,490	1,980,321		1,980,321	1,831
Medicaid reimbursement	400,000	400,000		330,951	330,951	(69,049)
Meals and beverage tax	221,496	221,496	206,107		206,107	(15,389)
Pilot	88,867	88,867	24,829		24,829	(64,038)
Telephone tax	204,641	204,641	204,918		204,918	277
Police and other	63,000	63,000	64,413		64,413	1,413
Library construction	246,621	246,621	246,621		246,621	0
ESSER Grant	0	0		394,852	394,852	394,852
CARES Provides Grant	0	0		8,912	8,912	8,912
Total intergovernmental revenues	17,130,999	17,130,999	3,766,571	13,446,065	17,212,636	81,637
Departmental revenues:						
Licenses, permits and fees:						
Licenses and fees	325,175	325,175	536,381		536,381	211,206
Building official	73,001	73,001	103,188		103,188	30,187
Miscellaneous	52,000	52,000	43,983		43,983	(8,017)
Services/assessments	97,500	97,500	56,465		56,465	(41,035)
Total departmental revenues	547,676	547,676	740,017	0	740,017	192,341
Investment income	95,000	95,000	262,779	0	262,779	167,779
Total revenues	50,056,520	50,056,520	37,018,518	13,446,065	50,464,583	408,063

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
General Government:						
Elected officials	46,000	46,500	46,354		46,354	146
Town clerk	269,080	269,080	226,235		226,235	42,845
Tax assessor	148,845	148,845	137,873		137,873	10,972
Town manager	221,718	221,718	215,803		215,803	5,915
Building official	138,916	139,916	139,642		139,642	274
Town treasurer	355,900	355,900	342,440		342,440	13,460
Tax collector	134,546	134,546	118,690		118,690	15,856
Information systems	223,776	233,776	233,336		233,336	440
Town planner	142,992	142,992	136,485		136,485	6,507
Boards, agencies, and committees	140,421	140,421	98,436		98,436	41,985
General fund contingency	15,000	20,000	6,756		6,756	13,244
Miscellaneous town expense	13,380	13,380	13,069		13,069	311
Buildings - administration	2,400	2,400	1,465		1,465	935
Total general government	1,852,974	1,869,474	1,716,584	0	1,716,584	152,890
Public Safety:						
Police department	2,777,146	2,777,146	2,728,265		2,728,265	48,881
Animal control	144,115	144,115	135,717		135,717	8,398
Civil defense	10,642	10,642	8,397		8,397	2,245
Municipal court	22,700	22,700	19,783		19,783	2,917
Total public safety	2,954,603	2,954,603	2,892,162	0	2,892,162	62,441
Public Works:						
Highway department	1,469,425	1,472,425	1,471,834		1,471,834	591
Total public works	1,469,425	1,472,425	1,471,834	0	1,471,834	591

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Recreation and Social Services:						
Participation recreation	146,510	155,010	148,895		148,895	6,115
Operation of mini-bus	28,000	28,000	23,867		23,867	4,133
Total recreation and social services	174,510	183,010	172,762	0	172,762	10,248
Debt Service:						
General obligation bonds:						
Principal	1,173,000	1,173,000	1,173,000		1,173,000	0
Interest	252,917	252,917	232,677		232,677	20,240
Bond registration fees and other	2,000	2,000	0		0	2,000
Total debt service	1,427,917	1,427,917	1,405,677	0	1,405,677	22,240
General Services	1,649,488	1,649,488	1,618,277	0	1,618,277	31,211
Capital Improvements Program:						
School department	404,000	191,782	107,774		107,774	84,008
Police department	211,664	221,974	182,409		182,409	39,565
Public works	1,902,000	4,236,595	1,248,939		1,248,939	2,987,656
Administration	59,700	240,008	52,805		52,805	187,203
Recreation	0	67,500	0		0	67,500
Total capital improvements program	2,577,364	4,957,859	1,591,927	0	1,591,927	3,365,932
Library:						
Pascoag Library	84,500	84,500	84,500		84,500	0
Jesse M. Smith Memorial Library	830,776	830,776	830,776		830,776	0
Total library	915,276	915,276	915,276	0	915,276	0
Burrillville Redevelopment Agency	0	125,000	125,000	0	125,000	0

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Miscellaneous:						
Employee insurance and benefits	2,428,260	2,408,760	2,378,915		2,378,915	29,845
Legal services	105,000	105,000	99,183		99,183	5,817
Other professional services	29,700	29,700	29,437		29,437	263
Total miscellaneous	2,562,960	2,543,460	2,507,535	0	2,507,535	35,925
Total expenditures	15,584,517	18,098,512	14,417,034	0	14,417,034	3,681,478
Excess of revenues over expenditures before other financing sources (uses)	34,472,003	31,958,008	22,601,484	13,446,065	36,047,549	4,089,541
Other financing sources (uses):						
Transfers out:						
Special revenue funds	(34,086,769)	(34,725,700)	(21,288,474)	(13,446,065)	(34,734,539)	(8,839)
Capital project funds	(425,334)	(962,662)	(996,053)		(996,053)	(33,391)
Transfers in:						
Special revenue funds	24,100	24,100	31,600		31,600	7,500
Enterprise funds	16,000	16,000	8,795		8,795	(7,205)
Reappropriation of prior year's designated fund balance	0	3,690,254		3,690,254	3,690,254	0
Net other financing uses	(34,472,003)	(31,958,008)	(22,244,132)	(9,755,811)	(31,999,943)	(41,935)
Net change in fund balance - budgetary basis	\$ 0	\$ 0	\$ 357,352	\$ 3,690,254	\$ 4,047,606	\$ 4,047,606

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND**TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020****Real Estate and Personal Property Taxes**

Fiscal Year End	Balance July 1, 2019	Current year Assessment	Additions	(Abatements)	Refunds and Adjustments	Amount to be Collected	Collections	Balance June 30, 2020
2020		\$ 32,220,651	\$ 33,886	\$ 23,208	\$ (34,356)	\$ 32,196,973	\$ 31,676,599	\$ 520,374
2019	\$ 439,719			2,652	1,403	438,470	304,244	134,226
2018	137,152			4,288		132,864	18,063	114,801
2017	135,774			4,898		130,876	11,714	119,162
2016	95,257			5,023		90,234	8,677	81,557
2015	82,582			5,652	334	77,264	7,654	69,610
2014	73,736			3,278	249	70,707	3,677	67,030
2013	73,504			2,277	(587)	70,640	1,571	69,069
2012	73,537			1,760	(810)	70,967	1,062	69,905
2011	73,603			1,628		71,975	782	71,193
2010 and prior	150,918			26,254		124,664	885	123,779
	1,335,782	<u>\$ 32,220,651</u>	<u>\$ 33,886</u>	<u>\$ 80,918</u>	<u>\$ (33,767)</u>	<u>\$ 33,475,634</u>	<u>\$ 32,034,928</u>	1,440,706
Less: estimated allowance for uncollectible accounts	(466,200)							(488,900)
Net property taxes	<u>\$ 869,582</u>							<u>\$ 951,806</u>

**Schedule of Most Recent Net Assessed Property
Value by Category**

<u>Description of Property</u>	<u>Rates</u>	<u>Assessed Valuations</u>	<u>Levy</u>
Real-Property- Residential	\$ 16.00	\$ 1,406,375,400	\$ 21,789,475
Real-Property-Commercial/Industrial	16.00	286,857,349	4,543,905
Motor Vehicles	35.00	123,597,072	3,073,612
Tangible and Personal Property	16.00	175,841,485	2,813,659
Total		<u>1,992,671,306</u>	<u>\$ 32,220,651</u>
Exemptions		<u>(83,187,804)</u>	
Net Assessed Values		<u>\$ 1,909,483,502</u>	

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 32,034,928
<u>Adjustments and reversals</u>	
Add: Revenue collected 60 days subsequent to fiscal year ended June 30, 2020	183,595
Less: Prior year revenue collected 60 days subsequent to fiscal year ended June 30, 2019	(170,857)
Add refunds and adjustments	33,767
Add miscellaneous adjustment	122
Current year property tax revenue	<u>\$ 32,081,555</u>

Town of Burrillville
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

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<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 31,723,815	\$ -
Last Year's Levy Tax Collection	302,841	-
Prior Years Property Tax Collection	54,899	-
Interest & Penalty	150,174	-
PILOT & Tax Treaty (excluded from levy) Collection	20,108	-
Other Local Property Taxes	-	-
Licenses and Permits	115,682	-
Fines and Forfeitures	68,911	-
Investment Income	275,821	-
Departmental	1,183,126	-
Rescue Run Revenue	-	-
Police & Fire Detail	80,464	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	330,951
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	276,057
CDBG	6,691	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	1,336,361
COVID - ESSER	-	394,852
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	8,912
MV Excise Tax Reimbursement	207,065	-
State PILOT Program	24,829	-
Distressed Community Relief Fund	-	-
Library Resource Aid	128,569	-
Library Construction Aid	246,621	-
Public Service Corporation Tax	204,918	-
Meals & Beverage Tax / Hotel Tax	206,107	-
LEA Aid	-	12,711,350
Group Home	-	-
Housing Aid Capital Projects	728,158	-
Housing Aid Bonded Debt	311,204	-
State Food Service Revenue	-	9,770
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	47,774
Motor Vehicle Phase Out	1,773,256	-
Other Revenue	79,483	795,127
Local Appropriation for Education	-	20,554,891
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 37,892,741	\$ 36,466,045
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	583,056	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 583,056	\$ -

Town of Burrillville
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 709,729	\$ 571,131	\$ 397,383	\$ -	\$ 290,750	\$ 542,065	\$ 1,090,498	\$ 76,718	\$ 1,964,963
Compensation - Group B	-	-	-	-	-	-	-	-	112,074
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	497	1,001	-	-	173	-	77,378	383	169,557
Overtime - Group B	-	-	-	-	-	-	-	-	5,244
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	65,967
Active Medical Insurance- Group A	114,354	135,219	61,111	-	51,924	98,111	211,866	20,370	353,140
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	27,967
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	7,413	9,283	3,346	-	2,591	7,192	13,710	1,115	18,213
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	1,476
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	46,228	42,801	30,478	-	21,814	40,817	90,160	5,898	179,550
Life Insurance	931	890	347	-	431	973	1,789	104	2,815
State Defined Contribution- Group A	3,349	5,430	1,715	-	2,875	3,801	10,636	632	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	17,007	9,305	4,183	-	3,132	6,534	12,765	1,300	702
Other Benefits- Group B	-	-	-	-	-	-	-	-	1,832
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	23,183	39,693	12,540	-	17,651	29,769	77,820	3,695	400,713
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	7,963
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	278,120	118,749	53,844	156,838	751	43,309	215,351	-	13,959
Materials/Supplies	7,619	7,090	52,474	1	1,369	52,015	22,464	1,221	39,908
Software Licenses	5,938	-	-	89,232	-	4,475	-	1,896	4,922
Capital Outlays	1,276	-	3,147	43,301	125,000	14,193	1,023,264	-	183,715
Insurance	334,860	-	-	-	-	-	-	-	-
Maintenance	1,706	816	1,169	-	1,149	27,562	7,765	30,564	42,169
Vehicle Operations	479	1,184	1,892	-	2,725	504	131,723	47	74,663
Utilities	7,305	-	5,255	3,601	8,486	49,515	40,879	27,696	59,789
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	84,699	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,011,190	-	-
Claims & Settlements	5,000	-	-	-	-	-	-	-	-
Community Support	140,173	-	-	-	-	-	-	-	-
Other Operation Expenditures	174,646	1,484	2,173	-	530	-	1,053	10,419	3,253
Tippling Fees	-	-	-	-	-	-	201,057	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,879,813	\$ 944,077	\$ 631,059	\$ 292,973	\$ 531,351	\$ 920,835	\$ 4,326,067	\$ 182,058	\$ 3,734,553

Town of Burrillville
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

<u>EXPENDITURES</u>	<u>Fire Department</u>	<u>Centralized Dispatch</u>	<u>Public Safety Other</u>	<u>Education Appropriation</u>	<u>Debt</u>	<u>OPEB</u>	<u>Total Municipal</u>	<u>Education Department</u>
Compensation- Group A	\$ -	\$ 231,762	\$ 107,182	\$ -	\$ -	\$ -	\$ 5,982,183	\$ 16,062,106
Compensation - Group B	-	29,575	14,969	-	-	-	156,618	1,746,632
Compensation - Group C	-	-	-	-	-	-	-	2,732,400
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	35,433	1,307	-	-	-	285,729	-
Overtime - Group B	-	-	-	-	-	-	5,244	-
Overtime - Group C	-	-	-	-	-	-	-	34,005
Police & Fire Detail	-	-	-	-	-	-	65,967	-
Active Medical Insurance - Group A	-	36,128	42,055	-	-	-	1,124,278	2,605,163
Active Medical Insurance- Group B	-	-	-	-	-	-	27,967	196,174
Active Medical Insurance- Group C	-	-	-	-	-	-	-	997,704
Active Dental Insurance- Group A	-	3,706	2,231	-	-	-	68,800	165,036
Active Dental Insurance- Group B	-	-	-	-	-	-	1,476	12,645
Active Dental Insurance- Group C	-	-	-	-	-	-	-	55,982
Payroll Taxes	-	23,472	10,052	-	-	-	491,271	612,810
Life Insurance	-	382	208	-	-	-	8,869	73,081
State Defined Contribution- Group A	-	2,193	560	-	-	-	31,192	343,858
State Defined Contribution - Group B	-	-	-	-	-	-	-	31,748
State Defined Contribution - Group C	-	-	-	-	-	-	-	18,872
Other Benefits- Group A	-	1,940	2,600	-	-	-	59,470	210,624
Other Benefits- Group B	-	-	-	-	-	-	1,832	24,564
Other Benefits- Group C	-	-	-	-	-	-	-	32,440
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	15,472	8,443	-	-	-	628,978	2,204,070
State Defined Benefit Pension - Group B	-	-	-	-	-	-	7,963	199,864
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	177,399
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	4,934
Purchased Services	-	373	1,593	-	-	-	882,889	5,251,214
Materials/Supplies	-	716	4,466	-	-	-	189,342	476,835
Software Licenses	-	1,641	-	-	-	-	108,104	40,254
Capital Outlays	-	50	-	-	-	-	1,393,948	134,625
Insurance	-	-	-	-	-	-	334,860	201,976
Maintenance	-	10,072	106	-	-	-	123,077	245,811
Vehicle Operations	-	-	1,871	-	-	-	215,088	89,226
Utilities	-	15,407	12,936	-	-	-	230,868	846,457
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	84,699	-
Trash Removal & Recycling	-	-	-	-	-	-	1,011,190	-
Claims & Settlements	-	-	-	-	-	-	5,000	-
Community Support	-	-	-	-	-	-	140,173	-
Other Operation Expenditures	-	80	-	-	-	-	193,637	32,639
Tipping Fees	-	-	-	-	-	-	201,057	-
Local Appropriation for Education	-	-	-	20,958,655	-	-	20,958,655	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	174,192	-	-	174,192	-
Municipal Debt- Principal	-	-	-	-	833,000	-	833,000	-
Municipal Debt- Interest	-	-	-	-	116,177	-	116,177	-
School Debt- Principal	-	-	-	-	340,000	-	340,000	-
School Debt- Interest	-	-	-	-	116,500	-	116,500	3,356
Retiree Medical Insurance- Total	-	-	-	-	-	26,597	26,597	(7,742)
Retiree Dental Insurance- Total	-	-	-	-	-	542	542	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 408,402	\$ 210,580	\$ 21,132,848	\$ 1,405,677	\$ 27,139	\$ 36,627,431	\$ 35,856,764

Financing Uses: Transfer to Capital Funds	\$ 1,151,525	\$ -
Financing Uses: Transfer to Other Funds	307,279	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 1,458,804	\$ -
Net Change in Fund Balance¹	389,562	609,281
Fund Balance¹- beginning of year	\$14,762,768	\$890,491
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	(7,028)
Fund Balance¹ - beginning of year adjusted	14,762,768	883,463
Rounding	-	-
Fund Balance¹ - end of year	\$ 15,152,330	\$ 1,492,744

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

Town of Burrillville
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2020

K-2

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 14,762,768	-	\$ 14,762,768	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 14,762,768</u>	<u>-</u>	<u>\$ 14,762,768</u>	
General Fund per GASB 54 (pg 30)	\$ 37,120,591	\$ 583,056	\$ 15,183,076	\$ 22,138,695	\$ 381,876	\$ 13,982,874		\$ 13,982,874	\$ 14,364,750
CDBG 0246 (pg 123)	\$ 56,342	\$ -	\$ 66,203	\$ -	\$ (9,861)	\$ 60,506		\$ 60,506	\$ 50,645
Clear River Energy Fund, 0286 (pg 123)	-	125,000	114,180	-	\$ 10,820	139,766		139,766	150,586
Jesse M Smith Library, 2555 (pg 135)	995,205	-	933,401	-	\$ 61,804	298,210		298,210	360,014
Burrillville Extended Care, 2660 (pg 130)	535,063	-	600,001	-	\$ (64,938)	341,918		341,918	276,980
			\$ -						
Totals per audited financial statements	<u>\$ 38,707,201</u>	<u>\$ 708,056</u>	<u>\$ 16,896,861</u>	<u>\$ 22,138,695</u>	<u>\$ 379,701</u>	<u>\$ 14,823,274</u>	<u>\$ -</u>	<u>\$ 14,823,274</u>	<u>\$ 15,202,975</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	20,554,891	(20,554,891)	\$ -	\$ -	\$ -	\$ -	\$ -
Remove non-administrative revenue/expense CDBG 0246	(49,651)	-	(59,512)	-	9,861	(60,506)	-	(60,506)	(50,645)
Detail cost net 0100004-511570	65,967	-	65,967	-	-	-	-	-	-
Reclassify Library appropriation	(830,776)	-	(830,776)	-	-	-	-	-	-
Reclassify Transfer to Clear River Energy Fund, 0286 Elimination	-	(125,000)	-	(125,000)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 37,892,741</u>	<u>\$ 583,056</u>	<u>\$ 36,627,431</u>	<u>\$ 1,458,804</u>	<u>\$ 389,562</u>	<u>\$ 14,762,768</u>	<u>\$ -</u>	<u>\$ 14,762,768</u>	<u>\$ 15,152,330</u>

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

Town of Burrillville
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2020

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Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2019						\$ 890,491	-	890,491	
Misc adjustment for FY20						(7,028)	-	(7,028)	
Fund Balance ¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 883,463</u>	-	<u>\$ 883,463</u>	
School Unrestricted Fund (pg 30)	\$ 14,829,423	\$ 20,554,891	\$ 34,739,216	\$ 44,000	\$ 601,098	\$ 573,708	\$ -	\$ 573,708	\$ 1,174,806
Enterprise Fund ¹ (pg 35)	1,075,940	44,000	1,167,579	-	(47,639)	577,366	-	577,366	529,727
SBA School Captial Projects Fund (pg 128)	-	-	-	-	-	-	-	-	-
School Special Revenue Funds (P 122)	1,389,148	-	1,389,148	-	-	-	-	-	-
Totals per audited financial statements	\$ 17,294,511	\$ 20,598,891	\$ 37,295,943	\$ 44,000	\$ 553,459	\$ 1,151,074	\$ -	\$ 1,151,074	\$ 1,704,533
<u>Reconciliation from financial statements to MTP2</u>									
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	\$ (1,383,357)	\$ -	\$ (1,383,357)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School General - Town Appropriation to education	20,554,891	(20,554,891)	-	-	-	-	-	-	-
Elimination of transfers between funds	-	(44,000)	-	(44,000)	-	-	-	-	-
Depreciation Expense	-	-	(55,822)	-	55,822	(267,611)	-	(267,611)	(211,789)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 36,466,045	\$ -	\$ 35,856,764	\$ -	\$ 609,281	\$ 883,463	\$ -	\$ 883,463	\$ 1,492,744
<u>Reconciliation from MTP2 to UCOA</u>									
Adjustment for school transfer to rink	\$ 44,000		\$ 44,000						
Misc adjustment between MTP and UCOA	-		2						
Totals per UCOA Validated Totals Report	\$ 36,510,045		\$ 35,900,766						

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2020**

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2. Reportable Government Services

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch), and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department – professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2020**

NOTE 4. Employee Groups - Compensation and Benefit Costs (Continued)

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

(CONCLUDED)

TOWN OF BURRILLVILLE

REPORT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Cayer Caccia

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***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, 2020, 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 March 19, 2021.

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) as a basis for designing 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 have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify a certain deficiency in internal control that we consider to be a material weakness and significant deficiency.

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 deficiency described in the accompanying schedule of findings and responses to be a material weakness. (2020-1).

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 deficiency described in the accompany schedule of findings and responses to be a significant deficiency. (2020-1).

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 financial statements. 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 finding 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.

Cory Caccia, LLP

Warwick, Rhode Island
March 19, 2021

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

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:

One significant deficiency disclosed during the audit of the financial statements is summarized below in finding 2020-1. The deficiency is reported as a material weakness.
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

2020-1 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 2020, 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, 2020 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 – Although the Town will continue to utilize the external auditor to prepare the financial statements, the Finance Department will attempt to take a more active role over the financial reporting process by reviewing the financial statements and preparing a disclosure checklist to ensure all required disclosures are included and the financial statements are complete. One of the main objectives/goals of the new Finance Director hired in November 2020 is the management of the financial reporting process. This increased level of involvement in preparing and reviewing the financial statements should eliminate this comment in future years.

C. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2019-1 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 2019, 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, 2019 to prevent and detect misstatements in the financial statement preparation and reporting process.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

C. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

2019-1 Oversight of the Town's Financial Reporting Process (Continued)

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 continued to rely on the external auditors to assist in the recording of certain complex transactions and the final preparation of the GAAP financial statements. The Finance Department is committed to taking a more active role by reviewing the financial statements before they are finalized.

(CONCLUDED)