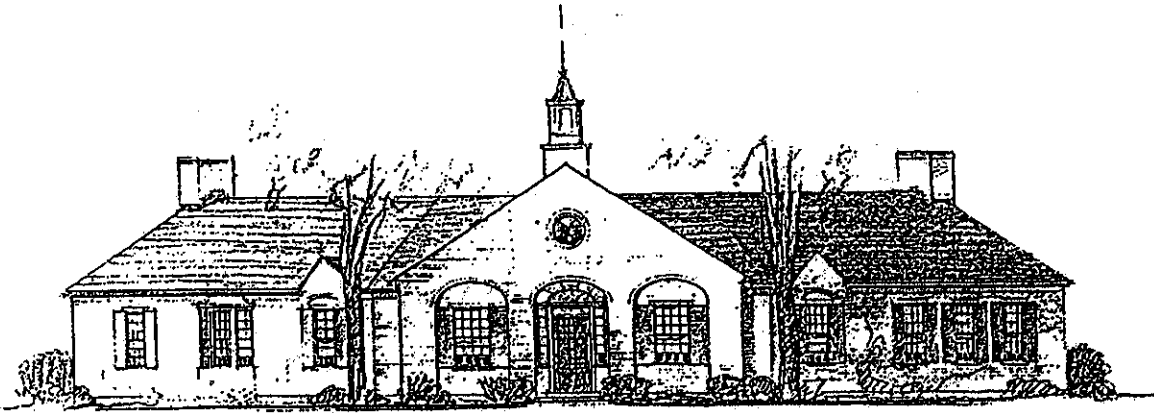


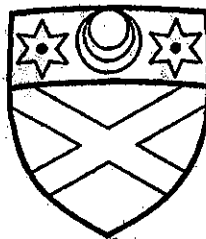
THE TOWN OF
BURRILLVILLE, RHODE ISLAND



Comprehensive Annual Financial Report

Fiscal Year Ended

June 30, 2011



TOWN OF BURRILLVILLE, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY: JOHN P. MAINVILLE

FINANCE DIRECTOR

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011**

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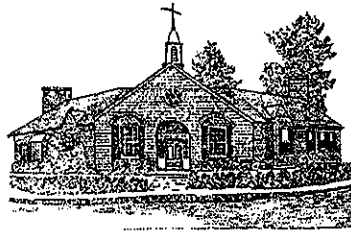
TOWN OF BURRILLVILLE

INTRODUCTORY SECTION



TOWN OF BURRILLVILLE

TOWN FINANCE OFFICE
105 Harrisville Main Street
Harrisville, RI 02830 - 1499



TOWN BUILDING
HARRISVILLE, R.I.

Phone (401) 568-4300
Ext. 121
Fax (401) 568-0490
TDD (401) 568-1710

January 30, 2012

Honorable Members of the Town Council
and Town Manager

As required by the Town Charter and State Law, the comprehensive annual financial report for fiscal year ending June 30, 2011 is hereby submitted. The ultimate responsibility for both the accuracy and fairness of the presented data rests with the Town of Burrillville's Finance Department. To the best of our knowledge and belief, the information enclosed is accurate in all material respects and the data is presented in a manner designed to fairly represent the financial position and the financial operation of the Town during the fiscal year ended June 30, 2011. The Town and its auditors, Cayer Caccia, LLP cooperated to prepare this information, which will enable you to obtain a better understanding of the Town's financial position and the costs associated with providing services. Various disclosures have been included to assist you in gaining an understanding of the Town's financial activities.

The comprehensive annual financial report consists of three sections: 1) Introductory, 2) Financial, and 3) Statistical. The Financial section includes the Management's Discussion and Analysis [MD&A] which provides a narrative overview and analysis of significant financial issues and activities affecting the Town's financial position.

Copies of this report are on file in the Town Clerk's office and the public libraries as well as on the Town's website. This report is forwarded to the Rhode Island Auditor General's Office and Department of Administration, as required by State Law, and to various other state agencies, financial institutions, and rating agencies.

Profile of the Government

The Town of Burrillville is a Rhode Island municipal corporation, which provides a full range of services including general government administration, public safety, public works, social services, recreation, and educational opportunities to its residents. In addition, the Town operates a wastewater collection and treatment facility.

There are several other governmental entities having operations within the Town limits, which are separate, legal entities. The responsibility for the financial reporting of those entities does not rest with the Town government. These boards represent entities established in conformance with state laws and are not governed by the Town Charter. Some of the services provided by these entities include elderly housing, electricity, emergency medical services, fire protection, library services, street lighting, and water.

COMMUNITY DESCRIPTION

The Town of Burrillville is a mixed suburban and rural community located in the northwest corner of Rhode Island. Burrillville was established in 1730. This year represents Burrillville's 204th anniversary since becoming incorporated on October 29, 1806. Since January 1, 1989, the Town has operated under a home rule charter, which was adopted at the November 8, 1988 general election after receiving legislative approval authorizing a referendum to seek voter acceptance of a home rule charter. The Charter was amended November 6, 1990, November 5, 1996, and November 9, 2004. The Town Council appoints the Town Manager and all boards and commission members. The seven member Council is elected at large at the regular biennial elections for staggered four-year terms.

Burrillville has an area of approximately 57 square miles (55.8 land; 1.5 water). The Town has 6 primary villages - Pascoag, Harrisville, Mapleville, Nasonville, Oakland, and Glendale. The Town's geography includes farmlands, several bodies of water, open space, woodlands, and wetlands.

FACTORS AFFECTING FINANCIAL CONDITION

Burrillville experienced significant population growth and residential real estate development during the late 1980s/early 1990's and again in the early 2000's. The majority of the Town's employers are State and local government agencies, service facilities and manufacturing facilities. Likewise, the Town's primary taxpayers are also involved with service, utility industries, and manufacturing.

The 2010 census indicated that Burrillville has a population of 15,955 (a 159 [or 1%] increase in population from the 2000 census – 15,796). The number of new housing units continued to grow by an average of 39 units per year over the past 10 years. The 1990 census data indicated that Burrillville had a permanent population of 16,230, which represented a 23.3% increase of population from the 1980 census count of 13,164. Most Town residents commute to jobs in the northern RI and Providence area. The Town's labor force has increased from 7,952 to 10,065 since 2000. Employment opportunities within the Town are approximately 2,787.

As required by law, the Town completed its latest three [3] year statistical revaluation and implemented effective December 31, 2009. The revaluation was utilized in the tax levy for fiscal year ending June 2011.

Effective for the assessment period of December 31, 1998, the Town received legislative authorization and implemented a program whereby new construction after that date will be assessed on a pro-rata basis.

Net assessed values have decreased by \$268,305,066 (16.45%) over last year's valuations. Approximately 74.1% of the Town's tax base is residential. There have been approximately 354 new housing units constructed over the past ten years.

A profile of the Town is summarized below to illustrate various changes in population, housing, economic trends, and conditions that would influence the demand for services and facilities and the Town's ability to meet those needs. These indicators highlight the significant change that has taken place in Burrillville over the last ten years.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

<u>Category</u>	<u>2002</u>	<u>2011</u>	<u>% Change</u>
* Population	15,796	15,955	1.01%
Labor Force	8,030	10,065	25.34%
Employed	7,635	8,979	17.60%
Unemployment Rate	5.1%	10.8%	111.37%
* Median Age	37.5	42.4	13.07%
* Per Capita Income	21,096	26,972	27.85%
* Median Household Income	52,587	68,904	31.03%
School Enrollment	2,674	2,474	(7.48%)
* High School Graduates	80.40%	82.90%	3.11%
* Bachelor Degrees	16.20%	21.60%	33.33%
Net Assessed Values	792,921,162	1,362,813,040	71.87%
Median Selling Price (Single Family)	197,950	191,000	3.24%

***2010 Census Data**

Burrillville has three industrial parks. The Burrillville Industrial Park covers 53 acres, is the 23rd largest industrial park in the state, and is at capacity. A second 24-acre site (Clear River Drive Industrial Park) was acquired by the Industrial Foundation in FYE 1999. This site currently has four tenants and the remaining three lots are being marketed. In November 2002, the Burrillville Redevelopment Agency acquired a third industrial site, Burrillville Commerce Park – a 254 acre parcel located on Route 102. The Commerce Park currently has two tenants. The balance of the park is being marketed and engineered to determine the best use. The Town has also conducted a comprehensive analysis (Route 102 Master Plan) to determine the best method of developing Route 102, which is the primary transportation route that goes through the Town. Other activities include the renovation of the former Stillwater Mill site, which is the location of the recently completed library. A key component of the revitalization of this area includes the Woonsocket Neighborhood Development Corporation [WNDC] renovation of the former Clocktower building which was completed this year. Rental applications were being accepted as of January 2011.

In the interest of attracting industry to the Town, an act (Chapter 57, 1988) authorizing the Town to exempt from taxation or freeze the value of wholesale inventory was passed on July 26, 1988. In 1993, the Town received authorization to exempt retail inventory from local property taxes (Chapter 343, 1993). This authorization culminated in an ordinance being passed on May 28, 1997. Additionally, when appropriate, the Town has granted tax stabilization to businesses interested in expanding and/or moving into Town, which results in additional jobs and tax base in Burrillville.

Regarding the available transportation network, Burrillville is located approximately 20 miles north of Providence, 22 miles south of Worcester, and 45 miles south of Boston. The Town is located 4 miles from Route 146, 8 miles from Route 295, and 18 miles from Routes 95 and 495. The Town is approximately 9 miles from North Central Airport located in Lincoln and 20 miles from T.F. Green Airport, the State's major airport, located to the south of Burrillville in Warwick, RI.

The Council adopted a revised Comprehensive Plan, which had been approved by the State and was good until March 2010. The Town has submitted an updated plan that is currently being reviewed by the State. Incorporated within the plan is an economic development section. The new plan establishes goals, objectives, and implementation actions that will govern the Town's future growth and impact on the quality of life for many years to come. The Town has also adopted an Affordable Housing Strategy that is used as a State model.

ACCOUNTING SYSTEM AND BUDGET CONTROL

The accounting policies of the Town conform to generally accepted accounting principles applicable to governmental units. The modified accrual method is used for all Town funds except for Proprietary Fund Types, which are accounted for under the accrual method. Under the modified accrual method, revenues are recognized when they become both measurable and available to finance current operations. Property taxes are recognized in the fiscal year for which the taxes are levied and due provided that they are collected within the year or within sixty days of year end. Uncollected taxes are recorded as assets and credited to liability reserves in the same amount.

In developing, evaluating, and modifying the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the general government's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Internal controls are under constant review and improvements are adopted when recognized.

Because the Town is a recipient of federal and state funding, it is responsible for maintaining adequate internal controls that will assure compliance with any applicable regulations or laws associated with those programs. Our internal controls are subject to periodic evaluation by management as well as the Town's independent auditors.

As part of the Town's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations.

The annual budget for the Town General Government was finalized and adopted on July 7, 2010 [#10-168] by the Town Council in conformance with Article 10 of the Burrillville Home Rule Charter. During the year there were five (5) supplemental budget appropriations adopted by the Town Council, which totaled \$5,211,291 including a \$2,528,844 increase [#10-254] related to capital improvements carried forward from the prior year. There were two transfers [\$850,000 and \$1,189,347] made to various reserve funds from additional funds available due to the Town exceeding its fund balance policy in 2010. A \$60,000 transfer related to funding needed for the ongoing Ocean State Power PILOT negotiations. Finally \$583,100 was committed to provide funding for one time contingencies and phased out programs.

ACCOUNTING SYSTEM AND BUDGET CONTROL (Continued)

The adopted budget provided for municipal operations, school operations, debt service, and capital improvements. Control of the budget is achieved in several ways. The ultimate objective of these controls is to assure compliance with the approved budget, Town Charter, and RI General Laws. The level of budgetary control starts with the general classification and appropriation of funds. Contingency funds that are available at year-end are utilized to cover any shortfalls that may have occurred within a given department. The Town's fiscal position is reported monthly by the Finance Department to the Town Council, Town Manager, and Town Departments. The monthly report compares actual revenues, expenditures, and encumbrances against budgeted revenues and expenditures within the limitations of the current computer system. Additionally, the Town's fiscal position is reported to the RI Department of Administration on a quarterly basis. Budgetary control is maintained through a purchase order system, which seeks to insure that funds are available prior to an obligation being created. This reduces the possibility of liabilities being incurred, which are greater than the balance in the appropriation. Due to the uncertainty of State Aid and continued difficult economy, a spending freeze was again implemented in January 2011.

Encumbrance accounting is an important tool utilized by the Town for budget control. The institution of encumbrance accounting offers an additional level of protection to the task of accomplishing budgetary control.

The Town is continuing the refinement of its computer system which will, among other things, significantly improve the automation of our financial reporting as it relates to accounting, budgeting, tax assessment, tax collections, and departmental revenues. All side funds have been automated and installed on the system. All unencumbered appropriations lapse at year-end. All receipts are processed through the collector's office. The statements and schedules provided in the financial section of this report illustrate the Town's ability to continue to meet its responsibility for providing sound financial management.

Specific capital projects are developed with financial plans designed to cover the length of the project. A five-year capital improvement plan is updated annually. The Town Council adopted the annual five-year capital improvement plan for fiscal year ending June 30, 2011 on March 24, 2010.

This process was modified in fiscal year ending June 30, 1998 following the adoption of a revised capital improvement ordinance (2-4.5 Capital Projects Program) approved by the Council on January 14, 1998. The ordinance change provides for the plan to be initially reviewed by the Budget Board and subsequently approved by the Council by the middle of April. In addition, the ordinance establishes a minimum amount of \$400,000 for municipal and school capital improvement projects along with a variable amount that is appropriated to a reserve for major capital projects. The final appropriation for capital improvement projects occurs when the total annual budget appropriation is adopted in June each year.

CASH MANAGEMENT

The Town General Fund held \$16,006,739 in cash and cash equivalents on June 30, 2011. This cash balance allowed the Town to meet its routine expenses on a timely basis as well as its significant financial obligations that included liabilities associated with either the close of the old fiscal year (i.e. School and Town accounts payable and accrued compensation paid in July/August), or the payment of obligations that came due at the beginning of the new fiscal year (i.e. debt service) before the tax bills are mailed out and property tax revenues start to arrive.

CASH MANAGEMENT (Continued)

Failure to maintain adequate reserve funds could require the Town to issue tax anticipation notes (and to include the applicable interest cost in its annual budget) so that operating and debt expenditures can be paid in a timely manner. The cash needs of the Town can fluctuate significantly in a short period of time. Of particular concern is the fact that if the budget process and/or the mailing of tax bills are delayed the Town may be put into a borrowing situation to meet its outstanding obligations on a timely manner. When the prior contractual obligations noted above are factored in, outstanding investments are only sufficient to cover less than one month's activity during the current year.

Another fact that cannot be over emphasized is that only a portion of our Fund Balance is actually cash. As the committed and assigned portions of the general fund are drawn down when needed, there will be even less liquid funds available for utilization during periods of time when the inflow of tax revenues and other receipts are low. The use of temporary borrowing to meet current expenditure needs is viewed as a negative factor by credit rating agencies. Timeliness is critical in the adoption of the budget. The Town does not want to be in a situation whereby if the budget adoption is delayed for any reason and/or the bills are mailed late, the Town could be required to meet expenses through short-term borrowing.

Any monies that are available during the year are invested in various instruments such as banker's acceptances, certificates of deposit, prime commercial paper, repurchase agreements, and short-term money market certificates with maturities ranging from 1 to 60 days depending upon their anticipated cash requirements during that period. A sweep account has been created and is used when feasible. This account allows for overnight interest earnings on idle monies that had previously been in non-interest bearing accounts. These investments are in conformance with the guidelines established by the investment policy, which was formally adopted by the Town Council in February 1991, and as amended.

Investment income for the General Fund for FYE 2011 was \$ 37,211. This income category was slightly more than last year [\$33,165]. These earnings continue to reflect the effect of a low interest rate environment. Interest income is also generated for other funds under the care and custody of the Town finance department.

FUND BALANCE

As in the past, Town staff continues to recommend and maintain an Unassigned Fund Balance at a level equivalent to the higher of 12% of current budget appropriations or an amount equal to the Town's budgeted annual debt payment (\$3,732,884 or 8.62% of the FYE June 30, 2012 budget). Note that, until this year, the annual debt service payments for the last ten (10) years have moderately exceeded 12% of current budget appropriations.

Based upon the results of the audit for FYE June 30, 2011, the Town's Unassigned Fund Balance [\$6,493,100] is approximately 14.99% of the 2012 budget, which is more than the Town's Fund Balance policy by \$1,509,479. Once \$474,598 of additional capital improvement carryover is factored out, a balance of \$767,828 remains available for one time applications. In the past, available funding has been used for a number of outstanding issues including unanticipated infrastructure demands (such as bridge/culvert replacements) or continued funding of the reserve funds (debt reduction, recreation/open space land acquisition, unfunded liabilities [vacation/sick leave], or major capital).

FUND BALANCE (Continued)

Maintaining the policy relative to a minimum level of fund balance is essential for several reasons including the following:

- The Town must continually strengthen its overall financial condition to maintain its improved credit rating - particularly during poor economic times. Our credit rating determines the interest rate that we must pay on borrowed money. When a town's credit rating declines, the interest to be paid by the taxpayer on any new debt would increase.
- The utilization of the unassigned fund balance is a one-time benefit to the community that is typically impractical to replace in the following year.
- The unassigned fund balance provides a financial resource, which, if depleted, will force the Town to incur the additional costs associated with short-term borrowing in order to meet routine cash flow needs. Once the financial resources allocated towards our committed and assigned fund balance are eliminated, the Town will be in the position of having to borrow to meet financial obligations at the beginning of each fiscal year.
- Our unassigned fund balance provides a margin of security when revenue sources are unreliable or when unforeseen situations occur (i.e. the State withholds funding previously promised). Our Fund Balance provides a level of protection should an unanticipated loss of revenue occur such as the State withholding promised financial aid during the year (which did occur in last fiscal year [2010] when a portion of the motor vehicle excise and school state aid was not paid).
- A reduction of unassigned fund balance directly affects the amount of funds that can be invested which results in a loss of income earnings and a higher tax rate.
- The current unassigned fund balance level helps to lessen the impact of implementing General Accounting Standards Board Statement Number 11, 34 and 45.
 - GASB 11 requires incorporation of such items as accrued compensated absences into the Town's annual operating results. Currently the cost of these benefits are projected to be approximately \$1,179,783 (\$146,668 to the Town and \$1,033,115 to the School Department). The Town committed a portion of fund balance to address the issue of unfunded vacation and sick leave benefits. The committed amount as of June 30, 2011 was \$173,072, which represents 118.0% of the Town's total liability (\$146,668 which consists solely of accrued vacation benefits). Note that the Town is no longer liable for any post employment accrued sick time obligation because that obligation was paid off in 2006. The School Department has not initiated a funding mechanism to meet their liability.
 - A key component of GASB 34 involves the inclusion of capital assets, including infrastructure, into the annual operating statements.

FUND BALANCE (Continued)

- Finally, GASB 45, which was implemented in fiscal year 2009, requires the actuarial calculation of Other Post Employment Benefits [OPEB] related to health benefits available to retirees. Even though the Town has minimal exposure in terms of direct payment for retiree health coverage, the actuarially determined amount of the Town's accrued liability for OPEB for the next 30 years is projected to be \$2,189,232 - \$1,568,027 [71.6%] of this amount relates to school employees, \$591,863 [27.1%] for municipal employees \$17,396 [0.8%] for library employees, and \$11,946 [0.5%] for wastewater treatment employees. The Town has committed a portion of fund balance [\$147,331] to assist in covering the unfunded actuarial accrued liability as determined by Clarity In Numbers, LLC. The recommended annual contribution rate [ARC] for 2011 was \$200,899. Of that amount \$185,234 was included with the payment of health insurance premiums during 2011 leaving a net OPEB obligation of \$44,436.
- Another important interim use of general fund monies is for the purpose of either out-right funding or temporarily funding various capital projects in lieu of borrowing thereby avoiding the numerous costs (interest, legal, etc.) associated with temporary borrowing. Over the years the fund balance has helped support a number the projects including the police station and rink renovation projects, White Mill Park and Spring Lake Beach improvements, school renovation projects (Steere Farm Elementary and High School), library construction, and the cancellation of remaining sewer bond authorities. The Whipple Avenue Landfill closure also benefited from these available funds. Significant savings have been achieved on these type of endeavors because the Town did not need to borrow on an interim basis and the Town was allowed to time the sale of its bonds.
- A stable unassigned fund balance assists us when the timing of our cash flow is not predictable thereby providing us with sufficient resources to meet the Town's various daily demands throughout the fiscal year.

MAJOR INITIATIVES

Major initiatives during the fiscal year included the following:

- A Community Development Block Grant (CDBG) was awarded to the Town in the amount of \$85,250 on September 7, 2010. The grant was \$30,000 for WellOne Pascoag, \$1,250 for Community Housing Land Trust, \$50,000 for Housing Rehabilitation, and \$4,000 for Program Administration).
- In terms of economic development, the Burrillville Redevelopment Agency became a permanent agency of the Town by a Charter change that occurred in fiscal year 2005. The Town has continued working on a number of initiatives, including:
 - The Downtown Pascoag Association and Redevelopment Agency continued to work on improvements along Pascoag Main Street.
 - Marketing of the Clear River Drive Industrial Park and Commerce Park continued with the assistance of the Industrial Foundation and private developers.

MAJOR INITIATIVES (Continued)

- Continued activity related to the redevelopment of the Stillwater Mill Redevelopment, which is a three phased project that is well underway and will be completed with the renovation of the Clock Tower. The Town acquired the former Clocktower building and transferred ownership over to the Burrillville Redevelopment Agency. The Agency in turn sold the property to the NeighborWorks of Blackstone River Valley on June 2008 for continuing the redevelopment of this site by creating a 47 unit residential development which began accepting occupants in January 2011. The Town has worked with the developer in obtaining historical tax credits and grant funding.
- The Public Safety Department has been involved with several endeavors including the following:
 - Completion of the eleventh full year of operating the Municipal Court.
 - Grants were obtained for upgrading the communication system [including dispatch area, radios and antenna tower] and bulletproof vests.
 - Enhancement of the Citizens Police Academy (15th Graduating Class) and Juvenile Hearing Board.
 - Continued the expansion support of a variety of programs such as Click It or Ticket, Community Policing, Senior Citizen, Ride Along, and Child Safety Programs.
 - Construction related to the expansion and renovation of the existing police station totaling approximately \$2.4 million was completed. Instead of utilizing general obligation bonds, the Major Capital Project Fund is paying for this project.
 - The Animal Shelter continues to have a solid reputation in response to public safety and public education. The shelter continues to have high return-to-owner and adoption rates.
- The Public Works Department along with its normal duties:
 - Handled approximately 16 storms, consisting of 92 inches of snow.
 - Several major construction projects were completed including:
 - The reconstruction of the Mill Pond Dam.
 - The Whipple Avenue Landfill Closure Project. A bond in the amount of \$2,160,000 was closed with RI Clean Water on June 24, 2010 [#09-052].
 - The reconstruction of the Warner Lane Bridge [#10-161].
 - Continued implementation of the Infrastructure Program, which is designed to upgrade and expand the Town's program of sidewalk construction and road paving.
 - A Local Equity Aid Program [RI-LEAP] grant was acquired for the purpose of reconstructing Central Street and Tarkiln Road.
 - A grant was acquired to construct a porous pavement parking lot in the Stillwater Mill Complex.
 - Kennedy Lane was also completed.
 - Engineering associated with the Round Top Bridge was completed which enabled the State to complete the reconstruction of the bridge in October 2010.
 - Work related to the Rail Trail, Stillwater Mill Pavilion, and several roads including Sayles Avenue and Mowry Street continued.
 - The crack sealing and street sign replacement program continued.

MAJOR INITIATIVES (Continued)

- A diesel equipment replacement grant allowed the Town to replace a road sweeper and two trucks.
- Continued to sponsor the State DPW Annual Indoor and Outdoor equipment shows.
- Assisted the Recreation Department in meeting its goals and objectives.
- Administration:
 - The Town received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association for the fourth consecutive year.
 - Charter amendments were approved by the voters in November 2010.
 - The Town's WEB site and GIS systems continue to be expanded and enhanced.
- The Town of Burrillville has been recognized by RI Monthly, a statewide magazine, as the second healthiest and safest place to live in the entire state of Rhode Island. The northwest corner of the state had the top three communities – Burrillville, Glocester, and Foster.
- The Town is home to Renegade 154, a division of the Northern RI Robotics Collaborative, which is a youth organization that has successfully competed on a local, national, and international level. They have been the RI FIRST [For Inspiration and Recognition in Science and Technology] Tech Challenge Champions for 4 years in a row and have won the international competition in Atlanta for the last 2 years.

DEBT ADMINISTRATION

On January 8, 1997, the Town Council passed an ordinance establishing a Special Revenue Fund, which is used solely for the prepayment of bonded indebtedness and unbudgeted capital expenses. The ordinance was created for two reasons; (1) to lessen the Town's reliance on Ocean State Power revenue before the PILOT agreement expires and (2) to address the Town's outstanding debt burden. The balance committed for Debt Reduction was \$2,722,894 on June 30, 2011.

Existing state statutes limit the issuance of general obligation bonds to 3 percent of net assessed property values. Fiscal year ending June 30, 1995 marked the first time that the Town had elected to issue bonds under RIGL 45-12-2. Due to time constraints, the Town Council voted to bond \$4.5 million for renovating the former Meadow Glen Nursing Home under RIGL 45-12-2 which has been paid off. A second issue for \$1 million, which was part of the \$8 million issue closed in 2000, was added to meet the remaining contractual obligations associated with the High School Renovation project. In December 2006, the Town issued \$3.5 million in RICWFA bonds under RIGL 45-12-2 to finance in the completion of ongoing expansion of sewer to the eastern portion of the Town. A \$2.16 million RICW bond was acquired under RIGL 45-12-2 on June 24, 2010 to pay for the capping of the Whipple Avenue Landfill project, which was completed in fiscal year June 30, 2011. These remaining three issues represent the only time that the Town has elected to issue bonds under RIGL 45-12-2.

DEBT ADMINISTRATION (Continued)

Withstanding these exceptions, all outstanding general obligation bond issues have been authorized through enabling legislation and voter approved referendum. On June 10, 1998, the Town Council voted to cancel the remaining sewer bond authority in the amount of \$240,400 (Agenda item #98-156). As of June 30, 2011, the Town's remaining authorized but unissued debt authority consists of the following - \$500,000 for open space projects.

When the Town went to the bond market in the summer of 2000, the Town received a rating upgrade by both Fitch's Investors Service (from A to A+) and Moody's Rating Agency (from A2 to A1). The Moody rating was reaffirmed and the Fitch rating was again upgraded to AA- when the Town went to market in October 2006 and reaffirmed in 2008. Both Moody's and Fitch recalibrated their Town ratings in April 2010. Moody's upgraded the Town's rating to Aa2; Fitch upgraded the Town to AA. The Fitch rating was reaffirmed when a surveillance review was conducted in October 2010. This is especially noteworthy in the current economy given that a number of communities that have been put on rating watch and/or actually seen their ratings downgraded (particularly in New England). The credit rating has remained consistent and improved moderately because the Town has a long history of stable, sound financial management, which includes the maintenance of an unassigned fund balance sufficient to cover its pending debt obligations.

Historically the Town has utilized a significant amount of its Unassigned Fund Balance as an interim source of revenue for operations. For many years, this has allowed the Town to avoid borrowing in anticipation of taxes. As of FYE 1994, the Town returned to its reserve policy objective relative to maintaining an unassigned fund balance that was the greater of either (1) 12% fund balance or (2) one year's annual debt payment. With the results of this year's operations, the Town is slightly above (14.86%) its minimal goal of maintaining a sufficient unassigned fund balance. Maintenance of this minimal balance should continue to be a priority as part of the overall process involved with improving our financial operations.

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.

The Town can control its destiny in other areas such as carefully monitoring its debt burden, creating an effective program for capital improvements, limiting its tax rate and levy fluctuations, continued maintenance of a sufficient unrestricted fund balance to meet each current year debt obligations as well as interim cash flow needs, and the continued maintenance of a stable, professional management team.

In the interest of improving on our record of sound financial management, some additional goals being pursued include - improved budget reporting, improved interim reporting, improved utilization of available computer resources, completion of a fixed asset inventory system, implementation of various loss control and risk management practices, and finalization of a written financial manual, which would include the Town's accounting policies and procedures. The Town has begun to address some of these issues with the assistance of the Bryant University intern program and temporary staffing. Strengthening these areas will enable the Town to offset areas in which it is weak.

RISK MANAGEMENT

Burrillville is a member of the Rhode Island Interlocal Risk Management Trust (RIIRMT). The Trust was established by an act of the RI Legislature in July 1986 so that cities and towns could join together to assure the availability of insurance coverage and reasonably stable rates. The Town of Burrillville joined the Trust on October 1, 1986.

The Trust provides all property, liability, worker's compensation, life, health and dental, and police officers' injured on duty insurance coverage for the Town. The Trust treats the Municipality, School Department, and Wastewater Treatment Facility as separate entities for insurance purposes. The Town annually reviews its coverage to insure that its insurance levels are both adequate and cost effective. Burrillville has representatives on the Trust Board and its sub-committees. The Town actively participates in the Trust's operation as well as its educational and training programs, which promote loss control measures and safety training.

The Town (as a Medium Member) and Wastewater Treatment Plant (as a Small Member) were the recipients of the First Annual Loss Control Awards given by the Trust. Some loss control areas that the Town has been involved with since joining the Trust included the creation of a Safety Committee, development of a risk management manual, participation in various seminars/events sponsored by the Trust such as the new firearms simulator training system (FATS), and random drug and alcohol testing. In addition, where practical, the Town has adopted and updated formal risk management policies such as the Town's Sexual Harassment Policy revised on July 22, 1998 (#98-177) and its Controlled Substance and Alcohol Testing Policy revised on August 26, 1998 (#98-210). Updated personnel policies, including family and medical leave, were adopted on October 22, 2003 (#03-290).

The Town received a Loss Prevention Leadership Award for 2009 from the Trust based upon an excellent loss history in both the worker compensation and property/liability pools as well as active participation in various training and risk management practices in areas such as public safety, recreation, and general operations.

As the scope of municipal services continues to expand, the Town will annually review its risk management policies to reduce exposure as much as is reasonably possible.

INDEPENDENT AUDIT

The Town Charter (Section 3.17) and state law requires an annual audit of the Town's financial condition by independent, certified public accountants. Cayer Caccia, LLP of Warwick, Rhode Island has audited the financial statements of the Town of Burrillville for fiscal year ending June 30, 2011.

Cayer Caccia, LLP is a member of the American Institute of Certified Public Accountants and as such is subject to an external quality control review (i.e. peer review) conducted by specially trained certified public accountants from other firms. The auditor's report on the Town's basic financial statements is attached.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Burrillville for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this annual financial report was made possible by the dedicated service provided by the staff in the Finance Department. The success of this department is based upon the daily efforts of its members as they carry out their respective duties and responsibilities. In addition, without the assistance and support of all Town Departments this report would not have been possible.

Sincerely,



John P. Mainville
Finance Director

TOWN OF BURRILLVILLE, RHODE ISLAND

MUNICIPAL OFFICERS

June 30, 2011

TOWN COUNCIL

Nancy F. Binns, President

Wallace F. Lees, Pro-tem

Edward J. Blanchard

Margaret L. Dudley

Kevin D. Heitke

David J. Place

Steven N. Rawson

TOWN OFFICIALS

Town Manager	Michael C. Wood
Assessor	Susan R. Makar
Building Official	Joseph F. Raymond
Clerk	Louise R. Phaneuf, CMC
Emergency Management Director	Jason Rhodes
Finance Director	John P. Mainville, CGFM
Municipal Court Judge	Joseph P. Carroll
Planning/Economic Development Co-Ordinator	Thomas J. Kravitz, MCP
Police Chief	Col. Bernard E. Gannon
Probate Court Judge	Pierre G. Rondeau
Public Works-Director/Engineer	Jeffrey M. McCormick, PE
Recreation Director	Cheri R. Hall, CYLA, CPSI, CLA
School Superintendent	Frank Pallotta
Solicitor	Timothy F. Kane
Treasurer	Mark A. Adams
Wastewater Treatment Facility-Superintendent	John E. Martin III

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Burrillville
Rhode Island

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



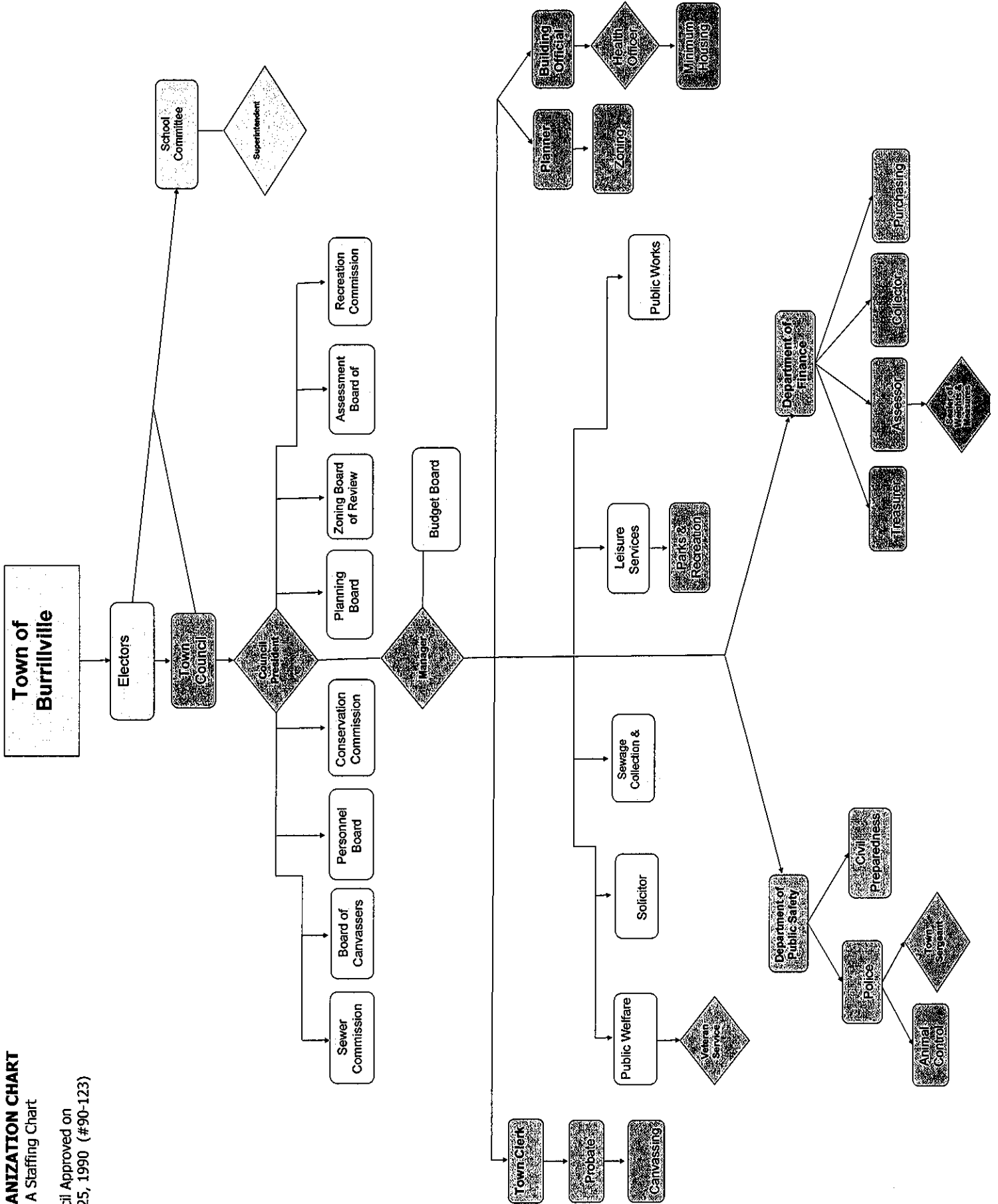
President

Executive Director

ORGANIZATION CHART

* Not A Staffing Chart

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



TOWN OF BURRILLVILLE

FINANCIAL SECTION





Gerard R. Cayer
CPA, MST, CVA

Mark V. Caccia
CPA, MST, CVA

Donna T. Caccia
CPA, MST, CFP™

INDEPENDENT AUDITOR'S REPORT

To the Honorable Town Council
Burrillville, Rhode Island

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Burrillville, Rhode Island's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Town adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011. As a result of this required implementation, the following funds previously classified as special revenue funds are now reported as part of the General Fund: Other School Activities, Revaluation Fund, Unfunded Liability and Incentive Pay Fund, Recycling Program, Healthcare Contingency, Debt Reduction, and Other Post Employment Benefits. In addition, fund balance classifications in the governmental fund financial statements have been changed to reflect the five new classifications under GASB Statement No. 54.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2012, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 3 through 24 and 78 through 81 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 inquiries 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.

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

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 and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

January 30, 2012

Cayer Caccia, LLP

Town of Burrillville, Rhode Island
Management's Discussion and Analysis
JUNE 30, 2011

The Town of Burrillville (the Town) provides this Management Discussion and Analysis (MD&A), a format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns for fiscal year ending June 30, 2011. The Town annually presents its financial statements in compliance with the reporting model required by GASB 34.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes, and currently known facts, please read it in conjunction with the accompanying Transmittal Letter and the Town's 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, 2011 by \$84.28 million (net assets). Of this amount, only \$8.31 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2011, the Town's governmental funds reported total net assets of \$56.97 million.
- The Town of Burrillville's total net assets increased by \$4.38 million, or 5.49%, for the year ended. Net assets of governmental activities increased by \$4.51 million, and 8.6% increase from fiscal 2010. Net assets of business-type activities decreased by \$0.13 million, or 0.49% from 2010.
- The Town's general fund reported a fund balance of \$13.9 million at the end of fiscal year ending 2011. This compares to a fund balance of \$12.3 million at the end of fiscal 2010. However, it is important to note that 2011 is the first year of reporting under the new fund balance requirements which incorporate a number of funds that were previously considered to be special appropriation funds in 2010. The unassigned fund balance for the year was \$6.5 million (\$7.0 million in 2010). This is a \$0.5 million decrease over the prior year's unassigned fund balance.
- The Town ended the fiscal year with a budgetary operating excess of revenue over expenditures of \$4,142,895 in 2011. Included in this amount is \$2,477,697 of unexpended capital improvement funds. A significant portion (\$2,003,099) of this CIP balance has been carried over to fiscal year ending June 2012.

Financial Highlights (Continued)

- The School Department ended the fiscal year with a budgetary excess of expenses over revenues of \$128,494 (\$213,091 surplus in 2010). The School fund balance is \$872,682 (\$994,682 in 2010).
- The Town's total long-term liabilities decreased by \$2,935,535 or 8.9% in 2011. The key factor in this decrease included scheduled debt service payments of \$2,694,000.

Overview of the Financial Statements

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

Basic Financial Statements

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

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

Government-wide Financial Statements

The *Statement of Net Assets* presents information on all of the Town of Burrillville's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 Assets* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 assets 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 Assets* 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 Assets* and the *Statement of Activities*, the Town is divided into three kinds 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. The Town's two kinds of 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 Assets 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 District, both of 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 components of the fund balance as of June 30, 2010 have been retroactively restated to comply with this statement. As a result of this pronouncement, \$2,116,186 of the Town’s Special Revenue Funds’ fund balance have been reclassified to the Town General Fund at the beginning of fiscal year 2011.

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 Net Assets and the Statement of Activities. 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 separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The activities of these funds are excluded from the Town's government-wide financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's Overall Operations

The Town of Burrillville has prepared the fiscal year ending June 30, 2011 financials in a format prescribed by the Government Accounting Standards Board Statement 34 (GASB 34).

June 30, 2011

The Town's combined net assets were \$84.28 million in 2011. Analyzing the net assets and net expenses of governmental and business-type activities separately, the governmental activities are \$56.97 million and the business-type activities net assets are \$27.31 million in 2011. This analysis focuses on the net assets (Table 1), changes in net assets - 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 assets (83.15%) 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, 2010

The Town's combined net assets were \$79.89 million in 2010 as restated and described in Note 9. Analyzing the net assets and net expenses of governmental and business-type activities separately, the governmental activities are \$52.45 million and the business-type activities net assets are \$27.44 million in 2010. This analysis focuses on the net assets (Table 1), changes in net assets - 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 assets (89.6 %) 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 Assets - Primary Government
Year Ended June 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	Restated				Restated	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$24,318,717	\$22,262,446	\$ 3,916,431	\$4,019,539	\$28,235,148	\$26,281,985
Capital assets	67,729,296	68,293,869	23,929,435	23,960,980	91,658,731	92,254,849
Total assets	92,048,013	90,556,315	27,845,866	27,980,519	119,893,879	118,536,834
Current liabilities	8,122,045	8,318,869	411,997	481,180	8,534,042	8,800,049
Noncurrent liabilities	26,954,638	29,783,440	124,153	56,433	27,078,791	29,839,873
Total liabilities	35,076,683	38,102,309	536,150	537,613	35,612,833	38,639,922
Net assets:						
Invested in capital assets, net of related debt	50,468,604	46,791,910	23,845,022	23,960,980	74,313,626	70,752,890
Restricted	1,659,612	509,616			1,659,612	509,616
Unrestricted	4,843,114	5,152,480	3,464,694	3,481,926	8,307,808	8,634,406
Total net assets	\$56,971,330	\$52,454,006	\$27,309,716	\$27,442,906	\$84,281,046	\$79,896,912

The total net assets in governmental activities increased by \$4.52 million. The increase in current and other assets of the governmental activities is approximately \$2.1 million is due primarily to an increase in cash and cash equivalents [\$3.5 million], offset by amounts due from other governments [\$1.7 million]. Governmental activities capital assets decreased by \$0.5 million. For additional analysis see Table 3. Governmental activities current liabilities declined by \$0.2 million which relates to changes in accounts payable and the current portion of long-term debt.

The net assets in Business-type activities decreased nominally by \$0.1 million.

Table 2

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,592,930	\$ 1,149,708	\$3,156,070	\$2,956,821	\$ 4,749,000	\$ 4,106,529
Operating grants and contributions	16,056,834	17,310,421	420,967	431,728	16,477,801	17,742,149
Capital grants and contributions	2,748,116	2,298,349			2,748,116	2,298,349
General revenues:						
Property Taxes	28,287,435	29,870,756			28,287,435	29,870,756
Unrestricted Investment	<u>49,337</u>	<u>50,545</u>	<u>5,321</u>	<u>6,000</u>	<u>54,658</u>	<u>56,545</u>
Total Revenues	<u>48,734,652</u>	<u>50,679,779</u>	<u>3,582,358</u>	<u>3,394,549</u>	<u>52,317,010</u>	<u>54,074,328</u>
Expenses:						
General government	3,458,261	1,854,412			3,458,261	1,854,412
Public safety	3,333,909	3,276,694			3,333,909	3,276,694
Public works	2,801,890	4,395,987			2,801,890	4,395,987
Education	32,052,165	31,766,101			32,052,165	31,766,101
Parks and recreation	704,553	651,196			704,553	651,196
Libraries	687,442	663,940			687,442	663,940
Community development	302,475	1,036,258			302,475	1,036,258
Other						
Interest on long-term debt	986,957	1,057,533			986,957	1,057,533
Sewer Authority			1,879,819	1,897,454	1,879,819	1,897,454
School Cafeteria			831,026	848,061	831,026	848,061
Levy Rink			490,935	433,847	490,935	433,847
Extended Day Care			<u>403,444</u>	<u>426,606</u>	<u>403,444</u>	<u>426,606</u>
Total expenses	<u>44,327,652</u>	<u>44,702,121</u>	<u>3,605,224</u>	<u>3,605,968</u>	<u>47,932,876</u>	<u>48,308,089</u>
Revenues over (under) expenses						
	4,407,000	5,977,658	(22,866)	(211,419)	4,384,134	5,766,239
Transfers in (out)	<u>110,324</u>	<u>(402,138)</u>	<u>(110,324)</u>	<u>402,138</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net assets						
	4,517,324	5,575,520	(133,190)	190,719	4,384,134	5,766,239
Net Assets, July 1, as restated						
	<u>52,454,006</u>	<u>46,878,486</u>	<u>27,442,906</u>	<u>27,252,187</u>	<u>79,896,912</u>	<u>74,130,673</u>
Net Assets, June 30	<u>\$ 56,971,330</u>	<u>\$52,454,006</u>	<u>\$27,309,716</u>	<u>\$27,442,906</u>	<u>\$84,281,046</u>	<u>\$79,896,912</u>

The decrease in governmental activities revenues of \$1.9 million is primarily the net result of an decrease in property tax collections [\$1.6 million] and decline in operating grants [\$1.3 million] which was offset by the increase in capital grants [\$.5 million] and service charges [\$.4 million]. The decrease in property tax collections was due primarily to a decrease in revenue from the OSP pilot agreement while the decline in operating grants and contributions was due primarily to a one-time grant received in 2010.

Governmental activity expenses decreased by \$0.4 million which reflects decreased costs associated with public works [\$1.6 million] and community development [\$0.7 million] offset by increased costs associated with general government [\$1.6 million] and education [\$0.3 million]. Transfer outs increased by \$0.5 million. The decrease in public works is due primarily to costs associated with the landfill capping project which was completed in 2010. The increase in general government was due primarily to reduced estimated landfill closure costs in 2010.

The net assets associated with business-type activities decreased by \$0.1 million which relates to a slight decrease associated with sewer assessment fees for new lines installed in 2008 coupled with a slight decline in overall expenses.

Review of Major Governmental Funds

General Fund

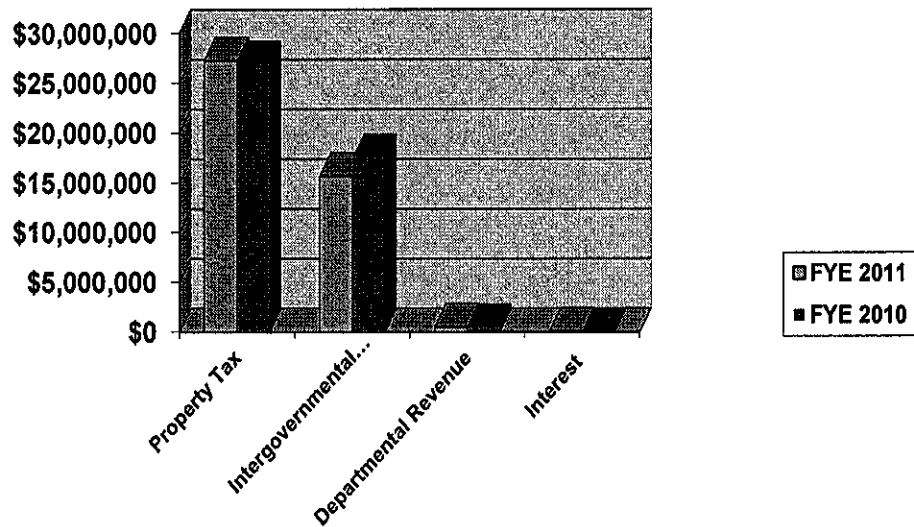
The General Fund is the primary fund through which the majority of the Town's revenues and expenditures flow. The Town finished the year within the limits established by the adopted budget. The Town carefully monitors its expenditures and eliminates all but the most necessary. When savings are incurred in a given area, every effort is made to avoid unnecessary spending so that those savings can be returned to the General Fund. During FYE 2011, there were five [5] supplementary budget amendments to the General Fund in the net amount of \$5,211,291. This amount was comprised of the carryover of FYE 2010 capital improvement funding (\$2,528,844), transfers of excess fund balance policy funds (\$2,099,347), and \$583,100 towards a restricted budget for one time and phased out expenses.

A comparative breakdown of revenues and expenditures associated with the General Fund on a budgetary basis for the fiscal years ending June 30, 2011 and 2010 is listed below. This information is provided for general purposes only.

The Town's general revenues decreased slightly when compared to the prior year by 3.53% or \$1.59 million.

<u>Revenues</u>	<u>FYE 2011</u>	<u>FYE 2010</u>	<u>% Change</u>	<u>\$ Change</u>
Property Taxes	\$27,222,631	\$26,895,875	1.21%	\$ 326,756
Intergovernmental Revenue	15,639,532	17,588,007	(11.68%)	(1,948,475)
Departmental Revenue	497,541	465,593	6.86%	31,948
Interest Income	34,890	33,165	5.20%	1,725
Total Revenues	\$43,394,594	\$44,982,640	(3.53%)	\$ (1,588,046)

REVENUES



June 30, 2011

Overall non-tax revenues were \$1,914,802 less than the prior year due to the reduction of state revenue associated with the motor vehicle excise tax. The state reversed a prior law and eliminated most of a motor vehicle exemption which resulted in the cities and towns recouping most of the lost funding by increasing their motor vehicle tax revenue. Actual revenues were \$923,558 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 \$402,474 - which includes tax revenue of \$321,103. The Town collected approximately 97.4% of the fiscal year 2011 tax levy.
- Second, the Town's intergovernmental revenue was over budget by \$514,928. This year represents the eleventh year of funding under the State's motor vehicle phase out program but the program now is providing minimal funding to the communities. Federal stabilization funding was \$20,262 less than anticipated and school construction aid was \$85,688 less due to the non-completion of certain school projects. These shortfalls were offset by a number of increases including Medicaid reimbursements (\$70,728), additional State Pilot (\$48,785) and Telephone (\$25,970) revenue, and federal grants (\$66,030).
- Third, interest income was again under budget in the amount of \$15,110. The decrease is primarily attributed to the continued decline in interest rates.
- Fourth, there was a slight increase in departmental revenue (\$21,266) shows that a decline in licenses and fees (\$76,702) was offset by an increase in building (\$31,906) and service/assessment (\$59,721) receipts.

The Town has continued its aggressive tax collection position, which was implemented many years ago. This again has resulted in the current year collections for the fiscal year ended June 30, 2011 being greater than anticipated. A 96.9% collection rate was budgeted for FYE 2011 and 97.4% was actually collected. The collection rate used for budgeting purposes was based upon historical collection data.

A comparison of actual expenditures incurred during FYE 2011 reveals that the Town expenses were \$4,123,742 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. Additionally, a spending freeze was implemented in January 2011 due to the uncertainty of the economy and certain state aid. A significant portion of this amount [\$2,477,697] is for capital improvement activities related to general administration, police, school, public works, and recreation. Of this amount, \$2,003,099 has been re-appropriated for FYE June 30, 2012. It is anticipated that the balance will also be transferred once the fund balance policy is applied.

The most significant governmental expense for the municipality during 2011 was in providing for public safety, which incurred expenses of \$2.25 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.29 million; general government at \$1.34 million, which includes all administrative offices; general services (\$1.35 million) such as refuse collection/recycling; debt at \$3.68 million, and insurance/benefits at \$1.64 million.

June 30, 2010

Actual revenues were \$144,274 less than budgeted. The primary reasons for the unfavorable revenue variance were:

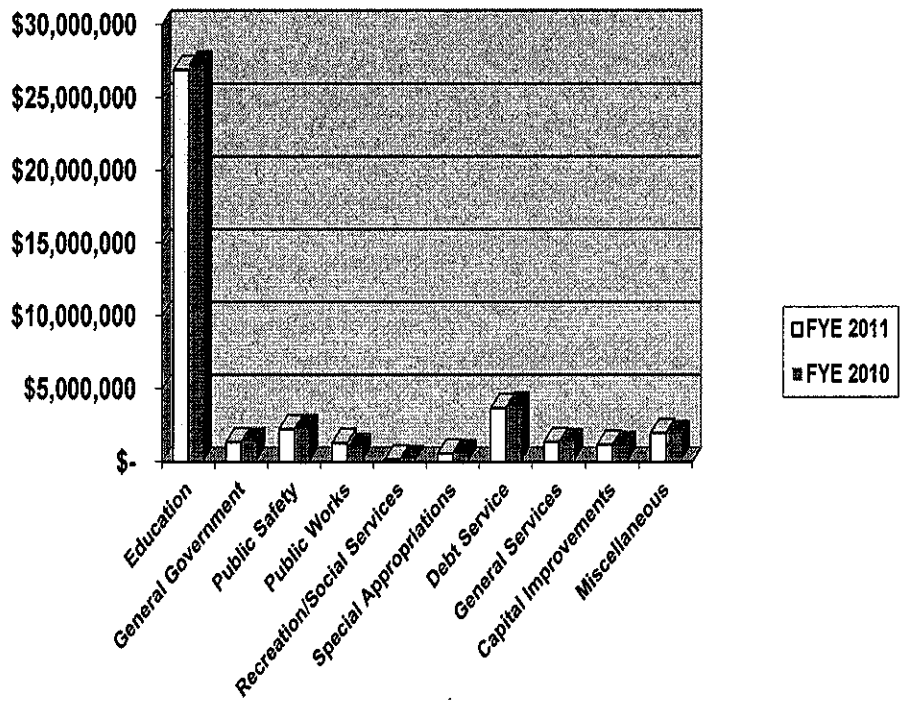
- First, the Town exceeded its budget expectations in relation to the collection of property taxes. This was primarily due to an increase in tax collections over budgeted projections that totaled \$311,033 - which includes tax revenue of \$298,661. The Town collected approximately 97.6% of the fiscal year 2010 tax levy.
- Second, the Town's intergovernmental revenue was under budget by \$299,065. This year represents the tenth year of funding under the State's motor vehicle phase out program. Due to State budget issues, the State withheld \$416,997 in motor vehicle phase out aid, and school aid was \$293,564 less than anticipated. The State no longer provides general revenue sharing. School construction aid was \$70,047 less due to the non-completion of certain school projects. These shortfalls were partially offset by an increase in Medicaid reimbursements (\$144,853), additional group home aid (\$30,000), and federal stabilization funding (\$263,564).
- Third, interest income was again under budget in the amount of \$102,835. The decrease is primarily attributed to the continued decline in interest rates.
- Fourth, there was a decline in departmental revenue and licenses, permits and fees in the amount of \$53,407, which was primarily attributed to a decline associated with licenses and fees (\$63,915), offset by an increase in building and miscellaneous receipts.

The Town has continued its aggressive tax collection position, which was implemented many years ago. This again has resulted in the current year collections for the fiscal year ended June 30, 2010 being greater than anticipated. A 96.7% collection rate was budgeted for FYE 2010 and 97.6% was actually collected. The collection rate used for budgeting purposes was based upon historical collection data.

A comparison of actual expenditures incurred during FYE 2010 reveals that the Town expenses were \$4,817,070 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. Additionally, a spending freeze was implemented in January 2010 due to the uncertainty of certain state aid. A significant portion of this amount [\$3,718,191] is for capital improvement activities related to general administration, police, school, public works, and recreation. Of this amount, \$2,528,844 has been re-appropriated for FYE June 30, 2011.

The most significant governmental expense for the municipality during 2010 was in providing for public safety, which incurred expenses of \$2.31 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.02 million; general government at \$1.39 million, which includes all administrative offices; general services (\$1.35 million) such as refuse collection/recycling; debt at \$3.88 million, and insurance/benefits at \$1.67 million.

EXPENDITURES



	<u>FYE 2011</u>	<u>FYE 2010</u>	<u>% Chg</u>	<u>\$ Chg</u>
<u>Expenditures</u>				
Education	\$26,909,193	\$27,312,595	1.48%	\$(403,402)
General Government	1,341,958	1,394,412	(3.76%)	(52,454)
Public Safety	2,246,317	2,313,767	(2.92%)	(67,450)
Public Works	1,287,624	1,017,261	26.58%	270,363
Recreation & Social Services	163,116	210,055	(22.35%)	(46,939)
Special Appropriations	563,537	600,465	(6.50%)	(36,928)
Debt Services	3,683,124	3,880,078	(5.08%)	(196,954)
General Services	1,349,834	1,347,121	0.20%	2,713
Capital Improvements	1,178,988	1,160,252	1.61%	18,736
Miscellaneous	1,974,279	1,842,898	4.30%	131,381
<u>Other Financing (Sources) Uses-</u>				
Transfer from Fund Balance	(5,211,291)	(2,455,019)	(112.27)%	(2,756,272)
Proceeds from Bond Issuance	(139,229)	(636,818)	78.13%	497,589
Transfers In	(1,087,876)	(288,775)	(276.72)%	(799,101)
Transfer Out-Capital Projects	1,481,037	538,101	175.23%	942,936
Transfer Out- Wastewater Treatment	139,229	636,818	(78.13)%	(497,589)
Transfer Out- Special Revenue	3,371,859	1,941,669	80.84%	1,430,190
Total Expenditures (Net of Transfers)	<u>39,251,699</u>	<u>40,814,880</u>	<u>3.83%</u>	<u>(1,563,181)</u>
Excess of Revenues over Expenditures- Budgetary Basis	<u>\$ 4,142,895</u>	<u>\$ 4,167,760</u>	<u>0.006%</u>	<u>\$ 24,865</u>

Fund Balance

June 30, 2011

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2011 with a net excess of revenues over expenditures in the amount of \$4,142,895. Note that this amount included as revenue the budgeted amount of \$5,211,291 from the Unassigned Fund Balance. When this is factored out, there is actually a net decrease to fund balance associated with the excess of revenues over expenditures of \$1,068,396.

Under the new GASB 54 format, the Town's fund balance increased from \$12,347,970 to \$13,900,748. The Town's fund balance is broken down into the following components which are detailed in footnote 9(a) and comprised of cash or other assets that will eventually be converted into cash such as receivables and equities:

1. Nonspendable. An amount (\$667,189) 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.

Fund Balance (Continued)

2. Committed. An amount (\$6,642,277) which includes a number of funds that had previously been identified as special revenue funds in prior audits including Other School Activities, Revaluation, Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, and Healthcare Contingency. It also includes \$2,003,099 which was re-appropriated in FYE 2012 for capital projects.
3. Assigned. An amount (\$98,182) related to funding reserved for the School Department.
4. Unassigned. Finally after all of the above items are considered, the value of what use to be referred to as the Town's Unassigned Fund Balance is \$6,493,100, which is a decrease of \$555,985 over last year's Unassigned Fund Balance (\$7,049,085). This decrease is due to the net effect of budget activity combined with a number of planned fund balance drawdowns during FYE 2011 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2011 of \$6,493,100 which is approximately 14.99% of the total budget currently appropriated for FYE June 30, 2012 (\$43,318,971).

June 30, 2010

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2010 with a net excess of revenues over expenditures in the amount of \$4,167,760. Note that this amount included as revenue the budgeted amount of \$2,455,019 from the Unassigned Fund Balance. When this is factored out, there is actually a net increase to fund balance associated with the excess of revenues over expenditures of \$1,712,741.

The Town's fund balance has increased to \$12,347,970. The Town's fund balance is broken down into the following components and comprised of cash or other assets that will eventually be converted into cash such as receivables and equities:

1. Nonspendable. An amount (\$520,457) 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 (\$112,398) reserved for amounts not due within one year. This amount relates to amounts due from the Burrillville Redevelopment Agency [\$60,000], the Mill Pond Dam reconstruction project [\$31,232] and a hydroelectric feasibility project [\$21,166] being done at the Mill Pond Dam. An amount (\$2,055,183) which includes a number of funds that had previously been identified as special revenue in prior audits including Other School Activities, Revaluation, Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, Healthcare Contingency, and Senior Center. An amount (\$2,528,844) already re-appropriated for use in fiscal year ending June 30, 2011. This is approximately \$364,956 more than the amount recorded at the end of fiscal year 2009 and is due primarily to the timing of various infrastructure projects during the summer.
3. Assigned. An amount (\$82,003) related to funding reserved for the School Department.

Fund Balance (Continued)

4. Unassigned. Finally after all of the above items are considered, the value of the Town's Unassigned Fund Balance is \$7,049,085, which is an increase of \$1,193,432 over last year's Unassigned Fund Balance (\$5,876,653). This increase is due to budgetary savings. This leaves an Unassigned Fund Balance on June 30, 2010 of \$7,049,085 which is approximately 16.10% of the total budget currently appropriated for FYE June 30, 2011 (\$43,783,930).

School District

June 30, 2011

The School District had revenues for the year ended June 30, 2011 of \$13.1 million. This was derived from \$12.1 million of intergovernmental revenues and \$1.0 million of state pension contribution revenues. In addition to general operating revenues, the School District also received \$14.8 million of other financing sources in the form of transfers in from the General Fund.

Expenditures for the School District totaled \$28.0 million. This entire amount represents expenditures related to education.

The excess of expenditures over revenues was \$0.13 million for the fiscal year ended June 30, 2011.

June 30, 2010

The School District had revenues for the year ended June 30, 2010 of \$13.2 million. This was derived from \$12.2 million of intergovernmental revenues and \$1.0 million of state pension contribution revenues. In addition to general operating revenues, the School District also received \$15.1 million of other financing sources in the form of transfers in from the General Fund.

Expenditures for the School District totaled \$28.1 million. This entire amount represents expenditures related to education.

The excess of revenues and other sources over expenditures and other uses was \$0.17 million for the fiscal year ended June 30, 2010.

Business-type Activities

Proprietary Activities

June 30, 2011

Revenues of the Town's business-type activities, including transfers out of \$0.1 million, were \$3.47 million for the fiscal year ending June 30, 2011. Expenses for the Town's business-type activities were \$3.60 million for the year, resulting in a decrease in net assets of \$0.13 million. The decrease in net assets was the result of several factors, including the following:

- The Town's sewer system recorded charges for services of \$1.90 million, and expenses of \$2.0 million resulting in a decrease in net assets of \$0.1 million.

June 30, 2010

Revenues of the Town's business-type activities, including transfers of \$0.4 million, were \$3.8 million for the fiscal year ending June 30, 2010. Expenses for the Town's business-type activities were \$3.6 million for the year, resulting in an increase in net assets of \$0.2 million. The increase in net assets was the result of several factors, including the following:

- The Town's sewer system recorded charges for services of \$1.7 million, and expenses of \$1.9 million resulting in an increase in net assets of \$0.2 million.

Capital Asset and Debt Administration

Capital Project Funds

The Town had several active capital projects in fiscal year end June 30, 2011.

Completed capital projects included the Warner Lane Bridge, Whipple Landfill Closure, Mill Pond Dam, Stillwater Mill parking lot, and road work related to paving and cracksealing.

New capital projects include the Pavilion. Some projects that are continuing to carry balances including the Route 102/Commerce Park, Callahan Renovation, Mill Pond Dam, and the Library. Active capital projects carried over from the prior year include the Rail Trail and Sayles Avenue.

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

Capital Assets

At the end of the fiscal year 2011, the Town had \$91.7 million invested in a broad range of capital assets, including police and public work equipment, buildings, park facilities, roads, bridges, and sewer lines. (See Table 3 below.) This amount represents a net increase (including additions and deductions) of \$0.6 million or 0.6% over the prior fiscal year's net assets (\$92.3 million).

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

The Town of Burrillville reports its fixed 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>2011</u>	<u>Restated 2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>Restated 2010</u>
	Land	\$ 3,275,169	\$ 3,275,169	\$ 382,443	\$ 382,443	\$ 3,657,612
Construction in progress	331,781	3,469,253		830,935	331,781	4,300,188
Leasehold improvements			34,398	34,398	34,398	34,398
Collection systems			34,512,396	33,257,296	34,512,396	33,257,296
Buildings and improvements	70,719,644	68,138,034	7,973,885	7,973,885	78,693,529	76,111,919
Equipment	1,686,134	1,610,802	266,428	266,428	1,952,562	1,877,230
Vehicles	3,631,730	3,353,656	135,261	112,627	3,766,991	3,466,283
Furniture			610,428	528,652	610,428	528,652
Infrastructure	<u>16,025,674</u>	<u>13,726,413</u>			<u>16,025,674</u>	<u>13,726,413</u>
Total Assets	95,670,132	93,573,327	43,915,239	43,386,664	139,585,371	136,959,991
Less accumulated depreciation	<u>(27,940,836)</u>	<u>(25,279,458)</u>	<u>(19,985,804)</u>	<u>(19,425,684)</u>	<u>(47,926,640)</u>	<u>(44,705,142)</u>
Totals	<u>\$ 67,729,296</u>	<u>\$ 68,293,869</u>	<u>\$ 23,929,435</u>	<u>\$ 23,960,980</u>	<u>\$ 91,658,731</u>	<u>\$ 92,254,849</u>

This year's major capital expenditures included:

- Completion of construction and road/sidewalk improvements (Central Street, Tarkiln Road, Kennedy Lane, Stillwater parking lot).
- Construction at the Warner Lane bridge, police station, Whipple Landfill and Mill Pond dam was completed.
- Acquisition of various equipment including public works equipment.
- The School Department also had funding allocated towards various building improvements such as lighting and roof upgrades.

The 2012 Capital Budget has been adopted and while individual projects are subject to change, the 2012 capital budget calls for spending of capital projects, principally in these major categories: economic development, libraries, parks and recreation, schools, and street improvements.

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

Debt Administration

June 30, 2011

The total outstanding long-term bonded debt on June 30, 2011 was \$27,653,692 which represents a decrease of \$2,561,038 from June 30, 2010 (\$30,214,730). This decrease was primarily the net effect of annual debt payments (\$2,694,000) on outstanding issues offset by additional drawdowns (\$139,229) from RICWFA for new sewer construction.

June 30, 2010

The total outstanding long-term bonded debt on June 30, 2010 was \$30,214,730 which represents a negligible net decrease of \$19,449 from June 30, 2009 (\$30,234,179). This decrease was primarily the net effect of annual debt payments (\$2,810,000) on outstanding issues offset by additional drawdowns (\$636,818) from RICWFA for new sewer construction and \$2,160,000 RICW bond for the Whipple Avenue Landfill closure.

Table 4

	Long Term Debt June 30			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General Obligation Bonds	\$27,653,692	\$30,214,730		
Leases Payable			\$84,413	
Compensated Absences	1,179,783	1,226,585	63,174	\$60,947
Net OPEB Obligation	42,063	27,185	2,373	1,586
Landfill Post-Closure Costs	1,050,000	1,480,000		
Totals	<u>\$29,925,538</u>	<u>\$32,948,500</u>	<u>\$149,960</u>	<u>\$62,533</u>

The Town does have overlapping debt totaling \$2,205,779, which is associated with long-term obligations incurred by three (3) out of four (4) Fire Districts. There is no legal obligation incurred by the Town on these debts. These Fire District debts are assessed against the same property that is being assessed by the Town.

Below is a comparison of various long-term bonded debt ratios for June 30, 2011 and June 30, 2010. Note that Loans Payable and Bond Anticipation Notes (BANS) are not incorporated in these calculations.

Various Debt Ratios

	<u>6/30/2011</u>	<u>6/30/2010</u>
Total Outstanding Long-Term Bonded Debt	\$27,518,000	\$30,072,771
Debt per Capita -		
2010 Census (15,955)	\$1,752	\$1,904
(State Average \$1,766;		
City/town average \$1,332)		
Net Assessed Values	\$1,362,813,040	\$1,631,118,106
Debt to Net Assessed Values	2.02%	1.84%
Tax Rate per \$ 1,000	\$40.00	\$40.00
Split Rate (RE & MV)	\$15.65	\$12.62
Portion of Tax Rate Funding Debt		
- Percent of Tax Dollar	6.90%	9.83%
Credit Ratings -		
Fitch's Investor's Service	AA	AA
Moody's Rating Agency	Aa2	Aa2

The Town received a rating upgrade by both Fitch's Investor's Service (from A to A+) and Moody's Rating Agency (from A2 to A1) in 2000. Subsequently the Town's A1 credit rating with Moody's Rating Agency was reaffirmed and upgraded by Fitch's Investor's Service to AA- in 2006. Fitch Investor's Service again reaffirmed the AA- rating in 2008. Moody's and Fitch recalibrated the Town's ratings in April 2010 to Aa2 and AA respectively. Fitch recently reaffirmed its rating when a surveillance review was conducted in October 2010.

Historically the Town has utilized a significant amount of its Unassigned Fund Balance as an interim source of revenue for capital projects and other one time expenditures. For many years this has allowed the Town to avoid borrowing in anticipation of taxes. As of FYE 1994, the Town returned to its reserve policy objective relative to maintaining an unassigned fund balance that was the greater of either (1) 12% fund balance or (2) one year's annual debt payment. With the results of this year's operations, the Town at 14.99% is slightly above its minimal goal of maintaining a sufficient unassigned fund balance. Maintenance of this minimal balance will continue to be a priority as part of the overall process involved with improving our financial operations.

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 2012 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 10.79 percent. This compares to the State's average unemployment rate of 11.26 percent and the national average of 9.30 percent.
- According to the Tax Assessor, the average 2012 single family home in Burrillville is valued for assessment purposes at \$232,161, the average commercial property is valued at \$534,862; and the average industrial property is valued at \$755,677.
- Although the Town does not have any immediate plans to go to market, 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.

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, 2012 was being prepared including the following:

- The State's overall economy and the continued freeze and reduction of various State aid to the communities impacted the Town's budget significantly. The overall adopted budget was \$43,318,971, which was a decrease of \$464,959 [1.07%] over the 2011 budget.
 - When capital improvements are not factored in, the net decrease is \$1,311,497 [3.14%].
 - The School operating budget increased from \$26,909,194 to \$27,169,194 or 0.97%. The net dollar increase is \$260,000.
 - The municipal operating and debt budgets declined by \$1,571,497 [10.60%].
- Certain employment costs including health insurance continued to rise significantly requiring reevaluation of those programs.
- The General Fund's largest single revenue source is property taxes – State revenue is second. The Town's tax rate increased from \$15.65 to 16.16 per \$1,000 valuation for fiscal year ending 2012. This increase in the tax rate is primarily associated with implementation of new revaluation values.
- Of this tax rate (\$16.15), 29.1% is utilized for General Fund activities and 59.1% is used for School Operations. The remaining 6.0% is used for debt service and 5.8% is for capital improvements.
- Continuation of the Town's capital improvement program, which includes significant infrastructure upgrades. Note that, as in the past, the Town's CIP Budget does not include any reliance on the current year tax levy.
- Stated another way, 61.0% is allocated toward School Operations and Debt; 30.3% is allocated towards Municipal Operations and Debt; 5.8% is allocated towards Capital Improvements; and 2.9% is allocated towards Wastewater Treatment Debt.
- The General Fund's portion of property tax revenue for FY 2012 is estimated to be \$26.36 million. The increase in tax levy relates primarily to the addition of Ocean State Power to the tax roll due to the expiration of a prior PILOT agreement and a change in the State's motor vehicle phase out program.

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 ASSETS
JUNE 30, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 20,260,282	\$ 3,169,779	\$ 23,430,061	\$ 285,063	\$ 117,717
Receivables:					
Taxes, net	864,968		864,968		
Sewer assessments and user fees, net		693,720	693,720		
Promissory note				12,500	
Other	86,759	12,571	99,330	3,443	
Town-held tax liens	667,189		667,189		
Due from:					
Primary government				7,080	29,615
Other governments	1,452,503	29,267	1,481,770		
Component unit	60,000		60,000		
Internal balances	609,780	(609,780)			
Prepaid expenses		5,367	5,367	187,405	
Deposits		10,000	10,000	1,000	
Inventory		18,191	18,191		
Total current assets	24,001,481	3,329,115	27,330,596	496,491	147,332
Noncurrent assets:					
Capital assets:					
Non-depreciable	3,606,950	382,443	3,989,393	467,808	
Depreciable, net	64,122,346	23,546,992	87,669,338		11,366
Promissory note receivable, net				50,000	
Sewer assessment fees		587,316	587,316		
Bond issuance costs, net	317,236		317,236		
Total noncurrent assets	68,046,532	24,516,751	92,563,283	517,808	11,366
TOTAL ASSETS	92,048,013	27,845,866	119,893,879	1,014,299	158,698
LIABILITIES:					
Current liabilities:					
Accounts payable	1,359,153	266,227	1,625,380		6,026
Accrued payroll	2,215,638	33,416	2,249,054		14,303
Accrued interest	266,404		266,404		
Retainage payable		63,309	63,309		
Due to:					
Primary government				30,000	
Other governments	602	4,600	5,202		
Component unit	36,695		36,695		
Current portion of long-term debt	2,970,900	25,807	2,996,707		
Unearned revenue	1,187,027	18,638	1,205,665	50,000	
Other liabilities	85,626		85,626		
Total current liabilities	8,122,045	411,997	8,534,042	80,000	20,329

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library
Noncurrent liabilities:					
Due to primary government, net				30,000	
Long-term debt, net	26,954,638	124,153	27,078,791		
Total noncurrent liabilities	26,954,638	124,153	27,078,791	30,000	0
TOTAL LIABILITIES	35,076,683	536,150	35,612,833	110,000	20,329
NET ASSETS:					
Invested in capital assets, net of related debt	50,468,604	23,845,022	74,313,626	467,808	11,366
Restricted - nonexpendable	776,405		776,405		
Retricted for:					
General government	83,280		83,280		
Public safety	63,293		63,293		
Recreation and social services	129,365		129,365		
Education	562,500		562,500		
Community development	32,318		32,318		
Capital projects	12,451		12,451		
Unrestricted	4,843,114	3,464,694	8,307,808	436,491	127,003
TOTAL NET ASSETS	\$ 56,971,330	\$ 27,309,716	\$ 84,281,046	\$ 904,299	\$ 138,369

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library
Primary Government:									
Governmental activities:									
General government	\$ 3,458,261	\$ 827,003	\$ 493,820	\$ 223,880	\$ (1,913,558)		\$ (1,913,558)		
Public safety	3,333,909	143,367	45,368		(3,145,174)		(3,145,174)		
Public works	2,801,890	24,927	1,528	706,138	(2,069,297)		(2,069,297)		
Education	32,052,165	392,133	15,297,409	1,484,312	(14,878,311)		(14,878,311)		
Recreation and social services	704,553	194,385	2,518	20,561	(487,089)		(487,089)		
Libraries	687,442		124,196	313,225	(250,021)		(250,021)		
Community development	302,475	11,115	91,995		(199,365)		(199,365)		
Interest on long-term debt	986,957				(986,957)		(986,957)		
Total governmental activities	44,327,652	1,592,930	16,056,834	2,748,116	(23,929,772)		(23,929,772)		
Business-type activities:									
Sewer Authority	1,879,819	1,865,345				\$ (14,474)	(14,474)		
School Cafeteria	831,026	456,569	420,967			46,510	46,510		
Levy Rink	490,935	395,110				(95,825)	(95,825)		
Extended Day Care	403,444	439,046				35,602	35,602		
Total business-type activities	3,605,224	3,156,070	420,967	0	0	(28,187)	(28,187)		
Total primary government	\$ 47,932,876	\$ 4,749,000	\$ 16,477,801	\$ 2,748,116	(23,929,772)	(28,187)	(23,957,959)		
Component Units:									
Burrillville Redevelopment Agency	\$ 39,024	\$ 4,412	\$ 200,000					\$ 165,388	
Jesse M. Smith Memorial Library	614,031	20,540	592,417						\$ (1,074)
Total component units	\$ 653,055	\$ 24,952	\$ 792,417	\$ 0				\$ 165,388	\$ (1,074)
General revenues:									
Property taxes					28,287,435		28,287,435		
Unrestricted investment earnings					49,337		49,337		
Transfers					110,324		110,324		
Total general revenues and transfers					28,447,096		28,447,096	411	245
Change in net assets					4,517,324	(133,190)	4,384,134	165,799	(829)
Net Assets - beginning of year, as restated					52,454,006	27,442,906	79,896,912	738,500	139,198
Net Assets - end of year					\$ 56,971,330	\$ 27,309,716	\$ 84,281,046	\$ 904,299	\$ 138,369

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	General Fund	School District	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 16,006,739	\$ 303,940	\$ 3,949,603	\$ 20,260,282
Receivables:				
Taxes, net	864,968			864,968
Other	22,187	850	63,722	86,759
Town-held tax liens	667,189			667,189
Due from:				
Other funds	261,815	3,471,154	1,461,347	5,194,316
Component unit	60,000			60,000
Other governments	408,924		1,043,579	1,452,503
TOTAL ASSETS	\$ 18,291,822	\$ 3,775,944	\$ 6,518,251	\$ 28,586,017
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 152,572	\$ 1,009,201	\$ 197,380	\$ 1,359,153
Accrued payroll and benefits	191,023	1,799,888	224,727	2,215,638
Due to:				
Other funds	3,237,362	75,779	1,271,395	4,584,536
Component units	36,695			36,695
Other governments			602	602
Deferred revenues	694,014	18,394	1,168,633	1,881,041
Other liabilities	79,408		6,218	85,626
TOTAL LIABILITIES	4,391,074	2,903,262	2,868,955	10,163,291

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	School District	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Continued):				
FUND BALANCES:				
Nonspendable	667,189		109,216	776,405
Restricted			883,207	883,207
Committed	6,642,277	206,000	2,780,057	9,628,334
Assigned	98,182			98,182
Unassigned	6,493,100	666,682	(123,184)	7,036,598
TOTAL FUND BALANCES	13,900,748	872,682	3,649,296	18,422,726
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,291,822	\$ 3,775,944	\$ 6,518,251	\$ 28,586,017

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2011**

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

Total Fund Balances (B-1)	\$ 18,422,726
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	67,729,296
Long-term liabilities (including bond premium) are not due and payable in the current period and therefore are not reported in the funds.	(29,925,538)
Deferred revenues (net of an allowance for uncollectibles) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Assets.	694,014
Accrued interest payable is recorded in governmental activities, but is not recorded in the funds.	(266,404)
Bond issuance costs are reported as expenditures in the Governmental Funds financial statements. The cost and related accumulated amortization is reflected as an other asset on the government-wide financial statements.	<u>317,236</u>
Total Net Assets (A-1)	<u><u>\$ 56,971,330</u></u>

(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, 2011**

	General Fund	School District	Other Governmental Funds	Total Governmental Funds
REVENUES:				
General property taxes	\$ 27,222,631			\$ 27,222,631
Intergovernmental	3,501,937	\$ 12,137,596	\$ 3,939,300	19,578,833
Licenses, permits and fees	379,920			379,920
Investment income	37,211		12,126	49,337
Departmental	117,621			117,621
Other	96,332		258,141	354,473
Intergovernmental - pension contribution		971,554		971,554
TOTAL REVENUES	31,355,652	13,109,150	4,209,567	48,674,369
EXPENDITURES:				
Current:				
General government	2,775,546		83,749	2,859,297
Public safety	2,262,342		59,923	2,322,265
Public works	1,320,530		1,528	1,322,058
Education	207,770	26,799,538	2,735,259	29,742,567
Recreation and social services	223,049		124,440	347,489
Libraries	553,500		128,498	681,998
Community development	200,000		102,475	302,475
Employee benefits and other	1,784,316			1,784,316
Intergovernmental - pension contribution		971,554		971,554
Debt Service:				
Principal	2,694,000			2,694,000
Interest and other costs	989,124			989,124
Capital:				
Capital outlay	1,209,571	187,656	1,506,800	2,904,027
TOTAL EXPENDITURES	14,219,750	27,958,748	4,742,672	46,921,170
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	17,135,902	(14,849,598)	(533,105)	1,753,199

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	General Fund	School District	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES):				
Proceeds from bond issuance	139,229			139,229
Transfers in	937,876	14,771,598	1,761,600	17,471,074
Transfers out	(16,660,229)	(44,000)	(656,521)	(17,360,750)
NET OTHER FINANCING SOURCES (USES)	(15,583,124)	14,727,598	1,105,079	249,553
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,552,778	(122,000)	571,974	2,002,752
FUND BALANCE AT BEGINNING OF YEAR	12,347,970	994,682	3,077,322	16,419,974
FUND BALANCE AT END OF YEAR	\$ 13,900,748	\$ 872,682	\$ 3,649,296	\$ 18,422,726

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, 2011**

Net Change in Fund Balances - Total Governmental Funds (B-2):	\$ 2,002,752
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(564,573)
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 assets. This amount is the net effect of these differences.	2,561,038
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.	60,283
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.	461,924
Adjustment to accrued interest payable related to general obligation bonds which is required to be recorded for government-wide financial statement presentation.	23,724
Bond issuance costs are reported as expenditures in the Governmental Funds financial statements. However, on the Government-Wide financial statements the bond issuance costs are amortized over the term of the bonds.	<u>(27,824)</u>
Change in Net Assets of Governmental Activities (A-2)	<u><u>\$ 4,517,324</u></u>

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 2,335,953	\$ 570,783	\$ 263,043	\$ 3,169,779
Receivables:				
Accounts, net		6,946	5,625	12,571
Sewer assessments and user fees, net	693,720			693,720
Due from:				
Other governments		29,267		29,267
Prepaid expenses	2,146		3,221	5,367
Inventory	4,565	13,626		18,191
Deposits	10,000			10,000
Total current assets	3,046,384	620,622	271,889	3,938,895
Noncurrent assets:				
Sewer assessment fees	587,316			587,316
Net capital assets	23,641,697	37,692	250,046	23,929,435
Total noncurrent assets	24,229,013	37,692	250,046	24,516,751
TOTAL ASSETS	27,275,397	658,314	521,935	28,455,646
LIABILITIES:				
Current liabilities:				
Accounts payable	81,334	165,351	19,542	266,227
Accrued payroll	17,887		15,529	33,416
Due to other funds		495,551	114,229	609,780
Due to other governments	4,600			4,600
Retainage payable	63,309			63,309
Deferred revenue		9,295	9,343	18,638
Capital leases payable			19,447	19,447
Accrued compensated absences	5,000		1,360	6,360
Total current liabilities	172,130	670,197	179,450	1,021,777
Noncurrent liabilities:				
Capital leases payable, net			64,966	64,966
Accrued compensated absences	44,576		12,238	56,814
Net other post employment benefit obligation	2,373			2,373
Total noncurrent liabilities	46,949	0	77,204	124,153
TOTAL LIABILITIES	219,079	670,197	256,654	1,145,930
NET ASSETS:				
Invested in capital assets, net of related debt	23,641,697	37,692	165,633	23,845,022
Unrestricted	3,414,621	(49,575)	99,648	3,464,694
TOTAL NET ASSETS	\$ 27,056,318	\$ (11,883)	\$ 265,281	\$ 27,309,716

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
OPERATING REVENUES:				
Charges for usage and service	\$ 1,828,308	\$ 456,569	\$ 834,156	\$ 3,119,033
Miscellaneous	37,037			37,037
Total operating revenues	1,865,345	456,569	834,156	3,156,070
OPERATING EXPENSES:				
Operations	600,529	719,934	319,315	1,639,778
Personnel	713,385	102,978	501,935	1,318,298
Depreciation	565,905	8,114	29,704	603,723
Total operating expenses	1,879,819	831,026	850,954	3,561,799
OPERATING LOSS	(14,474)	(374,457)	(16,798)	(405,729)
NONOPERATING REVENUES (EXPENSES):				
Investment income	4,874		447	5,321
Intergovernmental		420,967		420,967
Interest expense			(5,726)	(5,726)
Loss on disposal of capital asset			(37,699)	(37,699)
Total nonoperating revenues (expenses)	4,874	420,967	(42,978)	382,863
INCOME (LOSS) BEFORE TRANSFERS	(9,600)	46,510	(59,776)	(22,866)
TRANSFERS IN (OUT)	(110,502)	0	178	(110,324)
CHANGE IN NET ASSETS	(120,102)	46,510	(59,598)	(133,190)
TOTAL NET ASSETS - BEGINNING	27,176,420	(58,393)	324,879	27,442,906
TOTAL NET ASSETS - ENDING	\$ 27,056,318	\$ (11,883)	\$ 265,281	\$ 27,309,716

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,812,883	\$ 470,430	\$ 837,417	\$ 3,120,730
Cash received from providing services	37,037			37,037
Cash paid to suppliers	(593,972)	(743,104)	(318,706)	(1,655,782)
Cash paid to employees	(708,230)	(102,978)	(485,739)	(1,296,947)
Net cash provided by (used for) operating activities	547,718	(375,652)	32,972	205,038
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Nonoperating grants received		415,048		415,048
Transfer from (to) other funds	(110,502)		178	(110,324)
Increase in due from other funds		40,855		40,855
Decrease in due from other governments	6,068			6,068
Decrease in due to other governments	1,400			1,400
Decrease in due to other funds		398,364	(16,114)	382,250
Net cash provided by (used for) noncapital financing activities	(103,034)	854,267	(15,936)	735,297
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(541,742)	(32,910)	(27,314)	(601,966)
Proceeds from sale of capital asset			9,995	9,995
Deposits	(10,000)			(10,000)
Principal payment on capital lease payable			(18,437)	(18,437)
Interest expense			(5,726)	(5,726)
Net cash used for capital and related financing activities	(551,742)	(32,910)	(41,482)	(626,134)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	4,874		447	5,321
Net cash provided by investing activities	4,874	0	447	5,321
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(102,184)	445,705	(23,999)	319,522
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,438,137	125,078	287,042	2,850,257
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,335,953	\$ 570,783	\$ 263,043	\$ 3,169,779
Reconciliation of operating loss to net cash provided by (used for) operating activities:				
Operating loss	\$ (14,474)	\$ (374,457)	\$ (16,798)	\$ (405,729)
Adjustments to reconcile:				
Depreciation	565,905	8,114	29,704	603,723
Increase in allowance for doubtful accounts			2,857	2,857
(Increase) decrease in accounts receivable	(15,425)	3,471	78	(11,876)
Decrease in other receivables		12,914	1,000	13,914
(Increase) decrease in prepaid expenses	(2,146)		2,130	(16)
Increase in inventory		(5,503)		(5,503)
Increase (decrease) in accounts payable	529	(17,667)	(1,521)	(18,659)
Increase in accrued payroll	2,808		15,529	18,337
Decrease in deferred revenue		(2,524)	(674)	(3,198)
Increase in accrued compensated absences	1,560		667	2,227
Increase in net other post employment benefit obligation	787			787
Increase in retainage payable	8,174			8,174
Net cash provided by (used for) operating activities	\$ 547,718	\$ (375,652)	\$ 32,972	\$ 205,038

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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. In the government-wide Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. 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 Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units." 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 Statement No. 39 and No. 14 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 government-wide financial statements.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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

Reporting Entity (Continued)

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

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

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

Recently Issued Accounting Standards

The Town implemented the following pronouncements for the year ended June 30, 2011:

→ GASB Statement No. 59 - Financial Instruments Omnibus.

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

The Town also implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2011. This pronouncement establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types have also been modified for clarity and consistency. As a result of this pronouncement, \$2,116,186 of Special Revenue Funds' fund balance have been reclassified to the General Fund at the beginning of fiscal year 2011.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards (Continued)

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

- GASB Statement No. 60 - Accounting and Financial Reporting for Service Concession Arrangements, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 61 - The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 62 - Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the Town's fiscal year ending June 30, 2013.
- GASB Statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position effective for the Town's fiscal year ending June 30, 2013.

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 Assets 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, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (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.

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major and Non-Major Funds

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

<u>Fund</u>	<u>Brief Description</u>
Major:	
General:	See above for description
Special Revenue:	Burrillville School District – This fund accounts for the operation and maintenance of the Burrillville Public Schools.
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.
Non-Major:	
Special Revenue:	School Restricted Grants, Bulletproof Vest Program, Community Recreation, Town Clerk – Technology, Historical Records, Solemn Federal Task Force, Animal Shelter Donation Account, Library Grant, Community Emergency Response Training, Cops Technology Grant, Spring Lake, Community Development Block Grant, Automatic External Defibrillator, FEMA Grant, Underage Drinking Grant, Hydroelectric Power, Cops That Care, Ocean State Power Funds, Narcotics Guidance Council, Clean Diesel Grant - ARRA, Police Grant – Operation Riptide, Police Task Force, and Police Legislative Grant.
Capital Projects:	EECBG Grant, Whipple Landfill Capping, Police Station Expansion, Rail Trail Harrisville/Pascoag, Callahan Renovation Project, Route 102 Commerce Park, Major Capital, Library Building, Local Equity Aid-LEAP Grant, Mill Pond Dam Repair, Municipal Annex Renovation and Open Space/Land Acquisition.
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 Assets 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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Basis of Accounting

In the government-wide Statement of Net Assets 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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$217,100 for property taxes. Major receivable balances for the governmental activities include property taxes (36% of balance) and intergovernmental grants and aid (60% of balance). Business-type activities report usage and service fees as its major receivables.

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

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 or collateralized government investment pools, which are available on a daily basis.

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

Materials and Supplies

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

Prepaid Items

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

Property, Plant and Equipment

Property, Plant and Equipment

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment (Continued)

Government-Wide Statements

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

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 Assets. 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.....	25 years
Collection system.....	25 - 60 years
Equipment.....	5 - 25 years
Vehicles	3 - 20 years
Leasehold improvements.....	5 - 15 years
Infrastructure and land improvements....	15 - 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.

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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Compensated Absences (Continued)

At June 30, 2011, 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	\$ 93,432		\$ 93,432
Administrative Departments.....	30,175		30,175
Public Works Department.....	23,007		23,007
Recreation Department.....	54		54
School District.....	39,395	\$993,720	1,033,115
TOTAL	<u>\$186,063</u>	<u>\$993,720</u>	<u>\$1,179,783</u>

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.

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.

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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Premiums and Issuance Costs

In the governmental fund financial statements, bond premiums and issuance costs are treated as period costs in the year of issue. Bond issuance costs are shown as an "expenditure" and bond premiums are reflected as an "other financing source".

In the government-wide statements, bond premiums and issuance costs are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition of the face amount of the bonds payable whereas issuance costs are recorded as other assets.

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.

Equity Classifications

Government-Wide Statements

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

- (a) Invested in capital assets, net of related debt - 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 assets - Consists of net assets 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 assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Statements (Continued)

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Town Council. 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 for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Town Council or a management official delegated that authority by formal Town Council action.

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

The 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.

The Town applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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 assets 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 \$564,573 difference are as follows:

Capital outlay.....	\$ 2,213,874
Depreciation expense.....	<u>(2,778,447)</u>
Net adjustment to decrease <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net assets</i> <i>of governmental activities</i>	<u>\$ (564,573)</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$2,561,038 difference are as follows:

Issuance of general obligation bonds	\$ (139,229)
Principal repayments – general obligation debt	2,694,000
Amortization of bond premium	28,215
Amortization of deferred charge on refunding	<u>(21,948)</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net assets</i> <i>of governmental activities</i>	<u>\$2,561,038</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 \$60,283 difference are as follows:

Deferred revenue – beginning	\$(633,731)
Deferred revenue – ending	<u>694,014</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>net change in net</i> <i>assets-governmental activities</i>	<u>\$ 60,283</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 \$461,924 difference are as follows:

Decrease in liability for compensated absences	\$ 46,802
Decrease in liability for landfill closure	430,000
Increase in liability for net OPEB obligation	<u>(14,878)</u>
Net adjustment to increase <i>net change in fund balances -</i> <i>total governmental funds</i> to arrive at <i>change in net assets</i> <i>of governmental activities</i>	<u>\$461,924</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 \$23,724 difference are as follows:

Accrued Interest – beginning	\$ 290,128
Accrued Interest – ending	<u>(266,404)</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net assets-</i> <i>governmental activities</i>	<u>\$ 23,724</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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 District 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 five supplemental budgetary revisions made during the year totaling \$5,211,291. The increase was due primarily to capital improvement budget appropriations of \$2,528,844 and one-time transfers totaling \$2,039,347 due to excess fund balance policy.

(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 2011 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 2011.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

2. BUDGETARY PROCESS (Continued)

(b) Reconciliation - Budgetary to GAAP (Continued)

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-2)	\$ 49,832,990	\$45,690,095
Less: Transfer from Fund Balance to revenue for current year	(5,211,291)	
Less: School Department revenues included in General Fund Budget	(12,137,595)	
Less: School Department expenditures included in General Fund		(12,137,595)
Activity of funds classified with the General Fund for the purposes of GASB Statement No. 54	<u>(51,347)</u>	<u>(2,672,521)</u>
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance (B-2)	<u>\$32,432,757</u>	<u>\$30,879,979</u>

A reconciliation of the School District's General Fund revenues, expenditures and other financing sources (uses) as reported on schedules B-2 and E-3 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-3)	\$26,909,194	\$27,037,688
Less: Current year encumbrances		(70,929)
Add: Prior year encumbrances		64,435
Adjustment for pension contribution made by State of Rhode Island on behalf of employees	<u>971,554</u>	<u>971,554</u>
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances – Governmental Funds (B-2)	<u>\$27,880,748</u>	<u>\$28,002,748</u>

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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 \$14,828,489 while the bank balance was \$15,189,875, of which \$1,854,935 was covered by federal depository insurance and \$13,334,940 was uninsured and collateralized by securities held by the pledging financial institution's trust department in the Town's name. The Town also had nonnegotiable certificates of deposit totaling \$2,005,709 which were FDIC insured under the Certificate of Deposit Account Registry Service (CDARS) at June 30, 2011.

The following is a reconciliation of the Town's cash and cash equivalents as of June 30, 2011:

	<u>Primary Government</u>	<u>Component Units</u>
Total deposits	\$14,710,772	\$117,717
Add: petty cash and cash on hand	14,170	0
Add: certificates of deposit	2,005,709	0
Add: investments classified as cash equivalents	6,881,241	285,063
Less: fiduciary funds cash (not included in the government-wide financial statements)	<u>(181,831)</u>	<u>0</u>
Total cash and cash equivalents reported in the financial statements (A-1)	<u>\$23,430,061</u>	<u>\$402,780</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.

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, 2011, the Town had \$510,643 of uncollateralized institutional money market funds which invest in U.S. government obligations.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

3. DEPOSITS AND INVESTMENTS (Continued)

(b) Investments (Continued)

Concentration of Credit Risk - At June 30, 2011, the Town had 73% of its investments concentrated in collateralized local government investment pools, 21% concentrated in certificates of deposit, and 6% concentrated in uncollateralized institutional money market funds. The Collateralized Local Government Investment Pool (LGIP) invests public-sector funds only in U.S. Treasury and other U.S. Government securities permitted under Rhode Island law. The LGIP's provides collateral at a 102% minimum. The LGIP is fully compliant with all Rhode Island laws, investment guidelines and collateral requirements, and is managed within the guidelines of a registered SEC 2-a7-type fund. The fair value of the Town's position in the LGIP is the same as the value of the pool shares. At June 30, 2011, the Town did not have any investments in common stock or other equity investments.

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

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

As of June 30, 2011, the Town had the following investments:

<u>Description</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Rating</u>
Institutional Money Market Funds-				
U.S. Treasury	\$ 510,643	Varies (2)	Daily	Aaa/AAAm
Collateralized Local Government Investment Pool	6,655,661	Varies (1)	Daily	not rated
Certificate of deposit.....	<u>2,737</u>	0.45%	5/29/12	not rated
Total investments	7,169,041			
Deposits	14,828,489			
Certificates of deposit.....	2,005,709	0.20%	7/14/11	not rated
Petty cash and cash on hand	<u>14,170</u>			
Total cash and investments	<u>\$24,017,409</u>			

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

3. DEPOSITS AND INVESTMENTS (Continued)

(b) Investments (Continued)

- (1) Average daily rate of 0.06% for June 2011.
- (2) Annualized 30 day yield of 0% for June 2011.

The carrying value of deposits and investments relate to the combined balance sheet totals (A-1) as follows:

Reconciliation to Government-wide Statement of Net Assets:

Investments.....	\$ 7,169,041
Less: investments classified as cash equivalents.....	(7,166,304)
Less: fiduciary funds investments (not included in the government-wide statement).....	<u>(2,737)</u>
Total investments (A-1)	<u>\$ 0</u>

4. TAXES RECEIVABLE AND DEFERRED REVENUE

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, 2009. 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 2011 were based on an assessed value of approximately \$1,362,813,040 at December 31, 2009 and amounted to \$23,547,101. Collections on the 2011 tax levy through June 30, 2011 amounted to \$22,939,416, which represents 97% 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, 2011 (\$1,082,068) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$217,100. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2011 are recorded as deferred revenue and amounted to \$694,014 at June 30, 2011. Property taxes recognized as revenue for the fiscal year ended June 30, 2011 (due to their collection within the 60 days immediately following June 30, 2011) amounted to \$170,954.

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 \$357,803. These receivables are only collectible upon the transfer of title to the property.

In the government-wide financial statements, deferred 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, 2011

5. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

Intergovernmental receivables and payable 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.....	\$ 315,705	
Non-major funds	181,137	\$ 602
Total	<u>496,842</u>	<u>602</u>
Federal government:		
Major funds:		
General Fund.....	93,219	
Non-major funds	763,663	
Total	<u>856,882</u>	<u>0</u>
Other governments:		
Non-major funds	98,779	0
Total governmental activities	<u>\$1,452,503</u>	<u>\$602</u>
Business-type activities:		
State of Rhode Island:		
Major fund:		
Sewer Commission.....	\$ 0	\$4,600
Federal government:		
School Cafeteria Fund.....	29,267	
Total	<u>29,267</u>	<u>0</u>
Total business-type activities	<u>\$ 29,267</u>	<u>\$4,600</u>

6. INTERFUND BALANCES

Individual fund and discretely presented component unit receivable and payable balances at June 30, 2011, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental activities:		
Major funds:		
General Fund.....	\$ 261,815	\$3,237,362
School District General Fund.....	3,471,154	75,779
Non-major funds	1,461,347	1,271,395
Total governmental activities	<u>5,194,316</u>	<u>4,584,536</u>
Business-type activities:		
Major funds:		
School Cafeteria Fund.....		495,551
Non-major funds		114,229
Total business type activities	<u>0</u>	<u>609,780</u>
Balances at June 30, 2011	<u>\$5,194,316</u>	<u>\$5,194,316</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

6. INTERFUND BALANCES (Continued)

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Discretely Presented Component Unit Balances:		
Primary government:		
General fund.....	\$60,000	\$36,695
Discretely presented component units:		
Burrillville Redevelopment Agency	7,080	60,000
Jesse M. Smith Memorial Library	<u>29,615</u>	
Balances at June 30, 2011	<u>\$ 96,695</u>	<u>\$96,695</u>

As of June 30, 2008, there was a \$150,000 receivable/payable which resulted from the transfer of land from the Town to the Redevelopment Agency. This amount is payable over a five year period (\$30,000 annually). The balance of this receivable/payable at June 30, 2011 was \$60,000.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance, as restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,275,169			\$ 3,275,169
Construction in progress	3,469,253	\$ 1,435,677	\$(4,573,149)	331,781
Total capital assets not being depreciated	<u>6,744,422</u>	<u>1,435,677</u>	<u>\$(4,573,149)</u>	<u>3,606,950</u>
Other capital assets:				
Buildings and improvements	68,138,034	2,581,610		70,719,644
Equipment	1,610,802	75,332		1,686,134
Vehicles	3,353,656	395,143	(117,069)	3,631,730
Infrastructure	13,726,413	2,299,261		16,025,674
Total other capital assets	<u>86,828,905</u>	<u>5,351,346</u>	<u>(117,069)</u>	<u>92,063,182</u>
Less: accumulated depreciation for:				
Buildings and improvements	(17,862,853)	(1,516,656)		(19,379,509)
Equipment	(647,297)	(158,975)		(806,272)
Vehicles	(1,848,905)	(271,826)	117,069	(2,003,662)
Infrastructure	(4,920,403)	(830,990)		(5,751,393)
Total accumulated depreciation	<u>(25,279,458)</u>	<u>(2,778,447)</u>	<u>117,069</u>	<u>(27,940,836)</u>
Other capital assets, net.....	<u>61,549,447</u>	<u>2,572,899</u>	<u>0</u>	<u>64,122,346</u>
Governmental activities capital assets, net.....	<u>\$ 68,293,869</u>	<u>\$ 4,008,576</u>	<u>\$(4,573,149)</u>	<u>\$67,729,296</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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
Construction in progress	830,935	\$ 424,165	\$(1,255,100)	
Total capital assets not being depreciated ..	<u>1,213,378</u>	<u>424,165</u>	<u>(1,255,100)</u>	<u>382,443</u>
Other capital assets:				
Leasehold improvements	34,398			34,398
Collection systems	33,257,296	1,255,100		34,512,396
Plant and buildings	7,973,885			7,973,885
Plant equipment	266,428			266,428
Motor vehicles	112,627	22,634		135,261
Furniture and equipment	528,652	173,073	(91,297)	610,428
Total other capital assets	<u>42,173,286</u>	<u>1,450,807</u>	<u>(91,297)</u>	<u>43,532,796</u>
Less: accumulated depreciation for:				
Leasehold improvements	(21,315)	(2,268)		(23,583)
Collection systems	(11,828,468)	(500,725)		(12,329,193)
Plant and buildings	(6,997,177)	(44,814)		(7,041,991)
Plant equipment	(125,463)	(19,065)		(144,528)
Motor vehicles	(112,627)	(377)		(113,004)
Furniture and equipment	(340,634)	(36,474)	43,603	(333,505)
Total accumulated depreciation	<u>(19,425,684)</u>	<u>(603,723)</u>	<u>43,603</u>	<u>(19,985,804)</u>
Other capital assets, net	<u>22,747,602</u>	<u>847,084</u>	<u>(47,694)</u>	<u>23,546,992</u>
Business-type activities capital assets, net	<u>\$23,960,980</u>	<u>\$ 1,271,249</u>	<u>\$(1,302,794)</u>	<u>\$23,929,435</u>

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

Governmental activities:	
General government	\$ 232,836
Public safety	212,558
Education	1,071,775
Recreation and social services	256,853
Public works	<u>1,004,425</u>
Total governmental activities depreciation expense	<u>\$2,778,447</u>
Business-type activities:	
Sewer Authority	\$ 565,905
School Cafeteria Fund	8,114
Non-major enterprise funds	<u>29,704</u>
Total business-type activities depreciation expense	<u>\$ 603,723</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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.....	\$447,808	\$20,000		\$467,808
Capital assets, net	<u>\$447,808</u>	<u>\$20,000</u>	<u>\$0</u>	<u>\$467,808</u>
Jesse M. Smith Memorial Library:				
Other capital assets:				
Furniture and equipment.....	\$ 16,745	\$ 2,264	\$0	\$ 19,009
Less: accumulated depreciation for:				
Furniture and equipment.....	(4,193)	(3,450)		(7,643)
Other capital assets, net	<u>\$ 12,552</u>	<u>\$ (1,186)</u>	<u>\$0</u>	<u>\$ 11,366</u>

8. LONG-TERM LIABILITIES

(a) Change in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long-term debt:					
General obligation debt.....	\$30,072,771	\$139,229	\$(2,694,000)	\$27,518,000	\$2,787,000
Plus: bond premium, net of amortization	285,501		(28,215)	257,286	
Less: amount deferred on refunding.....	(143,542)		21,948	(121,594)	
Total long-term debt	<u>30,214,730</u>	<u>139,229</u>	<u>(2,700,267)</u>	<u>27,653,692</u>	<u>2,787,000</u>
Other long-term liabilities:					
Compensated absences	1,226,585	426,322	(473,124)	1,179,783	138,900
Landfill closure and post-closure costs.....	1,480,000		(430,000)	1,050,000	45,000
Net OPEB obligation.....	27,185	14,878		42,063	
Total other long-term liabilities	<u>2,733,770</u>	<u>441,200</u>	<u>(903,124)</u>	<u>2,271,846</u>	<u>183,900</u>
Governmental activities long-term liabilities	<u>\$32,948,500</u>	<u>\$580,429</u>	<u>\$(3,603,391)</u>	<u>\$29,925,538</u>	<u>\$2,970,900</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

8. LONG-TERM LIABILITIES (Continued)

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

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities:					
Long-term debt:					
Leases payable.....	\$ 0	\$102,850	\$(18,437)	\$84,413	\$19,447
Other long-term liabilities:					
Compensated absences	60,947	43,629	(41,402)	63,174	6,360
Net OPEB obligation.....	1,586	787		2,373	
Total other long-term liabilities.....	<u>62,533</u>	<u>44,416</u>	<u>(41,402)</u>	<u>65,547</u>	<u>6,360</u>
Total business-type activities.....	<u>\$62,533</u>	<u>\$147,266</u>	<u>\$(59,839)</u>	<u>\$149,960</u>	<u>\$25,807</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, 2011

8. LONG-TERM LIABILITIES (Continued)
(b) Bonds and Notes Outstanding

At June 30, 2011, 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, 2010</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding June 30, 2011</u>
School bonds:	12/1/99	\$5,500,000	11/1/14	4.35% - 6.5%	\$ 1,825,000		\$ 365,000	\$ 1,460,000
	8/15/00	8,000,000	8/15/15	4.5% - 5.25%	3,050,000		550,000	2,500,000
	6/15/06	7,500,000	5/15/26	4.0% - 5.0%	6,000,000		375,000	5,625,000
	Subtotal				10,875,000	\$ 0	1,290,000	9,585,000
Sewer bonds:	3/6/92	2,900,000	9/1/13	6.327%	580,000		145,000	435,000
	11/13/03	5,600,000	9/1/24	1.410%	4,782,000		279,000	4,503,000
	11/1/06	400,000	11/1/26	4.0% - 5.0%	340,000		20,000	320,000
	12/21/06	3,500,000	9/1/27	1.165% - 1.315%	3,010,771	139,229	175,000	2,975,000
	Subtotal				8,712,771	139,229	619,000	8,233,000
Refunding bonds:	10/1/02	9,145,000	7/15/17	2.5% - 5.0%	2,320,000		300,000	2,020,000
	11/1/06	2,090,000	5/1/15	4.0%	1,145,000		235,000	910,000
	Subtotal				3,465,000	0	535,000	2,930,000
Library bonds:	11/1/06	5,000,000	11/1/26	4.0% - 5.0%	4,250,000	0	250,000	4,000,000
Landfill bonds:	6/24/10	2,160,000	9/1/25	0.27% - 2.79%	2,160,000	0	0	2,160,000
					29,462,771	139,229	2,694,000	26,908,000
								Subtotal general obligation bonds
Note payable:	5/20/09	610,000	5/20/19	None	610,000	0	0	610,000
					\$30,072,771	\$139,229	\$2,694,000	\$27,518,000
								Total general obligation debt

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding (Continued)

During the fiscal year ended June 30, 2011, the Town retired \$2,694,000 in principal on its existing outstanding bonds and loans. During fiscal year 2007, the Town issued a \$3,500,000 Sewer Bond of which the remaining balance of \$139,229 was drawdown during fiscal year 2011.

During the fiscal year ended June 30, 2011 the Town incurred the following interest expense:

Library bonds.....	\$168,813
Sewer bonds	173,170
School bonds.....	497,557
Refunding bonds	121,529
Landfill bonds	<u>27,055</u>
Total	<u>\$988,124</u>

The Town has issued four bonds under the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. The four bonds issued consisted of a 1995, \$4,500,000 School bond issue; \$1,000,000 of the 2000 \$8,000,000 School bond issue; a 2006 \$3,500,000 Wastewater bond issue, and a 2010 \$2,160,000 Landfill bond issue. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

(c) Note Payable

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

(d) Capital Leases

The Levy Rink has a lease agreement for financing the acquisition of an ice resurfacing machine.

The asset acquired through the capital lease is as follows:

Business-type Activities

	<u>Levy Rink</u>
Assets:	
Equipment.....	\$ 112,850
Less: accumulated depreciation...	<u>(10,345)</u>
Total.....	<u>\$ 102,505</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

8. LONG-TERM LIABILITIES (Continued)

(d) Capital Leases (Continued)

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

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

(e) Debt Service Requirements

At June 30, 2011, 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>Interest</u>	<u>Total</u>
2012	\$ 2,787,000	\$ 961,148	\$ 3,748,148
2013	2,792,000	856,120	3,648,120
2014	2,768,000	750,139	3,518,139
2015	2,618,000	642,639	3,260,639
2016	2,029,000	553,635	2,582,635
2017	1,590,000	488,663	2,078,663
2018	1,586,000	398,931	1,984,931
2019	1,897,000	350,389	2,247,389
2020	1,294,000	326,056	1,620,056
2021	1,301,000	263,637	1,564,637
2022	1,308,000	219,358	1,527,358
2023	1,315,000	174,639	1,489,639
2024	1,323,000	129,437	1,452,437
2025	1,326,000	85,717	1,411,717
2026	964,000	45,756	1,009,756
2027	445,000	12,014	457,014
2028	175,000	3,176	178,176
Total	<u>\$27,518,000</u>	<u>\$6,261,454</u>	<u>\$33,779,454</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

9. FUND EQUITY

(a) Fund Balance Constraints

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

	<u>General Fund</u>	<u>School District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>				
Perpetual care			\$ 83,216	\$ 83,216
Endowments.....			26,000	26,000
Tax sale property.....	\$ 667,189			667,189
<i>Restricted for:</i>				
General government.....			83,280	83,280
Public safety			63,293	63,293
Recreation and social services			129,365	129,365
Education			562,500	562,500
Community development.....			32,318	32,318
Capital projects.....			12,451	12,451
<i>Committed to:</i>				
General government.....	239,508			239,508
Public safety	1,417			1,417
Recreation and social services	47		250,360	250,407
Education	56,956			56,956
Debt service	2,722,894			2,722,894
Capital projects.....			2,529,697	2,529,697
Unfunded liability and incentive pay.....	173,072			173,072
Employee benefits.....	1,445,284			1,445,284
Curriculum development		\$106,000		106,000
Subsequent year's budget.....	2,003,099	100,000		2,103,099
<i>Assigned for:</i>				
Education	98,182			98,182
<i>Unassigned</i>	<u>6,493,100</u>	<u>666,682</u>	<u>(123,184)</u>	<u>7,036,598</u>
<i>Total Fund Balances</i>	<u>\$13,900,748</u>	<u>\$872,682</u>	<u>\$3,649,296</u>	<u>\$18,422,726</u>

(b) Fund Deficits

The following funds had deficit fund equity balances at June 30, 2011:

Library Grant	\$ 3
Rail Trail Harrisville/Pascoag	123,181
School Cafeteria Fund.....	11,883
Levy Rink.....	20,701

It is the intention of the Town to cover the above deficits through General Fund contributions.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

9. FUND EQUITY (Continued)

(b) Fund Deficits (Continued)

The following individual funds had deficits for the year ended June 30, 2011:

Major governmental activities:

School District \$122,000

Non-major governmental activities:

Special Revenue Funds:

Town Clerk - Technology 8,022
Historical Records 21,576
Community Emergency Response Training..... 5,755
Spring Lake 622
Ocean State Power Funds 48,187

Capital Project Funds:

Whipple Landfill Capping 110,856
Police Station Expansion..... 66,254
Callahan Renovation Project..... 116,250
Library Building..... 418,653
Municipal Annex Renovation..... 38,137

Permanent Funds:

Cemetery Fund..... 400

Major business-type activities:

Sewer Authority 120,102

Non-major business-type-activities:

Levy Rink..... 51,817
Extended Day Care 7,781

(c) Restatement

The beginning balance of the governmental activities capital assets has been restated by \$2,005,844 for construction-in-progress incorrectly capitalized in prior years. The government-wide financial statements were restated as follows:

Net assets as of June 30, 2010, as previously
reported \$54,459,850
Constructed-in-progress..... (2,005,844)
Net assets as of June 30, 2010, as restated..... \$52,454,006

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

10. DEFINED BENEFIT PENSION PLANS

(a) *Municipal Employees' Retirement System of the State of Rhode Island*

Plan Description

The Town's defined benefit pension plan, Municipal Employees' Retirement System of the State of Rhode Island (MERS), provides retirement and disability benefits, annual cost-of-living adjustments, death and disability benefits to plan members and beneficiaries. MERS is an agent multiple-employer Public Employee Retirement System that acts as a common investment agent for participants. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. The Municipal Employees' Retirement System of the State of Rhode Island issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of Rhode Island Employee Retirement Board, 50 Service Avenue, Warwick, RI 02886.

The payroll for employees covered by the System for the year ended June 30, 2011 was approximately \$5,670,450 and the Town wide payroll (municipal, police, and school) was approximately \$22,995,204.

Funding Policy

MERS members are required to contribute 7.0% of their annual covered salary. The Town is required to contribute at an actuarially determined rate; the current rate is 3.08% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by State Statute.

SCHEDULE OF CONTRIBUTIONS FROM THE TOWN

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2009	\$313,947	100%	\$0
2010	\$245,784	100%	\$0
2011	\$174,650	100%	\$0

Annual Pension Cost

For 2011, the Town's annual pension cost of \$174,650 for MERS was equal to the Town's required and actual contributions. The required contribution was determined as part of the June 30, 2008 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included mortality rates based on the 1994 Group Annuity Mortality Table and the age of 65 or completion of service requirements. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Municipal Police Pension Plan

Plan Description

All full-time police members participate in the same Municipal Employee's Retirement System of the State of Rhode Island (described above).

The payroll for employees covered by the System for the year ended June 30, 2011 was approximately \$1,284,640 and the Town wide payroll (municipal, police, and school) was approximately \$22,995,204.

Funding Policy

Covered police employees were required to contribute 10.2% of their annual covered salary. The Town is required to contribute at an actuarially determined rate the remaining amounts necessary to fund the System. The Town contributed 10.17% of annual covered salaries for the year ended June 30, 2011. The contribution requirements of plan members and the Town are established and may be amended by State Statute.

SCHEDULE OF CONTRIBUTIONS FROM THE TOWN

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2009	\$212,672	100%	\$0
2010	\$151,315	100%	\$0
2011	\$131,162	100%	\$0

Annual Pension Cost

For 2011, the Town's annual pension cost of \$131,162 for the Police Pension System was equal to the Town's required and actual contributions. The required contribution was determined as part of the June 30, 2008 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included mortality rates based on the 1994 Group Annuity Mortality Table, and the later of a retirement age of 60, or completion of service requirements. The actuarial value of MERS' assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 2010 Annual Financial Report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 50 Service Avenue, Warwick, Rhode Island 02886. This report is the most recent report available from the State, who administers the Plan.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

Annual Pension Cost (Continued)

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The information presented in the required supplementary schedules was determined as part of the annual actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>General Municipal Employees Pension Plan</u>	<u>Municipal Police Pension Plan</u>
Valuation date	6/30/10	6/30/10
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	19 years	19 years
Asset valuation method	5-year Smoothed Market Value	5-year Smoothed Market Value
Actuarial assumptions:		
Investment rate of return.....	7.50%, compounded annually	7.50%, compounded annually
Projected salary increases.....	4.0%-8.0%, compounded annually	4.25%-14.25%, compounded annually
Cost-of-living adjustments	1.50% not compounded	2.00% not compounded
Inflation adjustments.....	3.0%	3.0%

Actuarial Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>June 30</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Overfunded (Unfunded) AAL (UAAL) <u>(a-b)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((a-b)/c)</u>
<u>General Employees – Municipal Employees' Retirement System</u>						
2010	\$23,338,522	\$25,978,360	\$(2,639,838)	89.8%	\$5,552,647	(47.5)%
<u>Police Units – Municipal Employees' Retirement System</u>						
2010	\$7,670,056	\$9,329,853	\$(1,659,797)	82.2%	\$1,256,789	(132.1)%

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teacher's Pension Plan

Plan Description

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

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

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

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

Funding Policy

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

- A. **Mortality** - 1994 Group Annuity Mortality Tables.
- B. **Investment return** - 7.50 percent, compounded annually.
- C. **Salary increase** - Salaries will increase at a rate of 4.0% - 12.75%.
- D. **Retirement age** - Teachers are assumed to retire at the later of age 61 or completion of the service requirements.
- E. **Cost of living adjustments** - 3.0 percent compounded annually beginning on the January 1st following a participant's third anniversary of retirement.

CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teacher's Pension Plan (Continued)

Funding Policy (Continued)

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

The amounts contributed to the plan are as follows:

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

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

11. 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, 2011 totaled \$188,620. Total payments to be made for fiscal year ending June 30, 2012 total \$172,620 consisting of \$167,620 for rental of Town Hall facilities and \$5,000 for capital improvements.

School District

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

Grants

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 2011 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, 2011

11. **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.

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

Plan Description

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

The Town's OPEB Plan is a single-employer defined benefit plan offering healthcare benefits that are administered by the Rhode Island Interlocal Risk Management Trust. The Town provides post employment healthcare benefits to eligible retirees in accordance with the various labor contracts and personnel policies. As of June 30, 2011, 371 individuals (303 active employees, 49 retirees and 19 dependents of retirees) were participating in the Plan. Inasmuch as the plan has no assets, reporting an Other Post Employment Benefit (OPEB) trust fund in the accompanying financial statements is not required. An actuarial consultant, Clarity in Numbers, LLC, was hired to determine the Town's actuarial valuation of the post retirement benefits that are offered to current and future retirees as of July 1, 2011. This was the second actuarial valuation that the Town has had in determining to its OPEB obligation. 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: **Municipal:** 30 years of service at any age or 10 years of service at age 58 but not after age 65.

Municipal non-union: 30 years of service at any age or 10 years of service at age 58 but not after age 65.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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

School (non-certified): 30 years of service at any age or age 58 with at least 10 years of service. Those that retired on or prior to August 31, 1997, can continue to receive benefits after they are 65 years old. There are no employees in this category. For anyone who retired after August 31, 1997, benefits cease at age 65.

School (certified): Age 60 with at least 10 years of service or 28 years of service but not after age 65. Those that retired on or prior to August 31, 1997, can continue to receive benefits after they are 65 years old. There is only one employee in this category. For anyone who retired after August 31, 1997, benefits cease at age 65.

Police: 20 years of service but not after age 65.

Wastewater: 30 years of service at any age or 10 years of service at age 58 but not after age 65.

Benefit/Cost Sharing:

Municipal: If a retiree has over 15 years of service then the Town covers 100% of the premium for the first two years after retirement for the individual or family plan. The second two years after retirement the Town covers 50% of the retiree's family or individual medical plan. If a retiree is Medicare eligible or has less than 15 years of service the retiree is responsible for 100% of the medical premium.

Municipal non-union: If a retiree has over 15 years of service then the Town covers 100% of the premium for the first two years after retirement for the individual or family plan. The second two years after retirement the Town covers 50% of the retiree's family or individual medical plan. If a retiree is Medicare eligible or has less than 15 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: For the first two years after retirement the Town covers 100% of the premium of the retiree's individual or family plan. The second two years after retirement the Town covers 50% of the retiree's family or individual medical plan. If a retiree is Medicare eligible the retiree is responsible for 100% of the medical premium.

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

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

Classes of Employees Covered

As of July 1, 2010 (date of last actuarial valuation) membership data was as follows:

Active Employees	303
Retirees	49
Dependents of retirees	<u>19</u>
Total Plan Members	<u>371</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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

The Town may contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year ending June 30, 2011, the Town made no contributions to a trust and instead elected to continue funding on a pay-as-you-go basis, which was determined to be \$185,234. These costs are recognized as an expense when claims or premiums are paid. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

Annual required contribution (ARC)	\$ 200,990
Interest on net OPEB obligation	1,151
Adjustment to annual required contribution.....	<u>(1,242)</u>
Annual OPEB cost (expense)	200,899
Contributions made	<u>(185,234)</u>
Increase in net OPEB obligation	15,665
 Net OPEB obligation - July 1, 2010.....	 <u>28,771</u>
 Net OPEB obligation - June 30, 2011	 <u>\$ 44,436</u>

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

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$129,436	82.6%	\$22,568
6/30/2010	\$133,239	95.3%	\$28,771
6/30/2011	\$200,899	92.2%	\$44,436

Funded Status and Funding Progress

The funded status of the Plan as of July 1, 2010 (the date of the most recent actuarial valuation) was as follows:

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(B-A) Unfunded Actuarial Accrued Liability (UAAL)	(A/B) Funded Ratio	(C) Covered Payroll	[(A-B)/C] UAAL as a Percentage of Covered Payroll
July 1, 2010	\$0	\$2,189,232	\$2,189,232	0.0%	\$21,013,587	(10.42)%

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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

Actuarial Methods and Assumptions

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

Interest Rate.....	4.00%
2008 Medical Trend Rate.....	8.00%
Ultimate Medical Trend Rate.....	5.00%
Year Ultimate Medical Trend Rate Reached.....	2013
Actuarial Cost Method.....	Entry Age Normal
The remaining amortization period at June 30, 2011.....	28 years
Valuation Type.....	Closed Group
Payroll Growth Rate.....	2.50%

13. MAJOR REVENUE SOURCE

The Town has a tax treaty and agreement with Ocean State Power (OSP), an electric generating facility, which requires OSP to pay the Town annual fixed payments in lieu of taxes according to the following schedule:

<u>June 30:</u>	<u>Amount</u>
2012	<u>\$1,016,865</u>
Total	<u>\$1,016,865</u>

During fiscal year ending June 30, 2011 the Town received \$3,567,460 in payments from OSP. The agreement with OSP is based upon OSP operating two electric generating units commercially. If one or both electric generating units are not operating commercially, then the required payments under the agreement may be reduced or eliminated.

On June 21, 1996 an amended agreement was entered into which requires OSP to pay an additional \$850,000 over the life of the remaining agreement as a result of the construction of a Water Storage Pond adjacent to Route 102. This additional amount is included in the above revenue schedule.

Negotiations with OSP for an extension of a new payment in lieu of taxes agreement are ongoing.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

14. 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 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 perspective liability have not been included in the Town's financial statements for the year ended June 30, 2011.

15. 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 coverage in the previous year. Settled claims resulting from these risks have not exceeded the Trust Coverage in any of the past 24 fiscal years.

During the fiscal year ended June 30, 2011, the Town paid premiums of \$80,179 for workers' compensation coverage and \$167,945 for property and liability coverage.

At June 30, 2011, the Trust held reserves for future payments of open cases of \$195,500 for property and liability claims and \$1,800 for workers compensation claims. 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, 2011, 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 District or Sewer Commission Fund because they are treated by the Trust as separate entities having their own coverage.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

16. INTERFUND TRANSFERS

Interfund transfers for fiscal year ended June 30, 2011 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
Major funds:		
General Fund	\$ 937,876	\$16,660,229
School District	14,771,598	44,000
Non-major funds	1,761,600	656,521
Total governmental activities	<u>\$17,471,074</u>	<u>\$17,360,750</u>
Business-type activities:		
Major funds:		
Sewer Authority		\$110,502
Non-major funds	\$ 178	
Total business-type activities	<u>\$ 178</u>	<u>\$110,502</u>

17. 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 and has ten remaining years of postclosure monitoring costs.

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 requires 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 \$30,000 per year for 30 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	\$15,000	10	\$ 150,000	\$15,000	\$ 135,000
Whipple Avenue	1976	N/A	<u>30,000</u>	30	<u>900,000</u>	<u>30,000</u>	<u>870,000</u>
			<u>\$45,000</u>		<u>\$1,050,000</u>	<u>\$45,000</u>	<u>\$1,005,000</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

18. STATE FISCAL STABILIZATION FUNDS (SFSF)

During fiscal year 2011, state education aid to school districts was reduced, but an equal amount of State Fiscal Stabilization Funds were allocated to each school district to offset the reductions. The Burrillville School District received \$305,877 of SFSF during fiscal year 2011. These federal funds have been reported as intergovernmental revenue on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds (Schedule B-2) and is included in the General Fund's transfer out to the School District's (unrestricted fund) totaling \$26,909,193.

19. PROMISSORY NOTE RECEIVABLE - COMPONENT UNIT

On August 5, 2008, the Burrillville Redevelopment Agency sold real estate for \$160,000. Terms of the note require the Town to hold a \$100,000 promissory note secured by a mortgage. The note requires four principal payments of \$12,500 commencing June 1, 2009 and payable on June 1 of each subsequent year with the final installment due June 1, 2012. The remaining \$50,000 shall be forgiven on June 1, 2012 provided the Borrower has not sold the property. The note is without interest and contains prepayment penalties which reduce the amount of the loan forgiveness. The balance of the note was \$62,500 at June 30, 2011. The Burrillville Redevelopment Agency has recorded deferred revenue to offset the potential loan forgiveness amount.

20. PUBLIC ENTITY RISK POOL

The Health Pool

The Town participates in a public entity risk pool through the Rhode Island Interlocal Risk Management Trust (the Trust) entitled the Health Pool (the Pool), formerly known as The Governmental Health Group of Rhode Island, Inc. through June 22, 2010. The Pool is part of a not-for-profit organization (the Trust) formed to provide programs of liability, workers compensation, and health insurance coverage to Rhode Island cities, towns and other governmental units. The Pool is governed by the Trust Board of Directors (Board).

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

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

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

20. PUBLIC ENTITY RISK POOL (Continued)

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

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

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

21. SUBSEQUENT EVENT

As described in Note 13, negotiations with Transcanada/Ocean State Power for an extension of the original payment in-lieu of tax (PILOT) agreement or a new PILOT agreement are ongoing as of June 30, 2011. The Town has, in the interim, included Transcanada/Ocean State Power in the fiscal year ending June 30 2012 tax levy.

(CONCLUDED)

TOWN OF BURRILLVILLE

**REQUIRED SUPPLEMENTARY
INFORMATION**



TOWN OF BURRILLVILLE, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>June 30</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (a-b)/c
<u>General Employees – Municipal Employees' Retirement System</u>						
2008	\$23,164,763	\$20,971,570	\$ 2,193,192	110.5%	\$5,420,713	40.5%
2009	\$23,499,023	\$22,446,076	\$ 1,052,947	104.7%	\$5,589,303	18.8%
2010	\$23,338,522	\$25,978,360	\$(2,639,838)	89.8%	\$5,552,647	(47.5)%
<u>Police Units – Municipal Employees' Retirement System</u>						
2008	\$7,302,211	\$7,039,876	\$ 262,335	103.7%	\$1,286,345	20.4%
2009	\$7,553,018	\$7,322,217	\$ 230,801	103.2%	\$1,285,819	17.9%
2010	\$7,670,056	\$9,329,853	\$(1,659,797)	82.2%	\$1,256,789	(132.1)%
<u>Other Post Employment Benefits</u>						
7/01/08 (FY09)*	\$0	\$1,675,408	\$1,675,408	0%	\$20,531,931	(8.16%)
7/01/08 (FY10)*	\$0	\$1,693,855	\$1,693,855	0%	\$20,512,566	(8.26%)
7/01/10	\$0	\$2,189,232	\$2,189,232	0%	\$21,013,587	(10.42%)

* As allowed by GASB 45, the valuation results have been projected forward to fiscal year June 30, 2010.

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, 2011**

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
REVENUES:				
General property taxes	\$ 26,820,157	\$ 26,820,157	\$ 27,222,631	\$ 402,474
Intergovernmental	15,124,604	15,124,604	15,639,532	514,928
Licenses, permits and fees	418,375	418,375	379,920	(38,455)
Investment income	50,000	50,000	34,890	(15,110)
Departmental	57,900	57,900	117,621	59,721
Total revenues	42,471,036	42,471,036	43,394,594	923,558
EXPENDITURES:				
Current:				
General government	2,935,997	2,855,297	2,691,792	163,505
Public safety	2,176,516	2,249,716	2,246,317	3,399
Public works	1,298,191	1,448,191	1,287,624	160,567
Recreation and social services	164,152	167,152	163,116	4,036
Libraries	553,500	553,500	553,500	
Community development		200,000	200,000	
Employee benefits and other	2,133,314	2,097,814	1,784,316	313,498
Debt service:				
Principal	2,694,000	2,694,000	2,694,000	
Interest and other costs	1,066,606	1,066,606	989,124	77,482
Capital outlay	1,084,841	3,656,685	1,178,988	2,477,697
Total expenditures	14,107,117	16,988,961	13,788,777	3,200,184
Excess of revenues over expenditures	28,363,919	25,482,075	29,605,817	4,123,742
Other financing sources (uses):				
Transfers out	(28,946,813)	(31,276,260)	(31,901,318)	(625,058)
Proceeds from bond issuance			139,229	139,229
Transfers in	582,894	582,894	1,087,876	504,982
Re-appropriation of prior year's designated fund balance	0	5,211,291	5,211,291	
Net other financing sources (uses)	(28,363,919)	(25,482,075)	(25,462,922)	19,153
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 0	\$ 0	4,142,895	\$ 4,142,895
Less: re-appropriated fund balance			(5,211,291)	
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			2,621,174	
Fund Balance, beginning of year (as retroactively reported)			12,347,970	
Fund Balance, end of year			\$ 13,900,748	

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 DISTRICT GENERAL FUND
YEAR ENDED JUNE 30, 2011**

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

TOWN OF BURRILLVILLE, RHODE ISLAND

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

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, 2011:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 4,142,895
Fund balance reappropriated.....	(5,211,291)
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>2,621,174</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 1,552,778</u>

The following reconciliation summarizes the differences for the School District's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2011:

Deficiency of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ (128,494)
Current year encumbrances	70,929
Prior year encumbrances.....	<u>(64,435)</u>
Deficiency of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (122,000)</u>

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.

Bulletproof Vest Program

This fund accounts for grant funding received to assist in the purchase of bulletproof vests.

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.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Animal Shelter Donation Account

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

Library Grant

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

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).

Cops Technology Grant

This fund accounts for grant funding received to assist in the upgrade of the communication system at the police station including the dispatch area, radios and antenna.

Spring Lake

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

Community Development Block Grants

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.

Automatic External Defibrillator

This fund accounts for monies received to assist in the purchase of automated external defibrillators.

FEMA Grant

This fund accounts for FEMA grant funding received to reimburse the Town for costs incurred due to flooding in March 2010.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Underage Drinking Grant

This fund accounts for grant funding received to assist in the enforcement of underage drinking laws.

Cops That Care

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

Hydroelectric Power

This fund accounts for Rhode Island Economic Development Corporation monies used to study the feasibility of developing hydroelectric power from the Mill Pond Dam.

Ocean State Power Funds

This fund accounts for monies received from Ocean State Power. Per an agreement with the Town, Ocean State Power is to contribute every year for twenty years to the Ocean State Power Scholarship Fund and Ocean State Power Community Foundation. Both funds are headed by a committee which approves the spending of these funds.

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.

Clean Diesel Grant - ARRA

This fund accounts for grant funding received to assist in the purchase of vehicles and construction equipment for the public works department.

Police Grant – Operation Riptide

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

Police Task Force

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

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Police Legislative Grant

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

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 operating transfers. The following funds are reported in this section:

EECBG Grant

This fund accounts for grant funding provided by the US DOE for energy efficient lighting in the middle school.

Whipple Landfill Capping

This fund accounts for monies utilized for the purpose of capping the Whipple Landfill.

Police Station Expansion

This fund accounts for the monies utilized in the expansion and renovation of the police station.

Rail Trail Harrisville/Pascoag

This fund accounts for the purchase and construction of a pedestrian trail between the villages of Harrisville and Pascoag.

Callahan Renovation Project

This fund accounts for the expansion and renovation of the Callahan Elementary School.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Route 102 Commerce Park

This fund accounts for monies set aside for the purpose of planning and developing Route 102.

Major Capital

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

Library Building

This fund accounts for monies utilized in the construction of a new library.

Local Equity Aid-LEAP Grant

This fund accounts for grant funding provided by RIDOT and the Federal Highway Administration for road resurfacing.

Mill Pond Dam Repair

This fund accounts for the repair of the Mill Pond Dam.

Municipal Annex Renovation

This fund accounts for renovations to the Carlton M. Brown Memorial Building.

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.

(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, 2011**

	Special Revenue Funds						
	School Restricted Grants	Bulletproof Vest Program	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Animal Shelter Donation Account
ASSETS:							
Cash and cash equivalents	\$ 659,142		\$ 102,301				
Receivables:							
Other	585						
Due from:							
Other funds	408,397		\$ 45,746	\$ 20,486			\$ 3,284
Other governments	553,814						
TOTAL ASSETS	\$ 1,621,938	\$ 0	\$ 102,301	\$ 45,746	\$ 20,486	\$ 0	\$ 3,284
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable	\$ 77,526		\$ 31	\$ 1,170			\$ 351
Accrued payroll and benefits	224,727						
Due to:							
Other funds	485,718			\$ 482			
Other governments							
Deferred revenues	833,967						
Other liabilities							
TOTAL LIABILITIES	1,621,938	\$ 0	31	1,170	482	\$ 0	351
FUND BALANCES:							
Nonspendable for:							
Perpetual care							
Endowments							
Restricted for:							
General government				44,576	20,004		2,933
Public safety							
Recreation and social services			53,796				
Education							
Community development							
Capital projects							
Committed for:							
Recreation and social services			48,474				
Capital projects							
Unassigned							
TOTAL FUND BALANCES	0	0	102,270	44,576	20,004	0	2,933
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,621,938	\$ 0	\$ 102,301	\$ 45,746	\$ 20,486	\$ 0	\$ 3,284

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Special Revenue Funds						
	Library Grant	Community Emergency Response Training	Cops Technology Grant	Spring Lake	Community Development Block Grant	Automatic External Defibrillator	FEMA Grant
		\$ 213,778	\$ 17,290				
ASSETS:							
Cash and cash equivalents							
Receivables:							
Other			62,407				
Due from:							
Other funds		\$ 37,667			\$ 15,029	\$ 18,700	
Other governments			\$ 100,000		\$ 50,000		
TOTAL ASSETS	\$ 0	\$ 37,667	\$ 100,000	\$ 213,778	\$ 144,726	\$ 18,700	\$ 0

LIABILITIES AND FUND BALANCES:

Accounts payable		\$ 12,819	\$ 2,514				
Accrued payroll and benefits							
Due to:							
Other funds	\$ 3		64,764	9,378	\$ 15,029		
Other governments			22,417		97,379		
Deferred revenues							
Other liabilities							
TOTAL LIABILITIES	3	\$ 0	100,000	11,892	112,408	\$ 0	\$ 0

FUND BALANCES:

Nonspendable for:							
Perpetual care							
Endowments							
Restricted for:							
General government						18,700	
Public safety							
Recreation and social services							
Education							
Community development					32,318		
Capital projects							
Committed for:							
Recreation and social services				201,886			
Capital projects							
Unassigned	(3)						
TOTAL FUND BALANCES	(3)	37,667	0	201,886	32,318	18,700	0
TOTAL LIABILITIES AND FUND BALANCES	0	\$ 37,667	\$ 100,000	\$ 213,778	\$ 144,726	\$ 18,700	\$ 0

TOWN OF BURRILLVILLE, RHODE ISLAND

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

Special Revenue Funds

Underage Drinking Grant	Hydroelectric Power	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Clean Diesel Grant - ARRA	Police Grant - Operation Riptide
	\$ 654,224					
		730				
		\$ 232	\$ 134,815			
\$0	\$0	\$ 232	\$ 654,954	\$ 134,815	\$0	\$ 2,612
						\$ 2,612

ASSETS:

Cash and cash equivalents
 Receivables:
 Other
 Due from:
 Other funds
 Other governments
TOTAL ASSETS

LIABILITIES AND FUND BALANCES:

LIABILITIES:

Accounts payable
 Accrued payroll and benefits
 Due to:
 Other funds
 Other governments
 Deferred revenues
 Other liabilities
TOTAL LIABILITIES

FUND BALANCES:

Nonspendable for:
 Perpetual care
 Endowments
 Restricted for:
 General government
 Public safety
 Recreation and social services
 Education
 Community development
 Capital projects
 Committed for:
 Recreation and social services
 Capital projects
 Unassigned
TOTAL FUND BALANCES

TOTAL LIABILITIES AND FUND BALANCES

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Special Revenue Funds			Capital Project Funds			
	Police Task Force	Police Legislative Grant	EECBG Grant	Whipple Landfill Capping	Police Station Expansion	Rail Trail Harrisville/Pascoag	Callahan Renovation Project
ASSETS:							
Cash and cash equivalents	\$ 11,990						\$ 510,644
Receivables:							
Other							
Due from:							
Other funds	9,722	\$ 1,101	\$ 17,521				
Other governments			\$ 58,374	\$ 98,779		\$ 180,000	
TOTAL ASSETS	\$ 21,712	\$ 1,101	\$ 58,374	\$ 116,300	\$ 0	\$ 180,000	\$ 510,644
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable			\$ 23,736			\$ 6,311	
Accrued payroll and benefits							
Due to:							
Other funds						116,870	\$ 498,193
Other governments	\$ 120		34,638			180,000	
Deferred revenues							
Other liabilities							
TOTAL LIABILITIES	120	\$ 0	\$ 58,374	\$ 0	\$ 0	\$ 303,181	498,193
FUND BALANCES:							
Nonspendable for:							
Perpetual care							
Endowments							
Restricted for:							
General government							
Public safety	21,592	1,101					
Recreation and social services							
Education							
Community development							
Capital projects							
Committed for:							
Recreation and social services							12,451
Capital projects							
Unassigned							
TOTAL FUND BALANCES	21,592	1,101	0	116,300	0	(123,181)	12,451
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,712	\$ 1,101	\$ 58,374	\$ 116,300	\$ 0	\$ 180,000	\$ 510,644

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Capital Project Funds					
	Route 102 Commerce Park	Major Capital	Library Building	Local Equity Aid - LEAP Grant	Mill Pond Dam Repair	Municipal Annex Renovation
		\$ 1,564,557				
ASSETS:						
Cash and cash equivalents						
Receivables:						
Other						
Due from:						
Other funds	\$ 106,482	642,115				
Other governments						
TOTAL ASSETS	\$ 106,482	\$ 2,206,672	\$0	\$0	\$0	\$0

LIABILITIES AND FUND BALANCES:

LIABILITIES:

- Accounts payable
- Accrued payroll and benefits
- Due to:
- Other funds
- Other governments
- Deferred revenues
- Other liabilities

TOTAL LIABILITIES

\$ 0	\$ 0	\$0	\$0	\$0	\$0
------	------	-----	-----	-----	-----

FUND BALANCES:

- Nonspendable for:
- Perpetual care
- Endowments
- Restricted for:
- General government
- Public safety
- Recreation and social services
- Education
- Community development
- Capital projects
- Committed for:
- Recreation and social services
- Capital projects
- Unassigned

TOTAL FUND BALANCES

106,482	2,206,672	0	0	0	0
\$ 106,482	\$ 2,206,672	\$0	\$0	\$0	\$0

TOTAL LIABILITIES AND FUND BALANCES

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Capital Project Funds					Permanent Funds				Total Non-Major Governmental Funds
	Open Space/ Land Acquisition	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund					
ASSETS:										
Cash and cash equivalents	\$ 100,243	\$ 83,216	\$ 15,968	\$ 1,195	\$ 15,055					\$ 3,949,603
Receivables:										63,722
Other										
Due from:										
Other funds		50								1,461,347
Other governments										1,043,579
TOTAL ASSETS	\$ 100,243	\$ 83,266	\$ 15,968	\$ 1,195	\$ 15,055					\$ 6,518,251
LIABILITIES AND FUND BALANCES:										
LIABILITIES:										
Accounts payable										\$ 197,380
Accrued payroll and benefits										224,727
Due to:										
Other funds		50								1,271,395
Other governments										602
Deferred revenues										1,168,633
Other liabilities			\$ 5,968	\$ 195	\$ 55					6,218
TOTAL LIABILITIES	\$ 0	\$ 50	\$ 5,968	\$ 195	\$ 55					2,868,955
FUND BALANCES:										
Nonspendable for:										
Perpetual care		83,216								83,216
Endowments			10,000	1,000	15,000					26,000
Restricted for:										
General government										83,280
Public safety										63,293
Recreation and social services										129,365
Education										562,500
Community development										32,318
Capital projects										12,451
Committed for:										
Recreation and social services										250,360
Capital projects	100,243									2,529,697
Unassigned										(123,184)
TOTAL FUND BALANCES	100,243	83,216	10,000	1,000	15,000					3,649,296
TOTAL LIABILITIES AND FUND BALANCES	\$ 100,243	\$ 83,266	\$ 15,968	\$ 1,195	\$ 15,055					\$ 6,518,251

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

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

		Special Revenue Funds						
		School Restricted Grants	Bulletproof Vest Program	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Animal Shelter Donation Account
REVENUES:								
Intergovernmental	\$ 2,800,865						\$ 851	
Investment income			\$ 7,500	\$ 134				
Other	14,000			33,375	\$ 13,552	\$ 2,277		\$ 8,647
TOTAL REVENUES	2,814,865	7,500	7,500	33,509	13,552	2,277	851	8,647
EXPENDITURES:								
Current:								
General government					15,858	23,853		
Public safety			7,500				851	5,947
Public works								
Public libraries								
Recreation and social services				10,887				
Education	2,735,225							
Community development								
Capital outlay	79,640				5,716			
TOTAL EXPENDITURES	2,814,865	7,500	7,500	10,887	21,574	23,853	851	5,947
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	0	0	22,622	(8,022)	(21,576)	0	2,700
OTHER FINANCING SOURCES (USES):								
Transfers in								
Transfers out								
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	0	0	0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	0	0	22,622	(8,022)	(21,576)	0	2,700
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	0	0	79,648	52,598	41,580	0	233
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 0	\$ 102,270	\$ 44,576	\$ 20,004	\$ 0	\$ 0	\$ 2,933

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Special Revenue Funds							
	Library Grant	Community Emergency Response Training	Cops Technology Grant	Spring Lake	Community Development Block Grant	Automatic External Defibrillator	FEMA Grant	
REVENUES:								
Intergovernmental	\$ 124,196	\$ 4,327	\$ 77,583	\$ 310	\$ 85,547	\$	\$ 1,528	
Investment income				163,528	1,294			
Other				11,115				
TOTAL REVENUES	124,196	4,327	77,583	163,838	97,956	\$ 0	\$ 1,528	
EXPENDITURES:								
Current:								
General government								
Public safety		370						1,528
Public works	124,196			113,553				
Public libraries								
Recreation and social services								
Education								
Community development		9,712	77,583	23,086	96,027			
Capital outlay	124,196	10,082	77,583	136,639	96,027	0	1,528	
TOTAL EXPENDITURES	124,196	10,082	77,583	136,639	96,027	0	1,528	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	(5,755)	0	27,199	1,929	0	0	
OTHER FINANCING SOURCES (USES):								
Transfers in				10,500		18,700		
Transfers out				(38,321)				
NET OTHER FINANCING SOURCES (USES)	0	0	0	(27,821)	0	18,700	0	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	(5,755)	0	(622)	1,929	18,700	0	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(3)	43,422	0	202,508	30,389	0	0	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (3)	\$ 37,667	\$ 0	\$ 201,886	\$ 32,318	\$ 18,700	\$ 0	

TOWN OF BURRILLVILLE, RHODE ISLAND

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

		Special Revenue Funds						
	Underage Drinking Grant	Hydroelectric Power	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Clean Diesel Grant - ARRA	Police Grant - Operation Riptide	
REVENUES:								
Intergovernmental	\$ 639	\$ 6,448		\$ 1,256	\$ 24,645	\$ 76,200	\$ 19,432	
Investment income								
Other								
TOTAL REVENUES	639	6,448	\$0	1,256	24,645	76,200	19,432	
EXPENDITURES:								
Current:								
General government				43,441				
Public safety					24,417		19,432	
Public works				4,302				
Public libraries								
Recreation and social services								
Education								
Community development		6,448				322,562		
Capital outlay	639	6,448	0	47,743	24,417	322,562	19,432	
TOTAL EXPENDITURES	0	0	0	(46,487)	228	(246,362)	0	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)								
OTHER FINANCING SOURCES (USES):								
Transfers in								
Transfers out				(1,700)	5,000	246,362		
NET OTHER FINANCING SOURCES (USES)	0	0	0	(1,700)	5,000	246,362	0	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	0	0	(48,187)	5,228	0	0	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	0	0	628,573	52,455	0	0	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 0	\$0	\$ 580,386	\$ 57,683	\$ 0	\$ 0	

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Special Revenue Funds				Capital Project Funds			
	Police Task Force	Police Legislative Grant	EECBG Grant	Whipple Landfill Capping	Police Station Expansion	Rail Trail Harrisville/Pascoag	Callahan Renovation Project	
REVENUES:								
Intergovernmental	\$ 4	\$ 1,000	\$ 132,745			\$ 19,386	\$	34
Investment income	9,722	750				1,175		
Other								
TOTAL REVENUES	9,726	1,750	132,745	0	0	20,561		34
EXPENDITURES:								
Current:								
General government								
Public safety		767						
Public works								
Public libraries								
Recreation and social services								
Education								
Community development								34
Capital outlay								
TOTAL EXPENDITURES	0	767	132,745	110,856	19,311	13,128		34
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	9,726	983	0	(110,856)	(19,311)	7,433		0
OTHER FINANCING SOURCES (USES):								
Transfers in								
Transfers out					(46,943)			(116,250)
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	(46,943)	0		(116,250)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	9,726	983	0	(110,856)	(66,254)	7,433		(116,250)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	11,866	118	0	227,156	66,254	(130,614)		128,701
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 21,592	\$ 1,101	\$ 0	\$ 116,300	\$ 0	\$ (123,181)	\$	12,451

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Capital Project Funds						
	Route 102 Commerce Park	Major Capital	Library Building	Local Equity Aid - LEAP Grant	Mill Pond Dam Repair	Municipal Annex Renovation	
REVENUES:							
Intergovernmental							
Investment income		\$ 1,299		\$ 563,908			
Other							
TOTAL REVENUES	\$ 0	\$ 1,299	\$ 0	\$ 563,908	\$ 0	\$ 0	\$ 0
EXPENDITURES:							
Current:							
General government							
Public safety							
Public works							
Public libraries							
Recreation and social services							
Education							
Community development							
Capital outlay							
TOTAL EXPENDITURES	0	0	3,483	708,978	0	0	0
			3,483	708,978			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	1,299	(3,483)	(145,070)	0	0	0
OTHER FINANCING SOURCES (USES):							
Transfers in							
Transfers out		1,274,736	(415,170)	145,070	31,232		(38,137)
NET OTHER FINANCING SOURCES (USES)	0	1,274,736	(415,170)	145,070	31,232		(38,137)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	0	1,276,035	(418,653)	0	31,232		(38,137)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	106,482	930,637	418,653	0	(31,232)		38,137
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 106,482	\$ 2,206,672	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	Capital Project Funds					Permanent Funds			Total Non-Major Governmental Funds
	Open Space/Land Acquisition	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund				
REVENUES:									
Intergovernmental	98	\$ 152	\$ 22	\$ 2	21			\$ 3,939,300	
Investment income								12,126	
Other								258,141	
TOTAL REVENUES	98	152	22	2	21			4,209,567	
EXPENDITURES:									
Current:									
General government		552	22	2	21			83,749	
Public safety								59,923	
Public works								1,528	
Public libraries								128,498	
Recreation and social services								124,440	
Education								2,735,259	
Community development								102,475	
Capital outlay	0	552	22	2	21			1,506,800	
TOTAL EXPENDITURES	0	552	22	2	21			4,742,672	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	98	(400)	0	0	0			(533,105)	
OTHER FINANCING SOURCES (USES):									
Transfers in	30,000							1,761,600	
Transfers out								(656,521)	
NET OTHER FINANCING SOURCES (USES)	30,000	0	0	0	0			1,105,079	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	30,098	(400)	0	0	0			571,974	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	70,145	83,616	10,000	1,000	15,000			3,077,322	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 100,243	\$ 83,216	\$ 10,000	\$ 1,000	\$ 15,000			\$ 3,649,296	

TOWN OF BURRILLVILLE

NON-MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Levy Rink

This fund accounts for the operations 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 NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2011**

	Levy Rink	Extended Day Care	Totals
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 4,337	\$ 258,706	\$ 263,043
Receivables:			
Accounts		5,625	5,625
Prepaid expenses		3,221	3,221
Total current assets	4,337	267,552	271,889
Noncurrent assets:			
Net capital assets	197,940	52,106	250,046
Total noncurrent assets	197,940	52,106	250,046
TOTAL ASSETS	202,277	319,658	521,935
LIABILITIES:			
Current liabilities:			
Accounts payable	18,068	1,474	19,542
Accrued payroll		15,529	15,529
Due to other funds	106,899	7,330	114,229
Deferred revenue		9,343	9,343
Capital leases payable	19,447		19,447
Accrued compensated absences	1,360		1,360
Total current liabilities	145,774	33,676	179,450
Noncurrent liabilities:			
Capital leases payable, net	64,966		64,966
Accrued compensated absences	12,238		12,238
Total noncurrent liabilities	77,204	0	77,204
TOTAL LIABILITIES	222,978	33,676	256,654
NET ASSETS:			
Invested in capital assets, net of related debt	113,527	52,106	165,633
Unrestricted	(134,228)	233,876	99,648
TOTAL NET ASSETS	\$ (20,701)	\$ 285,982	\$ 265,281

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	<u>Levy Rink</u>	<u>Extended Day Care</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for usage and service	\$ 395,110	\$ 439,046	\$ 834,156
Total operating revenues	395,110	439,046	834,156
OPERATING EXPENSES:			
Operations	238,012	81,303	319,315
Personnel	189,354	312,581	501,935
Depreciation	20,144	9,560	29,704
Total operating expenses	447,510	403,444	850,954
OPERATING INCOME (LOSS)	(52,400)	35,602	(16,798)
NONOPERATING REVENUES (EXPENSES):			
Investment income	8	439	447
Interest expense	(5,726)		(5,726)
Loss on disposal of capital asset	(37,699)		(37,699)
Total nonoperating revenues (expenses)	(43,417)	439	(42,978)
INCOME (LOSS) BEFORE TRANSFERS	(95,817)	36,041	(59,776)
TRANSFERS IN (OUT)	44,000	(43,822)	178
CHANGE IN NET ASSETS	(51,817)	(7,781)	(59,598)
TOTAL NET ASSETS - BEGINNING	31,116	293,763	324,879
TOTAL NET ASSETS - ENDING	\$ (20,701)	\$ 285,982	\$ 265,281

TOWN OF BURRILLVILLE, RHODE ISLAND**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011**

	Levy Rink	Extended Day Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 396,110	\$ 441,307	\$ 837,417
Cash paid to suppliers	(232,775)	(85,931)	(318,706)
Cash paid to employees	(188,687)	(297,052)	(485,739)
Net cash provided by (used for) operating activities	(25,352)	58,324	32,972
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from (to) other funds	44,000	(43,822)	178
Increase (decrease) in due to other funds	11,993	(28,107)	(16,114)
Net cash provided by (used for) noncapital financing activities	55,993	(71,929)	(15,936)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(26,500)	(814)	(27,314)
Proceeds from sale of capital asset	9,995		9,995
Principal payment on capital lease payable	(18,437)		(18,437)
Interest expense	(5,726)		(5,726)
Net cash used for capital and related financing activities	(40,668)	(814)	(41,482)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	8	439	447
Net cash provided by investing activities	8	439	447
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,019)	(13,980)	(23,999)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,356	272,686	287,042
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,337	\$ 258,706	\$ 263,043
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (52,400)	\$ 35,602	\$ (16,798)
Adjustments to reconcile:			
Depreciation	20,144	9,560	29,704
Increase in allowance for doubtful accounts		2,857	2,857
Decrease in accounts receivable		78	78
Decrease in other receivables	1,000		1,000
Decrease in prepaid expenses		2,130	2,130
Increase (decrease) in accounts payable	5,237	(6,758)	(1,521)
Increase in accrued payroll		15,529	15,529
Decrease in deferred revenue		(674)	(674)
Increase in accrued compensated absences	667		667
Net cash provided by (used for) operating activities	\$ (25,352)	\$ 58,324	\$ 32,972

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, 2011**

	<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	\$ 186,657	\$ 382,650	\$ 387,476	\$ 181,831
Investments	2,963	17	243	2,737
TOTAL ASSETS	\$ 189,620	\$ 382,667	\$ 387,719	\$ 184,568
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 189,620	\$ 382,667	\$ 387,719	\$ 184,568

TOWN OF BURRILLVILLE

**GENERAL FUND BUDGETARY
SCHEDULES**



TOWN OF BURRILLVILLE, RHODE ISLAND

GENERAL FUND

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2011**

	<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>
Property taxes:						
Current and prior years	\$ 23,101,195	\$ 23,101,195	\$ 23,422,298		\$ 23,422,298	\$ 321,103
Interest on delinquent taxes and other	137,000	137,000	212,945		212,945	75,945
Payment in lieu of taxes	3,581,962	3,581,962	3,587,388		3,587,388	5,426
Total property taxes	26,820,157	26,820,157	27,222,631	0	27,222,631	402,474
Intergovernmental revenues:						
State of Rhode Island including:						
School aid	11,090,993	11,090,993		11,090,990	11,090,990	(3)
Federal State Fiscal Stabilization Funds	326,139	326,139		305,877	305,877	(20,262)
School construction	1,570,000	1,570,000	1,484,312		1,484,312	(85,688)
Motor vehicle phase out	211,067	211,067	210,909		210,909	(158)
Medicaid reimbursement	250,000	250,000		320,728	320,728	70,728
Group home	420,000	420,000		420,000	420,000	0
Distressed community aid	487,620	487,620	487,734		487,734	114
Meals and beverage tax	166,966	166,966	174,326		174,326	7,360
Pilot	66,485	66,485	115,270		115,270	48,785
Telephone tax	153,609	153,609	179,579		179,579	25,970
Police and other	68,500	68,500	470,552		470,552	402,052
Library construction	313,225	313,225	313,225		313,225	0
Federal grants	0	0	66,030		66,030	66,030
Total intergovernmental revenues	15,124,604	15,124,604	3,501,937	12,137,595	15,639,532	514,928
Departmental revenues:						
Licenses, permits and fees:						
Licenses and fees	339,025	339,025	262,323		262,323	(76,702)
Building official	44,350	44,350	76,256		76,256	31,906
Miscellaneous	35,000	35,000	41,341		41,341	6,341
Services/assessments	57,900	57,900	117,621		117,621	59,721
Total departmental revenues	476,275	476,275	497,541	0	497,541	21,266
Investment income	50,000	50,000	34,890	0	34,890	(15,110)
Total revenues	42,471,036	42,471,036	31,256,999	12,137,595	43,394,594	923,558

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

GENERAL FUND

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2011**

	<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	27,600	27,600	25,554		25,554	2,046
Town clerk	199,494	199,494	159,353		159,353	40,141
Tax assessor	146,182	146,182	115,364		115,364	30,818
Town manager	167,705	170,705	170,488		170,488	217
Building official	119,052	119,052	118,090		118,090	962
Town treasurer	245,975	245,975	242,415		242,415	3,560
Tax collector	112,888	112,888	84,351		84,351	28,537
Information systems	192,402	192,402	187,298		187,298	5,104
Town planner	122,994	124,094	124,039		124,039	55
Boards, agencies, and committees	129,047	129,047	101,217		101,217	27,830
General fund contingency	90,000	5,200	3,710		3,710	1,490
Miscellaneous town expense	12,038	12,038	9,112		9,112	2,926
Buildings - administration	2,000	2,000	967		967	1,033
Total general government	1,567,377	1,486,677	1,341,958	0	1,341,958	144,719
Public Safety:						
Police department	2,041,184	2,102,584	2,100,633		2,100,633	1,951
Animal control	110,730	122,530	122,342		122,342	188
Civil defense	6,102	6,102	5,817		5,817	285
Municipal court	18,500	18,500	17,525		17,525	975
Total public safety	2,176,516	2,249,716	2,246,317	0	2,246,317	3,399
Public Works:						
Highway department	1,298,191	1,448,191	1,287,624		1,287,624	160,567
Total public works	1,298,191	1,448,191	1,287,624	0	1,287,624	160,567

TOWN OF BURRILLVILLE, RHODE ISLAND

GENERAL FUND

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2011**

	<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	141,452	144,452	142,277		142,277	2,175
Operation of mini-bus	22,700	22,700	20,839		20,839	1,861
Total recreation and social services	164,152	167,152	163,116	0	163,116	4,036
Special Appropriations						
	10,650	10,650	10,037	0	10,037	613
Debt Service:						
General obligation bonds:						
Principal	2,694,000	2,694,000	2,694,000		2,694,000	0
Interest	1,063,606	1,063,606	988,124		988,124	75,482
Bond registration fees and other	3,000	3,000	1,000		1,000	2,000
Total debt service	3,760,606	3,760,606	3,683,124	0	3,683,124	77,482
General Services						
	1,368,620	1,368,620	1,349,834	0	1,349,834	18,786
Capital Improvements Program:						
School department	84,271	142,766	56,020		56,020	86,746
Police department	15,570	50,826	9,637		9,637	41,189
Public works	925,000	2,935,473	853,260		853,260	2,082,213
Administration	60,000	436,716	185,432		185,432	251,284
Recreation	0	90,904	74,639		74,639	16,265
Total capital improvements program	1,084,841	3,656,685	1,178,988	0	1,178,988	2,477,697
Library:						
Pascoag Library	53,500	53,500	53,500		53,500	0
Jesse M. Smith Memorial Library	500,000	500,000	500,000		500,000	0
Total library	553,500	553,500	553,500	0	553,500	0

TOWN OF BURRILLVILLE, RHODE ISLAND

GENERAL FUND

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2011**

	<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	1,992,814	1,952,814	1,640,305		1,640,305	312,509
Legal services	95,000	99,500	107,303		107,303	(7,803)
Other professional services	34,850	34,850	26,671		26,671	8,179
Total miscellaneous	2,122,664	2,087,164	1,774,279	0	1,774,279	312,885
Burrillville Redevelopment Agency	0	200,000	200,000	0	200,000	0
Total expenditures	14,107,117	16,988,961	13,788,777	0	13,788,777	3,200,184
Excess of revenues over expenditures	28,363,919	25,482,075	17,468,222	12,137,595	29,605,817	4,123,742
Other financing sources (uses):						
Transfers out:						
Special revenue funds	(28,714,192)	(29,940,292)	(18,143,457)	(12,137,595)	(30,281,052)	(340,760)
Capital project funds	(232,621)	(1,335,968)	(1,481,037)		(1,481,037)	(145,069)
Enterprise fund	0	0	(139,229)		(139,229)	(139,229)
Proceeds from bond issuance	0	0	139,229		139,229	139,229
Transfers in:						
Special revenue funds	188,322	188,322	188,322		188,322	0
Capital project funds	161,250	116,250	616,501		616,501	500,251
Enterprise funds	233,322	278,322	283,053		283,053	4,731
Re-appropriation of prior year's designated fund balance	0	5,211,291		5,211,291	5,211,291	0
Net other financing sources (uses)	(28,363,919)	(25,482,075)	(18,536,618)	(6,926,304)	(25,462,922)	19,153
Excess (deficiency) of revenues and other financing sources over expenditures - budgetary basis	\$ 0	\$ 0	\$ (1,068,396)	\$ 5,211,291	\$ 4,142,895	\$ 4,142,895

TOWN OF BURRILLVILLE

STATISTICAL SECTION

This part of the Town of Burrillville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	102 - 108
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	109 - 114
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	115 - 121
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	122 - 125
Operation Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	126 - 134

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

TABLE 1

TOWN OF BURRILLVILLE

**NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS**
Unaudited
(Accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:								
Invested in capital assets, net of related debt	\$ 50,468,604	\$ 48,797,754	\$ 45,691,128	\$ 42,950,757	\$ 33,748,145	\$ 16,449,422	\$ 20,677,984	\$ 13,516,167
Restricted	1,659,612	509,616	509,946	110,529	106,568	7,419,103	1,965,612	1,876,349
Unrestricted (deficit)	4,843,114	5,152,480	677,412	(2,385,712)	6,766,810	10,348,540	7,404,492	6,583,737
Total governmental activities	\$ 56,971,330	\$ 54,459,850	\$ 46,878,486	\$ 40,675,574	\$ 40,621,523	\$ 34,217,065	\$ 30,048,088	\$ 21,976,253
Business-type activities:								
Invested in capital assets, net of related debt	\$ 23,845,022	\$ 23,960,980	\$ 23,772,455	\$ 14,854,961	\$ 22,032,969	\$ 19,869,433	\$ 17,545,499	\$ 17,834,884
Restricted	3,464,694	3,481,926	3,479,732	12,546,693	2,536,364	1,732,818	1,721,584	1,672,774
Unrestricted	\$ 27,309,716	\$ 27,442,906	\$ 27,252,187	\$ 27,401,654	\$ 24,569,333	\$ 21,602,251	\$ 19,267,083	\$ 19,507,658
Total business-type activities								
Primary government:								
Invested in capital assets, net of related debt	\$ 74,313,626	\$ 72,758,734	\$ 69,463,583	\$ 57,805,718	\$ 55,781,114	\$ 36,318,855	\$ 38,223,483	\$ 31,351,051
Restricted	1,659,612	509,616	509,946	110,529	106,568	7,419,103	1,965,612	1,876,349
Unrestricted	8,307,808	8,634,406	4,157,144	10,160,981	9,303,174	12,081,358	9,126,076	8,256,511
Total primary government	\$ 84,281,046	\$ 81,902,756	\$ 74,130,673	\$ 68,077,228	\$ 65,190,856	\$ 55,819,316	\$ 49,315,171	\$ 41,483,911

NOTE: Prior to implementation of GASB 34 in 2003, this information was not compiled and is unavailable.

TABLE 2

TOWN OF BURRILLVILLE

**CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS**
Unaudited
(Accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES:								
Governmental activities:								
General government	\$ 3,458,261	\$ 1,854,412	\$ 3,576,715	\$ 4,028,881	\$ 3,179,437	\$ 3,434,626	\$ 3,180,474	\$ 2,949,158
Public safety	3,333,909	3,276,694	3,447,071	3,305,109	2,450,317	2,285,274	1,916,299	2,115,792
Public works	2,801,890	2,390,143	2,540,063	6,521,874	1,857,393	1,363,199	1,335,720	1,072,093
Education	32,052,165	31,766,101	31,299,601	30,258,377	29,403,540	28,569,871	27,756,166	27,184,891
Recreation and social services	704,553	651,196	679,872	672,229	454,032	425,447	377,328	361,333
Public libraries	687,442	663,940	655,149	486,987	406,832	383,873	301,534	282,265
Community development	302,475	1,036,258	583,196	83,463	128,780	57,261	153,706	225,817
Other				1,553,844	3,223,662	2,951,902	2,567,546	1,626,650
Interest on long-term debt	986,957	1,057,533	1,166,159	1,297,028	1,172,555	929,208	974,424	1,159,186
Total governmental activities	44,327,652	42,696,277	43,947,826	48,207,792	42,276,548	40,400,661	38,563,197	36,977,185
Business-type activities:								
Sewer	1,879,819	1,897,454	1,867,278	1,742,335	1,682,383	1,868,573	1,930,468	1,899,715
School Cafeteria Fund	831,026	848,061	896,122	935,438	877,141	863,317	813,114	762,035
Levy Rink	490,935	433,847	434,991	369,511	292,428	339,196	318,731	262,838
Extended Day Care	403,444	426,606	436,463	426,023	416,946	395,503	430,158	346,198
Total business-type activities	3,605,224	3,605,968	3,634,854	3,473,307	3,268,898	3,466,589	3,492,471	3,270,786
Total primary government expenses	47,932,876	46,302,245	47,582,680	51,681,099	45,545,446	43,867,250	42,055,668	40,247,971

NOTE: Prior to implementation of GASB 34 in 2003, this information was not compiled and is unavailable.

TABLE 2

TOWN OF BURRILLVILLE

**CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS**

Unaudited
(Accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004
PROGRAM REVENUES:								
Governmental activities:								
Charges for services:								
General government	827,003	570,359	625,451	516,877	805,370	748,762	710,807	644,457
Public safety	143,367	58,135	127,741	176,930	147,432	52,632	75,089	91,141
Public works	24,927	8,546	8,657					
Education	392,133	295,303	203,044	384,706	267,781	280,777	343,343	303,703
Other activities	205,500	217,365	176,241	389,269	235,734	46,490	56,724	61,864
Operating grants and contributions	16,056,834	17,310,421	16,606,635	16,803,743	18,268,107	17,659,717	17,389,782	16,627,602
Capital grants and contributions	2,748,116	2,298,349	2,949,280	2,842,227	1,153,972	698,531	674,435	206,663
Total governmental activities program revenues	20,397,880	20,758,478	20,697,049	21,113,752	20,878,396	19,486,909	19,250,180	17,935,430
Business-type activities:								
Charges for services:								
Sewer	1,865,345	1,705,029	1,718,947	2,437,515	1,667,150	1,304,774	1,175,684	1,115,187
School Cafeteria Fund	456,569	451,403	497,268	578,461	621,452	613,046	593,855	582,873
Levy Rink	395,110	395,430	384,349	274,656	236,172	289,665	262,824	303,195
Extended Day Care	439,046	417,873	436,301	453,228	429,714	412,502	442,299	426,259
Operating grants and contributions	420,967	418,814	354,303	333,980	277,226	232,081	207,699	187,205
Capital grants and contributions						500,000		
Total business-type activities program revenues	3,577,037	3,388,549	3,391,168	4,077,840	3,231,714	3,352,068	2,682,361	2,614,719
Total primary government revenues	23,974,917	24,147,027	24,088,217	25,191,592	24,110,110	22,838,977	21,932,541	20,550,149
Net (expenses) revenues:								
Governmental activities	(23,929,772)	(21,937,799)	(23,250,777)	(27,094,040)	(21,398,152)	(20,913,752)	(19,313,017)	(19,041,755)
Business-type activities	(28,187)	(217,419)	(243,686)	604,533	(37,184)	(114,521)	(810,110)	(656,067)
Total primary government net expense	(23,957,959)	(22,155,218)	(23,494,463)	(26,489,507)	(21,435,336)	(21,028,273)	(20,123,127)	(19,697,822)

NOTE: Prior to implementation of GASB 34 in 2003, this information was not compiled and is unavailable.

TABLE 2

TOWN OF BURRILLVILLE

**CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS**
Unaudited
(Accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:								
Governmental activities:								
Property taxes and other	28,287,435	29,870,756	28,656,516	27,883,350	26,766,380	26,123,185	24,613,157	23,405,807
State revenue sharing			778,175	936,763	966,898	762,535	606,149	610,930
Unrestricted investment earnings	49,337	50,545	182,379	480,206	886,814	395,289	216,444	158,655
Grants and contributions not restricted to specific programs			31,940			229,399	2,400,000	
Loss on transfer of capital asset			(122,075)					
Transfers	110,324	(402,138)	(73,246)	(2,152,228)	(2,934,425)	(2,427,679)	(589,492)	(331,072)
Total governmental activities	28,447,096	29,519,163	29,453,689	27,148,091	25,685,667	25,082,729	27,246,258	23,844,320
Business-type activities:								
Unrestricted investment earnings	5,321	6,000	20,973	75,560	69,841	22,010	22,529	9,077
Transfers	(110,324)	402,138	73,246	2,152,228	2,934,425	2,427,679	589,492	331,072
Total business-type activities	(105,003)	408,138	94,219	2,227,788	3,004,266	2,449,689	612,021	340,149
Total primary government	28,342,093	29,927,301	29,547,908	29,375,879	28,689,933	27,532,418	27,858,279	24,184,469
CHANGE IN NET ASSETS:								
Governmental activities	4,517,324	7,581,364	6,202,912	54,051	4,287,515	4,168,977	7,933,241	4,802,565
Business-type activities	(133,190)	190,719	(149,467)	2,832,321	2,967,082	2,335,168	(198,089)	(315,918)
Total primary government	\$ 4,384,134	\$ 7,772,083	\$ 6,053,445	\$ 2,886,372	\$ 7,254,597	\$ 6,504,145	\$ 7,735,152	\$ 4,486,647

NOTE: Prior to implementation of GASB 34 in 2003, this information was not compiled and is unavailable.

TABLE 3

TABLE 3

TOWN OF BURRILLVILLE
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)

Unaudited

(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007
Revenues:					
Property taxes	\$ 27,222,631	\$ 26,895,875	\$ 25,779,882	\$ 25,130,561	\$ 24,081,205
Intergovernmental revenue	19,578,833	21,547,412	21,949,668	21,924,878	22,183,385
Licenses and permits	379,920	424,534	396,096	447,898	518,998
Investment income	49,337	50,545	182,379	480,206	886,814
Departmental	117,621	41,059	98,813	156,244	128,674
Other revenues	354,473	666,539	756,099	1,169,525	798,780
Total revenues	47,702,815	49,625,964	49,162,937	49,309,312	48,597,856
Expenditures:					
General government	2,859,297	3,050,803	3,005,485	2,990,265	3,013,611
Public safety	2,322,265	2,349,704	2,472,563	2,429,767	2,305,526
Public works	1,322,058	1,056,622	1,245,485	1,287,046	1,105,007
Education	29,742,567	29,409,513	28,974,064	29,154,947	28,392,459
Recreation and social services	347,489	323,508	358,915	367,361	347,061
Libraries	681,998	654,072	655,149	486,987	406,832
Community development	302,475	1,036,258	578,650	83,463	128,780
Employee benefits and other	1,784,316	1,889,863	2,174,298	2,388,966	2,206,948
Debt service:					
Principal	2,694,000	4,630,000	3,636,000	3,695,000	2,893,512
Interest and other costs	989,124	1,070,078	1,190,662	1,269,412	1,220,080
Bond issuance costs		33,924			77,754
Capital outlay	2,904,027	6,164,637	3,294,558	9,073,084	15,457,888
Total expenditures	45,949,616	51,668,982	47,585,829	53,226,298	57,555,458
Excess of revenue over (under) expenditures	1,753,199	(2,043,018)	1,577,108	(3,916,986)	(8,957,602)
Other financing sources (uses):					
Proceeds from bond issuance	139,229	2,796,818	319,597	2,108,229	7,937,425
Bond premium					81,578
Refunding bond proceeds					2,090,000
Proceeds from loan		1,820,000	610,000	268,000	
Proceeds from sale of capital asset				150,000	
Transfers in	17,471,074	22,429,122	17,972,665	22,223,532	16,619,424
Repayment of debt to escrow agent					(2,079,525)
Transfers out	(17,360,750)	(22,831,260)	(18,045,911)	(24,375,760)	(19,553,849)
Net other financing sources (uses)	249,553	4,214,680	856,351	374,001	5,095,053
Net change in fund balances	\$ 2,002,752	\$ 2,171,662	\$ 2,433,459	\$ (3,542,985)	\$ (3,862,549)
Debt service as a percentage of noncapital expenditures	8.6%	12.5%	10.9%	11.2%	10.0%

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds, Capital Project Funds and Permanent Funds.

(CONTINUED)

TOWN OF BURRILLVILLE
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)

Unaudited
 (Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002
Revenues:					
Property taxes	\$ 23,729,036	\$ 22,453,768	\$ 21,376,802	\$ 20,241,627	\$ 19,948,671
Intergovernmental revenue	20,305,437	19,987,117	19,541,153	19,444,792	18,455,087
Licenses and permits	636,186	719,948	552,960	744,280	277,938
Interest on investments	395,289	216,444	158,655	166,203	462,811
Departmental	33,303	48,168	65,189	54,218	1,090,333
Other revenues	1,670,019	1,155,052	1,121,918	1,177,129	1,090,333
Total revenues	46,769,270	44,580,497	42,816,677	48,597,856	40,234,840
Expenditures:					
General government	3,140,147	2,986,377	2,863,660	2,632,620	1,112,139
Public safety	2,193,993	2,175,013	2,107,292	1,867,451	1,796,314
Public works	1,057,396	1,064,257	918,503	953,132	846,938
General services	27,753,517	26,846,036	26,023,368	25,640,448	1,000,036
Education	322,624	277,772	273,603	262,950	22,577,704
Recreation and social services	393,873	301,534	282,265	253,346	167,649
Libraries	57,261	153,706	225,817	311,436	226,712
Community development	2,951,902	2,567,546	2,307,554	1,486,366	4,321,280
Employee benefits and other	3,167,500	3,487,500	4,217,500	5,092,500	3,617,500
Debt service:	882,198	1,016,212	1,199,232	1,477,153	1,996,106
Principal	116,224	3,062,269	3,123,166	3,975,874	2,307,399
Interest and other costs	4,141,208	43,938,222	43,541,960	57,555,458	39,969,776
Capital outlay	46,167,843	642,275	(725,283)	(8,957,602)	265,064
Total expenditures	601,427	642,275	(725,283)	(8,957,602)	265,064
Excess of revenue over (under) expenditures					
	9,883,679	553,951	421,072	9,363,816	
Other financing sources (uses)					
Proceeds from bond issuance	154,350			138,450	
Bond premium				800,000	
Proceeds from leasing				15,282,526	12,408,992
Proceeds from loan		17,173,325	15,384,293	(9,243,350)	
Transfers in	15,101,443	(17,762,817)	(15,715,365)	(15,282,526)	(12,496,661)
Repayment of debt to escrow agent	(17,529,122)		(71,000)	(118,470)	
Transfers out	7,610,350	(35,541)	19,000	940,446	(87,669)
Bond issuance costs					
Net other financing sources (uses)					
	\$ 8,211,777	\$ 606,734	\$ (706,283)	\$ (8,017,156)	\$ 177,395
Net change in fund balances					
	9.9%	11.0%	13.4%	12.3%	14.9%
Debt service as a percentage of noncapital expenditures					

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds, Capital Project Funds and Permanent Funds.

(CONCLUDED)

TABLE 4

TOWN OF BURRILLVILLE
FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS

Unaudited
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:								
Reserved	\$ 632,855	\$ 478,502	\$ 747,546	\$ 521,381	\$ 1,824,547	\$ 475,191	\$ 628,296	
Unreserved	9,598,929	8,040,541	6,649,026	8,854,207	7,221,720	7,015,338	6,390,551	
Nonspendable	\$ 667,189							
Restricted								
Committed	6,642,277							
Assigned	98,182							
Unassigned	6,493,100							
Total general fund	13,900,748	10,231,784	8,519,043	7,396,572	9,375,588	9,046,267	7,490,529	7,018,847
All Other Governmental Funds:								
Reserved	870,121	3,285,124	746,019	6,157,429	5,594,556	1,490,421	1,248,053	
Unreserved						125,000		
Unreserved, reported in:								
Special revenue funds	3,586,493	6,034,762	4,228,352	4,181,880	3,669,236	2,263,999	1,674,108	
Capital project funds	1,731,576	(3,590,617)	(556,090)	(4,357,059)	1,431,848	160,181	873,154	
Nonspendable	109,216							
Restricted	883,207							
Committed	2,986,057							
Assigned								
Unassigned	543,498							
Total all other governmental funds	4,521,978	6,188,190	5,729,269	4,418,281	5,982,250	4,039,601	3,795,315	
Total governmental funds	\$ 18,422,726	\$ 16,419,974	\$ 14,248,312	\$ 11,814,853	\$ 15,357,838	\$ 19,741,907	\$ 11,530,130	\$ 10,814,162

NOTE: Prior to implementation of GASB 34 in 2003, this information was not compiled and is unavailable.

TABLE 5

TOWN OF BURRILLVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year	Net Tax Levy (1)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2002	\$16,033,549	\$15,537,475	96.91%	**	**	**	**
2003	\$15,965,837	\$15,632,662	97.91%	**	**	**	**
2004	\$17,278,137	\$16,868,002	97.63%	**	**	**	**
2005	\$18,174,466	\$17,822,568	98.06%	**	**	**	**
2006	\$19,162,222	\$18,783,376	98.02%	\$329,982	\$19,113,358	99.74%	
2007	\$19,481,713	\$19,049,497	97.78%	\$367,236	\$19,416,733	99.67%	
2008	\$20,379,384	\$20,007,667	98.18%	\$283,090	\$20,290,757	99.57%	
2009	\$21,011,173	\$20,598,406	98.04%	\$318,789	\$20,917,195	99.55%	
2010	\$21,867,633	\$21,394,794	97.84%	\$416,832	\$21,811,626	99.74%	
2011	\$23,547,101	\$22,939,416	97.42%	\$0	\$22,939,416	97.42%	

(1) Reflects original assessment and additional assessments.
(2) Reflects net receivable after abatements have been posted.

** Information not readily available.

TABLE 6

TABLE 6

TOWN OF BURRILLVILLE
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
 LAST TEN YEARS
 Unaudited

Fiscal Year	Real Property Assessed	Personal Property Assessed	Exemptions	State Phase-Out	Net Total Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value To Estimated Actual Value *
2002	\$719,496,258	\$131,741,276	\$ 18,717,873	\$ 39,598,499	\$ 792,921,162	\$ 932,848,426	85.00%
2003	\$727,758,258	\$139,627,411	\$ 22,547,307	\$ 48,946,594	\$ 795,891,768	\$ 936,343,256	85.00%
2004	\$738,927,158	\$158,470,371	\$ 21,954,273	\$ 53,521,762	\$ 821,921,494	\$ 905,798,428	90.74%
2005	\$1,270,477,970	\$147,173,885	\$ 39,585,134	\$ 39,835,195	\$ 1,338,231,526	\$1,574,760,562	84.98%
2006	\$1,283,375,970	\$149,113,503	\$ 33,693,557	\$ 46,173,063	\$ 1,352,622,853	\$1,696,291,514	79.74%
2007	\$1,303,043,031	\$172,754,887	\$ 45,547,225	\$ 60,124,204	\$ 1,370,126,489	\$1,586,896,559	86.34%
2008	\$1,565,386,100	\$172,124,708	\$ 53,542,047	\$ 61,065,716	\$ 1,622,903,045	\$1,738,328,026	93.36%
2009	\$1,581,386,800	\$164,041,689	\$ 48,920,328	\$ 61,487,343	\$ 1,635,020,818	\$1,716,016,812	95.28%
2010	\$1,586,321,800	\$149,720,028	\$ 44,494,748	\$ 60,428,974	\$ 1,631,118,106	\$1,708,692,757	95.46%
2011	\$1,265,518,100	\$158,579,377	\$ 36,519,747	\$ 24,764,689	\$ 1,362,813,041	\$1,337,402,395	101.90%

NOTE: Full Property Revaluation as of December 31, 2003, effective for the Town's fiscal year ending June 30, 2005.

Statistical Revaluation as of December 31, 2000, effective for the Town's fiscal year ending June 30, 2002.

Statistical Revaluation as of December 31, 2006, effective for the Town's fiscal year ending June 30, 2008.

Statistical Revaluation as of December 31, 2009, effective for the Town's fiscal year ending June 30, 2011.

* Ratio of Assessment estimated by Town Officials.

Source: Burrillville Tax Assessor's Office

TOWN OF BURRILLVILLE
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year		Town Tax Rate		Percent Change From Prior Year	Allocation	
					Municipal *	School
2002	Motor Vehicle	\$40.00	[2]	0.00%	\$8.39	\$31.61
	RE/Tangible	\$18.90		-14.09%	\$3.96	\$14.94
2003	Motor Vehicle	\$40.00		0.00%	\$7.89	\$32.11
	RE/Tangible	\$18.90		0.00%	\$3.73	\$15.17
2004	Motor Vehicle	\$40.00		0.00%	\$9.44	\$30.56
	RE/Tangible	\$19.80		4.76%	\$4.67	\$15.13
2005	Motor Vehicle	\$40.00		0.00%	\$8.30	\$31.70
	RE/Tangible	\$12.55	[1]	-36.62%	\$2.60	\$9.95
2006	Motor Vehicle	\$40.00		0.00%	\$8.50	\$31.50
	RE/Tangible	\$13.05		3.98%	\$2.77	\$10.28
2007	Motor Vehicle	\$40.00		0.00%	\$7.19	\$32.81
	RE/Tangible	\$13.15		0.76%	\$2.36	\$10.79
2008	Motor Vehicle	\$40.00		0.00%	\$9.00	\$31.00
	RE/Tangible	\$11.60	[3]	-11.79%	\$2.61	\$8.99
2009	Motor Vehicle	\$40.00		0.00%	\$9.45	\$30.55
	RE/Tangible	\$11.85		2.16%	\$2.80	\$9.05
2010	Motor Vehicle	\$40.00		0.00%	\$9.82	\$30.18
	RE/Tangible	\$12.62		6.50%	\$3.10	\$9.52
2011	Motor Vehicle	\$40.00		0.00%	\$9.82	\$30.18
	RE/Tangible	\$15.65	[4]	24.01%	\$3.10	\$9.52

[1] Full Property Revaluation as of December 31, 2003, effective for the Town's fiscal year ending June 30, 2005.

[2] Statistical Revaluation as of December 31, 2000, effective for the Town's fiscal year ending June 30, 2002.

[3] Statistical Revaluation as of December 31, 2006, effective for the Town's fiscal year ending June 30, 2008

[4] Statistical Revaluation as of December 31, 2009, effective for the Town's fiscal year ending June 30, 2011.

* Includes the following non-operating items:
School CIP, School Debt, and Sewer Debt Service.

** Split Tax Rate Implemented in 1995

Source: Burrillville Tax Assessor's Office

TOWN OF BURRILLVILLE
PROPERTY TAX RATES AND OUTSTANDING DEBT
OVERLAPPING GOVERNMENTS
LAST TEN YEARS
Unaudited

Town Fiscal Year	October 31		August 31		September 30		July 31		October 31	
	Tax Rate	Debt Outstanding	Tax Rate	Debt Outstanding	Tax Rate	Debt Outstanding	Tax Rate	Debt Outstanding	Tax Rate	Debt Outstanding
2002	(a)	--	\$ 2.04	\$ 310,537	\$ 1.15	\$ 68,328	\$ 1.87	\$ 66,136	\$ 1.85	\$ 232,623
2003	(a)	--	\$ 2.13	\$ 277,335	\$ 1.15	\$ 34,164	\$ 1.87	\$ 760,743	\$ 1.85	\$ 205,438
2004	(a)	--	\$ 2.13	\$ 223,105	\$ 1.15	-	\$ 1.87	\$ 755,031	\$ 2.00	\$ 225,179
2005	(a)	--	\$ 1.72	\$ 259,997	\$ 0.68	-	\$ 1.16	\$ 742,681	\$ 1.45	\$ 218,225
2006	(a)	--	\$ 1.72	\$ 136,065	\$ 0.68	-	\$ 1.16	\$ 729,304	\$ 1.45	\$ 196,548
2007	(a)	--	\$ 1.76	\$ 325,276	\$ 0.99	-	\$ 1.38	\$ 715,302	\$ 1.53	\$ 1,308,183
2008	(a)	--	\$ 1.79	\$ 908,339	\$ 1.20	-	\$ 1.30	\$ 706,535	\$ 1.48	\$ 1,024,069
2009	(a)	--	\$ 1.87	\$ 886,166	\$ 1.20	-	\$ 1.30	\$ 700,704	\$ 1.48	\$ 975,006
2010	(a)	--	\$ 2.50	\$ 806,325	\$ 1.25	-	\$ 1.30	\$ 625,000	\$ 1.48	\$ 919,656
2011	(a)	--	\$ 2.50	\$ 757,855	\$ 1.38	-	\$ 1.39	\$ 590,000	\$ 1.81	\$ 857,924

NOTE: Debt balance is the amount outstanding at the respective District's fiscal year ending that falls within the applicable Town's fiscal year.

Full Property Revaluation as of December 31, 2003, effective for the Town's fiscal year ending June 30, 2005.
Statistical Revaluation as of December 31, 2000, effective for the Town's fiscal year ending June 30, 2002.
Statistical Revaluation as of December 31, 2006, effective for the Town's fiscal year ending June 30, 2008.

(a) Glendale Fire District was dissolved and absorbed by the Harrisville and Oakland-Mapleville Fire Districts - 1998

Source: Respective Fire Districts

**TOWN OF BURRILLVILLE
PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago
Unaudited**

Taxpayer	Type of Business	Fiscal Year Ending June 30, 2011			Fiscal Year Ending June 30, 2002						
		Assessed Valuation	2011 Rank	Percentage of Total Assessed Valuation	Assessed Valuation	2002 Rank	Percentage of Total Assessed Valuation				
Algonquin Gas	Utility	\$ 14,189,050	1	1.00%	\$ 13,381,400	1	1.59%	\$ 218,059	0.93%	\$ 252,908	1.58%
Tennessee Gas Pipeline Co.	Utility	\$ 7,680,161	2	0.54%	\$ 759,784	18	0.10%	\$ 120,195	0.51%	\$ 14,360	0.09%
Narragansett Electric	Utility	\$ 13,304,108	3	0.93%	\$ 275,546	4	0.39%	\$ 11,497,631	1.17%	\$ 217,305	0.00%
Laginema Realty LLC	Realty	\$ 5,603,600	4	0.39%	\$ 87,696	5	0.35%	---	0.37%	---	---
Cox Cable RI, Inc.	Cable Company	\$ 5,042,919	5	0.35%	\$ 78,922	6	0.33%	\$ 1,782,367	0.34%	\$ 33,889	0.21%
Danielle International	Producer/Meat	\$ 4,719,085	6	0.33%	\$ 73,854	7	0.31%	\$ 3,016,900	0.31%	\$ 57,019	0.36%
Maplehill Mobile Home Park	Mobile Home Park	\$ 5,746,200	7	0.40%	\$ 89,856	8	0.27%	\$ 3,774,458	0.38%	\$ 71,337	0.44%
Burrillville Health Center	Nursing Home	\$ 4,401,607	8	0.31%	\$ 68,885	9	0.27%	\$ 4,418,700	0.29%	\$ 83,513	0.52%
Bradford Court Association	Elderly Housing	\$ 3,855,564	9	0.27%	\$ 60,337	10	0.28%	\$ 2,682,900	0.26%	\$ 50,707	0.32%
Harken, Inc.	Nursing Home	\$ 4,049,600	10	0.28%	\$ 63,376	11	0.35%	\$ 3,835,300	0.27%	\$ 72,487	0.45%
Wright's Farm Inc.	Restaurant	\$ 4,955,990	11	0.35%	\$ 77,561	12	0.20%	\$ 3,440,500	0.33%	\$ 63,135	0.39%
Stillwater Heights INC	Housing Complex	\$ 2,870,800	12	0.20%	\$ 44,928	13	0.20%	---	0.19%	---	---
Burrillville Nursing Home (Jolly Rest Home)	Nursing Home	\$ 2,827,914	13	0.20%	\$ 44,257	14	0.15%	\$ 2,341,800	0.19%	\$ 44,260	0.28%
Bronco Realty LLC	Realty	\$ 2,137,717	14	0.15%	\$ 33,455	15	0.14%	\$ 822,100	0.14%	\$ 15,538	---
Laurelle Realty Trust	Golf Course	\$ 2,057,300	15	0.14%	\$ 32,197	16	0.33%	\$ 2,281,217	0.14%	\$ 43,115	0.27%
Bliss Golf Investors LLC	Golf Course	\$ 4,720,370	16	0.33%	\$ 73,874	17	0.11%	\$ 817,000	0.31%	\$ 15,436	---
Lockheed Window	Manufacturing	\$ 1,574,629	17	0.11%	\$ 24,643	18	---	\$ 1,263,973	0.10%	\$ 25,380	0.16%
Pascoag Fire District - Electric	Utility	---	---	---	---	---	---	\$ 2,342,080	---	\$ 44,265	0.28%
Pascoag Fire District - Water	Utility	---	---	---	---	---	---	\$ 1,194,968	---	\$ 22,580	0.14%
Harrisville Fire District - Water	Utility	---	---	---	---	---	---	\$ 905,203	---	\$ 17,108	0.11%
		\$ 89,736,614.00		6.30%	\$ 1,467,640			\$ 60,558,281	7.64%	\$ 1,144,342	

2011	
Total Assessed Values (Gross) =	\$ 1,424,097,477
Total Tax Levied =	\$ 23,547,101

2002	
Total Assessed Values (Gross) =	\$ 792,921,162
Total Tax Levied =	\$ 16,033,549

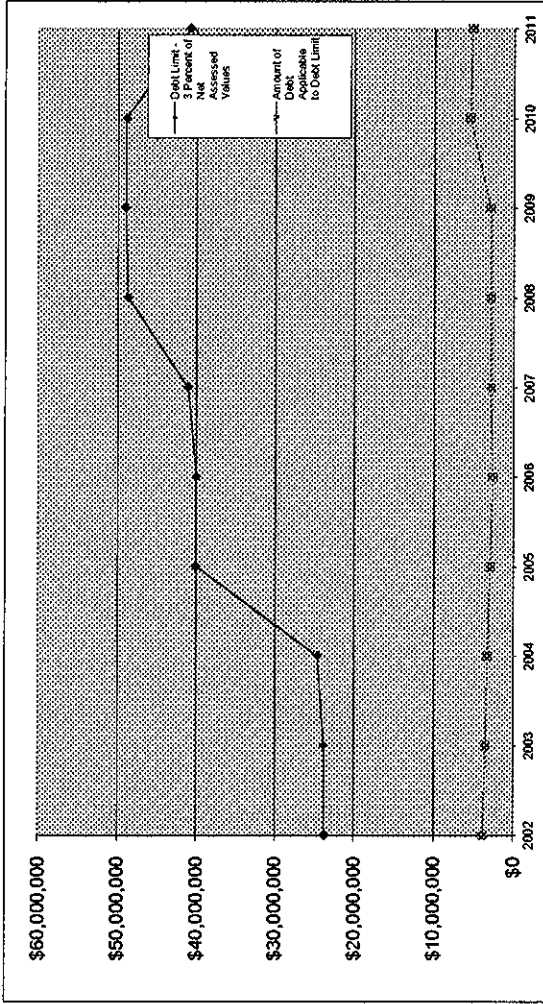
TABLE 9

TOWN OF BURRILLVILLE
 WASTEWATER TREATMENT FACILITY
 SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
 FISCAL YEAR ACTIVITY SINCE INCEPTION
 Unaudited

Fiscal Year	Contract Number(s)	Special Assessment Billings	Special Assessments Collected	RESIDENTIAL USER CHARGE	Contract Number	Description of Wastewater Treatment Contracts
1980	2, 3	\$632,866	---	---	1	Wastewater Treatment Facility (Non-assessment)
1981	5, 6	281,154	\$99,336	\$65.00	2	Pascoag/Harrisville Interceptor
1982	7, 8	228,106	135,306	65.00	3	Pascoag/Bridgeton
1983	9, 10, 80	72,288	122,945	65.00	4	Pascoag
1984	4	361,430	97,229	100.00	5	Harrisville
1985	11	193,230	154,895	100.00	6	Pascoag
1986	---	---	169,710	100.00	7	Pascoag
1987	14, 81	138,840	110,500	100.00	8	Harrisville
1988	82	75,000	135,224	150.00	9	Pascoag/Harrisville
1989	13, 15	295,597	95,363	150.00	10	Pascoag (Industrial Drive)
1990	---	---	208,253	150.00	11	Pascoag/Harrisville
1991	---	---	75,818	162.00	12	WWT Plant Improvements (Non-assessment)
1992	17	110,050	67,344	174.00	13	Harrisville/Glendale (Spring Lake)
1993	16A, 16B	238,990	120,091	174.00	14	Harrisville
1994	---	54,532	157,801	186.00	14A	Harrisville Village
1995	---	---	76,454	198.00	15	Oakland/Mapleville
1996	84	20,970	87,204	204.00	16A	Adler-Clear River Park
1997	85	7,810	87,017	222.00	16B	Oakland
1998	---	---	76,090	222.00	16B - Add On	Mapleville
1999	84 (Phase II)	13,950	75,409	222.00	17	Maplehill Mobile
2000	---	---	55,561	228.00	18	Harrisville
2001	---	---	33,638	228.00	19A-1	Oakland
2002	86	17,232	38,663	240.00	19A-2	Glendale
2003	15A	10,304	37,341	249.00	19BT	Glendale
2004	16B Add On	93,378	16,011	270.00	19BC	Mohegan
2005	---	5,073	13,110	285.00		Mohegan/Spring Lake Road/Joslin Road
2006	87	45,515	45,515	303.00		
2007	14A	151,800	74,125	321.00		
2008	19A-1	49,817	5,432	351.00		
	19A-2	263,723	8,955	---		
	19BT	59,880	---	---		
	19BC	332,820	---	---		
	11A	63,429	19,848	---		
	11B	27,120	8,040	---		
2009	---	---	---	354.00	80	SUBDIVISIONS Colonial Road/Paula Drive
2010	---	---	---	354.00	81	Hemlock Farm Estates
2011	20	77419	93709	354.00	82	Sanwood Estates
					83	Lynmar Estates
					84	Whitney Estates
					85	Fox Meadow Estates
					86	Rolling Meadows Estate
					87	Mill Pond
					11A	Smith Estates
					11B	Granite River
					20	Oakland Village

Source: Wastewater Treatment Facility

TOWN OF BURRILLVILLE
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS



Net Assessed Values		\$1,362,813,040
Debt Limit - 3 Percent of Net Assessed Values		\$40,884,391
Amount of Debt Applicable to Debt Limit:		
Total Bonded Debt	\$26,908,000	
Outstanding Bond Anticipation Notes	0	
Bonds Authorized but Unissued	500,000	
Less: Bonds & Notes Authorized By Special Act	(21,960,500)	
Amount of Debt Applicable to Debt Limit		5,447,500
Legal Debt Margin		\$35,436,891

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net Assessed Valuations	\$792,921,162	\$795,888,972	\$821,921,494	\$1,338,231,526	\$1,335,126,741	\$1,370,126,489	\$1,622,903,045	\$1,635,020,818	\$1,631,118,106	\$1,362,813,040
Debt Limit - 3 Percent of Net Assessed Values	23,787,635	23,876,669	24,657,645	40,146,346	40,053,802	41,103,795	48,687,091	49,050,625	48,933,543	40,884,391
Amount of Debt Applicable to Debt	3,856,250	3,562,500	3,268,750	2,975,000	2,681,250	2,973,627	2,901,023	2,998,953	5,552,021	5,447,500
Legal Debt Margin	\$19,931,385	\$20,314,169	\$21,388,895	\$37,171,946	\$37,372,552	\$38,130,168	\$45,786,068	\$46,051,672	\$43,381,522	\$35,436,891

Legal Debt Margin as a Percentage of Debt Limit	19.35%	17.54%	15.28%	8.00%	7.17%	7.80%	6.34%	6.51%	12.80%	15.37%
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TOWN OF BURRILLVILLE
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT
 TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS
 Unaudited

Fiscal Year	Net Assessed Valuation	Annual		Ratio of Net Bonded Debt to Assessed Value	Gross Bonded Debt		Net Bonded Debt		Percentage of Personal Income to Gross Debt
		Gross Bonded Debt	Less State Aid on Debt		Annual Net Bonded Debt	Gross Bonded Debt Per Capita	Net Bonded Debt Per Capita		
2002	\$ 792,921,162	\$ 5,613,605	\$ 1,704,074	0.49%	\$ 3,909,531	\$ 345.64	\$ 240.72	8.23%	
2003	\$ 795,900,768	\$ 4,805,587	\$ 1,690,109	0.39%	\$ 3,115,478	\$ 292.29	\$ 189.49	9.97%	
2004	\$ 821,921,494	\$ 4,736,732	\$ 1,410,470	0.40%	\$ 3,326,262	\$ 287.20	\$ 201.68	10.51%	
2005	\$ 1,338,231,525	\$ 4,503,712	\$ 1,419,023	0.23%	\$ 3,084,689	\$ 271.91	\$ 186.24	11.38%	
2006	\$ 1,352,622,852	\$ 4,049,698	\$ 1,703,942	0.17%	\$ 2,345,756	\$ 245.33	\$ 142.11	13.33%	
2007	\$ 1,370,126,489	\$ 4,113,592	\$ 1,500,710	0.19%	\$ 2,612,882	\$ 249.23	\$ 158.31	13.79%	
2008	\$ 1,622,903,045	\$ 4,964,412	\$ 2,252,182	0.17%	\$ 2,712,230	\$ 301.24	\$ 164.58	11.87%	
2009	\$ 1,635,020,818	\$ 4,826,662	\$ 2,210,735	0.16%	\$ 2,615,927	\$ 292.88	\$ 158.73	12.54%	
2010	\$ 1,631,118,106	\$ 3,880,078	\$ 1,588,453	0.14%	\$ 2,291,625	\$ 243.19	\$ 143.63	NA	
2011	\$ 1,362,813,040	\$ 3,683,124	\$ 1,484,312	0.16%	\$ 2,198,812	\$ 230.84	\$ 137.81	NA	

Note:

Full Property Revaluation as of December 31, 2003, effective for the Town's fiscal year ending June 30, 2005.
 Statistical Revaluation as of December 31, 2000, effective for the Town's fiscal year ending June 30, 2002.
 Statistical Revaluation as of December 31, 2006, effective for the Town's fiscal year ending June 30, 2008.

* 2010 Population Per Census 15,955

** See Table 16A for Personal Income and Population Data Used to Calculate the Ratio

TOWN OF BURRILLVILLE
 RATIO OF OUTSTANDING DEBT
 TO ASSESSED VALUE AND DEBT PER CAPITA
 LAST TEN FISCAL YEARS
 Unaudited

**

Fiscal Year	Estimated Actual Valuation	General Obligation Bonded Debt	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita	Percentage of Personal Income to Debt
2002	\$ 932,848,426	\$33,168,512	3.56%	\$2,042	1.39%
2003	\$ 936,343,256	\$28,256,012	3.02%	\$1,719	1.70%
2004	\$ 905,798,428	\$25,219,584	2.78%	\$1,529	1.97%
2005	\$1,574,760,562	\$22,286,035	1.42%	\$1,346	2.30%
2006	\$1,696,291,514	\$29,002,214	1.71%	\$1,753	1.86%
2007	\$1,586,896,559	\$34,111,127	2.15%	\$2,062	1.66%
2008	\$1,738,328,026	\$32,792,356	1.89%	\$1,982	1.80%
2009	\$1,716,016,812	\$30,085,953	1.75%	\$1,818	2.01%
2010	\$1,708,692,757	\$29,462,771	1.72%	\$1,781	NA
2011	\$1,337,402,395	\$26,908,000	2.01%	\$1,626	NA

Note:

Full Property Revaluation as of December 31, 2003, effective for fiscal year ending 2005.
 Statistical Revaluation as of December 31, 2000, effective for fiscal year 2002.
 Statistical Revaluation as of December 31, 2006, effective for fiscal year 2008.
 The Town does not have any lease agreements or special assessment debt.

* 2010 Population Per Census 15,955

** See Table 16A for Personal Income and Population Data Used to Calculate the Ratio

TABLE 12

TABLE 12

TOWN OF BURRILLVILLE
 RATIO OF ANNUAL DEBT SERVICE EXPENSES
 FOR GENERAL OBLIGATION BONDED DEBT
 TO TOTAL GENERAL GOVERNMENTAL EXPENSES
 LAST TEN FISCAL YEARS
 Unaudited

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenses	Ratio of Debt Service to General Governmental Expenses
2002	\$3,617,500	\$1,996,105	\$5,613,605	\$35,724,466	15.71%
2003	\$3,357,500	\$1,448,087	\$4,805,587	\$35,642,847	13.48%
2004	\$3,537,500	\$1,199,232	\$4,736,732	\$38,285,204	12.37%
2005	\$3,487,500	\$1,016,212	\$4,503,712	\$38,488,221	11.70%
2006	\$3,167,500	\$882,198	\$4,049,698	\$40,400,661	10.02%
2007	\$2,893,512	\$1,297,834	\$4,191,346	\$42,276,548	9.91%
2008	\$3,695,000	\$1,269,412	\$4,964,412	\$48,326,782	10.27%
2009	\$3,636,000	\$1,190,662	\$4,826,662	\$43,947,826	10.98%
2010	\$2,810,000	\$1,068,828	\$3,878,828	\$42,696,277	9.08%
2011	\$2,694,000	\$988,124	\$3,682,124	\$44,327,652	8.31%

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
June 30, 2011
Unaudited

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
I. Direct Bonded Debt:			
Town of Burrillville *	\$26,908,000	100.00%	\$26,908,000
II. Overlapping Debt **: 			
Harrisville Fire District	\$757,855	100.00%	\$757,855
Nasonville Fire District	\$0	100.00%	\$0
Oakland-Mapleville Fire District	\$590,000	100.00%	\$590,000
Pascoag Fire District	\$857,924	100.00%	\$857,924
Total	\$2,205,779	100.00%	\$2,205,779
Total Direct and Overlapping Debt			<u>\$29,113,779</u>

* Includes all long-term general obligation debt.
Does not include any outstanding bond anticipation notes, if applicable.

** Source: Fire Districts

Overlapping Debt defined -
Property within the Town which must bear the debts of all local governments located within the geographic boundaries of the Town.

TOWN OF BURRILLVILLE
REVENUE BOND COVERAGE
WATER AND SEWER AUTHORITY
LAST TEN YEARS

Not Applicable.

TOWN OF BURRILLVILLE
 STATUS OF BOND AUTHORIZATIONS
 June 30, 2011
 Unaudited

Chapter	Year	Purpose	Original Total Authority	Issued Bonds	Bond	
					Anticipation Notes Outstanding	Unissued Debt
3	1964	School Construction/Equipment (PSS, Levy, & Jr./Sr High School)	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -
89	1973	School Construction/Equipment (Callahan & Jr./Sr High School)	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
25	1974	Plan/Construct/Maintain Sewage Disposal System	\$ 7,000,000	\$ 7,000,000	\$ -	\$ -
106	1979	Construction of a New Police Station	\$ 150,000	\$ 150,000	\$ -	\$ -
48	1982	Sewage Disposal System - Construction Improvements	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -
164	1985	Sewage Disposal System - Construction Improvements	\$ 5,800,000	\$ 5,884,600	\$ -	\$ - *
23	1986	School Construction/Equipment - New Middle School & Levy Addition	\$ 14,000,000	\$ 14,000,000	\$ -	\$ -
616	1987	Open Space - Recreation	\$ 750,000	\$ 500,000	\$ -	\$ 250,000
127	1988	Sewage Disposal System - Construction Improvements	\$ 350,000	\$ 350,000	\$ -	\$ -
8 & 19	1989	Sewage Disposal System - Construction Improvements	\$ 6,500,000	\$ 6,475,000	\$ -	\$ - *
20	1989	School - Roof Repairs	\$ 500,000	\$ 500,000	\$ -	\$ -
21	1989	Open Space - Recreation	\$ 250,000	\$ -	\$ -	\$ 250,000
22	1989	School Construction/Equipment - New Middle School	\$ 400,000	\$ 400,000	\$ -	\$ -
45-12-2	1995	School Construction/Equipment - New Elementary School Renovation	\$ 4,500,000	\$ 4,500,000	\$ -	\$ -
6	1998	School Construction/Equipment - High School Construction/Renovation	\$ 12,500,000	\$ 12,500,000	\$ -	\$ -
45-12-2	1999	School Construction/Equipment - High School Construction/Renovation	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
37	2002	Sewage Disposal System - Construction Improvements	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -
104	2002	Library - Construction/Equip/Furnishings	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
36 S2919	2004	Callahan School - Elementary Construction/Renovation	\$ 7,500,000	\$ 7,500,000	\$ -	\$ -
568	2006	Sewage Disposal System - Construction Improvements	\$ 3,500,000	\$ 2,723,953	\$ -	\$ -
S3136	2010	Whipple Landfill Closure	\$ 2,160,000	\$ 2,160,000	\$ -	\$ -
45-12-2	TOTAL		\$ 85,360,000	\$ 83,843,553	\$ -	\$ 500,000

NOTE: With the exception of the 1995, 1999, and 2006 bond authorizations, all Town debt has been incurred through special statutory authority which consists of approval by the Legislature and voter referendum.

* The Town Council voted to cancel \$240,400 in remaining bond authorizations on June 10, 1998 (Item 98-156).

TABLE 16A

TABLE 16A

TOWN OF BURRILLVILLE
 DEMOGRAPHIC STATISTICS
 POPULATION, INCOME, AND UNEMPLOYMENT RATES
 LAST TEN FISCAL YEARS
 Unaudited

Fiscal Year	Estimated Population	Personal Income (in 000s) (2)	Per Capita (2)	Median Household Income	Median Age	Education Level			School (3) Enrollment	Unemployment Rate (4)		
						High School Graduate	Bachelor's Degree			Town	RI	USA
2002	16,241	461,886	\$ 29,241	-	-	-	-	-	2,674	5.60%	5.10%	5.80%
2003	16,441	478,951	\$ 30,321	-	-	-	-	-	2,605	5.10%	5.40%	6.00%
2004	16,493	497,802	\$ 31,514	-	-	-	-	-	2,577	4.80%	5.20%	5.50%
2005	16,563	512,605	\$ 32,452	-	-	-	-	-	2,542	4.80%	5.00%	5.10%
2006	16,507	539,789	\$ 34,173	-	-	-	-	-	2,559	4.81%	5.14%	4.83%
2007	16,505	567,388	\$ 35,920	-	-	-	-	-	2,554	4.60%	4.99%	4.53%
2008	16,480	589,350	\$ 37,274	-	-	-	-	-	2,518	5.50%	5.77%	4.95%
2009	16,480	605,148	\$ 37,928	-	-	-	-	-	2,556	9.30%	9.47%	7.44%
2010 (1)	15,955	NA	NA	\$68,904	42.4	82.9%	21.6%		2,468	11.84%	12.14%	9.79%
2011	15,995	NA	NA	-	-	-	-	-	2,474	10.79%	11.26%	9.30%

Sources:

- (1) 2010 Census Data & Census Bureau Estimates
 (2) US Bureau of Economic Analysis, Regional Economic Information System. The Town's population is 2.55% of Providence County
 (3) Burrillville School Department
 (4) RI Department of Economic Development
 RI Department of Labor & Training

NA - Not Available

TABLE 16B

TABLE 16B

TOWN OF BURRILLVILLE
 DEMOGRAPHIC STATISTICS
 REGISTERED VOTERS, BIRTHS, DEATHS, NEW HOUSING UNITS
 LAST TEN FISCAL YEARS

Unaudited

Fiscal Year	Registered Voters *	% of Total Population	Estimated Population	Births	Deaths	Natural Increase	New Housing Units **	Median Selling Price*** (Single Family)
2002	9,605	59%	16,241	140	173	-33	56	\$185,000
2003	9,728	59%	16,441	124	159	-35	35	\$234,271
2004	9,877	60%	16,493	113	104	9	26	\$246,591
2005	9,556	58%	16,563	125	200	-75	54	\$258,000
2006	10,158	62%	16,507	107	196	-89	42	\$289,500
2007	11,696	71%	16,505	125	217	-92	43	\$268,750
2008	11,790	72%	16,480	119	216	-97	26	\$266,000
2009	10,893	66%	16,576	111	184	-73	22	\$270,067
2010	10,972	69%	15,955	149	155	-6	35	\$240,840
2011	11,576	73%	15,955	113	185	-72	15	\$214,450

** RI Department of Economic Development/Building Official's Office

*** RI Department of Economic Development/Statewide MLS Service, Inc.

+Population based on 2010 US Census

TOWN OF BURRILLVILLE
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

June 30, 2011

Unaudited

Name	Type of Business	2011			2002		
		Number Employed	Percent of Town Employment	Rank	Number Employed	Percent of Town Employment	Rank
Zambarano Hospital	State Facility	319	11.28%	1	400	17.84%	1
Danielle Prosciutto	Producer/Meats	293	10.36%	2	146	6.51%	4
Burrillville School Department *	Public School System	282	9.97%	3	345	15.39%	2
Wright's Farm	Restaurant	180	6.36%	4	150	6.69%	3
Overlook Nursing Home	Nursing Home	160	5.66%	5	132	5.89%	5
Lockheed Aluminum	Manufacturer	104	3.68%	6	70	3.12%	10
Bayberry Commons Nursing Home	Nursing Home	103	3.64%	7	120	5.35%	6
Town of Burrillville *	Municipal Government	93	3.29%	8	78	3.48%	8
Crystal Lake	Golf Course	90	3.18%	9	NR	0.00%	NR
Pine Grove Health Center	Nursing Home	83	2.93%	10	70	3.12%	9
Bruin Plastics	Manufacturer	50	1.77%	11	NR	0.00%	NR
Ocean State Power	Utility	33	1.17%	12	65	2.90%	11
Boliden Metech, Inc.	Metal Refiner	NR	0.00%	NR	84	3.75%	7
Turex Plastic	Manufacturer	NR	0.00%	NR	63	2.81%	12
Total Town Employment		2829	63.27%		2242	76.85%	

Note: Full Time Equivalents (Part-time non-union/seasonal employees are not included).

NR = Not Ranked

TOWN OF BURRILLVILLE
 DEMOGRAPHIC STATISTICS - POPULATION AND MEDIAN INCOME
 TWENTIETH CENTURY
 Unaudited

Fiscal Year	Population	% Change	Median Income			
			Town	% Change	State	% Change
1900	6,317	-	-	-	-	-
1910	7,878	24.71%	-	-	-	-
1920	8,606	9.24%	-	-	-	-
1930	7,677	-10.79%	-	-	-	-
1940	8,185	6.62%	-	-	-	-
1950	8,774	7.20%	-	-	-	-
1960	9,116	3.90%	\$5,189	-	\$5,589	-
1970	10,087	10.65%	8,949	72.46%	9,736	74.20%
1980	13,164	30.50%	18,569	107.50%	19,448	99.75%
1990	16,230	23.29%	37,156	100.10%	32,181	65.47%
2000	15,796	-2.67%	52,587	41.53%	39,172	21.72%
2010	15,955	1.01%	68,904	31.03%	55,569	41.86%

Source: Bureau of Census

TABLE 19

TABLE 19

TOWN OF BURRILLVILLE
FULL TIME EQUIVALENT MUNICIPAL GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

Function General Government	Full-time Equivalent Employees									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Animal Control	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0
Board of Canvassers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Building Official	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Civil Defense	0.5	0.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	0.5
Information Systems	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Library	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.0	12.0
Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Municipal Court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Police	31.5	31.5	31.5	31.5	31.5	32.5	32.5	30.5	30.5	29.0
Public Works	16.0	16.0	16.0	17.0	17.0	17.0	16.0	14.0	15.5	16.5
Recreation	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.0	2.0
Tax Assessor	3.0	3.0	4.0	4.0	4.0	4.0	3.0	2.0	2.0	2.0
Tax Collector	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Town Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.5
Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Treasurer	4.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Waste Water Treatment	8.0	8.0	8.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Total	<u>85.5</u>	<u>87.5</u>	<u>89.5</u>	<u>89.5</u>	<u>89.5</u>	<u>90.5</u>	<u>88.0</u>	<u>82.0</u>	<u>95.0</u>	<u>92.5</u>

Full-time Equivalent Municipal Government Employees by Function

N/A - No Information Available

TOWN OF BURRILLVILLE
MISCELLANEOUS STATISTICS
JUNE 30, 2011
Unaudited

County	Providence
Established	1730
Incorporated	1806
Charter Adopted	1989
Type of Government	Council/Manager
Area of Town:	
Total Square Miles	57.3
Land - Square Miles	55.8
Water - Square Miles	1.5
Culture and Recreation:	
Campgrounds	3
Community Centers	1
Community Theater	1
Municipal Owned - Parks	6
- Beach	1
- Conservation Areas	1
- Conservation Acreage	230 Acres
Public Libraries	2
State Owned - Parks	5
- Boat Ramps	4
- Conservation Acreage	5,729 Acres
Recreation Complexes	4
Rink	1
Tennis Courts	6
Education - Number of Public Schools:	
- Elementary	3
- Middle	1
- Secondary	1
Number of Private Schools	2
Public Safety:	
Number of Police Stations	1
Independent Fire Districts	4
Number of Fire Stations	6
Number of Rescues/Ambulances	5

(CONTINUED)

TOWN OF BURRILLVILLE
MISCELLANEOUS STATISTICS
JUNE 30, 2011
Unaudited

Road System:		
Total Miles		161.5
State Miles		46.0
Town Miles		115.5
Bridges - Town		8
Sewerage System:		
Miles of Sewer Lines		51
Number of:		
- Treatment Plants		1
- Pump Stations		11
- Residential Users		3,537
- Metered Users		42
Maximum Average Daily Capacity of Treatment Plant		1.5 million gallons
Industrial Park:		
Burrillville Industrial Park		53 Acres
Route 102 Commerce Park		254 Acres
Clear River Drive Industrial Park		24 Acres
Fiscal Year Begins		July 1
Taxes Payable		July 15
Taxes Due & Penalties Commence		August 1
Interest Penalty		12%
Quarterly Payments (Due Dates) -		
First quarter		August 1
Second quarter		November 1
Third quarter		February 1
Fourth quarter		May 1
Regular Monthly Meetings -		
Council		2nd & 4th Wednesday
Juvenile Hearing Board		2nd & 4th Thursday
Municipal Court		1st & 3rd Tuesday
Planning Board		1st Monday
Probate Court		Last Wednesday
Redevelopment Agency		4th Tuesday
School Committee		2nd Tuesday
Sewer Commission		2nd Tuesday
Zoning Board		2nd Tuesday

(CONCLUDED)

TOWN OF BURRILLVILLE
ALLOCATION OF TAX DOLLAR
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year	School Operations	School Debt	Municipal Operations	Municipal Debt	Sewer Debt	Capital Improvements		Total Tax
2002	MV RE/TANG \$27.79 \$13.13	\$3.82 \$1.81	\$3.23 \$1.52	\$0.10 \$0.05	\$5.06 \$2.39	\$0.00 \$0.00	\$40.00 \$18.90	
2003	MV RE/TANG \$28.05 \$13.25	\$4.74 \$2.24	\$3.05 \$1.44	\$0.10 \$0.05	\$4.06 \$1.92	\$0.00 \$0.00	\$40.00 \$18.90	
2004	MV RE/TANG \$27.57 \$13.64	\$2.99 \$1.48	\$5.06 \$2.51	\$0.28 \$0.14	\$4.10 \$2.03	\$0.00 \$0.00	\$40.00 \$19.80	
2005	MV RE/TANG \$27.62 \$8.67	\$4.08 \$1.28	\$5.01 \$1.57	\$0.00 \$0.00	\$3.29 \$1.03	\$0.00 \$0.00	\$40.00 \$12.55	
2006	MV RE/TANG \$28.27 \$9.22	\$3.23 \$1.05	\$5.80 \$1.89	\$0.00 \$0.00	\$2.70 \$0.89	\$0.00 \$0.00	\$40.00 \$13.05	
2007	MV RE/TANG \$28.82 \$9.48	\$3.99 \$1.31	\$5.09 \$1.67	\$0.00 \$0.00	\$2.10 \$0.69	\$0.00 \$0.00	\$40.00 \$13.15	
2008	MV RE/TANG \$29.19 \$8.34	\$1.36 \$0.65	\$6.19 \$1.49	\$0.86 \$0.27	\$2.40 \$0.85	\$0.00 \$0.00	\$40.00 \$11.60	
2009	MV RE/TANG \$29.19 \$8.65	\$1.36 \$0.40	\$6.19 \$1.83	\$0.86 \$0.26	\$2.40 \$0.71	\$0.00 \$0.00	\$40.00 \$11.85	
2010	MV RE/TANG \$28.75 \$9.07	\$1.42 \$0.45	\$7.31 \$2.31	\$0.99 \$0.31	\$1.53 \$0.48	\$0.00 \$0.00	\$40.00 \$12.62	
2011	MV RE/TANG \$25.98 \$10.16	\$1.19 \$0.47	\$11.28 \$4.41	\$0.16 \$0.07	\$1.39 \$0.54	\$0.00 \$0.00	\$40.00 \$15.65	

TABLE 22

TABLE 22

TOWN OF BURRILLVILLE
ALLOCATION OF TAX BASE
Unaudited

Class of Property	Town Average					State Average
	1980	1990	2000	2010	2011	2010
Residential	61.54%	68.45%	74.92%	82.23%	74.12%	75.29%
Commercial/ Industrial	10.92%	10.00%	8.49%	5.95%	5.48%	17.43%
Utility/RR	6.29%	3.99%	3.95%	0.68%	9.72%	
Motor Vehicle	19.19%	16.55%	12.35%	8.14%	7.47%	3.99%
Tangible	2.06%	1.01%	0.29%	3.00%	3.21%	3.29%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: RI Department of Administration

* Assessment year ending December 31

TOWN OF BURRILLVILLE
MUNICIPAL EMPLOYEE RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS
Unaudited

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Assets In Excess Of Pension Benefit Obligation	Annual Covered Payroll	Assets In Excess Of Pension Benefit Obligation As A Percentage Of Covered Payroll	Employer Contribution	Employee Contribution
Municipal Employees:								
2001	\$ 18,281,604	\$ 12,709,242	143.84%	\$5,572,362	\$4,380,274	127.21%	0.00%	7.00%
2002	\$ 18,500,044	\$ 13,867,796	133.40%	\$4,632,248	\$4,735,621	97.82%	0.00%	7.00%
2003	\$ 18,122,783	\$ 14,744,138	122.92%	\$3,378,645	\$4,490,812	75.23%	0.00%	7.00%
2004	\$ 17,957,974	\$ 15,993,695	112.28%	\$1,964,279	\$5,016,314	39.16%	0.00%	7.00%
2005	\$ 18,052,879	\$ 17,083,972	105.67%	\$968,907	\$5,052,283	19.18%	0.65%	7.00%
2006	\$ 19,042,883	\$ 18,626,628	102.23%	\$416,255	\$5,311,467	7.84%	3.47%	7.00%
2007	\$ 21,163,146	\$ 19,913,112	106.28%	\$1,250,034	\$5,327,953	23.46%	4.74%	7.00%
2008	\$ 23,164,763	\$ 20,971,570	110.46%	\$2,193,193	\$5,420,713	40.46%	5.94%	7.00%
2009	\$ 23,499,023	\$ 22,446,076	104.69%	\$1,052,947	\$5,589,303	18.84%	4.67%	7.00%
2010	\$ 23,338,522	\$ 25,978,360	89.84%	(\$2,639,838)	\$5,552,647	-47.54%	3.08%	7.00%

Latest Pension Information Available.

COLA Plan C was adopted by the Town Council on December 6, 1989 (Council Book #14, Page 422).

Statement #5 of the Governmental Accounting Standards Board, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Government Employers", became effective for fiscal years beginning after December 15, 1986, the standardized measure of the pension obligation is unavailable prior to 1987. The required ten year trend information has been presented for the years available.

**TOWN OF BURRILLVILLE
MUNICIPAL EMPLOYEE RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS**

Unaudited

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Assets In Excess Of Pension Benefit Obligation	Annual Covered Payroll	Assets In Excess Of Pension Benefit Obligation As A Percentage Of Covered Payroll	Employer Contribution	Employee Contribution
Police Officers:								
2000	\$4,106,524	\$4,287,480	95.78%	(\$180,956)	\$863,556	-20.95%	9.56%	9.00%
2001	\$4,272,309	\$4,723,292	90.45%	(\$450,983)	\$1,011,229	-44.60%	16.14%	9.00%
2002	\$4,447,714	\$5,130,373	86.69%	(\$682,659)	\$1,097,479	-62.20%	14.60%	9.00%
2003	\$4,496,825	\$5,563,173	80.83%	(\$1,066,348)	\$1,043,138	-102.23%	17.73%	9.00%
2004	\$4,677,696	\$5,813,042	80.47%	(\$1,135,346)	\$1,099,742	-103.24%	18.89%	9.00%
2005	\$4,935,501	\$7,116,270	69.36%	(\$2,180,769)	\$1,281,736	-170.14%	19.77%	9.00%
2006	\$5,461,657	\$6,374,155	85.68%	(\$912,498)	\$1,129,668	-80.78%	22.50%	9.00%
2007	\$6,379,836	\$6,544,766	97.48%	(\$164,930)	\$1,195,875	-13.79%	23.32%	10.20%
2008	\$7,302,211	\$7,039,876	103.73%	\$262,335	\$1,286,345	20.39%	16.41%	10.20%
2009	\$7,553,018	\$7,322,217	103.15%	\$230,801	\$1,285,819	17.95%	12.23%	10.20%
2010	\$7,670,056	\$9,329,853	82.21%	(\$1,659,797)	\$1,256,789	-132.07%	10.17%	10.20%

Latest Pension Information Available

The Police Officers transferred into the RI State Employee Retirement System in FYE 1989. Prior to this period their retirement plan was administered by a private company.

Twenty-Five (25) Year Plan adopted in 1989; Twenty (20) Year Plan adopted in 1992.

COLA Plan C was adopted by the Town Council on August 25, 1993 (#93-210).

Statement #5 of the Governmental Accounting Standards Board, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Government Employers", became effective for fiscal years beginning after December 15, 1986, the standardized measure of the pension obligation is unavailable prior to 1987. The required ten year trend information has been presented for the years available.

TOWN OF BURRILLVILLE
WASTEWATER TREATMENT FACILITY
DISPOSAL ACTIVITY
Unaudited

Fiscal Year	Users		Plant Flow (m.g.)		Gallons Daily Avg	Sludge Disposal		
	Residential	Metered	Daily Avg	Max Day		MG Total	Dry Lb. (per 1,000) Daily Avg	Total
2001	2,765	27	0.812	2.58	5,923	2.162	2.056	750.5
2002	2,814	28	0.7085	1.5155	6,157	2.247	2.282	832.8
2003	2,832	28	0.8035	1.5183	6,177	2.255	2.106	768.6
2004	2,891	28	0.805	1.768	6,093	2.230	2.202	805.8
2005	2,946	28	0.771	1.6497	6,250	2.280	2.188	798.7
2006	2,963	29	0.872	1.8034	6,204	2.260	2.172	792.6
2007	3,076	46	0.813	1.9514	6,313	2.304	2.161	788.9
2008	3,273	46	0.7982	1.8468	6,445	2.359	2.190	801.4
2009	3,395	41	0.8449	1.7838	6,522	2.381	2.163	789.4
2010	3,419	42	0.9669	2.4804	6,923	2.527	2.028	740.1
2011	3,537	42	0.8213	1.8155	7,618	2.766	2.002	726.7

Plant Capacity

1.5 4.5

PLANT EFFLUENT REMOVALS & WEATHER ACTIVITY

Fiscal Year	Biochemical Oxygen Demand *	Total Suspended Solids *	Total Phosphorus	Mean Temperature			Precipitation		
				Average	High (mth)	Low (mth)	Average	High (mth)	Low (mth)
2001	97.40%	96.40%	85.90%	50	75 (June)	23 (Jan)	3.68	9.36 (Sept)	1.12 (Jan)
2002	97.67%	96.90%	87.83%	53	78.8 (Aug)	32.4 (Feb)	2.51	5.87 (May)	.39 (Oct)
2003	97.85%	96.51%	86.76%	49	77.2 (Aug)	20.3 (Feb)	3.84	5.54 (Jun)	2.00 (Jul)
2004	97.82%	96.04%	87.18%	52	78.9 (July)	17.0 (Jan)	3.48	7.63 (Apr)	.71 (Jun)
2005	97.50%	96.90%	89.30%	51	76.1 (Aug)	22.8 (Jan)	3.68	5.49 (Apr)	.55 (Jun)
2006	97.50%	96.40%	86.70%	53	79.3 (Aug)	27.8 (Dec)	4.64	13.39 (Oct)	.38 (Mar)
2007	98.20%	97.50%	87.70%	50	78.0 (July)	20.9 (Feb)	3.82	8.82 (Apr)	.70 (Feb)
2008	98.30%	97.50%	86.80%	49	71.3 (June)	26.6 (Jan)	3.18	6.91 (Feb)	.87 (Aug)
2009	98.30%	97.50%	86.80%	48	74.1 (Jul)	17.9 (Jan)	3.64	6.52 (Dec)	1.85 (Feb)
2010	97.00%	97.50%	88.00%	50	73.1 (Aug)	23.8 (Jan)	3.68	9.36 (Sept)	1.82 (Aug)
2011	98.20%	97.90%	89.80%	49	78.3 (Jul)	19.4 (Jan)	3.25	4.81 (Apr)	1.11 (Jan)

* EPA/DEM RIPDES Permit Required Percent Removal - 85%

Source: Burrillville Wastewater Treatment Facility

TOWN OF BURRILLVILLE
PERSONNEL CONTRACTS
JUNE 30, 2011
Unaudited

Police Department	International Brotherhood of Police Officers IBPO, Lodge #369 Contract expires June 30, 2012 Under Negotiation
Public Works & Municipal	RI Council 94 AFSCME, AFL-CIO, Local 186 3 Year Contract expires June 30th, 2014
Sewer Department	Building Maintenance Service & Industrial Workers - Local Union 1322 5 Year Contract expires June 30, 2012
School Department:	
Teachers	National Education Association Rhode Island Education Association Burrillville Teachers Association 3 Year Contract expired August 31, 2014
Non-Certified	RI Council 94 AFSCME, AFL-CIO, Local 2231 1 Year Contract expires June 30, 2012

TOWN OF BURRILLVILLE

**REPORT IN ACCORDANCE WITH
GOVERNMENT AUDITING
STANDARDS**



Gerard R. Cayer
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Mark V. Caccia
CPA, MST, CVA

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CPA, MST, CFP™

***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 the financial statements of the governmental activities, the business-type activities, the 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, 2011, which collectively comprise the Town of Burrillville, Rhode Island's basic financial statements and have issued our report thereon dated January 30, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Burrillville, Rhode Island's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2011-1 and 2011-2).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies. (2011-1 and 2011-2).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Burrillville, Rhode Island's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Town of Burrillville, Rhode Island in a separate letter dated January 30, 2012.

The Town of Burrillville, Rhode Island's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Town of Burrillville, Rhode Island's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town Council, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Caryn Caccia, LLP

January 30, 2012

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Town of Burrillville.

2. Internal control over financial reporting:

Two significant deficiencies disclosed during the audit of the financial statements are summarized below in findings 2011-1 and 2011-2. Both of the deficiencies are reported as material weaknesses.

3. No instances of noncompliance material to the financial statements of the Town of Burrillville, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

B. FINDINGS RELATED TO AUDIT OF FINANCIAL STATEMENTS

2011-1 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 2011, 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, 2011 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 – The Town acknowledges that it relied on the external auditors to assist in the recording of certain complex transactions and the final preparation of the GAAP financial statements. Since this does not present an independence issue and is more cost effective, the Town will continue to rely on external auditors to prepare the financial statements.

2011-2 Accurate Posting of Side Fund Financial Activity

Required monthly interfund reconciliations and general ledger maintenance procedures related to the Town's larger and more complex side funds (special revenue and component unit funds) are not being performed on a timely basis. As a result, we noted posting errors which required correcting entries to be made. In addition, we provided management with adjusting entries to record and reclassify financial activity in the MUNIS general ledger.

Recommendation – We recommend that the Finance Department continue to establish and implement monthly review and reconciliation procedures for the Town's significant side funds, including the Town and School District interfund reconciliation.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2011**

B. FINDINGS RELATED TO AUDIT OF FINANCIAL STATEMENTS (Continued)

2011-2 Accurate Posting of Side Fund Financial Activity (Continued)

Corrective Action Plan – Posting of financial data and interfund reconciliations are performed on a monthly basis as time permits. Certain transactions required additional analysis, research and discussion with the auditors. The duties and responsibilities assigned to staff will be reviewed and reprioritized in an effort to focus on the concerns being raised.

C. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2010-1 Oversight of the Town's Financial Reporting Process

Condition: 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 2010, 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, 2010 to prevent and detect misstatements in the financial statement preparation and reporting process.

Recommendation: We recommend that the Town continue to strengthen its internal controls to decrease the risk of misstatements over the financial reporting process. Management can improve controls related to the financial reporting process by dedicating resources to improve the oversight of the financial reporting process.

Current Status: The Town acknowledges that it relied on the external auditors to assist in the recording of certain complex transactions and the final preparation of the GAAP financial statements. Since this does not present an independence issue and is more cost effective, the Town will continue to rely on external auditors to prepare the financial statements.

Finding 2010-2 Accurate Posting of Side Fund Financial Activity

Condition: Required monthly interfund reconciliations and general ledger maintenance procedures related to the Town's larger and more complex side funds (special revenue and component unit funds) are not being performed on a timely basis. As a result, we noted posting errors which required correcting entries to be made. In addition, we provided management with adjusting entries to record and reclassify financial activity in the MUNIS general ledger.

Recommendation: We recommend that the Finance Department establish and implement effective review and reconciliation procedures for the Town's significant side funds.

Current Status: Posting of financial data and interfund reconciliations are performed on a monthly basis as time permits. Certain transactions required additional analysis, research and discussion with the auditors.

(CONCLUDED)
