

**TOWN OF
BURRILLVILLE, RHODE ISLAND**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY: FINANCE DEPARTMENT

TOWN OF BURRILLVILLE, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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(CONCLUDED)

TOWN OF BURRILLVILLE

INTRODUCTORY SECTION



TOWN OF BURRILLVILLE, RHODE ISLAND

MUNICIPAL OFFICERS

June 30, 2019

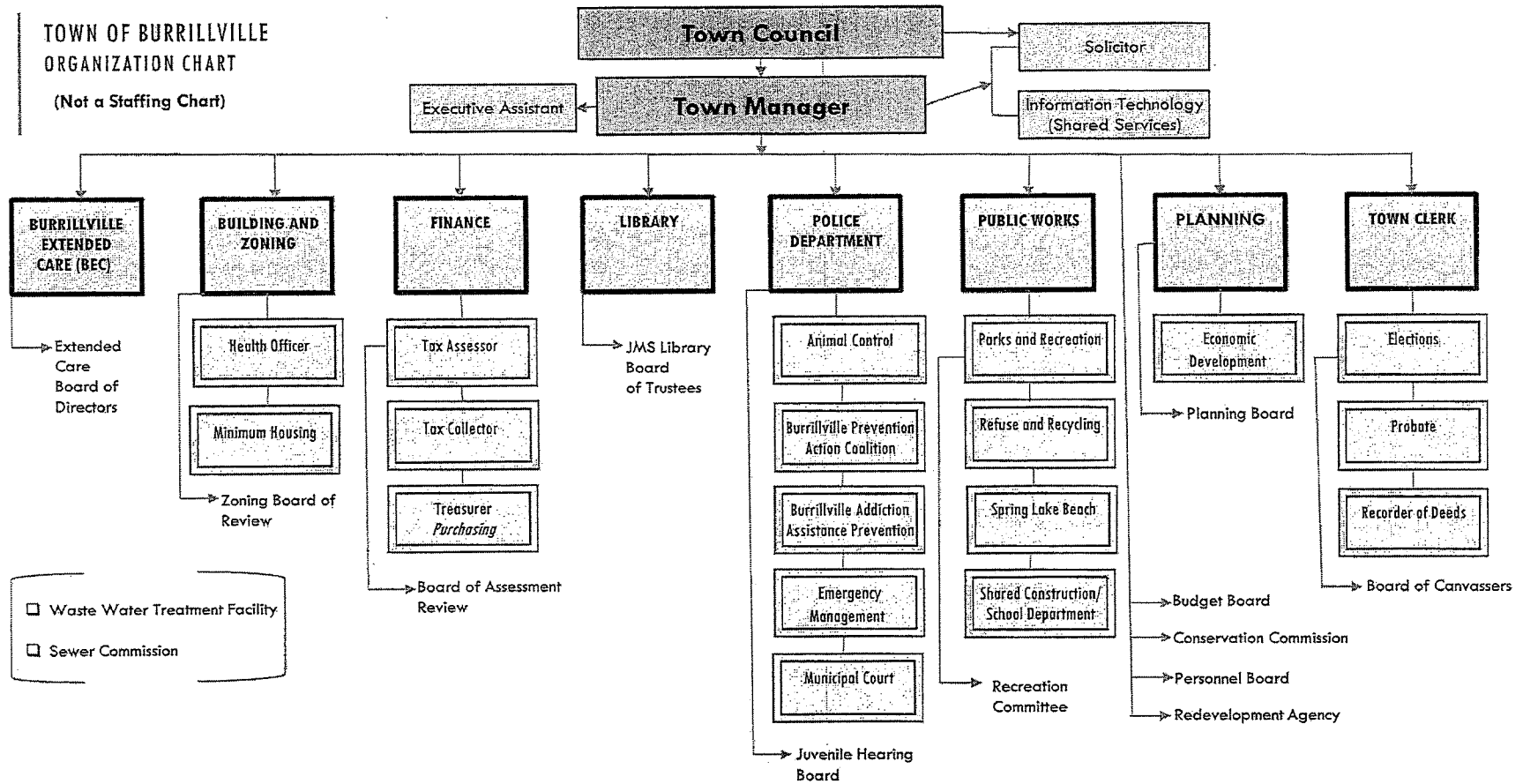
TOWN COUNCIL

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

TOWN OFFICIALS

Town Manager	Michael C. Wood
Assessor	Jennifer Mooney
Building Official	Joseph F. Raymond
Acting Clerk	Vicki Martin
Emergency Management Director	Glen D. Biddiscombe
Finance Director/Tax Collector	Michael Larocque
Municipal Court Judge	Brenda Ferry
Planning/Economic Development Coordinator	Ray Goff
Police Chief	Col. Stephen J. Lynch
Probate Court Judge	Timothy F. Kane
Public Works-Director/Engineer	Jeffrey M. McCormick, PE
Recreation Director/Special Events Coordinator	Andrea C. Hall
School Superintendent	Dr. Michael Sollitto
Solicitor	William Dimitri
Treasurer	Rosanna Doughty
Wastewater Treatment Facility-Superintendent	Michael Emond

**TOWN OF BURRILLVILLE
ORGANIZATION CHART**
(Not a Staffing Chart)



TOWN OF BURRILLVILLE

FINANCIAL SECTION





Cayer Caccia

Gerard R. Cayer

CPA, MST

Mark V. Caccia

CPA, MST

Donna T. Caccia

CPA, MST, CFP™

INDEPENDENT AUDITOR'S REPORT

To the Honorable Town Council
Burrillville, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Burrillville, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, historical pension and other post-employment benefit information, and budgetary comparison information on pages 4 through 23 and 103 through 114 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2020, on our consideration of the Town of Burrillville, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Burrillville, Rhode Island's internal control over financial reporting and compliance.

Cayer Caccia, LLP

Warwick, Rhode Island
January 28, 2020

Town of Burrillville, Rhode Island
Management's Discussion and Analysis
JUNE 30, 2019

The Town of Burrillville (the Town) provides this Management Discussion and Analysis (MD&A), in a format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns for fiscal year ending June 30, 2019. The Town annually presents its financial statements in compliance with the reporting model required by GASB 34.

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

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

Financial Highlights

- The total assets of the Town of Burrillville exceeded its liabilities at the close of the fiscal year ending June 30, 2019 by \$76.27 million (net position).
- As of June 30, 2019, the Town's governmental activities reported total net position of \$51.02 million.
- The Town of Burrillville's total net position decreased by \$0.02 million, or 0.02%, for the year ended June 30, 2019. The net position of governmental activities increased by \$0.17 million, a 0.34% increase from fiscal 2018. The net position of business-type activities decreased by \$0.19 million, or 0.75% from 2018.
- The Town's general fund reported a fund balance of \$13.98 million at the end of fiscal year ending 2019. This compares to a fund balance of \$13.92 million at the end of fiscal 2018. The unassigned fund balance for the year was \$8.24 million (\$8.72 million in 2018). This is a \$0.48 million decrease over the prior year's unassigned fund balance.
- The Town ended the fiscal year with a budgetary operating excess of revenues over expenditures of \$3,478,194 in 2019. Included in this amount is \$2,794,497 of unexpended capital improvement funds which have been carried over to fiscal year ending June 2020.

Financial Highlights (Continued)

- The School Department ended the fiscal year with a budgetary deficiency of revenues under expenditures of \$63,782 (\$161,762 in 2018). The School fund balance is \$573,708 (\$757,386 in 2018).
- The Town's total noncurrent liabilities (\$51,597,049) decreased by \$1,789,173 [government activities decreased by \$1,290,071 and business-type activities decreased by \$499,102 or 3.35% in 2019 which was primarily due to an increase in the net pension liability of \$836,555, offset by scheduled debt payments of \$1,880,229 and a decrease in the OPEB liability of \$1,102,078.

Overview of the Financial Statements

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

Basic Financial Statements

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

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

Government-wide Financial Statements

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

Government-wide Financial Statements (Continued)

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

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

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

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

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

Fund Financial Statements

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

Fund Financial Statements (Continued)

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

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

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

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

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

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

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

Unassigned – items that have no restrictions placed on them.

The Town maintains certain funds that have been reclassified to the Town General Fund under GASB 54. The ending fund balance of these funds was \$2,534,492 at June 30, 2019.

Fund Financial Statements (Continued)

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

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's Overall Operations

The Town of Burrillville has prepared the fiscal year ending June 30, 2019 financials in a format prescribed by the Government Accounting Standards Board Statement 34 (GASB 34).

June 30, 2019

The Town's combined net position was \$76.27 million in 2019. Analyzing the net position and net expenses of governmental and business-type activities separately, the governmental activities are \$51.02 million and the business-type activities net position is \$25.25 million in 2019. This analysis focuses on the net position (Table 1), changes in net position - activities (Table 2), and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

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

June 30, 2018

The Town's combined net position was \$76.29 million in 2018. Analyzing the net position and net expenses of governmental and business-type activities separately, the governmental activities are \$50.84 million and the business-type activities net position was \$25.44 million in 2018. This analysis focuses on the net position (Table 1), changes in net position - activities (Table 2), and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

By far the largest portion of the Town's net position (103%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 30,792,355	\$ 35,429,328	\$ 5,516,088	\$ 5,634,911	\$ 36,308,443	\$ 41,064,239
Capital assets	67,650,210	64,798,903	27,595,778	28,113,124	95,245,988	92,912,027
Total assets	98,442,565	100,228,231	33,111,866	33,748,035	131,554,431	133,976,266
Deferred outflows of resources	12,833,993	13,654,065	0	0	12,833,993	13,654,065
Current liabilities	7,548,202	8,373,321	1,080,840	1,033,807	8,629,042	9,407,128
Noncurrent liabilities	44,823,992	46,114,063	6,773,057	7,272,159	51,597,049	53,386,222
Total liabilities	52,372,194	54,487,384	7,853,897	8,305,966	60,226,091	62,793,350
Deferred inflows of resources	7,885,552	8,550,348	6,773	0	7,892,325	8,550,348
Net position:						
Net investment in capital assets	61,728,850	57,906,084	20,413,207	20,428,142	82,142,057	78,334,226
Restricted	1,533,145	1,327,646			1,533,145	1,327,646
Unrestricted	(12,243,183)	(8,389,166)	4,837,989	5,013,927	(7,405,194)	(3,375,239)
Total net position	\$ 51,018,812	\$ 50,844,564	\$25,251,196	\$ 25,442,069	\$ 76,270,008	\$ 76,286,633

The total net position in governmental activities increased by \$0.17 million. Governmental activities current and other assets decreased by \$4.64 million. Governmental activities deferred outflows of resources decreased by \$0.82 million. Governmental activities current liabilities decreased by \$0.80 million. Governmental activities noncurrent liabilities decreased by \$1.29 million. Governmental activities deferred inflows of resources decreased by \$0.66 million.

The net position in Business-type activities decreased by \$0.19 million.

Table 2

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,495,273	\$ 1,545,162	\$4,141,280	\$4,101,826	\$ 5,636,533	\$ 5,646,988
Operating grants and contributions	18,056,127	15,948,271	411,186	412,732	18,467,313	16,361,003
Capital grants and contributions	974,708	1,369,138			974,708	1,369,138
General revenues:						
Property Taxes	33,854,883	32,943,486			33,854,883	32,943,486
Unrestricted Investment	407,952	198,461	28,447	9,628	436,399	208,089
Contributions not restricted to specific programs	582,000				582,000	
Gain on sale of capital asset	10,000				10,000	
Total Revenues	55,380,943	52,004,518	4,580,913	4,524,186	59,961,856	56,528,704
Expenses:						
General government	5,692,901	5,502,267			5,692,901	5,502,267
Public safety	4,713,918	4,372,706			4,713,918	4,372,706
Public works	4,414,773	3,758,038			4,414,773	3,758,038
Education	37,274,247	35,440,001			37,274,247	35,440,001
Parks and recreation	932,918	880,406			932,918	880,406
Libraries	1,081,371	1,023,507			1,081,371	1,023,507
Community development	779,604	5,635			779,604	5,635
Burrillville Redevelopment Agency	60,000				60,000	
Interest on long-term debt	235,747	262,637			235,747	262,637
Sewer Authority			2,861,091	2,284,694	2,861,091	2,284,694
School Cafeteria			849,764	874,840	849,764	874,840
Levy Rink			459,771	463,481	459,771	463,481
Extended Day Care			622,376	583,724	622,376	583,724
Total expenses	55,185,479	51,245,197	4,793,002	4,206,739	59,978,481	55,451,936
Revenues over (under) expenses	195,464	759,321	(212,089)	317,447	(16,625)	1,076,768
Transfers in (out)	(21,216)	(44,000)	21,216	44,000	0	0
Increase (decrease) in net position	174,248	715,321	(190,873)	361,447	(16,625)	1,076,768
Net Position, July 1	50,844,564	50,129,243	25,442,069	25,080,622	76,286,633	75,209,865
Net Position, June 30	\$ 51,018,812	\$50,844,564	\$25,251,196	\$25,442,069	\$76,270,008	\$76,286,633

Governmental activity revenues increased by \$3.38 million primarily due to an increase in operating grants and contributions of \$2.11 million, a decrease in capital grants and contributions of \$0.40 million, and an increase in property taxes of \$0.91 million.

Governmental activity expenses increased by \$3.94 million which reflect increased costs associated with education of (\$1.80 million), community development of (\$0.78 million) and public works of (\$0.66 million).

The net position associated with business-type activities decreased by \$0.19 million due primarily to a decrease in the Sewer Authority of \$0.26 million.

Review of Major Governmental Funds

General Fund

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

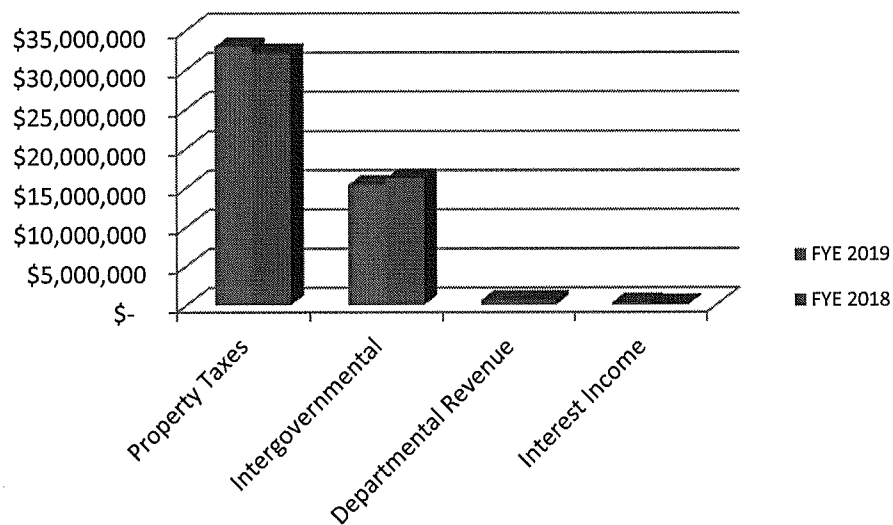
During FYE 2019, there were eight (8) supplemental budget appropriations adopted by the Town Council, which totaled \$3,726,084 including one transfer of \$2,318,713 related to capital improvements carried forward from the prior year.

A comparative breakdown of revenues and expenditures associated with the General Fund on a budgetary basis for the fiscal years ending June 30, 2019 and 2018 is listed below. This information is provided for general purposes only.

The Town's general revenues increased in FYE 2019 when compared to the prior year by 0.11% or \$51,695.

<u>Revenues</u>	<u>FYE 2019</u>	<u>FYE 2018</u>	<u>% Change</u>	<u>\$ Change</u>
Property Taxes	\$32,882,951	\$32,103,363	2.43%	\$ 779,588
Intergovernmental Revenue	15,317,425	16,179,604	(5.33%)	(862,179)
Departmental Revenue	577,727	615,456	(6.13%)	(37,729)
Interest Income	318,374	146,359	(117.53%)	(172,015)
Total Revenues	\$49,096,477	\$49,044,782	0.11%	\$ 51,695

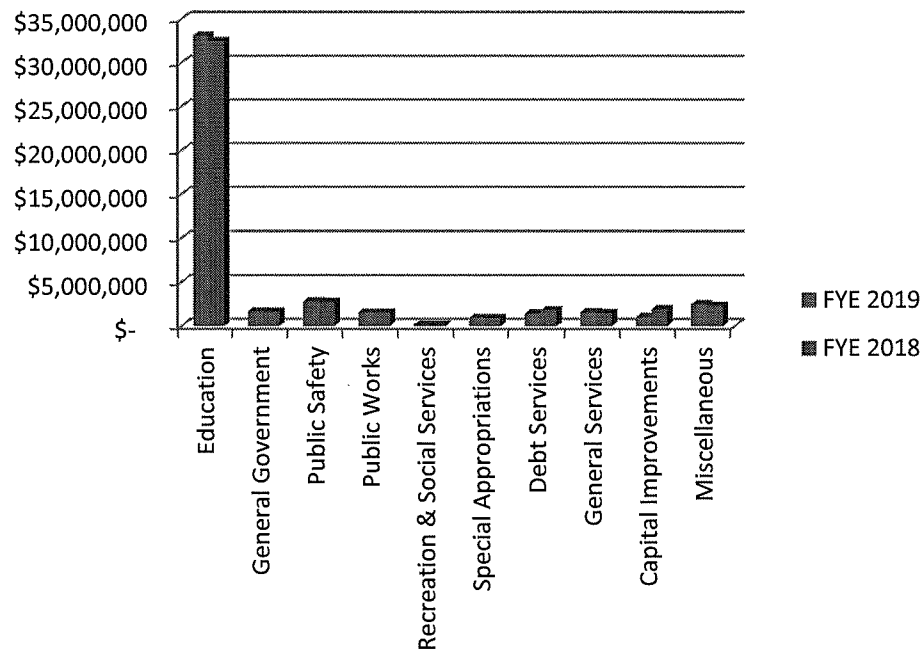
General Fund (Continued)



The Town's general expenditures increased in FYE 2019 when compared to the prior year by (0.79%) or \$358,617.

	<u>FYE 2019</u>	<u>FYE 2018</u>	<u>% Chg</u>	<u>\$ Chg</u>
<u>Expenditures</u>				
Education	\$33,132,051	\$32,500,000	1.94%	\$632,051
General Government	1,694,774	1,638,667	3.42%	56,107
Public Safety	2,797,484	2,729,380	2.50%	68,104
Public Works	1,558,333	1,528,922	1.92%	29,411
Recreation & Social Services	171,357	158,209	8.31%	13,148
Special Appropriations	933,550	905,521	3.10%	28,029
Debt Service	1,443,296	1,808,753	(20.20)%	(365,457)
General Services	1,564,979	1,498,769	4.42%	66,210
Capital Improvements	1,037,707	1,953,773	(46.89)%	(916,066)
Burrillville Redevelopment Agency	60,000		100.00%	60,000
Miscellaneous	2,432,350	2,294,555	6.01%	137,795
<u>Other Financing (Sources) Uses</u>				
Transfer from Fund Balance	(3,581,904)	(3,855,167)	7.09%	273,263
Transfers In-Special Revenue	(186,636)	(187,443)	0.43%	807
Transfers In-Enterprise	(12,784)		100.00%	(12,784)
Transfers Out-Capital Projects	1,319,000	1,264,982	4.27%	54,018
Transfers Out-Special Revenue	1,254,726	960,848	30.58%	293,878
Proceeds from refunding bonds		(2,780,000)	(100.00)%	2,780,000
Payment to refunded bond escrow agent		2,749,071	100.00%	(2,749,071)
Town – held tax liens		90,826	100.00%	(90,826)
Total Expenditures (Net of Transfers)	<u>\$ 45,618,283</u>	<u>\$ 45,259,666</u>	<u>0.79%</u>	<u>\$ 358,617</u>
Excess of Revenues over Expenditures- Budgetary Basis	<u>\$ 3,478,194</u>	<u>\$ 3,785,116</u>	<u>8.11%</u>	<u>\$ 306,922</u>

General Fund (Continued)



June 30, 2019

Overall non-tax revenues were \$727,893 less than the prior year due mainly to a decrease in intergovernmental [School Construction and School Aid] revenue. Actual revenues were \$611,483 more than budgeted. The primary reasons for the favorable revenue variance within the fiscal year were:

- First, the Town exceeded its budget expectations in relation to the collection of property taxes. This was primarily due to an increase in tax collections over budgeted projections that totaled \$138,538 - which includes tax revenue of \$126,087. The Town collected approximately 98.5% of the fiscal year 2019 tax levy.
- Second, the Town's intergovernmental revenue was more than the budget by \$209,520. This amount includes additional amounts received from Medicaid reimbursements (\$145,603), school construction aid (\$25,031), and police and other (\$23,620).
- Third, the Town's departmental revenue was more than budget by \$40,051 which is primarily due to an increase in licenses and fees (\$46,705).
- Finally, interest income was over budget in the amount of \$223,374.

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

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

General Fund (Continued)

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

June 30, 2018

Overall non-tax revenues were \$534,346 more than the prior year due mainly to an increase in intergovernmental [motor vehicle phase out]. Actual revenues were \$922,832 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 \$326,198 - which includes tax revenue of \$328,768. The Town collected approximately 98.2% of the fiscal year 2019 tax levy.
- Second, the Town's intergovernmental revenue was more than the budget by \$396,594. This amount includes additional amounts received from Medicaid reimbursements (\$177,139), motor vehicle phase out (\$92,360), and school construction (\$144,133).
- Third, the Town's departmental revenue was more than budget by \$77,781 which is primarily due to an increase in licenses and fees of \$59,810 and an increase in building official fees of \$27,655.
- Finally, interest income was over budget in the amount of \$122,259.

The Town has continued its aggressive tax collection position, which was implemented many years ago. A 98.8% collection rate was budgeted for FYE 2018 and 98.2% was actually collected. The collection rate used for budgeting purposes was based upon historical collection data.

A comparison of actual expenditures incurred during FYE 2018 reveals that the Town expenses were \$3,205,880 less than the amount appropriated. This was achieved by limiting expenditures to essential services only. A significant portion of this amount [\$2,318,714] is for capital improvement activities related to general administration, police, school, and public works projects which has been re-appropriated for FYE June 30, 2019. In addition, debt service expenditures were less than budget by \$508,176.

The most significant governmental expense for the municipality during 2018 was in providing for public safety, which incurred expenses of \$2.73 million. The major components of public safety are police and animal control. Other significant governmental expenses for the municipality include public works at \$1.53 million; general government at \$1.64 million, which includes all administrative offices; general services (\$1.50 million) such as refuse collection/recycling; debt at \$1.81 million, and insurance/benefits at \$2.15 million.

Fund Balance

June 30, 2019

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

The Town's fund balance increased from \$13,922,761 to \$13,982,874. GASB Statement No. 54 funds accounted for \$163,823 of this increase. The Town's fund balance is broken down into the following components which are detailed in footnote 9(a) and is comprised of cash or other assets that will eventually be converted into cash such as receivables:

1. Nonspendable. An amount (\$291,834) attributed to tax sale property that was not bid on at public auction. The Town has subsequently acquired tax deeds over the years to protect its interest in those properties that have outstanding taxes/sewer assessments due.
2. Committed. An amount (\$5,316,922) which includes a number of funds that had previously been identified as special revenue funds in prior audits including Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, Pension Reserve Fund, and Healthcare Contingency. It also includes \$2,794,497 which was re-appropriated in FYE 2019 for capital projects.
3. Assigned. An amount (\$133,123) related to funding reserved for the School Department.
4. Unassigned. Finally after all of the above items are considered, the remaining value of \$8,240,995 is referred to as the Town's Unassigned Fund Balance, which decreased by \$478,121 over last year's Unassigned Fund Balance of \$8,719,116. This decrease is due to the net effect of budget activity combined with a number of planned fund balance draw downs during FYE 2019 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2019 of \$8,240,995 which is approximately 16.32% of the total budget currently appropriated for FYE June 30, 2020 (\$50,496,620).

June 30, 2018

The net effect of operations as described above on the budgetary basis reveals that the Town completed fiscal year ending June 30, 2018 with a net excess of revenues over expenditures in the amount of \$3,785,116. Note that this amount included as revenue the budgeted amount of \$3,855,167 from the Unassigned Fund Balance. When this is factored out, there is actually a net decrease to fund balance associated with the deficiency of revenues under expenditures of \$70,051.

The Town's fund balance decreased from \$15,194,219 to \$13,922,761. GASB Statement No. 54 funds accounted for \$1,201,407 of this decrease. The Town's fund balance is broken down into the following components and is comprised of cash or other assets that will eventually be converted into cash such as receivables:

Fund Balance (Continued)

1. Nonspendable. An amount \$298,829 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 \$4,771,693 which includes a number of funds that had previously been identified as special revenue funds in prior audits including Other School Activities, Debt Reduction, Other Post Employment Benefits, Unfunded Liability/Incentive Pay, Recycling Program, Pension Reserve Fund, and Healthcare Contingency. It also includes \$2,318,714 which was re-appropriated in FYE 2017 for capital projects.
3. Assigned. An amount \$133,123 related to funding reserved for the School Department.
4. Unassigned. Finally after all of the above items are considered, the remaining value of \$8,719,116 is referred to as the Town's Unassigned Fund Balance, which increased by \$1,691,169 over last year's Unassigned Fund Balance of \$7,027,947. This increase is due to the net effect of budget activity combined with a number of planned fund balance draw downs during FYE 2019 related to capital improvement carryover and fund balance in excess of the fund balance policy. This leaves an Unassigned Fund Balance on June 30, 2018 of \$8,719,116 which is approximately 17.59% of the total budget currently appropriated for FYE June 30, 2019 (\$49,568,319).

School Department

June 30, 2019

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

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

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

June 30, 2018

The School Department had revenues for the year ended June 30, 2018 of \$15.11 million. This was derived from \$13.63 million of intergovernmental revenues and \$1.47 million of state pension contribution revenues. In addition to general operating revenues, the School Department also received \$18.87 million of other financing sources in the form of transfers in from the General Fund.

Expenditures for the School Department totaled \$33.99 million. This entire amount represents expenditures related to education.

The excess of expenditures over revenues was \$0.21 million for the fiscal year ended June 30, 2018.

Business-type Activities

Proprietary Activities

June 30, 2019

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

June 30, 2018

Revenues and transfers in for the Town's business-type activities were \$4.57 million for the fiscal year ending June 30, 2018. Expenses for the Town's business-type activities were \$4.21 million for the year, resulting in an increase in net position of \$0.36 million. The increase in net position was mainly from the increase in the net position of the Sewer Authority of \$0.33 million.

Capital Assets and Debt Administration

Capital Project Funds

The Town had several active capital projects during the fiscal year ended June 30, 2019.

Some projects that continue to carry balances at year end include the Commerce Park Water Loop, Public Works Complex, Animal Control Facility Renovation, School Roof Improvements and Wilson Spillway.

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

Capital Assets

At the end of fiscal year 2019, the Town had \$95.20 million invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, roads, bridges, and sewer lines. (See Table 3.) This amount represents a net increase (including additions and deductions) of \$2.29 million over the prior fiscal year's net capital assets (\$92.91 million).

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

Capital Assets (Continued)

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

Table 3

Capital Assets - Primary Government June 30

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,212,397	\$ 3,212,397	\$ 382,443	\$ 382,443	\$ 3,549,840	\$ 3,594,840
Construction in progress	3,623,243	2,432,102			3,623,243	2,432,102
Leasehold improvements			34,398	34,398	34,398	34,398
Collection systems			42,695,348	42,394,387	42,695,348	42,394,387
Buildings and improvements	80,298,369	77,016,009	8,384,314	8,338,522	88,682,683	85,354,531
Equipment	3,100,447	3,042,998	475,175	465,151	3,575,622	3,508,149
Vehicles	5,662,977	5,370,532	135,261	135,261	5,798,238	5,505,793
Furniture			892,353	889,662	892,353	889,662
Infrastructure	25,203,859	23,679,064			25,203,859	23,679,064
Total Assets	121,101,292	114,753,102	52,999,292	52,639,824	174,055,584	167,392,926
Less accumulated depreciation	(53,451,082)	(49,954,199)	(25,403,514)	(24,526,700)	(78,854,596)	(74,480,899)
Totals	<u>\$ 67,650,210</u>	<u>\$ 64,798,903</u>	<u>\$27,595,778</u>	<u>\$ 28,113,124</u>	<u>\$ 95,200,988</u>	<u>\$ 92,912,027</u>

- Completion of road/sidewalk improvements (George Eddy Drive). Work on Wilson Spillway and the Dog Park.
- Completion of the renovations to the Animal Control Facility.
- Acquisition of various equipment including 2 electric vehicle charging stations, 3 police vehicles, and 1 dump truck.
- The School Department also had funding allocated towards various building improvements – primarily related to school roofs, HVAC system upgrades, flooring, asbestos removal, new boiler, and a generator.
- The increase in construction in progress is primarily related to the construction of a new public works complex.

The 2020 Capital Budget has been adopted and while individual projects are subject to change the budget calls for spending on capital projects, principally in these major categories: administration, schools, library, Police Department, and street improvements along with possible funding for the Chapel Street sewer project.

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

Debt Administration

June 30, 2019

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

June 30, 2018

The total outstanding long-term bonded debt on June 30, 2018 was \$18,123,515, which represents an decrease of \$1,278,260 from June 30, 2017 (\$19,401,775). This decrease was primarily due to the net effect of additional bond proceeds of \$3,480,000, offset by annual debt payments (\$1,986,000) and bond refundings (\$2,700,000) on outstanding issues.

Table 4

	Long Term Debt June 30			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General Obligation Bonds	\$9,089,124	\$10,538,515	\$7,106,000	\$7,585,000
Capital Lease			76,571	99,982
Compensated Absences	1,018,414	1,032,431	80,805	71,099
Net OPEB Obligation			23,248	25,589
Landfill Post-Closure Costs	791,100	831,900		
Totals	<u>\$10,898,638</u>	<u>\$12,402,846</u>	<u>\$7,286,624</u>	<u>\$7,781,670</u>

Debt Administration(Continued)

Below is a comparison of various long-term bonded debt ratios for June 30, 2019 and June 30, 2018. Note that Loans Payable, Bond Anticipation Notes (BANS), and Bond Premiums are not incorporated in these calculations.

	<u>Various Debt Ratios</u>	
	<u>6/30/2019</u>	<u>6/30/2018</u>
Total Outstanding Long-Term Bonded Debt	\$15,862,000	\$17,742,229
Debt per Capita -		
2010 Census (15,955)	\$ 994	\$ 1,112
State Average \$1,781		
City/town average \$1,673		
Net Assessed Values	\$1,677,480,239	\$1,683,588,822
Debt to Net Assessed Values	0.95%	1.13%
Tax Rate per \$ 1,000:		
Real Estate	\$ 18.20	\$ 17.56
Motor Vehicle	\$ 40.00	\$ 40.00
Credit Ratings -		
Fitch's Investor's Service	N/A	AA
Moody's Rating Agency	N/A	Aa2

The Town received a rating upgrade by both Fitch's Investor's Service (from A to A+) and Moody's Rating Agency (from A2 to A1) in 2000. Subsequently the Town's A1 credit rating with Moody's Rating Agency was reaffirmed and upgraded by Fitch's Investor's Service to AA- in 2006. Fitch Investor's Service again reaffirmed the AA- rating in 2008. Moody's and Fitch recalibrated the Town's ratings in April 2010 to Aa2 and AA respectively. Fitch reaffirmed its rating when a surveillance review was conducted in 2010, 2012, and, September 2014. In October 2016, Fitch upgraded the Town's General Obligation Bond Rating to AAA while maintaining the Issuers Default Rating (IDR) at AA. At June 30, 2019 the Town had outstanding bonded debt through the Rhode Island Infrastructure Bank's state revolving loan fund. This debt is not considered public debt, therefore, the Town was no longer rated as of June 30, 2019.

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 16.31% is above its minimal goal of maintaining a sufficient unassigned fund balance. Maintenance of this minimum balance will continue to be a priority as part of the overall process involved with improving financial operations.

Debt Administration (Continued)

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

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

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2020 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 2.7 percent. This compares to the State's average unemployment rate of 3.6 percent and the national average of 3.7 percent.
- According to the Tax Assessor, the average 2019 single family home in Burrillville is valued for assessment purposes at \$272,626, the average commercial property is valued at \$642,326, and the average industrial property is valued at \$984,694.
- The bond market remains favorable with its continued low interest rates and demand for municipal tax exempt debt which will provide a strong market for potential Town debt issues.
- The State's reductions of various State aid to the communities continue to impact the Town's budget.
- Certain employment costs including health insurance continue to rise requiring constant reevaluation of those programs.
- The Town of Burrillville is meeting its 10% federal and state affordable housing goal. (Greenridge Affordable Housing Development has opened offering affordable rents for those earning up to 80% of area median income).

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

A number of factors were considered when the Town's budget for the fiscal year ending June 30, 2020 was being prepared including the following:

- The overall adopted budget was \$50,496,620, which was an increase of \$928,301 over the revised 2019 budget [\$49,568,319].
 - Capital improvements decreased by \$82,651 [3.18%].
 - The School operating budget increased from \$33,132,051 to \$34,000,956 or 2.62%. The net dollar increase is \$868,905.
 - The municipal debt budget decreased \$675,121 [47.28%].
- The General Fund's largest single revenue source is property taxes – State revenue is second. The Town's tax rate was decreased from \$18.20 per \$1,000 valuation to \$16.00 per \$1,000 valuation for fiscal year ending 2020. The average single family home value increased from \$230,610 to \$272,676 (\$42,066 increase). This resulted in the average single family homeowner's tax liability increasing by \$165 when comparing the 2020 tax bill to the prior year.
- The 2020 Budget provides for continuation of the Town's capital improvement program, which annually includes significant infrastructure upgrades. This year's CIP Budget does not include any reliance on the current year tax levy due to the reliance on the revenues generated from the OSP/TransCanada tax agreement.
- The General Fund's portion of property tax revenue for FY 2020 is estimated to be \$30.21 million. The decrease in tax levy (approximately \$0.46 million) relates primarily to a loss of revenue from the Motor Vehicle phase out.
- The Town continues to pursue economic development opportunities to assist in spreading the tax burden among commercial and residential property owners.

Requests for Information

Contacting the Town's Financial Management

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

TOWN OF BURRILLVILLE

**BASIC
FINANCIAL STATEMENTS**



TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 20,427,727	\$ 4,678,529	\$ 25,106,256	\$ 327,888
Investments	4,067,554		4,067,554	
Receivables:				
Taxes, net	869,582		869,582	
Sewer assessments and user fees, net		616,493	616,493	
Loans				1,550
Other	250,665	14,802	265,467	
Town-held tax liens	291,834		291,834	
Due from:				
Primary government				158,303
Other governments	1,885,402	16,432	1,901,834	
Component unit	10,937		10,937	
Internal balances	3,191	(3,191)		
Prepaid expenses	20,301	4,816	25,117	137,221
Inventory		16,035	16,035	
Total current assets	27,827,193	5,343,916	33,171,109	624,962
Noncurrent assets:				
Loans receivable, net				6,429
Net pension asset	2,965,162		2,965,162	
Capital assets:				
Non-depreciable	6,835,640	382,443	7,218,083	217,075
Depreciable, net	60,814,570	27,213,335	88,027,905	544,078
Sewer assessment fees		172,172	172,172	
Total noncurrent assets	70,615,372	27,767,950	98,383,322	767,582
TOTAL ASSETS	98,442,565	33,111,866	131,554,431	1,392,544
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions	12,757,229		12,757,229	
Deferred expense on refunding bonds	76,764	0	76,764	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,833,993	0	12,833,993	0

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLANDSTATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES:				
Current liabilities:				
Accounts payable	2,066,355	447,643	2,513,998	41,350
Accrued payroll	2,825,002	29,335	2,854,337	12,896
Accrued interest	56,604	53,135	109,739	
Retainage payable	212,475		212,475	
Due to:				
Primary government				10,937
Other governments	22,777	6,400	29,177	
Component unit	158,303		158,303	
Current portion of long-term debt	1,331,000	513,567	1,844,567	12,406
Unearned revenue	778,099	18,056	796,155	
Other liabilities	97,587	12,704	110,291	
Total current liabilities	7,548,202	1,080,840	8,629,042	77,589
Noncurrent liabilities:				
Long-term debt, net	9,567,638	6,749,809	16,317,447	62,430
Net other post-employment benefit liability	3,055,736	23,248	3,078,984	
Net pension liability	32,200,618		32,200,618	
Total noncurrent liabilities	44,823,992	6,773,057	51,597,049	62,430
TOTAL LIABILITIES	52,372,194	7,853,897	60,226,091	140,019
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	6,995,284		6,995,284	
Deferred inflows related to other post-employment benefits	890,268	6,773	897,041	
TOTAL DEFERRED INFLOWS OF RESOURCES	7,885,552	6,773	7,892,325	0
NET POSITION:				
Net investment in capital assets	61,728,850	20,413,207	82,142,057	761,153
Restricted - nonexpendable	420,791		420,791	
Restricted for:				
General government	98,319		98,319	
Public safety	98,818		98,818	
Recreation and social services	371,322		371,322	
Education	483,389		483,389	
Community development	60,506		60,506	
Unrestricted	(12,243,183)	4,837,989	(7,405,194)	491,372
TOTAL NET POSITION	\$ 51,018,812	\$ 25,251,196	\$ 76,270,008	\$ 1,252,525

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 5,692,901	\$ 588,950	\$ 1,118,559		\$ (3,985,392)		\$ (3,985,392)	
Public safety	4,713,918	82,303	97,073	\$ 7,042	(4,527,500)		(4,527,500)	
Public works	4,414,773	17,030	418	167,106	(4,230,219)		(4,230,219)	
Education	37,274,247	511,613	15,833,505	471,775	(20,457,354)		(20,457,354)	
Recreation and social services	932,918	251,516	105,464	74,865	(501,073)		(501,073)	
Libraries	1,081,371		173,440	253,920	(654,011)		(654,011)	
Community development	779,604	43,861	727,668		(8,075)		(8,075)	
Burrillville Redevelopment Agency	60,000				(60,000)		(60,000)	
Interest on long-term debt	235,747				(235,747)		(235,747)	
Total governmental activities	55,185,479	1,495,273	18,056,127	974,708	(34,659,371)		(34,659,371)	
Business-type activities:								
Sewer Authority	2,861,091	2,589,631				\$ (271,460)	(271,460)	
School Cafeteria	849,764	442,167	411,186			3,589	3,589	
Levy Rink	459,771	475,103				15,332	15,332	
Extended Day Care	622,376	634,379				12,003	12,003	
Total business-type activities	4,793,002	4,141,280	411,186	0	0	(240,536)	(240,536)	
Total primary government	\$ 59,978,481	\$ 5,636,553	\$ 18,467,313	\$ 974,708	(34,659,371)	(240,536)	(34,899,907)	
Component Units:								
Burrillville Redevelopment Agency	\$ 52,928	\$ 51,016		\$ 60,000				\$ 58,088
Jesse M. Smith Memorial Library	935,503	13,567	\$ 951,410					29,474
Total component units	\$ 988,431	\$ 64,583	\$ 951,410	\$ 60,000				87,562
General revenues:								
Property taxes					33,854,883		33,854,883	
Unrestricted investment earnings					407,952	28,447	436,399	3,320
Contributions not restricted to specific programs					582,000		582,000	
Gain on sale of capital asset					10,000		10,000	
Transfers					(21,216)	21,216		
Total general revenues and transfers					34,833,619	49,663	34,883,282	3,320
Change in net position					174,248	(190,873)	(16,625)	90,882
Net Position - beginning of year					50,844,564	25,442,069	76,286,633	1,161,643
Net Position - end of year					\$ 51,018,812	\$ 25,251,196	\$ 76,270,008	\$ 1,252,525

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 16,739,438	\$ 598,480	\$ 3,089,809	\$ 20,427,727
Investments	4,067,554			4,067,554
Receivables:				
Taxes, net	869,582			869,582
Other	18,289	23,862	208,514	250,665
Town-held tax liens	291,834			291,834
Due from:				
Other funds	344,689	3,349,395	4,210,390	7,904,474
Component unit		10,937		10,937
Other governments	341,478	32,877	1,511,047	1,885,402
Prepaid expenditures		20,301		20,301
TOTAL ASSETS	\$ 22,672,864	\$ 4,035,852	\$ 9,019,760	\$ 35,728,476
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 235,617	\$ 927,447	\$ 903,291	\$ 2,066,355
Accrued payroll and benefits	161,850	2,518,237	144,915	2,825,002
Retainage payable			212,475	212,475
Due to:				
Other funds	7,229,905	4,294	667,084	7,901,283
Component units	158,303			158,303
Other governments	17,876		4,901	22,777
Unearned revenues		12,166	765,933	778,099
Other liabilities	90,134		7,453	97,587
TOTAL LIABILITIES	7,893,685	3,462,144	2,706,052	14,061,881
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	796,305	0	0	796,305
TOTAL DEFERRED INFLOWS OF RESOURCES	796,305	0	0	796,305

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (Continued):				
FUND BALANCES:				
Nonspendable	291,834	20,301	108,656	420,791
Restricted			1,112,354	1,112,354
Committed	5,316,922	68,516	5,122,381	10,507,819
Assigned	133,123	484,891		618,014
Unassigned	8,240,995		(29,683)	8,211,312
TOTAL FUND BALANCES	13,982,874	573,708	6,313,708	20,870,290
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 \$ 22,672,864	 \$ 4,035,852	 \$ 9,019,760	 \$ 35,728,476

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2019**

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

Total Fund Balances (B-1)		\$ 20,870,290
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		
Governmental capital assets	121,101,292	
Less: accumulated depreciation	<u>(53,451,082)</u>	
		67,650,210
Net pension asset is not reported in the governmental fund statements.		
		2,965,162
Deferred outflows related to pension plans are reported in the Statement of Net Position but not in the governmental fund statements.		
		12,757,229
Net other post-employment benefit (OPEB) liability is not reported in the governmental fund statements. This amount represents accumulated plan contributions in excess of annual OPEB costs.		
		(3,055,736)
Some liabilities, including bonds payable and related deferred outflows of resources, are not due and payable in the current period and therefore are not reported in the governmental fund statements.		
Governmental bonds payable	(8,756,000)	
Premium	(381,286)	
Current year amortization	48,162	
Deferred expense on refunding bonds	87,696	
Current year amortization	(10,932)	
Compensated absences	(1,018,414)	
Landfill closure and post-closure care costs	<u>(791,100)</u>	
		(10,821,874)
Net pension liability is not reported in the governmental fund statements.		
		(32,200,618)
Pension related deferrals are not reported in the governmental fund statements.		
		(6,995,284)
Certain deferred inflows of resources in governmental fund statements are susceptible to full accrual on the government-wide statements.		
		796,305
Other post-employment benefit related deferrals are not reported in the governmental funds.		
		(890,268)
Accrued interest payable is recorded in governmental activities, but is not recorded in the governmental fund statements.		
		(56,604)
Total Net Position (A-1)		<u><u>\$ 51,018,812</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, 2019**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
REVENUES:				
General property taxes	\$ 32,882,951			\$ 32,882,951
Intergovernmental	2,485,579	\$ 12,872,936	\$ 2,823,475	18,181,990
Licenses, permits and fees	528,334			528,334
Investment income	369,220		38,732	407,952
Departmental	49,393			49,393
Other	83,040		939,445	1,022,485
Intergovernmental - pension contribution		1,546,369		1,546,369
TOTAL REVENUES	36,398,517	14,419,305	3,801,652	54,619,474
EXPENDITURES:				
Current:				
General government	3,366,520		1,031,586	4,398,106
Public safety	2,878,684		154,039	3,032,723
Public works	1,578,172			1,578,172
Education	220,856	33,064,299	1,536,453	34,821,608
Recreation and social services	176,691		356,937	533,628
Libraries	886,300		173,440	1,059,740
Community development			779,604	779,604
Burrillville Redevelopment Agency	60,000			60,000
Employee benefits and other	2,495,838			2,495,838
Intergovernmental - pension contribution		1,546,369		1,546,369
Debt Service:				
Principal	1,401,229			1,401,229
Interest and other costs	267,296		6,715	274,011
Capital:				
Capital outlay	1,037,707	217,430	5,635,294	6,890,431
TOTAL EXPENDITURES	14,369,293	34,828,098	9,674,068	58,871,459
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	22,029,224	(20,408,793)	(5,872,416)	(4,251,985)

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	General Fund	School Department	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES):				
Transfers in	1,006,341	20,259,115	3,273,226	24,538,682
Transfers out	(22,975,452)	(34,000)	(1,550,446)	(24,559,898)
NET OTHER FINANCING SOURCES (USES)	(21,969,111)	20,225,115	1,722,780	(21,216)
NET CHANGE IN FUND BALANCES	60,113	(183,678)	(4,149,636)	(4,273,201)
FUND BALANCE AT BEGINNING OF YEAR	13,922,761	757,386	10,463,344	25,143,491
FUND BALANCE AT END OF YEAR	\$ 13,982,874	\$ 573,708	\$ 6,313,708	\$ 20,870,290

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (B-2) TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (A-2)
YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Total Governmental Funds (B-2):	\$ (4,273,201)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	2,851,307
The governmental funds report OPEB contributions as expenditures when paid. However, in the Statement of Activities, differences between OPEB plan contributions and OPEB costs for the year are reported as an OPEB liability.	(890,268)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	3,091,119
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences.	1,401,229
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.	(154,890)
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.	92,047
Adjustment to accrued interest payable related to general obligation bonds which is required to be recorded for government-wide financial statement presentation.	1,034
Pension expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditures in governmental funds.	(3,043,866)
Other post-employment benefit expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	1,099,737
Change in Net Position of Governmental Activities (A-2)	<u>\$ 174,248</u>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 3,857,248	\$ 204,281	\$ 617,000	\$ 4,678,529
Accounts receivable, net		4,204	10,598	14,802
Sewer assessments and user fees, net	616,493			616,493
Due from:				
Other funds	18,579			18,579
Other governments		16,432		16,432
Prepaid expenses	3,364		1,452	4,816
Inventory	4,565	11,470		16,035
Total current assets	4,500,249	236,387	629,050	5,365,686
Noncurrent assets:				
Sewer assessment fees	172,172			172,172
Net capital assets	27,246,457		349,321	27,595,778
Total noncurrent assets	27,418,629	0	349,321	27,767,950
TOTAL ASSETS	31,918,878	236,387	978,371	33,133,636
LIABILITIES:				
Current liabilities:				
Accounts payable	306,090	121,695	19,858	447,643
Accrued payroll	12,832		16,503	29,335
Accrued interest	53,135			53,135
Due to:				
Other funds		23	21,747	21,770
Other governments	6,400			6,400
Other liabilities	12,704			12,704
Unearned revenue		15,945	2,111	18,056
Capital lease payable			24,437	24,437
Accrued compensated absences	6,000	1,000	1,130	8,130
Current portion of long-term debt	481,000			481,000
Total current liabilities	878,161	138,663	85,786	1,102,610
Noncurrent liabilities:				
Capital lease payable, net			52,134	52,134
Accrued compensated absences	53,784	8,736	10,155	72,675
Long-term debt, net	6,625,000			6,625,000
Net other post employment benefit obligation	23,248			23,248
Total noncurrent liabilities	6,702,032	8,736	62,289	6,773,057
TOTAL LIABILITIES	7,580,193	147,399	148,075	7,875,667

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019**

	<u>Sewer Authority</u>	<u>School Cafeteria Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Totals</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to other post-employment benefits	6,773			6,773
TOTAL DEFERRED INFLOWS OF RESOURCES	6,773	0	0	6,773
NET POSITION:				
Net investment in capital assets	20,140,457		272,750	20,413,207
Unrestricted	4,191,455	88,988	557,546	4,837,989
TOTAL NET POSITION	\$ 24,331,912	\$ 88,988	\$ 830,296	\$ 25,251,196

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2019**

	<u>Sewer Authority</u>	<u>School Cafeteria Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for usage and service	\$ 2,553,698	\$ 442,167	\$ 1,109,482	\$ 4,105,347
Miscellaneous	35,933			35,933
Total operating revenues	2,589,631	442,167	1,109,482	4,141,280
OPERATING EXPENSES:				
Operations	994,387	758,588	355,819	2,108,794
Personnel	889,373	88,720	668,525	1,646,618
Depreciation	820,937	2,456	53,421	876,814
Total operating expenses	2,704,697	849,764	1,077,765	4,632,226
OPERATING INCOME (LOSS)	(115,066)	(407,597)	31,717	(490,946)
NONOPERATING REVENUES (EXPENSES):				
Investment income	24,416	775	3,256	28,447
Intergovernmental		411,186		411,186
Interest expense	(156,394)		(4,382)	(160,776)
Total nonoperating revenue (expense)	(131,978)	411,961	(1,126)	278,857
INCOME (LOSS) BEFORE TRANSFERS	(247,044)	4,364	30,591	(212,089)
TRANSFERS IN (OUT)	(12,784)	0	34,000	21,216
CHANGE IN NET POSITION	(259,828)	4,364	64,591	(190,873)
TOTAL NET POSITION - BEGINNING	24,591,740	84,624	765,705	25,442,069
TOTAL NET POSITION - ENDING	\$ 24,331,912	\$ 88,988	\$ 830,296	\$ 25,251,196

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 2,557,447	\$ 442,844	\$ 1,104,505	\$ 4,104,796
Cash received from providing services	35,933			35,933
Cash paid to suppliers	(985,337)	(777,692)	(351,101)	(2,114,130)
Cash paid to employees	(876,267)	(89,978)	(664,437)	(1,630,682)
Net cash provided by (used for) operating activities	731,776	(424,826)	88,967	395,917
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Nonoperating grants received		416,236		416,236
Transfer from (to) other funds	(12,784)		34,000	21,216
Increase in due from other funds	(18,579)			(18,579)
Decrease in due to other funds	(15,717)	(316)	(43,635)	(59,668)
Increase in due to other governments	2,000			2,000
Net cash provided by (used for) noncapital financing activities	(45,080)	415,920	(9,635)	361,205
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(258,956)		(48,483)	(307,439)
Principal payment on long-term debt	(479,000)			(479,000)
Principal payment on capital lease			(23,411)	(23,411)
Interest expense	(158,608)		(4,382)	(162,990)
Net cash used for capital and related financing activities	(896,564)	0	(76,276)	(972,840)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	24,416	775	3,256	28,447
Net cash provided by investing activities	24,416	775	3,256	28,447
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(185,452)	(8,131)	6,312	(187,271)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,042,700	212,412	610,688	4,865,800
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,857,248	\$ 204,281	\$ 617,000	\$ 4,678,529

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2019**

	Sewer Authority	School Cafeteria Fund	Non-major Enterprise Funds	Totals
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (115,066)	\$ (407,597)	\$ 31,717	\$ (490,946)
Adjustments to reconcile:				
Depreciation	820,937	2,456	53,421	876,814
(Increase) decrease in accounts receivable	3,749	732	(2,842)	1,639
Increase in prepaid expenses	(1,185)		(417)	(1,602)
Decrease in inventory		4,712		4,712
Increase (decrease) in accounts payable	10,155	(23,816)	5,135	(8,526)
Increase (decrease) in accrued payroll	(176)		1,974	1,798
Increase in other liabilities	80			80
Decrease in unearned revenue		(55)	(2,135)	(2,190)
Increase (decrease) in accrued compensated absences	8,850	(1,258)	2,114	9,706
Decrease in net other post employment benefit obligation	(2,341)			(2,341)
Increase in deferred inflows	6,773			6,773
Net cash provided by (used for) operating activities	\$ 731,776	\$ (424,826)	\$ 88,967	\$ 395,917
Supplemental cash flow disclosure:				
Capital assets purchased through accounts payable	\$ 228,026	\$ 0	\$ 0	\$ 228,026

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF BURRILLVILLE, RHODE ISLAND

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

Agency
Funds

Pupil Activity
Funds

ASSETS:

Cash and cash equivalents

\$ 185,475

LIABILITIES:

Deposits held in custody for others

\$ 185,475

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

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

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

Recently Issued Accounting Standards

The Town implemented the following pronouncements for the year ended June 30, 2019.

- GASB Statement No. 83 - Certain Asset Retirement Obligations.
- GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards (Continued)

- GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61, effective for the Town's fiscal year ending June 30, 2020.
- GASB Statement No. 91 – Conduit Debt Obligations, effective for the Town's fiscal year ending June 30, 2022.

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

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Capital Project Funds

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

Permanent Funds

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

Proprietary Funds

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

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

- Pupil Activity Funds

Major and Non-Major Funds

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Major and Non-Major Funds

Non-Major:

Special Revenue:	School Restricted Grants, Community Recreation, Town Clerk – Technology, Historical Records, Solemn Federal Task Force, Animal Shelter Donation Account, Library Grant, Community Emergency Response Training, Byrne Grant, Clear River Energy Fund, Spring Lake, Community Development Block Grant, Blackstone Valley Prevention Coalition, Partnership for Success, Cops That Care, Ocean State Power Funds, Narcotics Guidance Council, Police Legislative Grant, Police Grant – Operation Riptide, Voter Access, Bullet Proof Vest, RI Senior Grant, Electric Vehicle Grant, Wallace Lees Scholarship, Snack Pack Program, Police Grants, and Police Task Force.
Capital Projects:	Dog Park, Commerce Park Water Loop, Public Works Complex Fund, Animal Control Facility Renovation, Wilson Spillway, School Roof Improvements, Oakland/Mapleville Bike Path, North Road Bridge Project, Open Space/Land Acquisition, School Department Capital Projects, and Major Capital.
Permanent:	Cemetery Fund, Frank H. Potter Bridgeway Fund, Alice McGreevy Thompson Fund, and Jesse M. Smith Memorial Library Fund.
Proprietary:	Levy Rink and Extended Day Care.

Measurement Focus

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

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

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

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

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

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts totaled \$466,200 for property taxes. Business-type activities report usage and service fees as its major receivables.

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments

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

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

Materials and Supplies

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

Prepaid Items

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

Property, Plant and Equipment

Property, Plant and Equipment

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

Government-Wide Statements

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment (Continued)

Government-Wide Statements (Continued)

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

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

Fund Financial Statements

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

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

Bond Issuance Costs

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

Amount Deferred on Refunding

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

Pensions

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows and Outflows of Resources

In addition to assets, the government-wide statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflow of resources related to pension/OPEB in the government-wide financial statements. A deferred inflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Accrued Compensated Absences

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

At June 30, 2019, 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.....	\$121,947		\$ 121,947
Administrative Departments.....	41,434		41,434
Public Works Department.....	53,017		53,017
Recreation Department.....	3,646		3,646
School Department.....	27,614	\$770,756	798,370
Total.....	\$247,658	\$770,756	\$1,018,414

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Short-Term Interfund Receivables/Payables

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

Advances to Other Funds

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

Land Held for Resale

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

Long-Term Debt

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

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures. Interest is reported as an expenditure in the period in which the related payment is made. The total bond premiums at June 30, 2019 were \$501,691, while the accumulated amortization was \$168,567.

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. There were no outstanding encumbrances at June 30, 2019.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications

Government-Wide Statements

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

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

Fund Statements

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Town and School Department for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the Town and School General Funds, assigned amounts represent intended uses established by majority vote of the Town Council and School Committee.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Fund Statements (Continued)

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

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

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$2,851,307 difference are as follows:

Capital outlay.....	\$6,348,190
Depreciation expense	<u>(3,496,883)</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net position</i> <i>of governmental activities</i>	<u>\$ 2,851,307</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of this \$1,401,229 difference are as follows:

Principal repayments – general obligation debt	<u>\$ 1,401,229</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net position</i> <i>of governmental activities</i>	<u>\$ 1,401,229</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 \$154,890 difference are as follows:

Deferred revenue – beginning.....	\$ (951,195)
Deferred revenue – ending	<u>796,305</u>
Net adjustment to decrease <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net</i> <i>position of governmental activities</i>	<u>\$ (154,890)</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 \$92,047 difference are as follows:

Decrease in liability for compensated absences.....	\$ 14,017
Decrease in liability for landfill closure	40,800
Amortization of current year deferred expense on refunding.....	(10,932)
Amortization of current year bond premium	<u>48,162</u>
Net adjustment to increase <i>net change in fund balances -</i> <i>total governmental funds</i> to arrive at <i>change in net position</i> <i>of governmental activities</i>	<u>\$ 92,047</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 \$1,034 difference are as follows:

Accrued interest – beginning.....	\$ 57,638
Accrued interest – ending	<u>(56,604)</u>
Net adjustment to increase <i>net change in fund balances-</i> <i>total governmental funds</i> to arrive at <i>change in net position of</i> <i>governmental activities</i>	<u>\$ 1,034</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

2. BUDGETARY PROCESS

(a) Adoption

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

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

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

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

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

Budget appropriations lapse at the end of the fiscal year. There were eight supplemental budgetary revisions made during the year totaling \$3,726,084. The increase was due primarily to capital improvement budget appropriations of \$2,318,713.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

2. BUDGETARY PROCESS (Continued)

(b) Reconciliation - Budgetary to GAAP

The Town Charter requires annual budgets for the General Fund and Special Revenue - General School Activities. The practices used in the preparation of the 2019 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 2019.

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
General Fund:		
Statement of Revenues and Expenditures (Non-GAAP Budgetary Basis) (E-8)	\$ 52,877,801	\$ 49,399,607
Less: Transfer from Fund Balance to revenue for current year	(3,581,904)	
Less: School Department revenues included in General Fund Budget	(12,872,936)	
Less: School Department expenditures included in General Fund		(12,872,936)
Activity of funds classified with the General Fund for the purposes of GASB Statement No. 54	<u>981,897</u>	<u>818,074</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances (B-2)	<u>\$ 37,404,858</u>	<u>\$ 37,344,745</u>

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
Statement of Revenues, Expenditures and Other Financing Sources (Non-GAAP Budgetary Basis) Budget and Actual (E-9)	\$33,180,169	\$33,243,951
Add: Prior year encumbrances		71,778
Less: Transfer from Fund Balance to revenue for current year	(48,118)	
Adjustment for pension contribution made by State of Rhode Island on behalf of employees	<u>1,546,369</u>	<u>1,546,369</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances (B-2)	<u>\$34,678,420</u>	<u>\$34,862,098</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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 \$21,442,735 while the bank balance was \$22,030,396, of which \$7,352,042 was covered by federal depository insurance and \$14,678,354 was uninsured and collateralized by securities held by the pledging financial institution's trust department in the Town's name.

In addition, at June 30, 2019, the Town had deposits of \$1,051,602 and \$3,114,116 held through Federally Insured Cash Account (FICA) and Insured Cash Sweep Service (ICS), respectively. The FICA and ICS places Town funds at other FDIC insured banks in amounts that do not exceed the FDIC insured maximum. Through the FICA and ICS programs the Town can exclude specific banks to insure the FDIC insured limit is never exceeded at the destination banks.

The following is a reconciliation of the Town's cash and cash equivalents as of June 30, 2019:

	<u>Primary Government</u>	<u>Component Units</u>
Total deposits	\$ 21,114,847	\$ 327,888
Add: petty cash and cash on hand	11,166	0
Add: Federally Insured Cash Account	1,051,602	0
Add: Insured Cash Sweep	3,114,116	0
Less: fiduciary funds cash (not included in the government-wide financial statements)	<u>(185,475)</u>	<u>0</u>
Total cash and cash equivalents reported in the financial statements (A-1)	<u>\$ 25,106,256</u>	<u>\$ 327,888</u>

(b) Investments

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

3. DEPOSITS AND INVESTMENTS (Continued)

(b) Investments (Continued)

Custodial Credit Risk, Investments – The Town does not have a formal custodial credit risk policy. Custodial credit risk is the risk that in the event of financial institution failure, the Town’s investments may not be returned or the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2019, the Town did not have any material uncollateralized investments.

Concentration of Credit Risk - At June 30, 2019, the Town had substantially all of its investments concentrated in federally insured certificates of deposit. At June 30, 2019, 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.

Investments consisted of the following at June 30, 2019:

<u>Description</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>
Certificate of deposit	\$1,000,000	2.39%	7/31/19
Certificate of deposit	2,015,180	2.41%	8/01/19
Certificate of deposit	<u>1,052,374</u>	2.43%	10/31/19
Total investments (A-1)	<u>\$4,067,554</u>		

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

3. DEPOSITS AND INVESTMENTS (Continued)

(b) Investments (Continued)

As of June 30, 2019, the Town had the following cash and investments:

<u>Description</u>	<u>Fair Value</u>
Deposits	\$21,442,735
Federally Insured Cash Account	1,051,602
Insured Cash Sweep	3,114,116
Certificates of deposit	4,067,554
Petty cash and cash on hand	11,166
Total cash and investments	<u>\$29,687,173</u>

4. TAXES RECEIVABLE

The Town's property tax is levied each June 30, for its next fiscal year on the assessed values listed as of the prior December 31 (lien date), for all real property, tangible property, and motor vehicles located in the Town. Assessed values of real property and tangible personal property were established by the Town Assessor's office at 100% of appraised market value as of December 31, 2017. 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 2019 were based on an assessed value of approximately \$1,677,480,239 at December 31, 2017 and amounted to \$32,670,736. Collections on the 2019 tax levy through June 30, 2019 amounted to \$32,190,697, which represents 98.5% 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, 2019 (\$1,335,782) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$466,200. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2019 are recorded as unearned revenue and amounted to \$698,725 at June 30, 2019. Property taxes recognized as revenue for the fiscal year ended June 30, 2019 (due to their collection within the 60 days immediately following June 30, 2019) amounted to \$170,857.

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 \$290,503. These receivables are only collectible upon the transfer of title to the property.

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

5. **INTERGOVERNMENTAL RECEIVABLES AND PAYABLES**

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

	<u>Due From</u>	<u>Due To</u>
Governmental activities:		
State of Rhode Island:		
Major funds:		
General Fund	\$ 306,553	\$17,876
School Department General Fund	32,877	
Non-major funds	<u>590,377</u>	<u>606</u>
Total	<u>929,807</u>	<u>18,482</u>
Federal government:		
Major funds:		
General Fund	29,662	
Non-major funds	<u>288,071</u>	<u>4,295</u>
Total	<u>317,733</u>	<u>4,295</u>
Other governments:		
Major Funds:		
General Fund	5,263	
Non-major funds	<u>632,599</u>	
Total	<u>637,862</u>	<u>0</u>
Total governmental activities	<u>\$ 1,885,402</u>	<u>\$22,777</u>
Business-type activities:		
State of Rhode Island:		
Sewer Authority		\$6,400
Total	<u>\$ 0</u>	<u>6,400</u>
Federal government:		
School Cafeteria Fund	16,432	
Total	<u>16,432</u>	<u>0</u>
Total business-type activities	<u>\$ 16,432</u>	<u>\$6,400</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

6. INTERFUND BALANCES

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances represent balances resulting from operating advances. The composition of interfund balances at June 30, 2019 is as follows.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental activities:		
Major funds:		
General Fund	\$ 344,689	\$7,229,905
School Department General Fund.....	3,349,395	4,294
Non-major funds	<u>4,210,390</u>	<u>667,084</u>
Total governmental activities	<u>7,904,474</u>	<u>7,901,283</u>
Business-type activities:		
Major funds:		
Sewer Authority	18,579	
School Cafeteria Fund		23
Non-major funds		<u>21,747</u>
Total business type activities	<u>18,579</u>	<u>21,770</u>
Balances at June 30, 2019	<u>\$7,923,053</u>	<u>\$7,923,053</u>

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Discretely Presented Component Unit Balances:		
Primary government:		
General Fund		\$ 158,303
School Department General Fund.....	\$ 10,937	
Discretely presented component units:		
Burrillville Redevelopment Agency	4,485	
Jesse M. Smith Memorial Library	<u>153,818</u>	<u>10,937</u>
Balances at June 30, 2019	<u>\$ 169,240</u>	<u>\$ 169,240</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,212,397			\$ 3,212,397
Construction in progress	2,432,102	\$ 3,884,127	\$(2,692,986)	3,623,243
Total capital assets not being depreciated	<u>5,644,499</u>	<u>3,884,127</u>	<u>(2,692,986)</u>	<u>6,835,640</u>
Other capital assets:				
Buildings and improvements	77,016,009	3,282,360		80,298,369
Equipment	3,042,998	131,386	(73,937)	3,100,447
Vehicles	5,370,532	303,445	(11,000)	5,662,977
Infrastructure	23,679,064	1,524,795		25,203,859
Total other capital assets	<u>109,108,603</u>	<u>5,241,986</u>	<u>(84,937)</u>	<u>114,265,652</u>
Less: accumulated depreciation for:				
Buildings and improvements	(30,571,160)	(1,791,633)		(32,362,793)
Equipment	(2,166,086)	(212,147)	73,927	(2,304,296)
Vehicles	(3,827,739)	(343,947)	11,000	(4,160,686)
Infrastructure	(13,389,214)	(1,234,093)		(14,623,307)
Total accumulated depreciation	<u>(49,954,199)</u>	<u>(3,581,820)</u>	<u>84,937</u>	<u>(53,451,082)</u>
Other capital assets, net	<u>59,154,404</u>	<u>(1,660,166)</u>	<u>0</u>	<u>60,814,570</u>
Governmental activities capital assets, net	<u>\$ 64,798,903</u>	<u>\$ 5,544,293</u>	<u>\$ (2,692,986)</u>	<u>\$ 67,650,210</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

7. CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 382,443			\$ 382,443
Total capital assets not being depreciated ...	382,443	\$ 0	\$0	382,443
Other capital assets:				
Leasehold improvements	34,398			34,398
Collection systems	42,394,387	300,961		42,695,348
Plant & buildings	8,338,522	45,792		8,384,314
Plant equipment	465,151	10,024		475,175
Motor vehicles	135,261			135,261
Furniture and equipment	889,662	2,691		892,353
Total other capital assets	52,257,381	359,468	0	52,616,849
Less: accumulated depreciation for:				
Leasehold improvements	(34,280)	(61)		(34,341)
Collection systems	(16,081,665)	(741,443)		(16,823,108)
Plant and buildings	(7,415,781)	(63,762)		(7,479,543)
Plant equipment	(271,035)	(19,903)		(290,938)
Motor vehicles	(135,261)			(135,261)
Furniture and equipment	(588,678)	(51,645)		(640,324)
Total accumulated depreciation	(24,526,700)	(876,814)	0	(25,403,514)
Other capital assets, net	27,730,681	(517,346)	0	27,213,335
Business-type activities capital assets, net	\$28,113,124	\$ (517,346)	\$0	\$ 27,595,778

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

Governmental activities:	
General government	\$ 228,962
Public safety	213,933
Education	1,316,651
Recreation and social services	354,866
Public works	<u>1,467,408</u>
Total governmental activities depreciation expense	<u>\$3,581,820</u>
Business-type activities:	
Sewer Authority	\$ 820,937
School Cafeteria Fund	2,456
Non-major enterprise funds	<u>53,421</u>
Total business-type activities depreciation expense	<u>\$ 876,814</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

7. CAPITAL ASSETS (Continued)

Discretely Presented Component Units:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Burrillville Redevelopment Agency:				
Capital assets not being depreciated:				
Land	\$217,075			\$217,075
Other capital assets:				
Buldings and improvements.....		\$439,625		439,625
Capital assets, net.....	<u>\$217,075</u>	<u>\$439,625</u>	<u>\$0</u>	<u>\$656,700</u>
Jesse M. Smith Memorial Library:				
Other capital assets:				
Furniture and equipment.....	\$121,084	\$41,098		\$ 162,182
Less: accumulated depreciation for:				
Furniture and equipment.....	(46,975)	(10,754)		(57,729)
Other capital assets, net.....	<u>\$ 74,109</u>	<u>\$ 30,344</u>	<u>\$0</u>	<u>\$ 104,453</u>

8. LONG-TERM LIABILITIES

(a) Change in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2019 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.....	\$10,157,229	\$ 0	\$(1,401,229)	\$8,756,000	\$1,173,000
Plus: bond premium, net of amortization	381,286		(48,162)	333,124	
Total long-term debt	<u>10,538,515</u>	<u>0</u>	<u>(1,449,391)</u>	<u>9,089,124</u>	<u>1,173,000</u>
Other long-term liabilities:					
Compensated absences	1,032,431	342,001	(356,018)	1,018,414	110,000
Landfill closure and post-closure costs.....	831,900		(40,800)	791,100	48,000
Total other long-term liabilities.....	<u>1,864,331</u>	<u>342,001</u>	<u>(396,818)</u>	<u>1,809,514</u>	<u>158,000</u>
Governmental activities long-term liabilities	<u>\$12,402,846</u>	<u>\$ 342,001</u>	<u>\$(1,846,209)</u>	<u>\$10,898,638</u>	<u>\$1,331,000</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, 2019**

8. LONG-TERM LIABILITIES (Continued)

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

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities:					
Long-term debt:					
General obligation debt.....	\$7,585,000		\$(479,000)	\$7,106,000	\$481,000
Total long-term debt	<u>7,585,000</u>	<u>\$ 0</u>	<u>(479,000)</u>	<u>7,106,000</u>	<u>481,000</u>
Other long-term liabilities:					
Capital lease	99,982		(23,411)	76,571	24,437
Compensated absences	71,099	47,547	(37,841)	80,805	8,130
Net OPEB obligation	25,589		(2,341)	23,248	
Total other long-term liabilities.....	<u>196,670</u>	<u>47,547</u>	<u>(63,593)</u>	<u>180,624</u>	<u>32,567</u>
Total business-type activities.....	<u>\$7,781,670</u>	<u>\$ 47,547</u>	<u>\$(542,593)</u>	<u>\$7,286,624</u>	<u>\$513,567</u>

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding

At June 30, 2019, 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, 2018</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding June 30, 2019</u>
Sewer bonds:	11/13/03	\$5,600,000	9/1/24	1.410%	<u>\$ 2,406,000</u>	\$0	\$ 323,000	<u>\$2,083,000</u>
Refunding bonds:	12/22/15	3,380,000	5/15/26	3.0% - 5.0%	2,675,000		345,000	2,330,000
	9/7/17	2,780,000	11/1/26	2.015%	<u>2,455,000</u>	0	295,000	<u>2,160,000</u>
	Subtotal				<u>5,130,000</u>	0	640,000	<u>4,490,000</u>
Landfill bonds:	6/24/10	2,160,000	9/1/25	0.27% - 2.79%	1,152,000		144,000	1,008,000
Road bonds:	8/29/14	680,000	9/1/25	0.30% - 1.85%	544,000		68,000	476,000
Water bonds:	6/19/18	700,000	9/1/37	1.0% - 2.710%	<u>700,000</u>	0	1,000	<u>699,000</u>
					Subtotal general obligation bonds	0	1,176,000	8,756,000
Note payable:	5/20/09	610,000	5/20/19	None	<u>225,229</u>	0	225,229	<u>0</u>
					Total general obligation debt	\$ 0	\$1,401,229	\$8,756,000

BUSINESS-TYPE ACTIVITIES

Sewer bonds:	12/21/06	\$3,500,000	9/1/27	1.165% - 1.315%	\$ 1,750,000		\$ 175,000	\$1,575,000
	7/30/15	3,700,000	9/1/34	0.53% - 2.67%	3,372,000		167,000	3,205,000
	6/2/16	2,600,000	9/1/35	0.31% - 2.24%	<u>2,463,000</u>		137,000	<u>2,326,000</u>
					Total general obligation debt	\$ 0	\$ 479,000	\$7,106,000

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds and Notes Outstanding (Continued)

During the fiscal year ended June 30, 2019, the Town retired \$1,401,229 in principal for the governmental activities and \$479,000 in principal for the business-type activities on its existing outstanding bonds and loans.

During the fiscal year ended June 30, 2019, the Town incurred the following interest expense:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Sewer bonds	\$ 47,698	\$156,394
Refunding bonds.....	176,795	
Landfill bonds.....	31,450	
Road bonds.....	9,816	
Water bonds	1,537	
Total	<u>\$267,296</u>	<u>\$156,394</u>

The Town has issued seven bonds under the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. The seven bonds issued consisted of a 2006 \$3,500,000 Wastewater bond issue, a 2010 \$2,160,000 Landfill bond issue, a 2014 \$680,000 Road bond issue, a 2015 \$3,700,000 Wastewater bond issue, a 2016 \$2,600,000 Wastewater bond issue, a 2015 \$3,380,000 Refunding bond issue; and a \$700,000 Drinking Water bond issue. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

(c) Long-Term Liability Activity

2017 General Obligation Refunding Bonds

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

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

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

Since the Series 2006 Bonds have, in effect, been redeemed under the defeasance, they are no longer outstanding under the Town's bond resolution and therefore, the liability for those bonds and related escrow funds are not reflected in the June 30, 2019 financial statements.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

8. LONG-TERM LIABILITIES (Continued)

(c) Long-Term Liability Activity (Continued)

2018 Water System Improvement Bond

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

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

Burrillville Redevelopment Agency

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

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

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$12,406	\$1,405	\$13,811
2021	12,656	1,154	13,810
2022	12,911	899	13,810
2023	13,171	639	13,810
2024	13,437	373	13,810
2025	<u>10,255</u>	<u>103</u>	<u>10,358</u>
Total	<u>\$74,836</u>	<u>\$4,573</u>	<u>\$79,409</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. LONG-TERM LIABILITIES (Continued)

(d) Note Payable

On May 20, 2009, the Town entered into a \$610,000 promissory note with the Industrial Foundation of Burrillville (a Rhode Island nonprofit corporation) related to the purchase of real estate for future Town development. The note is interest-free and matures no later than May 20, 2019. Notwithstanding the May 20, 2019 maturity date, the note required 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 was due on May 20, 2019. Due to the sale of Town property, a principal payment of \$384,771 was made during the fiscal year ended June 30, 2012. The outstanding balance of \$225,229 was paid during the fiscal year ended June 30, 2019.

(e) Capital Lease

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

Business-type Activities

	<u>Levy Rink</u>
Assets:	
Equipment.....	\$285,260
Less: accumulated depreciation	<u>(152,302)</u>
Total	<u>\$132,958</u>

The following schedule summarizes the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2019:

Fiscal year ending <u>June 30:</u>	<u>Business-type Activities</u>
2020	\$ 27,793
2021	27,793
2022	<u>27,793</u>
Total minimum lease payments	83,379
Less: amount representing interest.....	<u>(6,808)</u>
Present value of future minimum lease payments	<u>\$ 76,571</u>

(f) Operating Lease

In October, 2018, the Town entered into a lease agreement for an electric vehicle. The lease is for 36 months and requires monthly payments of \$270. Lease expense for the year ended June 30, 2019 was \$2,713. Future minimum lease payments are summarized below:

Fiscal year ending <u>June 30:</u>	
2020	\$ 3,239
2021	3,239
2022	<u>540</u>
Total minimum lease payments	<u>\$ 7,018</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. LONG-TERM LIABILITIES (Continued)

(g) Debt Service Requirements

At June 30, 2019, 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>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$1,173,000	\$ 252,916	\$ 1,425,916
2021	1,207,800	217,785	1,425,585
2022	1,209,800	182,145	1,391,945
2023	1,206,800	146,066	1,352,866
2024	1,204,800	109,872	1,314,672
2025	1,202,800	73,427	1,276,227
2026	835,800	40,740	876,540
2027	288,800	15,097	303,897
2028	38,800	11,660	50,460
2029	38,800	10,694	49,494
2030	38,800	9,662	48,462
2031	38,800	8,593	47,393
2032	38,800	7,493	46,293
2033	38,800	6,359	45,159
2034	38,800	5,202	44,002
2035	38,800	4,036	42,836
2036	38,800	2,882	41,682
2037	38,800	1,733	40,533
2038	38,400	578	38,978
Total	\$8,756,000	\$1,106,940	\$9,862,940

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 481,000	\$ 155,860	\$ 636,860
2021	483,000	148,537	631,537
2022	486,000	140,699	626,699
2023	489,000	132,295	621,295
2024	493,000	123,392	616,392
2025	497,000	114,073	611,073
2026	501,000	104,206	605,206
2027	506,000	93,540	599,540
2028	511,000	82,085	593,085
2029	341,000	71,609	412,609
2030	347,000	62,210	409,210
2031	354,000	52,338	406,338
2032	360,000	42,044	402,044
2033	367,000	31,367	398,367
2034	374,000	20,462	394,462
2035	382,000	9,331	391,331
2036	134,000	1,836	135,836
Total	\$7,106,000	\$1,385,884	\$8,491,884

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

9. FUND EQUITY

(a) Fund Balance Constraints

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

	<u>General Fund</u>	<u>School Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>				
Perpetual care			\$ 82,656	\$ 82,656
Endowments			26,000	26,000
Tax sale property	\$ 291,834			291,834
Prepaid expenditures		\$ 20,301		20,301
<i>Restricted for:</i>				
Town Clerk			98,319	98,319
Police department			98,818	98,818
Recreation			371,322	371,322
Education			483,389	483,389
Community development			60,506	60,506
<i>Committed to:</i>				
Recycling program	29,370			29,370
Revaluation project	318,006			318,006
Recreational programs			129,229	129,229
Debt service	861,565			861,565
Capital projects	121,056		4,853,386	4,974,442
Unfunded liability and incentive pay	149,458			149,458
Employee benefits	1,042,970	68,516		1,111,486
Subsequent year's budget	2,794,497			2,794,497
Professional services			139,766	139,766
<i>Assigned for:</i>				
Educational programs	133,123	484,891		618,014
<i>Unassigned</i>	<u>8,240,995</u>		<u>(29,683)</u>	<u>8,211,312</u>
<i>Total Fund Balances</i>	<u>\$13,982,874</u>	<u>\$573,708</u>	<u>\$6,313,708</u>	<u>\$20,870,290</u>

(b) Fund Deficits

The following funds had a fund equity deficit balance at June 30, 2019:

Dog Park	\$ 2,198
Animal Control Facility Renovation	27,485

The Town's policy is to cover deficit fund equity balances through General Fund contributions.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

9. FUND EQUITY (Continued)

(c) Fund Deficits

The following individual funds had deficits for the year ended June 30, 2019:

Major Funds:

School Department	\$ 183,678
Sewer Authority	259,828

Non-major governmental activities:

Special Revenue Funds:

Clear River Energy Fund	488,603
Spring Lake	2,508
Community Development Block Grant	4,814
Ocean State Power Funds	8,965

Capital Project Funds:

Dog Park	1,182
Commerce Park Water Loop	374,507
Public Works Complex Fund	310,890
Animal Control Facility Renovation	808,168
Wilson Spillway	3,203
School Roof Improvements	1,090,741
Oakland/Mapleville Bike Path	3,451
School Department Capital Projects	611,526
Major Capital	649,462

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

10. DEFINED BENEFIT PENSION PLANS

(a) Municipal Employees' Retirement System

General Information about the Pension Plan

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

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org.

Benefits Provided

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

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

General Employees

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

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

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

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

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

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

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

Police and Fire Employees

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

Police and Fire Employees (Continued)

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

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

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

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

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

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

Other benefit provisions

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

a) Municipal Employees' Retirement System (Continued)

Other benefit provisions (Continued)

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

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

Employees covered by benefit terms.

At the June 30, 2017 valuation date, the following employees were covered by the benefit terms:

	<u>General Employees</u>	<u>Police Employees</u>
Retirees and Beneficiaries	106	18
Inactive, Nonretired Members	47	4
Active Members	142	23
Total	295	45

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

a) Municipal Employees' Retirement System (Continued)

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The Town of Burrillville contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Burrillville contributed \$481,141 in the year ended June 30, 2019 for general employees and \$367,613 for public safety employees, which was 7.39% and 21.32% of annual covered payroll, respectively.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2017 and rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2018 measurement date (June 30, 2017 valuation rolled forward to June 30, 2018)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 program scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

Net Pension Liability (Asset) (Continued)

<u>Asset Class</u>	<u>Long-Term Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
GROWTH:		
Global Equity		
U.S. Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	<u>4.80%</u>	8.90%
Subtotal	<u>40.00%</u>	
Private Growth		
Private Equity	11.30%	9.08%
Non-Core RE	2.20%	5.03%
OPP Private Credit	<u>1.50%</u>	9.08%
Subtotal	<u>15.00%</u>	
INCOME:		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	<u>3.20%</u>	3.81%
Subtotal	<u>8.00%</u>	
STABILITY:		
Crisis Protection Class		
Treasury Duration	4.00%	0.61%
Systematic Trend	<u>4.00%</u>	4.00%
Subtotal	<u>8.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	<u>1.00%</u>	3.81%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	<u>3.00%</u>	0.61%
Subtotal	<u>21.00%</u>	
Total	<u>100.00%</u>	

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

Net Pension Liability (Asset) (Continued)

Discount rate - The discount rate used to measure the total pension liability of the plans was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset) - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of June 30, 2017	\$ 30,506,662	\$ 27,999,346	\$ 2,507,316
Changes for the Year			
Service cost	612,949		612,949
Interest on the total pension liability	2,098,853		2,098,853
Changes in benefits			
Difference between expected and actual experience	(598,194)		(598,194)
Changes in assumptions			
Employer contributions		483,944	(483,944)
Employee contributions		198,255	(198,255)
Net investment income		2,188,863	(2,188,863)
Benefit payments, including employee refunds	(1,659,039)	(1,659,039)	
Administrative expense		(29,139)	29,139
Other changes		69,686	(69,686)
Net changes	454,569	1,252,570	(798,001)
Balances as of June 30, 2018	\$ 30,961,231	\$ 29,251,916	\$ 1,709,315

Changes in the Net Pension Liability (Asset) - Police Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2017	\$ 13,193,420	\$ 10,039,767	\$ 3,153,653
Changes for the Year			
Service cost	344,307		344,307
Interest on the total pension liability	913,952		913,952
Changes in benefits			
Difference between expected and actual experience	(222,964)		(222,964)
Changes in assumptions			
Employer contributions		308,922	(308,922)
Employee contributions		158,993	(158,993)
Net investment income		798,999	(798,999)
Benefit payments, including employee refunds	(618,245)	(618,245)	
Administrative expense		(10,637)	10,637
Other changes			
Net changes	417,050	638,032	(220,982)
Balances as of June 30, 2018	\$ 13,610,470	\$ 10,677,799	\$ 2,932,671

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

Net Pension Liability (Asset) (Continued)

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
General Employees	\$ 5,300,165	\$ 1,709,315	\$ (964,718)
Police Employees	\$ 4,498,444	\$ 2,932,671	\$ 1,766,779

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

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

For the year ended June 30, 2019, the employer recognized pension expense of \$484,780 for the general employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>General Employees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 0	\$ 810,461
Changes in assumptions	880,797	
Net difference between projected and actual earnings on pension plan investments	1,069,661	844,118
Contributions subsequent to measurement date		
	<u>481,141</u>	
Total	<u>\$2,431,599</u>	<u>\$1,654,579</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

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

Deferred outflows of resources totaling \$481,141 related to pensions resulting from the Town of Burrillville's contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 392,223
2021	225,555
2022	(171,670)
2023	<u>(150,229)</u>
Total	<u>\$ 295,879</u>

For the year ended June 30, 2019 the employer recognized pension expense of \$364,959 for the police employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Police Employees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 270,012	\$ 585,534
Changes in assumptions	471,209	16,510
Net difference between projected and actual earnings on pension plan investments	368,089	314,473
Contributions subsequent to measurement date	<u>367,613</u>	<u> </u>
Total	<u>\$1,476,923</u>	<u>\$ 916,517</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) Municipal Employees' Retirement System (Continued)

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

Deferred outflows of resources totaling \$367,613 related to pensions resulting from the Town of Burrillville's contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 73,642
2021	5,586
2022	(14,409)
2023	109,151
2024	33,695
Thereafter	<u>(14,872)</u>
Total	<u>\$ 192,793</u>

(b) Employees' Retirement System

General Information about the Pension Plan

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

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

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, Burrillville School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Burrillville School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Burrillville School Department; the rates were 10.06% and 13.45% of annual covered payroll for the fiscal year ended June 30, 2019 for the State and Burrillville School Department, respectively. The Burrillville School Department contributed \$2,076,751, \$1,991,879, and \$1,861,155, for the fiscal years ended June 30, 2019, 2018, and 2017, respectively, equal to 100% of the required contributions for each year. The State's share of contributions for fiscal 2019 was \$1,546,369 and is reflected as on behalf-payments and included in both revenue and expenditures on the financial statements.

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

At June 30, 2019, the Burrillville School Department reported a liability of \$27,558,632 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Burrillville School Department as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Burrillville School Department were as follows:

Burrillville School Department proportionate share of the net pension liability	\$27,558,632
State's proportionate share of the net pension liability associated with the Burrillville School Department	<u>20,556,760</u>
Total net pension liability	<u>\$48,115,392</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

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

The net pension liability was measured as of June 30, 2018, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. The Burrillville School Department's proportion of the net pension liability was based on a projection of the Burrillville School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2018 the Burrillville School Department proportion was 0.86737424%.

For the year ended June 30, 2019, the Burrillville School Department recognized gross pension expense of \$4,140,169 and revenue of \$1,870,728 for support provided by the State. At June 30, 2019, the Burrillville School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$2,218,112
Changes in assumptions	2,001,817
Difference between expected and actual experience	403,087
Net difference between projected and actual earnings on pension plan investments	1,296,038
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,449,617
Total	<u>\$7,368,671</u>
Deferred inflows of resources	
Change in assumptions	\$ 324,307
Differences between expected and actual experience	525,629
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,586,388
Net difference between projected and actual earnings on pension plan investments	966,862
Total	<u>\$3,403,186</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

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

Deferred outflows of resources totaling \$2,218,112 related to pensions resulting from the Burrillville School Department's contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 558,507
2021	222,144
2022	(257,694)
2023	286,871
2024	377,425
Thereafter	560,120
Total	\$1,747,373

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

Inflation	2.5%
Salary increases	3.0% to 13.5%
Investment rate of return	7.0%

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

The actuarial assumptions used in the June 30, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Long-Term Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
GROWTH:		
Global Equity		
U.S. Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	<u>4.80%</u>	8.90%
Subtotal	<u>40.00%</u>	
Private Growth		
Private Equity	11.30%	9.08%
Non-Core RE	2.20%	5.03%
OPP Private Credit	<u>1.50%</u>	9.08%
Subtotal	<u>15.00%</u>	
INCOME:		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	<u>3.20%</u>	3.81%
Subtotal	<u>8.00%</u>	
STABILITY:		
Crisis Protection Class		
Treasury Duration	4.00%	0.61%
Systematic Trend	<u>4.00%</u>	4.00%
Subtotal	<u>8.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	<u>1.00%</u>	3.81%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	<u>3.00%</u>	0.61%
Subtotal	<u>21.00%</u>	
Total	<u>100.00%</u>	

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Employees' Retirement System (Continued)

Actuarial Assumptions (Continued)

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

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$34,673,479	\$27,558,632	\$22,259,329

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

(c) Teachers' Survivors Benefit Plan

General Information about the Pension Plan

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

General Information about the Pension Plan (Continued)

Eligibility and plan benefits (Continued)

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

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

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

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse's Benefit</u>
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 962.50
\$25,001 to \$33,000	\$ 1,000.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

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

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

Contributions - The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Burrillville School Department contributed \$24,253, \$24,725, and \$20,722, for the fiscal years ended June 30, 2019, 2018, and 2017, respectively, equal to 100% of the required contributions for each year.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

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

At June 30, 2019, the Burrillville School Department reported an asset of \$2,965,162 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2018, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. The Burrillville School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2018 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2018, the Burrillville School Department's proportion was 3.32308118%.

For the year ended June 30, 2019, the Burrillville School Department recognized pension expense of \$70,353 – a decrease in the pension asset. At June 30, 2019, the Burrillville School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$ 24,253
Difference between expected and actual experience	505,210
Changes in assumptions	390,687
Net difference between projected and actual investment earnings	388,508
Changes in proportion and differences between employer contributions and proportionate share of contributions	171,378
Total	<u>\$1,480,036</u>
Deferred inflows of resources	
Net difference between projected and actual earnings on pension plan investments	\$321,215
Changes in proportion and differences between employer contributions and proportionate share of contributions	202,210
Difference between expected and actual experience	497,577
Total	<u>\$1,021,002</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

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

Deferred outflows of resources totaling \$24,253 related to pensions resulting from the Burrillville School Department contributions in fiscal year 2019 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 212,858
2021	114,309
2022	(30,670)
2023	49,637
2024	69,710
Thereafter	18,937
Total	\$ 434,781

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

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

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

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

The actuarial assumptions used in the June 30, 2017 valuation and the calculation of the total pension liability at June 30, 2018 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Long-Term Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
GROWTH:		
Global Equity		
U.S. Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	<u>4.80%</u>	8.90%
Subtotal	<u>40.00%</u>	
Private Growth		
Private Equity	11.30%	9.08%
Non-Core RE	2.20%	5.03%
OPP Private Credit	<u>1.50%</u>	9.08%
Subtotal	<u>15.00%</u>	
INCOME:		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	<u>3.20%</u>	3.81%
Subtotal	<u>8.00%</u>	
STABILITY:		
Crisis Protection Class		
Treasury Duration	4.00%	0.61%
Systematic Trend	<u>4.00%</u>	4.00%
Subtotal	<u>8.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	<u>1.00%</u>	3.81%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	<u>3.00%</u>	0.61%
Subtotal	<u>21.00%</u>	
Total	<u>100.00%</u>	

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

CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teachers' Survivors Benefit Plan (Continued)

Actuarial Assumptions (Continued)

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

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$(2,057,670)	\$(2,965,162)	\$(3,640,801)

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

11. DEFINED CONTRIBUTION PENSION PLAN

Defined Contribution Plan Description:

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Contribution rates for general employees, public safety employees, teachers, and the employer were as follows for the fiscal year ended June 30, 2019:

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

11. DEFINED CONTRIBUTION PENSION PLAN (Continued)

Defined Contribution Plan Description (Continued):

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

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

The Town of Burrillville recognized pension expense of \$33,057, for the fiscal year ended June 30, 2019. Town of Burrillville plan members contributed \$158,302 during the fiscal year ended June 30, 2019. The Burrillville School Department recognized pension expense of \$311,479 and \$27,896 for teachers and general employees, respectively for the fiscal year ended June 30, 2019. Burrillville School Department plan members contributed \$932,454 during the fiscal year ended June 30, 2019.

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

12. CONTINGENT LIABILITIES

Board of Administration

The Town is committed under an agreement for the rental of the Town Hall facilities. The terms are determined by the Board of Administration on an annual basis as provided under the will of Austin T. Levy. Total payments made for fiscal year ending June 30, 2019 totaled \$164,120. Total payments to be made for fiscal year ending June 30, 2020 total \$164,120.

School Department

The School Department has contracted with DATTCO, Inc. to have bus service provided for students through the last day of school in June 2021. The annual payment on this contract varies from year to year based on the transportation needs of the department. There is a 2.75% increase each year on the cost per bus as dictated by the bus transportation contract with DATTCO, Inc. Busing costs associated with this agreement totaled approximately \$2,070,325 for the year ended June 30, 2019.

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 2019 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, 2019

12. CONTINGENT LIABILITIES (Continued)

Litigation

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

13. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town's OPEB Plan is a single-employer defined benefit plan offering healthcare benefits that are administered by the Rhode Island Interlocal Risk Management Trust. The Town provides post employment healthcare benefits to eligible retirees in accordance with the various labor contracts and personnel policies. As of June 30, 2018, 387 individuals (372 active employees and 15 retirees plus beneficiaries) were participating in the Plan. Since the plan has no assets, reporting an Other Post Employment Benefit (OPEB) trust fund in the accompanying financial statements is not required. An actuarial consultant, Sage View Consulting Group, was hired to determine the Town's actuarial valuation of the post retirement benefits that are offered to current and future retirees as of July 1, 2018. The plan does not issue a stand-alone report.

Funding Policy

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

Benefit Provisions and Contributions:

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

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

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

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

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

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Benefit Provisions and Contributions (Continued):

Benefit/Cost Sharing:

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

Municipal Council 94: If a retiree has at least 20 years of service, then the Town covers 100% of the premium for a single plan for five years minus the retiree co-share listed below.

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

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

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

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

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

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

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

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

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Classes of Employees Covered

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

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

Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at June 30, 2019 were as follows:

	<u>General Government</u>	<u>Sewer</u>
Total OPEB liability	\$ 3,055,736	\$23,248
Plan fiduciary net position	<u>0</u>	<u>0</u>
Town's net OPEB liability	<u>\$ 3,055,736</u>	<u>\$23,248</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher. Rates were taken from the Bond Buyer 20-year Bond GO index as of the measurement date.

Changes in the Net OPEB Liability:

	General Employees Increase (Decrease)		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances as of June 30, 2018	\$ 4,155,473	\$ 0	\$ 4,155,473
Changes for the Year			
Service cost	94,008		94,008
Interest on the total OPEB liability	129,083		129,083
Difference between expected and actual experience	(1,020,985)		(1,020,985)
Changes in assumptions	(50,937)		(50,937)
Employee contributions			0
Employer contributions		250,906	(250,906)
Benefit payments	(250,906)	(250,906)	0
Net changes	<u>(1,099,737)</u>	<u>0</u>	<u>(1,099,737)</u>
Balances as of June 30, 2019	<u>\$ 3,055,736</u>	<u>\$ 0</u>	<u>\$ 3,055,736</u>

	Sewer Increase (Decrease)		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances as of June 30, 2018	\$ 25,589	\$ 0	\$ 25,589
Changes for the Year			
Service cost	263		263
Interest on the total OPEB liability	780		780
Difference between expected and actual experience	(1,131)		(1,131)
Changes in assumptions	(419)		(419)
Employee contributions			0
Employer contributions		1,834	(1,834)
Benefit payments	(1,834)	(1,834)	0
Net changes	<u>(2,341)</u>	<u>0</u>	<u>(2,341)</u>
Balances as of June 30, 2019	<u>\$ 23,248</u>	<u>\$ 0</u>	<u>\$ 23,248</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

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

For the year ended June 30, 2019, the employer recognized OPEB expense of \$(163,837) for the general employees and \$(1,901) for the sewer employees. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>General Employees</u>		<u>Sewer Employees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience		\$(676,266)		\$ (5,145)
Differences in assumptions		(214,002)		(1,628)
Excess (deficit) investment returns	<u> </u>	<u> 0</u>	<u> </u>	<u> 0</u>
Total	<u>\$ 0</u>	<u>\$(890,268)</u>	<u>\$ 0</u>	<u>\$ (6,773)</u>

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

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$(389,872)
2021	(389,872)
2022	(32,048)
2023	(32,048)
2024	(32,048)
Thereafter	<u>(21,153)</u>
Total	<u>\$(897,041)</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

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

The following presents the net OPEB liability of the Town, calculated using the discount rate of 3.87%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current rate.

	1% Decrease <u>2.87%</u>	Current Discount Rate <u>3.87%</u>	1% Increase <u>4.87%</u>
Net OPEB Liability	\$3,353,584	\$3,078,984	\$2,833,601

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

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

	1% Decrease <u>1%</u>	Current Trend Rates	1% Increase <u>1%</u>
Net OPEB Liability	\$2,800,967	\$3,078,984	\$3,399,888

Funded Status and Funding Progress

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

Actuarial Methods and Assumptions

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

Discount Rate.....	3.87% for determining fiscal 2019 disclosure
Actuarial Cost Method.....	Entry Age Normal
Amortization Method	Level Dollar
Initial medical inflation rate.....	7.50%
Ultimate medical inflation rate.....	4.50%
Year when ultimate inflation rate reached	2039
Asset Valuation Method	N/A
Mortality Table.....	RP-2014 Combined Healthy Mortality Table backed off to 2006 and projected generationally with Scale MP-2019
Salary Increase	2.50%

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

14. MAJOR TAX REVENUE SOURCE

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

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

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

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

15. DEFERRED COMPENSATION PLAN

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

The Town has implemented the Governmental Accounting Standards Board, Statement No. 32, "Accounting for Internal Revenue Code Section 457 Deferred Compensation Plans." All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, deferred compensation investments and the respective liability have not been included in the Town's financial statements for the year ended June 30, 2019. Employees are allowed to make contributions to the Plan up to IRC limits, currently \$19,000 (\$25,000 if age 50 or older). There is no Town required contribution and no additional obligation incurred by the Town as a result of the employee contributions. Employee contributions to the Plan for the year ended June 30, 2019 were \$105,485. The Town has an obligation to prudently manage these monies.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

16. RISK MANAGEMENT

The Town of Burrillville is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims for losses that are above the Trust's self-insured retention. Under the participation agreement, the Town is insured for general liability for a maximum of \$5,000,000 per occurrence. There have been no reductions in insurance coverage from the previous year. Settled claims resulting from these risks have not exceeded the Trust Coverage in any of the past 32 fiscal years.

During the fiscal year ended June 30, 2019, the Town paid premiums of \$148,350 for workers' compensation coverage and \$237,129 for property and liability coverage.

At June 30, 2019, the Trust held reserves for future payments of open cases of \$189,649 for property and liability claims and \$30,007 for workers compensation claims for the Town of Burrillville. The Trust is obligated to make payments on the Town's behalf without any further obligation of the Town, unless the Town's applicable limit of liability was exhausted by the size of the loss or the nature of the loss would fall outside the parameters of the Trust policy. As of June 30, 2019, the Town believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

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

17. INTERFUND TRANSFERS

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating costs with revenue generated by the fund. During the year ended June 30, 2019, the interfund transfers were primarily to transfer budgeted amounts to the School Department for operations and to a capital project fund.

Interfund transfers for fiscal year ended June 30, 2019 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
Major funds:		
General Fund	\$ 1,006,341	\$22,975,452
School Department	20,259,115	34,000
Non-major funds	<u>3,273,226</u>	<u>1,550,446</u>
Total governmental activities	<u>\$24,538,682</u>	<u>\$24,559,898</u>
Business-type activities:		
Major funds		
Sewer Authority		\$ 12,784
Non-major funds	\$ 34,000	
Total business-type activities	<u>\$ 34,000</u>	<u>\$ 12,784</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

18. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

The Town utilizes the General Fund to account for closure and postclosure care costs of its two closed landfills (Clear River Road and Whipple Avenue). The Clear River Road landfill was closed in 1991. Postclosure monitoring costs are estimated at \$14,900 per year for the remaining two years.

The Whipple Avenue landfill was closed in 1976. During fiscal year 2008, the Town, in accordance with state and federal regulations, entered into a voluntary compliance program which required the Town to place a final cover on the landfill and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The landfill capping project was completed in fiscal year 2011. Postclosure monitoring costs are estimated at \$33,100 per year for the remaining 23 years. These estimates are based on an independent evaluation of the cost to perform closure and postclosure monitoring. These estimates are subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations. Annual postclosure monitoring costs are expected to be funded through General Fund appropriations.

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

<u>Town Landfill</u>	<u>Year of Closure</u>	<u>Remaining Capping Cost (Estimate)</u>	<u>Monitoring Costs (Estimate)</u>	<u>Years Remaining</u>	<u>Projected Liability</u>	<u>Short-Term Liability</u>	<u>Long-Term Liability</u>
Clear River Road	1991	N/A	\$14,900	2	\$ 29,800	\$14,900	\$ 14,900
Whipple Avenue	1976	N/A	<u>33,100</u>	23	<u>761,300</u>	<u>33,100</u>	<u>728,200</u>
			<u>\$48,000</u>		<u>\$791,100</u>	<u>\$48,000</u>	<u>\$743,100</u>

19. PUBLIC ENTITY RISK POOL

The Health Pool

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

19. PUBLIC ENTITY RISK POOL (Continued)

The Health Pool (Continued)

Using the rate calculations prepared by the Trust, the Trust sets annual contribution rates for the subscribers of each member for each program offered. The Pool agreement requires that those contribution rates be set 1) at a level sufficient, in the aggregate, to satisfy the funding requirements of the Pool, and 2) with the intent that over the long term each member is contributing its fair share. The contributions of each member are used to pay for claims, reinsurance and all administrative expenses. The Pool agreement provides for an annual independent audit of its financial statements.

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

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

After it has been a member of the Pool for an initial three-year period, a member may withdraw from participation in the Pool at its discretion, but a withdrawal may only be effective on June 30th of any year. Any election to terminate participation in the Pool requires a written notification to the Trust of such intent to withdraw no later than May 1st or two (2) months prior to the policy expiration date, whichever date is earlier. Liquidated damages would be assessed at the time of departure prior to the initial three-year period. The Trust may terminate a member's coverage for failure to pay amounts due.

For the year ended June 30, 2019, unaudited results indicate that the Pool generated \$141,489,880 in revenues and had a change in net position, revenues less expenses, of \$2,384,714. The Pool had \$57,026,995 in total assets and \$32,925,463 in total equity as of June 30, 2019.

The Pool retains certain levels of insurance risk. Specific losses in excess of \$1 million to a limit of \$2 million are covered by a Health Excess Claims Stoploss Account internal to the Trust that is funded by annual Stoploss Account payments from the Health Pool. As of June 30, 2019, the Pool's membership consisted of 45 cities, towns or other governmental units.

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

20. SUBSEQUENT EVENTS

Tax Agreement

On October 29, 2015, Invenergy Thermal Development LLC (Invenergy) filed an application with the Energy Facility Siting Board (EFSB). This application sought approval for a natural gas fired electric power facility to be known as the Clear River Energy Center (CREC) located in Burrillville on Wallum Lake Road. The facility would have generated approximately 850 to 1,000 megawatts. Invenergy claimed that the facility would be "the most efficient power generator in the New England market to date and will replace older, more polluting, less efficient and less flexible modes of power generation that the region currently relies upon." Invenergy originally requested an expedited review of the application and asked for a final decision no later than September 15, 2016.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

20. SUBSEQUENT EVENTS (Continued)

Tax Agreement (Continued)

As the host town for this facility, Burrillville intervened in the EFSB proceedings in opposition to the plant. Participating as an intervenor allowed Burrillville to closely examine the application, to file testimony before the EFSB, to request information from Invenergy, to cross examine witnesses, to file motions, and in general to make arguments and a presentation to the EFSB on the issues raised by this application.

The Town has also intervened in a number of Federal Energy Regulatory Commission (FERC) documents related to CREC.

In order to protect its interests in the event the EFSB, over the Town's objections, licensed the power plant, the Town negotiated a tax agreement and a decommissioning agreement with Invenergy. The tax agreement provided for (1) up front impact fees of a minimum of \$2,925,000 and a maximum of \$3,675,000, and (2) taxes of a minimum of \$91,960,767 and a maximum of \$182,324,994 over 20 years.

On February 22, 2017, National Grid filed a related application before the EFSB for a license to construct and alter transmission lines between the CREC project site and the Sherman Road Switching Station. The Town intervened in this docket as well in opposition.

In an EFSB Decision and Order issued on November 5, 2019, the EFSB rejected Invenergy's application for a license. The EFSB found that Invenergy had failed to prove that the facility was necessary to meet the needs of the state and/or region. Invenergy did not appeal the Decision and Order to the Supreme Court and the Decision became final and unappealable on November 15, 2019.

On November 21, 2019, National Grid withdrew the transmission line EFSB application.

On November 25, 2019, Invenergy notified the Town that it was discontinuing the development of the facility and was terminating the tax agreement and decommissioning agreement.

(CONCLUDED)

TOWN OF BURRILLVILLE

**REQUIRED SUPPLEMENTARY
INFORMATION**



TOWN OF BURRILLVILLE, RHODE ISLANDSCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

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

(CONTINUED)

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

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

(CONCLUDED)

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

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 481,141	\$ 480,821	\$ 505,102	\$ 505,089	\$ 501,237
Contributions in relation to the actuarially determined contribution	(481,141)	(480,821)	(505,102)	(505,089)	(501,237)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 6,510,742	\$ 6,541,615	\$ 6,228,126	\$ 6,028,871	\$ 6,021,628
Contributions as a percentage of covered-employee payroll	7.39%	7.35%	8.11%	8.38%	8.32%

Municipal Employees' Retirement System - Police Employees

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 367,613	\$ 309,733	\$ 329,218	\$ 358,658	\$ 330,750
Contributions in relation to the actuarially determined contribution	(367,613)	(309,733)	(329,218)	(358,658)	(330,750)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 1,724,254	\$ 1,589,600	\$ 1,511,560	\$ 1,395,130	\$ 1,330,979
Contributions as a percentage of covered-employee payroll	21.32%	19.48%	21.78%	25.71%	24.85%

Notes:

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Changes in benefit provisions:

June 30, 2018 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

(CONCLUDED)

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

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Burrillville School Department's proportionate percentage of the net pension liability	0.86737424%	0.81491404%	0.83485176%	0.82699821%	0.92527010%
Burrillville School Department's proportionate share of the net pension liability	\$ 27,558,632	\$ 25,703,094	\$ 24,908,450	\$ 22,767,283	\$ 22,521,078
State of Rhode Island's proportionate share of the net pension liability associated with the Burrillville School Department	20,556,760	19,425,363	17,058,630	15,553,893	15,443,740
Total	<u>\$ 48,115,392</u>	<u>\$ 45,128,457</u>	<u>\$ 41,967,080</u>	<u>\$ 38,321,176</u>	<u>\$ 37,964,818</u>
Burrillville School Department's covered employee payroll	\$ 15,440,528	\$ 15,044,403	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Burrillville School Department's proportionate share of the net pension liability as a percentage of its covered employee payroll	178.48%	170.85%	166.89%	153.81%	154.76%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.00%	54.06%	57.55%	61.40%

Notes:

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

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

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 2,076,751	\$ 1,991,879	\$ 1,861,155	\$ 1,936,089	\$ 1,861,211
Contributions in relation to the actuarially determined contribution	(2,076,751)	(1,991,879)	(1,861,155)	(1,936,089)	(1,861,211)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 15,440,528	\$ 15,044,403	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Contributions as a percentage of covered- employee payroll	13.45%	13.24%	12.47%	13.08%	12.79%

Notes:

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

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

	Teachers' Survivors Benefit Plan				
	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Burrillville School Department's proportionate percentage of the net pension asset	3.32308118%	3.41762439%	3.20515468%	3.31903683%	3.29654812%
Burrillville School Department's proportionate share of the net pension asset	\$ 2,965,162	\$ 2,827,278	\$ 3,191,433	\$ 3,098,507	\$ 4,098,293
Burrillville School Department's covered employee payroll	\$ 15,440,528	\$ 15,044,403	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Burrillville School Department's proportionate share of the net pension asset as a percentage of its covered employee payroll	19.2%	18.8%	21.4%	20.9%	28.2%
Plan fiduciary net position as a percentage of the total pension liability	137.4%	136.1%	153.3%	146.6%	173.3%

Notes:

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

TOWN OF BURRILLVILLE, RHODE ISLAND

SCHEDULE OF BURRILLVILLE SCHOOL DEPARTMENT'S CONTRIBUTIONS

Teachers' Survivors Benefit Plan

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Statutorily determined contribution	\$ 24,253	\$ 24,725	\$ 20,722	\$ 20,010	\$ 20,027
Contributions in relation to the statutorily determined contribution	(24,253)	(24,725)	(20,722)	(20,010)	(20,027)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 15,440,528	\$ 15,044,403	\$ 14,925,060	\$ 14,801,904	\$ 14,552,080
Contributions as a percentage of covered-employee payroll	0.16%	0.16%	0.14%	0.14%	0.14%

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

TOWN OF BURRILLVILLE, RHODE ISLAND

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

	General Employees		Sewer Employees	
	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2018
Total OPEB liability				
Service cost	\$ 94,008	\$ 106,149	\$ 263	\$ 293
Interest on the total OPEB liability	129,083	113,564	780	689
Effect of economic/demographic gains or losses	0	0	0	0
Effect of assumptions changes or inputs	(50,937)	(244,656)	(419)	(833)
Differences between expected and actual experience	(1,020,985)	0	(1,131)	0
Employee contributions	0	252,761	0	0
Benefit payments	(250,906)	(273,020)	(1,834)	0
Net change in total OPEB liability	(1,099,737)	(45,202)	(2,341)	149
Total OPEB liability - beginning	4,155,473	4,200,675	25,589	25,440
Total OPEB liability - ending	3,055,736	4,155,473	23,248	25,589
Plan fiduciary net position				
Contributions - employer	250,906	20,259	1,834	0
Contributions - employee	0	252,761	0	0
Net investment income	0	0	0	0
Benefit payments	(250,906)	(273,020)	(1,834)	0
OPEB plan administrative expense	0	0	0	0
Net change in plan fiduciary net position	0	0	0	0
Plan fiduciary net position - beginning	0	0	0	0
Plan fiduciary net position - ending	0	0	0	0
Net OPEB liability (asset) - ending	\$ 3,055,736	\$ 4,155,473	\$ 23,248	\$ 25,589
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 24,536,319	\$ 23,683,959	\$ 623,817	\$ 622,325
Net OPEB liability as a percentage of covered payroll	12.45%	17.55%	3.73%	4.11%

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

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, 2019**

	Originally Adopted Budget	Final Approved Budget	Actual Budgetary Basis	Variance
REVENUES:				
General property taxes	\$ 32,744,413	\$ 32,744,413	\$ 32,882,951	\$ 138,538
Intergovernmental	15,107,905	15,107,905	15,317,425	209,520
Licenses, permits and fees	440,176	440,176	528,334	88,158
Investment income	95,000	95,000	318,374	223,374
Departmental	97,500	97,500	49,393	(48,107)
Total revenues	48,484,994	48,484,994	49,096,477	611,483
EXPENDITURES:				
Current:				
General government	3,348,864	3,355,714	3,259,753	95,961
Public safety	2,855,137	2,856,337	2,797,484	58,853
Public works	1,408,696	1,560,196	1,558,333	1,863
Recreation and social services	163,213	174,113	171,357	2,756
Libraries	875,500	886,300	886,300	0
Employee benefits and other	2,493,524	2,531,174	2,479,600	51,574
Burrillville Redevelopment Agency	0	60,000	60,000	0
Debt service:				
Principal	1,654,000	1,483,550	1,176,000	307,550
Interest and other costs	449,038	449,038	267,296	181,742
Capital outlay	2,660,015	3,832,204	1,037,707	2,794,497
Total expenditures	15,907,987	17,188,626	13,693,830	3,494,796
Excess of revenues over expenditures	32,577,007	31,296,368	35,402,647	4,106,279
Other financing sources (uses):				
Transfers out	(33,260,332)	(35,705,777)	(35,705,777)	0
Transfers in	683,325	827,505	199,420	(628,085)
Reappropriation of prior year's fund balance	0	3,581,904	3,581,904	0
Net other financing sources (uses)	(32,577,007)	(31,296,368)	(31,924,453)	(628,085)
Excess of revenues and other sources over expenditures and other uses	\$ 0	\$ 0	3,478,194	\$ 3,478,194
Less: reappropriated fund balance			(3,581,904)	
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			163,823	
Fund Balance, beginning of year			13,922,761	
Fund Balance, end of year			\$ 13,982,874	

TOWN OF BURRILLVILLE, RHODE ISLAND

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

**BURRILLVILLE SCHOOL DEPARTMENT GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Originally Adopted Budget	Final Approved Budget	Actual Budgetary Basis	Variance
Revenues:				
State aid	\$ 12,427,333	\$ 12,427,333	\$ 12,427,333	
Miscellaneous	300,000	300,000	445,603	\$ 145,603
Total revenues	<u>12,727,333</u>	<u>12,727,333</u>	<u>12,872,936</u>	<u>145,603</u>
Expenditures:				
Current:				
Salaries	19,368,206	19,368,206	19,441,902	(73,696)
Employee benefits	7,357,878	7,357,878	7,384,133	(26,255)
Purchased services	5,261,234	5,258,970	5,241,545	17,425
Supplies and materials	999,419	986,419	926,037	60,382
Other	36,959	36,959	44,030	(7,071)
Capital outlay	74,355	137,737	172,304	(34,567)
Total expenditures	<u>33,098,051</u>	<u>33,146,169</u>	<u>33,209,951</u>	<u>(63,782)</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(20,370,718)</u>	<u>(20,418,836)</u>	<u>(20,337,015)</u>	<u>81,821</u>
Other financing sources (uses):				
Transfer from Town of Burrillville	20,404,718	20,404,718	20,259,115	(145,603)
Transfer from fund balance		48,118	48,118	
Transfers to other funds	(34,000)	(34,000)	(34,000)	
Net other financing sources (uses)	<u>20,370,718</u>	<u>20,418,836</u>	<u>20,273,233</u>	<u>(145,603)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>(63,782)</u>	<u>\$ (63,782)</u>
Less: prior year encumbrances			(71,778)	
Less: reappropriated fund balance			(48,118)	
Fund balance, beginning of year			<u>757,386</u>	
Fund balance, end of year			<u>\$ 573,708</u>	

TOWN OF BURRILLVILLE, RHODE ISLAND

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

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, 2019:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 3,478,194
Fund balance reappropriated	(3,581,904)
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>163,823</u>
Net change in fund balance (GAAP)	<u>\$ 60,113</u>

The following reconciliation summarizes the differences for the School Department's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2019:

Excess of revenues and other sources under expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ (63,782)
Fund balance reappropriated	(48,118)
Prior year encumbrances	<u>(71,778)</u>
Net change in fund balance (GAAP)	<u>\$ (183,678)</u>

TOWN OF BURRILLVILLE

**OTHER
SUPPLEMENTARY INFORMATION**



TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

School Restricted Grants

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

Community Recreation

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

Town Clerk – Technology

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

Historical Records

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

Solemn Federal Task Force

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

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.

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Community Emergency Response Training

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

Byrne Grant

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

Clear River Energy Fund

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

Spring Lake

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

Community Development Block Grant

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

Blackstone Valley Prevention Coalition

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

Partnership for Success

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

Cops That Care

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

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Ocean State Power Funds

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

Narcotics Guidance Council

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

Police Legislative Grant

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

Police Grant – Operation Riptide

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

Voter Access Grant

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

Bullet Proof Vest Program

This fund accounts for grant money received from Dept. of Justice Bulletproof Vest Partnership to upgrade Burrillville police officers' bulletproof vest.

RI Senior Grant

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

Electric Vehicle Grant

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

Wallace Lees Scholarship

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

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Snack Pack Program

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

Police Grants

This fund accounts for various grants and donations given to the police department and related expenses.

Police Task Force

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

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

Dog Park

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

Commerce Park Water Loop

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

Public Works Complex Fund

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

Animal Control Facility Renovation

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

Wilson Spillway

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

School Roof Improvements

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

Oakland/Mapleville Bike Path

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

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

North Road Bridge Project

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

Open Space/Land Acquisition

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

School Department Capital Projects

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

Major Capital

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

(CONTINUED)

TOWN OF BURRILLVILLE

NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Cemetery Fund

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

Frank H. Potter Bridgeway Fund

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

Alice McGreevy Thompson Fund

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

Jesse M. Smith Memorial Library Fund

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

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds					
	School Restricted Grants	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Animal Shelter Donation Account
ASSETS:						
Cash and cash equivalents	\$ 158,455	\$ 187,303				
Other receivables						
Due from:						
Other funds	42,478	6,491	\$ 59,540	\$ 39,385		\$ 22,964
Other governments	179,250				\$ 561	
TOTAL ASSETS	\$ 380,183	\$ 193,794	\$ 59,540	\$ 39,385	\$ 561	\$ 22,964
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ 16,514					\$ 717
Retainage payable						
Accrued payroll and benefits	127,105					
Due to:						
Other funds	152,110				\$ 561	
Other governments	4,295			\$ 606		
Unearned revenues	80,159					
Other liabilities						
TOTAL LIABILITIES	380,183	\$ 0	\$ 0	606	561	717
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government			59,540	38,779		
Public safety						22,247
Recreation and social services		123,104				
Education						
Community development						
Committed for:						
General government						
Recreation and social services		70,690				
Capital projects						
Unassigned						
TOTAL FUND BALANCES	0	193,794	59,540	38,779	0	22,247
TOTAL LIABILITIES AND FUND BALANCES	\$ 380,183	\$ 193,794	\$ 59,540	\$ 39,385	\$ 561	\$ 22,964

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds					
	Library Grant	Community Emergency Response Training	Byrne Grant	Clear River Energy Fund	Spring Lake	Community Development Block Grant
ASSETS:						
Cash and cash equivalents					\$ 135,887	\$ 56,284
Other receivables					1,597	192,533
Due from:						
Other funds		\$ 59,452		\$ 199,069		4,221
Other governments			\$ 8,330			79,063
TOTAL ASSETS	\$0	\$ 59,452	\$ 8,330	\$ 199,069	\$ 137,484	\$ 332,101
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable				\$ 59,303	\$ 11,880	
Retainage payable						
Accrued payroll and benefits					11,097	
Due to:						
Other funds			\$ 7,042		52,468	\$ 1,556
Other governments						
Unearned revenues			1,288		3,500	270,039
Other liabilities						
TOTAL LIABILITIES	\$0	\$ 0	8,330	59,303	78,945	271,595
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government						
Public safety		59,452				
Recreation and social services						
Education						
Community development						60,506
Committed for:						
General government				139,766		
Recreation and social services					58,539	
Capital projects						
Unassigned						
TOTAL FUND BALANCES	0	59,452	0	139,766	58,539	60,506
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$ 59,452	\$ 8,330	\$ 199,069	\$ 137,484	\$ 332,101

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds					
	Blackstone Valley Prevention Coalition	Partnership for Success	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Police Legislative Grant
ASSETS:						
Cash and cash equivalents				\$ 558,229		
Other receivables	\$ 14,064				\$ 320	
Due from:						
Other funds		\$ 112,640	\$ 232		163,191	\$ 1,831
Other governments		7,882			8,464	
TOTAL ASSETS	\$ 14,064	\$ 120,522	\$ 232	\$ 558,229	\$ 171,975	\$ 1,831
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ 298	\$ 574		\$ 38,874	\$ 259	
Retainage payable						
Accrued payroll and benefits		1,553			5,160	
Due to:						
Other funds	7,438			40,966	49,861	
Other governments						
Unearned revenues	6,328		\$ 232		3,210	
Other liabilities						
TOTAL LIABILITIES	14,064	2,127	232	79,840	58,490	\$ 0
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government						
Public safety						1,831
Recreation and social services		118,395			113,485	
Education				478,389		
Community development						
Committed for:						
General government						
Recreation and social services						
Capital projects						
Unassigned						
TOTAL FUND BALANCES	0	118,395	0	478,389	113,485	1,831
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,064	\$ 120,522	\$ 232	\$ 558,229	\$ 171,975	\$ 1,831

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds				
	Police Grant - Operation Riptide	Voter Access	Bullet Proof Vest	RI Senior Grant	Electric Vehicle Grant
ASSETS:					
Cash and cash equivalents					
Other receivables					
Due from:					
Other funds					\$ 4,699
Other governments	\$ 5,818	\$ 1,700	\$ 7,750	\$ 4,057	
TOTAL ASSETS	\$ 5,818	\$ 1,700	\$ 7,750	\$ 4,057	\$ 4,699
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable					
Retainage payable					
Accrued payroll and benefits					
Due to:					
Other funds	\$ 5,818		\$ 1,937	\$ 4,057	
Other governments		\$ 1,700	5,813		\$ 4,699
Unearned revenues					
Other liabilities					
TOTAL LIABILITIES	5,818	1,700	7,750	4,057	4,699
FUND BALANCES:					
Nonspendable for:					
Perpetual care					
Endowments					
Restricted for:					
General government					
Public safety					
Recreation and social services					
Education					
Community development					
Committed for:					
General government					
Recreation and social services					
Capital projects					
Unassigned					
TOTAL FUND BALANCES	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,818	\$ 1,700	\$ 7,750	\$ 4,057	\$ 4,699

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds				Capital Project Funds	
	Wallace Lees Scholarship	Snack Pack Program	Police Grants	Police Task Force	Dog Park	Commerce Park Water Loop
ASSETS:						
Cash and cash equivalents				\$ 9,088		
Other receivables						
Due from:						
Other funds	\$ 5,000	\$ 16,338	\$ 6,200			\$ 7,865
Other governments					\$ 100,000	368,373
TOTAL ASSETS	\$ 5,000	\$ 16,338	\$ 6,200	\$ 9,088	\$ 100,000	\$ 376,238
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable						\$ 42,177
Retainage payable						26,568
Accrued payroll and benefits						
Due to:						
Other funds					\$ 10,991	
Other governments						
Unearned revenues					91,207	
Other liabilities						
TOTAL LIABILITIES	\$ 0	\$ 0	\$ 0	\$ 0	102,198	68,745
FUND BALANCES:						
Nonspendable for:						
Perpetual care						
Endowments						
Restricted for:						
General government						
Public safety			6,200	9,088		
Recreation and social services		16,338				
Education	5,000					
Community development						
Committed for:						
General government						
Recreation and social services						
Capital projects						307,493
Unassigned					(2,198)	
TOTAL FUND BALANCES	5,000	16,338	6,200	9,088	(2,198)	307,493
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,000	\$ 16,338	\$ 6,200	\$ 9,088	\$ 100,000	\$ 376,238

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Capital Project Funds						
	Public Works Complex Fund	Animal Control Facility Renovation	Wilson Spillway	School Roof Improvements	Oakland/ Mapleville Bike Path	North Road Bridge Project	Open Space/ Land Acquisition
ASSETS:							
Cash and cash equivalents							\$ 9,726
Other receivables							
Due from:							
Other funds	\$ 3,036,793	\$ 49,469	\$ 52,486	\$ 49,252			
Other governments			125,000		\$ 350,573	\$ 264,226	
TOTAL ASSETS	\$ 3,036,793	\$ 49,469	\$ 177,486	\$ 49,252	\$ 350,573	\$ 264,226	\$ 9,726
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable	\$ 446,725	\$ 74		\$ 10,000			
Retainage payable	69,775	76,880		39,252			
Accrued payroll and benefits							
Due to:							
Other funds					\$ 17,255	\$ 185,395	
Other governments							
Unearned revenues			\$ 26,289		271,469		
Other liabilities							
TOTAL LIABILITIES	516,500	76,954	26,289	49,252	288,724	185,395	\$ 0
FUND BALANCES:							
Nonspendable for:							
Perpetual care							
Endowments							
Restricted for:							
General government							
Public safety							
Recreation and social services							
Education							
Community development							
Committed for:							
General government							
Recreation and social services							
Capital projects	2,520,293		151,197		61,849	78,831	9,726
Unassigned		(27,485)					
TOTAL FUND BALANCES	2,520,293	(27,485)	151,197	0	61,849	78,831	9,726
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,036,793	\$ 49,469	\$ 177,486	\$ 49,252	\$ 350,573	\$ 264,226	\$ 9,726

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Capital Project Funds		Permanent Funds			Total Non-Major Governmental Funds	
	School Department Capital Projects	Major Capital	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund		Jesse M. Smith Memorial Library Fund
ASSETS:							
Cash and cash equivalents		\$ 1,858,260	\$ 83,124	\$ 16,580	\$ 1,241	\$ 15,632	\$ 3,089,809
Other receivables							208,514
Due from:							
Other funds	\$ 270,794						4,210,390
Other governments							1,511,047
TOTAL ASSETS	\$ 270,794	\$ 1,858,260	\$ 83,124	\$ 16,580	\$ 1,241	\$ 15,632	\$ 9,019,760
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable	\$ 270,794	\$ 5,102					\$ 903,291
Retainage payable							212,475
Accrued payroll and benefits							144,915
Due to:							
Other funds		129,161	\$ 468				667,084
Other governments							4,901
Unearned revenues							765,933
Other liabilities				\$ 6,580	\$ 241	\$ 632	7,453
TOTAL LIABILITIES	270,794	134,263	468	6,580	241	632	2,706,052
FUND BALANCES:							
Nonspendable for:							
Perpetual care			82,656				82,656
Endowments				10,000	1,000	15,000	26,000
Restricted for:							
General government							98,319
Public safety							98,818
Recreation and social services							371,322
Education							483,389
Community development							60,506
Committed for:							
General government							139,766
Recreation and social services							129,229
Capital projects		1,723,997					4,853,386
Unassigned							(29,683)
TOTAL FUND BALANCES	0	1,723,997	82,656	10,000	1,000	15,000	6,313,708
TOTAL LIABILITIES AND FUND BALANCES	\$ 270,794	\$ 1,858,260	\$ 83,124	\$ 16,580	\$ 1,241	\$ 15,632	\$ 9,019,760

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds					
	School Restricted Grants	Community Recreation	Town Clerk - Technology	Historical Records	Solemn Federal Task Force	Animal Shelter Donation Account
REVENUES:						
Intergovernmental	\$ 1,529,474				\$ 1,498	\$ 3,080
Investment income		\$ 2,410				
Other	10,025	23,141	\$ 14,285	\$ 2,432		40,993
TOTAL REVENUES	1,539,499	25,551	14,285	2,432	1,498	44,073
EXPENDITURES:						
Current:						
General government			1,578	446		
Public safety					1,498	24,558
Public libraries						
Recreation and social services		2,813				
Education	1,535,444					
Community development						
Debt service:						
Interest and other costs						
Capital outlay	4,055					
TOTAL EXPENDITURES	1,539,499	2,813	1,578	446	1,498	24,558
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	22,738	12,707	1,986	0	19,515
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out						
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	0	0
NET CHANGE IN FUND BALANCES	0	22,738	12,707	1,986	0	19,515
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	171,056	46,833	36,793	0	2,732
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 193,794	\$ 59,540	\$ 38,779	\$ 0	\$ 22,247

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds					
	Library Grant	Community Emergency Response Training	Byrne Grant	Clear River Energy Fund	Spring Lake	Community Development Block Grant
REVENUES:						
Intergovernmental	\$ 173,440	\$ 3,000	\$ 7,042			\$ 727,668
Investment income					\$ 1,386	3,261
Other				\$ 530,180	228,375	43,861
TOTAL REVENUES	173,440	3,000	7,042	530,180	229,761	774,790
EXPENDITURES:						
Current:						
General government				1,018,783		
Public safety						
Public libraries	173,440					
Recreation and social services					232,269	
Education						
Community development						779,604
Debt service:						
Interest and other costs						
Capital outlay			7,042			
TOTAL EXPENDITURES	173,440	0	7,042	1,018,783	232,269	779,604
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	3,000	0	(488,603)	(2,508)	(4,814)
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out						
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	0	0
NET CHANGE IN FUND BALANCES	0	3,000	0	(488,603)	(2,508)	(4,814)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	0	56,452	0	628,369	61,047	65,320
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 59,452	\$ 0	\$ 139,766	\$ 58,539	\$ 60,506

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds					
	Blackstone Valley Prevention Coalition	Partnership for Success	Cops That Care	Ocean State Power Funds	Narcotics Guidance Council	Police Legislative Grant
REVENUES:						
Intergovernmental		\$ 58,010			\$ 13,995	\$ 3,500
Investment income				\$ 1,257		
Other	\$ 20,162				1,000	
TOTAL REVENUES	<u>20,162</u>	<u>58,010</u>	<u>\$0</u>	<u>1,257</u>	<u>14,995</u>	<u>3,500</u>
EXPENDITURES:						
Current:						
General government				10,222		
Public safety					88,756	2,247
Public libraries						
Recreation and social services	20,162	85,041				
Education		1,009				
Community development						
Debt service:						
Interest and other costs						
Capital outlay						
TOTAL EXPENDITURES	<u>20,162</u>	<u>86,050</u>	<u>0</u>	<u>10,222</u>	<u>88,756</u>	<u>2,247</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>(28,040)</u>	<u>0</u>	<u>(8,965)</u>	<u>(73,761)</u>	<u>1,253</u>
OTHER FINANCING SOURCES (USES):						
Transfers in		140,435			89,806	
Transfers out						
NET OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>140,435</u>	<u>0</u>	<u>0</u>	<u>89,806</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	<u>0</u>	<u>112,395</u>	<u>0</u>	<u>(8,965)</u>	<u>16,045</u>	<u>1,253</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>487,354</u>	<u>97,440</u>	<u>578</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 0</u>	<u>\$ 118,395</u>	<u>\$0</u>	<u>\$ 478,389</u>	<u>\$ 113,485</u>	<u>\$ 1,831</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds				
	Police Grant - Operation Riptide	Voter Access	Bullet Proof Vest	RI Senior Grant	Electric Vehicle Grant
REVENUES:					
Intergovernmental	\$ 35,043		\$ 1,937	\$ 6,170	\$ 58,961
Investment income					
Other					
TOTAL REVENUES	<u>35,043</u>	<u>\$0</u>	<u>1,937</u>	<u>6,170</u>	<u>58,961</u>
EXPENDITURES:					
Current:					
General government					
Public safety	35,043		1,937		
Public libraries					
Recreation and social services				6,170	2,628
Education					
Community development					
Debt service:					
Interest and other costs					56,333
Capital outlay					<u>56,333</u>
TOTAL EXPENDITURES	<u>35,043</u>	<u>0</u>	<u>1,937</u>	<u>6,170</u>	<u>58,961</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES):					
Transfers in					
Transfers out					
NET OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds				Capital Project Funds	
	Wallace Lees Scholarship	Snack Pack Program	Police Grants	Police Task Force	Dog Park	Commerce Park Water Loop
REVENUES:						
Intergovernmental					\$ 4,728	\$ 163,903
Investment income				\$ 25		
Other		\$ 18,494	\$ 6,497			
TOTAL REVENUES	\$ 0	18,494	6,497	25	4,728	163,903
EXPENDITURES:						
Current:						
General government						
Public safety						
Public libraries						
Recreation and social services		5,057	2,797			
Education						
Community development						
Debt service:						
Interest and other costs						6,715
Capital outlay					5,910	531,695
TOTAL EXPENDITURES	0	5,057	2,797	0	5,910	538,410
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	0	13,437	3,700	25	(1,182)	(374,507)
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out						
NET OTHER FINANCING SOURCES (USES)	0	0	0	0	0	0
NET CHANGE IN FUND BALANCES	0	13,437	3,700	25	(1,182)	(374,507)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	5,000	2,901	2,500	9,063	(1,016)	682,000
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 5,000	\$ 16,338	\$ 6,200	\$ 9,088	\$ (2,198)	\$ 307,493

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Capital Project Funds						
	Public Works Complex Fund	Animal Control Facility Renovation	Wilson Spillway	School Roof Improvements	Oakland/ Mapleville Bike Path	North Road Bridge Project	Open Space/ Land Acquisition
REVENUES:							
Intergovernmental			\$ 3,203		\$ 13,804		
Investment income							\$ 1,236
Other							
TOTAL REVENUES	\$ 0	\$ 0	3,203	\$ 0	13,804	\$ 0	1,236
EXPENDITURES:							
Current:							
General government							
Public safety							
Public libraries							
Recreation and social services							
Education							
Community development							
Debt service:							
Interest and other costs							
Capital outlay	2,229,890	808,168	6,406	803,475	17,255		
TOTAL EXPENDITURES	2,229,890	808,168	6,406	803,475	17,255	0	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(2,229,890)	(808,168)	(3,203)	(803,475)	(3,451)	0	1,236
OTHER FINANCING SOURCES (USES):							
Transfers in	1,919,000						
Transfers out				(287,266)			
NET OTHER FINANCING SOURCES (USES)	1,919,000	0	0	(287,266)	0	0	0
NET CHANGE IN FUND BALANCES	(310,890)	(808,168)	(3,203)	(1,090,741)	(3,451)	0	1,236
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	2,831,183	780,683	154,400	1,090,741	65,300	78,831	8,490
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 2,520,293	\$ (27,485)	\$ 151,197	\$ 0	\$ 61,849	\$ 78,831	\$ 9,726

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Capital Project Funds		Permanent Funds				Total Non-Major Governmental Funds
	School Department Capital Projects	Major Capital	Cemetery Fund	Frank H. Potter Bridgeway Fund	Alice McGreevy Thompson Fund	Jesse M. Smith Memorial Library Fund	
REVENUES:							
Intergovernmental		\$ 15,019					\$ 2,823,475
Investment income		28,253	\$ 347	\$ 276	\$ 21	\$ 260	38,732
Other							939,445
TOTAL REVENUES	\$ 0	43,272	347	276	21	260	3,801,652
EXPENDITURES:							
Current:							
General government				276	21	260	1,031,586
Public safety							154,039
Public libraries							173,440
Recreation and social services							356,937
Education							1,536,453
Community development							779,604
Debt service:							
Interest and other costs							6,715
Capital outlay	1,130,526	34,539					5,635,294
TOTAL EXPENDITURES	1,130,526	34,539	0	276	21	260	9,674,068
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(1,130,526)	8,733	347	0	0	0	(5,872,416)
OTHER FINANCING SOURCES (USES):							
Transfers in	519,000	604,985					3,273,226
Transfers out		(1,263,180)					(1,550,446)
NET OTHER FINANCING SOURCES (USES)	519,000	(658,195)	0	0	0	0	1,722,780
NET CHANGE IN FUND BALANCES	(611,526)	(649,462)	347	0	0	0	(4,149,636)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	611,526	2,373,459	82,309	10,000	1,000	15,000	10,463,344
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 0	\$ 1,723,997	\$ 82,656	\$ 10,000	\$ 1,000	\$ 15,000	\$ 6,313,708

(CONCLUDED)

TOWN OF BURRILLVILLE

NON-MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Levy Rink

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

Extended Day Care

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

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2019**

	Levy Rink	Extended Day Care	Totals
ASSETS:			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 259,465	\$ 357,535	\$ 617,000
Accounts receivable, net		10,598	10,598
Prepaid expenses		1,452	1,452
Total current assets	259,465	369,585	629,050
<i>Noncurrent assets:</i>			
Net capital assets	344,182	5,139	349,321
Total noncurrent assets	344,182	5,139	349,321
TOTAL ASSETS	603,647	374,724	978,371
LIABILITIES:			
<i>Current liabilities:</i>			
Accounts payable	9,507	10,351	19,858
Accrued payroll		16,503	16,503
Due to other funds	17,906	3,841	21,747
Unearned revenue		2,111	2,111
Capital lease payable	24,437		24,437
Accrued compensated absences	1,130		1,130
Total current liabilities	52,980	32,806	85,786
<i>Noncurrent liabilities:</i>			
Capital lease payable, net	52,134		52,134
Accrued compensated absences	10,155		10,155
Total noncurrent liabilities	62,289	0	62,289
TOTAL LIABILITIES	115,269	32,806	148,075
NET POSITION:			
Net investment in capital assets	267,611	5,139	272,750
Unrestricted	220,767	336,779	557,546
TOTAL NET POSITION	\$ 488,378	\$ 341,918	\$ 830,296

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Levy Rink	Extended Day Care	Totals
OPERATING REVENUES:			
Charges for usage and service	\$ 475,103	\$ 634,379	\$ 1,109,482
Total operating revenues	475,103	634,379	1,109,482
OPERATING EXPENSES:			
Operations	237,159	118,660	355,819
Personnel	166,785	501,740	668,525
Depreciation	51,445	1,976	53,421
Total operating expenses	455,389	622,376	1,077,765
OPERATING INCOME	19,714	12,003	31,717
NONOPERATING REVENUES (EXPENSES):			
Investment income		3,256	3,256
Interest expense	(4,382)		(4,382)
Total nonoperating revenues (expenses)	(4,382)	3,256	(1,126)
INCOME BEFORE TRANSFERS	15,332	15,259	30,591
TRANSFERS IN	34,000	0	34,000
CHANGE IN NET POSITION	49,332	15,259	64,591
TOTAL NET POSITION - BEGINNING	439,046	326,659	765,705
TOTAL NET POSITION - ENDING	\$ 488,378	\$ 341,918	\$ 830,296

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Levy Rink	Extended Day Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 475,103	\$ 629,402	\$ 1,104,505
Cash paid to suppliers	(236,426)	(114,675)	(351,101)
Cash paid to employees	(164,671)	(499,766)	(664,437)
Net cash provided by operating activities	74,006	14,961	88,967
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from other funds	34,000		34,000
Increase (decrease) in due to other funds	2,323	(45,958)	(43,635)
Net cash provided by (used for) noncapital financing activities	36,323	(45,958)	(9,635)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(45,792)	(2,691)	(48,483)
Principal payment on capital lease	(23,411)		(23,411)
Interest expense	(4,382)		(4,382)
Net cash used for capital and related financing activities	(73,585)	(2,691)	(76,276)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments		3,256	3,256
Net cash provided by investing activities	0	3,256	3,256
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,744	(30,432)	6,312
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	222,721	387,967	610,688
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 259,465	\$ 357,535	\$ 617,000
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 19,714	\$ 12,003	\$ 31,717
Adjustments to reconcile:			
Depreciation	51,445	1,976	53,421
Increase in accounts receivable		(2,842)	(2,842)
Increase in prepaid expenses		(417)	(417)
Increase in accounts payable	733	4,402	5,135
Increase in accrued payroll		1,974	1,974
Decrease in unearned revenue		(2,135)	(2,135)
Increase in accrued compensated absences	2,114		2,114
Net cash provided by operating activities	\$ 74,006	\$ 14,961	\$ 88,967

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, 2019**

	<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	\$ 150,586	\$ 367,326	\$ 332,437	\$ 185,475
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 150,586	\$ 367,326	\$ 332,437	\$ 185,475

TOWN OF BURRILLVILLE

COMPONENT UNITS

Burrillville Redevelopment Agency

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

Jesse M. Smith Memorial Library

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

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF FUND NET POSITION
COMPONENT UNITS
JUNE 30, 2019**

	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 230,587	\$ 97,301	\$ 327,888
Loan receivable	1,550		1,550
Due from:			
Primary government	4,485	153,818	158,303
Prepaid expenses	137,221		137,221
Total current assets	373,843	251,119	624,962
Noncurrent assets:			
Loan receivable, net	6,429		6,429
Capital assets:			
Non-depreciable	217,075		217,075
Depreciable, net	439,625	104,453	544,078
Total noncurrent assets	663,129	104,453	767,582
TOTAL ASSETS	1,036,972	355,572	1,392,544
LIABILITIES:			
Current liabilities:			
Accounts payable	5,964	35,386	41,350
Accrued payroll	1,857	11,039	12,896
Due to:			
Primary government		10,937	10,937
Note payable, current portion	12,406		12,406
Total current liabilities	20,227	57,362	77,589
Noncurrent liabilities:			
Note payable, net	62,430		62,430
Total noncurrent liabilities	62,430	0	62,430
TOTAL LIABILITIES	82,657	57,362	140,019
NET POSITION:			
Net investment in capital assets	656,700	104,453	761,153
Unrestricted	297,615	193,757	491,372
TOTAL NET POSITION	\$ 954,315	\$ 298,210	\$ 1,252,525

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED JUNE 30, 2019**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	Totals
Burrillville Redevelopment Agency							
Economic Development	\$ 52,928	\$ 51,016	\$ 0	\$ 60,000	\$ 58,088		\$ 58,088
Total Burrillville Redevelopment Agency	52,928	51,016	0	60,000	58,088		58,088
Jesse M. Smith Memorial Library							
Operations	935,503	13,567	951,410	0	0	\$ 29,474	29,474
Total Jesse M. Smith Memorial Library	935,503	13,567	951,410	0	0	29,474	29,474
Total component units	\$ 988,431	\$ 64,583	\$ 951,410	\$ 60,000	58,088	29,474	87,562
General revenues:							
Unrestricted investment earnings					3,107	213	3,320
Total general revenues					3,107	213	3,320
Change in net position					61,195	29,687	90,882
Net Position - beginning of year					893,120	268,523	1,161,643
Net Position - end of year					\$ 954,315	\$ 298,210	\$ 1,252,525

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 COMPONENT UNITS
 YEAR ENDED JUNE 30, 2019**

	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	Totals
OPERATING REVENUES:			
Charges for usage and service	\$ 51,016	\$ 13,567	\$ 64,583
Total operating revenues	51,016	13,567	64,583
OPERATING EXPENSES:			
Operations	37,644	217,589	255,233
Personnel	7,362	707,160	714,522
Depreciation and amortization	6,273	10,754	17,027
Total operating expenses	51,279	935,503	986,782
OPERATING LOSS	(263)	(921,936)	(922,199)
NONOPERATING REVENUES (EXPENSES):			
Investment income	3,107	213	3,320
Interest expense	(1,649)		(1,649)
Nonoperating grants	60,000	951,410	1,011,410
Net nonoperating revenues	61,458	951,623	1,013,081
CHANGE IN NET POSITION	61,195	29,687	90,882
TOTAL NET POSITION - BEGINNING	893,120	268,523	1,161,643
TOTAL NET POSITION - ENDING	\$ 954,315	\$ 298,210	\$ 1,252,525

TOWN OF BURRILLVILLE, RHODE ISLAND

**COMBINING STATEMENT OF CASH FLOWS
COMPONENT UNITS
YEAR ENDED JUNE 30, 2019**

	Burrillville Redevelopment Agency	Jesse M. Smith Memorial Library	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 51,297	\$ 13,567	\$ 64,864
Cash paid to suppliers	(40,350)	(193,003)	(233,353)
Cash paid to employees	(7,254)	(706,200)	(713,454)
Net cash provided by (used for) operating activities	3,693	(885,636)	(881,943)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Nonoperating grants received		951,410	951,410
(Increase) decrease in due from primary government	208,139	(36,581)	171,558
Increase in due to primary government		10,937	10,937
Net cash provided by noncapital financing activities	208,139	925,766	1,133,905
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(165,090)	(41,098)	(206,188)
Nonoperating grants received	60,000		60,000
Principal payment on note payable	(12,162)		(12,162)
Net cash used for capital and related financing activities	(117,252)	(41,098)	(158,350)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Collections on loan receivable	1,368		1,368
Interest on investments	3,107	213	3,320
Interest expense	(1,649)		(1,649)
Net cash provided by investing activities	2,826	213	3,039
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	97,406	(755)	96,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	133,181	98,056	231,237
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 230,587	\$ 97,301	\$ 327,888
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (263)	\$ (921,936)	\$ (922,199)
Adjustments to reconcile:			
Depreciation and amortization	6,273	10,754	17,027
Decrease in other receivables	281		281
Decrease in prepaid expenses		868	868
Increase (decrease) in accounts payable	(2,706)	23,718	21,012
Increase in accrued payroll	108	960	1,068
Net cash provided by (used for) operating activities	\$ 3,693	\$ (885,636)	\$ (881,943)

TOWN OF BURRILLVILLE

**GENERAL FUND BUDGETARY
SCHEDULES**



TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budgetary Basis	Actual Budgetary Basis	Variance
Property taxes:						
Current and prior years	\$ 32,559,413	\$ 32,559,413	\$ 32,685,500		\$ 32,685,500	\$ 126,087
Interest on delinquent taxes and other	167,000	167,000	177,917		177,917	10,917
Payment in lieu of taxes	18,000	18,000	19,534		19,534	1,534
Total property taxes	32,744,413	32,744,413	32,882,951	\$ 0	32,882,951	138,538
Intergovernmental revenues:						
State of Rhode Island including:						
School aid	12,425,668	12,425,668		12,427,333	12,427,333	1,665
School construction	427,670	427,670	452,701		452,701	25,031
Motor vehicle phase out	1,111,454	1,111,454	1,126,822		1,126,822	15,368
Medicaid reimbursement	300,000	300,000		445,603	445,603	145,603
Meals and beverage tax	220,905	220,905	212,874		212,874	(8,031)
Pilot	98,273	98,273	100,313		100,313	2,040
Telephone tax	202,015	202,015	206,239		206,239	4,224
Police and other	68,000	68,000	91,620		91,620	23,620
Library construction	253,920	253,920	253,920		253,920	0
Total intergovernmental revenues	15,107,905	15,107,905	2,444,489	12,872,936	15,317,425	209,520
Departmental revenues:						
Licenses, permits and fees:						
Licenses and fees	325,175	325,175	371,880		371,880	46,705
Building official	73,000	73,000	98,299		98,299	25,299
Miscellaneous	42,001	42,001	58,155		58,155	16,154
Services/assessments	97,500	97,500	49,393		49,393	(48,107)
Total departmental revenues	537,676	537,676	577,727	0	577,727	40,051
Investment income	95,000	95,000	318,374	0	318,374	223,374
Total revenues	48,484,994	48,484,994	36,223,541	12,872,936	49,096,477	611,483

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budgetary Basis	Actual Budgetary Basis	Variance
General Government:						
Elected officials	46,000	46,150	46,127		46,127	23
Town clerk	266,043	266,043	258,871		258,871	7,172
Tax assessor	145,450	145,450	142,201		142,201	3,249
Town manager	215,603	215,603	208,504		208,504	7,099
Building official	135,329	135,329	133,945		133,945	1,384
Town treasurer	346,876	346,876	321,882		321,882	24,994
Tax collector	129,563	129,563	110,747		110,747	18,816
Information systems	200,476	205,976	205,621		205,621	355
Town planner	141,131	141,131	139,754		139,754	1,377
Boards, agencies, and committees	121,094	121,694	108,644		108,644	13,050
General fund contingency	5,000	5,000	2,760		2,760	2,240
Miscellaneous town expense	14,019	14,019	12,769		12,769	1,250
Buildings - administration	2,400	3,000	2,949		2,949	51
Total general government	1,768,984	1,775,834	1,694,774	0	1,694,774	81,060
Public Safety:						
Police department	2,685,115	2,685,115	2,628,161		2,628,161	56,954
Animal control	138,880	140,080	139,940		139,940	140
Civil defense	9,892	9,892	9,441		9,441	451
Municipal court	21,250	21,250	19,942		19,942	1,308
Total public safety	2,855,137	2,856,337	2,797,484	0	2,797,484	58,853
Public Works:						
Highway department	1,408,696	1,560,196	1,558,333		1,558,333	1,863
Total public works	1,408,696	1,560,196	1,558,333	0	1,558,333	1,863

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budgetary Basis	Actual Budgetary Basis	Variance
Recreation and Social Services:						
Participation recreation	137,213	148,113	147,029		147,029	1,084
Operation of mini-bus	26,000	26,000	24,328		24,328	1,672
Total recreation and social services	163,213	174,113	171,357	0	171,357	2,756
Special Appropriations	0	48,450	47,250	0	47,250	1,200
Debt Service:						
General obligation bonds:						
Principal	1,654,000	1,483,550	1,176,000		1,176,000	307,550
Interest	447,038	447,038	267,296		267,296	179,742
Bond registration fees and other	2,000	2,000	0		0	2,000
Total debt service	2,103,038	1,932,588	1,443,296	0	1,443,296	489,292
General Services	1,579,880	1,579,880	1,564,979	0	1,564,979	14,901
Capital Improvements Program:						
School department	400,000	305,493	298,710		298,710	6,783
Police department	153,489	170,773	160,462		160,462	10,311
Public works	2,070,419	3,058,688	529,093		529,093	2,529,595
Administration	5,000	198,643	18,335		18,335	180,308
Recreation	0	67,500	0		0	67,500
Board of Administration	31,107	31,107	31,107		31,107	0
Total capital improvements program	2,660,015	3,832,204	1,037,707	0	1,037,707	2,794,497
Library:						
Pascoag Library	79,500	79,500	79,500		79,500	0
Jesse M. Smith Memorial Library	796,000	806,800	806,800		806,800	0
Total library	875,500	886,300	886,300	0	886,300	0
Burrillville Redevelopment Agency	0	60,000	60,000	0	60,000	0

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLANDGENERAL FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budgetary Basis	Actual Budgetary Basis	Variance
Miscellaneous:						
Employee insurance and benefits	2,358,824	2,348,024	2,302,304		2,302,304	45,720
Legal services	105,000	105,000	103,139		103,139	1,861
Other professional services	29,700	29,700	26,907		26,907	2,793
Total miscellaneous	2,493,524	2,482,724	2,432,350	0	2,432,350	50,374
Total expenditures	15,907,987	17,188,626	13,693,830	0	13,693,830	3,494,796
Excess of revenues over expenditures before other financing sources (uses)	32,577,007	31,296,368	22,529,711	12,872,936	35,402,647	4,106,279
Other financing sources (uses):						
Transfers out:						
Special revenue funds	(33,260,332)	(34,386,777)	(21,513,841)	(12,872,936)	(34,386,777)	0
Capital project funds	0	(1,319,000)	(1,319,000)		(1,319,000)	0
Transfers in:						
Special revenue funds	24,100	168,280	186,636		186,636	18,356
Enterprise funds	659,225	659,225	12,784		12,784	(646,441)
Reappropriation of prior year's designated fund balance	0	3,581,904		3,581,904	3,581,904	0
Net other financing uses	(32,577,007)	(31,296,368)	(22,633,421)	(9,291,032)	(31,924,453)	(628,085)
Net change in fund balance - budgetary basis	\$ 0	\$ 0	\$ (103,710)	\$ 3,581,904	\$ 3,478,194	\$ 3,478,194

(CONCLUDED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Real Estate and Personal Property Taxes

Fiscal Year End	Balance July 1, 2018	Current year Assessment	Additions	(Abatements)	Refunds and Adjustments	Amount to be Collected	Collections	Balance June 30, 2019
2019		\$ 32,670,736	\$ 22,999	\$ 6,308	\$ (57,011)	\$ 32,630,416	\$ 32,190,697	\$ 439,719
2018	\$ 533,892			2,139	2,310	534,063	396,911	137,152
2017	173,090			3,094	212	170,208	34,434	135,774
2016	109,974			3,383	429	107,020	11,763	95,257
2015	92,897			4,348		88,549	5,967	82,582
2014	83,248			2,384	520	81,384	7,648	73,736
2013	79,018			999		78,019	4,515	73,504
2012	79,466			3,470	19	76,015	2,478	73,537
2011	77,656			2,848		74,808	1,205	73,603
2010	43,676			1,714	93	42,055	1,042	41,013
2009 and prior	177,947			64,552	(245)	113,150	3,245	109,905
	1,450,864	\$ 32,670,736	\$ 22,999	\$ 95,239	\$ (53,673)	\$ 33,995,687	\$ 32,659,905	1,335,782
Less: estimated allowance for uncollectible accounts	(476,400)							(466,200)
Net property taxes	\$ 974,464							\$ 869,582

Schedule of Most Recent Net Assessed Property Value by Category

Description of Property	Rates	Assessed Valuations	Levy
Real-Property- Residential	\$ 18.20	\$ 1,180,367,600	\$ 20,824,219
Real-Property-Commercial/Industrial	18.20	266,209,700	4,807,354
Motor Vehicles	40.00	125,846,501	3,927,111
Tangible and Personal Property	18.20	170,984,875	3,112,052
Total		1,743,408,676	\$ 32,670,736
Exemptions		(65,928,437)	
Net Assessed Values		\$ 1,677,480,239	

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 32,659,905
<u>Adjustments and reversals</u>	
Add: Revenue collected 60 days subsequent to fiscal year ended June 30, 2019	170,857
Less: Prior year revenue collected 60 days subsequent to fiscal year ended June 30, 2018	(197,759)
Add refunds and adjustments	53,673
Add miscellaneous adjustment	(1,176)
Current year property tax revenue	\$ 32,685,500

Town of Burrillville
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

K-2

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 32,219,630	\$ -
Last Year's Levy Tax Collection	394,601	-
Prior Years Property Tax Collection	71,269	-
Interest & Penalty	177,917	-
PILOT & Tax Treaty (excluded from levy) Collection	19,534	-
Other Local Property Taxes	-	-
Licenses and Permits	111,006	-
Fines and Forfeitures	54,204	-
Investment Income	372,691	-
Departmental	1,149,290	-
Rescue Run Revenue	-	-
Police & Fire Detail	27,630	-
Other Local Non-Property Tax Revenues	(1)	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	445,603
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	359,188
CDBG	1,556	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	1,466,729
MV Excise Tax Reimbursement	207,065	-
State PILOT Program	100,313	-
Distressed Community Relief Fund	-	-
Library Resource Aid	128,346	-
Library Construction Aid	253,920	-
Public Service Corporation Tax	206,240	-
Meals & Beverage Tax / Hotel Tax	212,874	-
LEA Aid	-	12,427,333
Group Home	-	-
Housing Aid Capital Projects	164,430	-
Housing Aid Bonded Debt	288,271	-
State Food Service Revenue	-	9,727
Incentive Aid	-	-
Property Revaluation Reimbursement	40,672	-
Other State Revenue	418	69,077
Motor Vehicle Phase Out	919,757	-
Other Revenue	634,879	971,037
Local Appropriation for Education	-	20,259,115
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 37,756,512</u>	<u>\$ 36,007,809</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	1,006,341	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 1,006,341</u>	<u>\$ -</u>

Town of Burrillville
 Annual Supplemental Transparency Report (MTP2)
 Fiscal Year Ended June 30, 2019

EXPENDITURES	General		Social	Centralized			Public	Parks and	Police
	Government	Finance	Services	IT	Planning	Libraries	Works	Rec	Department
Compensation- Group A	\$ 703,178	\$ 529,262	\$ 407,756	\$ -	\$ 291,841	\$ 513,445	\$ 1,018,795	\$ 74,289	\$ 1,859,973
Compensation - Group B	-	-	-	-	-	-	-	-	103,885
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	2,322	53	-	-	-	-	107,906	971	186,236
Overtime - Group B	-	-	-	-	-	-	-	-	2,381
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	31,789
Active Medical Insurance - Group A	117,361	130,527	66,002	-	73,276	103,560	213,116	21,672	335,981
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	29,192
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	6,807	10,035	3,617	-	4,823	8,363	13,312	1,206	18,971
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	1,595
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	47,891	39,976	31,296	-	22,224	45,057	87,031	5,757	168,064
Life Insurance	916	942	347	-	431	953	1,719	104	2,815
State Defined Contribution- Group A	3,879	5,209	1,642	11	2,464	3,702	10,037	733	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	3,155	816	392	-	446	618	6,219	131	14,551
Other Benefits- Group B	-	-	-	-	-	-	-	-	184
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	25,238	38,494	12,134	84	18,908	29,310	73,014	3,609	367,613
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	7,776
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	1,194,032	75,482	51,301	144,716	(196)	54,106	112,999	572	13,418
Materials/Supplies	14,485	5,414	47,171	1,953	1,206	72,828	32,574	2,138	47,183
Software Licenses	5,938	-	-	52,572	-	4,343	-	1,896	3,864
Capital Outlays	-	10,000	1,976	6,293	60,000	10,754	370,407	-	156,922
Insurance	332,240	-	-	-	-	-	-	-	-
Maintenance	3,450	2,203	1,320	-	917	22,445	48,849	32,735	44,007
Vehicle Operations	267	111	2,593	-	1,889	-	204,325	41	88,998
Utilities	7,308	-	5,242	3,797	8,734	56,041	31,669	18,389	60,644
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	67,861	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	123,215	-	-
Trash Removal & Recycling	-	-	-	-	-	-	984,988	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	138,850	-	-	-	-	-	-	-	-
Other Operation Expenditures	199,611	39,708	37,126	799	1,956	207	7,154	11,514	7,498
Tipping Fees	-	-	-	-	-	-	189,792	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,806,928	\$ 956,092	\$ 669,915	\$ 210,226	\$ 488,915	\$ 925,733	\$ 3,637,122	\$ 175,756	\$ 3,553,538

Town of Burrillville
 Annual Supplemental Transparency Report (MTP2)
 Fiscal Year Ended June 30, 2019

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ 190,161	\$ 112,644	\$ -	\$ -	\$ -	\$ 5,701,344	\$ 15,901,884
Compensation - Group B	-	40,090	13,271	-	-	-	157,246	1,680,013
Compensation - Group C	-	-	-	-	-	-	-	2,904,188
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	47,111	2,929	-	-	-	347,529	-
Overtime - Group B	-	-	-	-	-	-	2,381	-
Overtime - Group C	-	-	-	-	-	-	-	31,907
Police & Fire Detail	-	-	-	-	-	-	31,789	-
Active Medical Insurance - Group A	-	36,525	30,529	-	-	-	1,128,548	2,534,881
Active Medical Insurance- Group B	-	-	-	-	-	-	29,192	186,394
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,035,777
Active Dental Insurance- Group A	-	3,202	1,595	-	-	-	71,930	179,425
Active Dental Insurance- Group B	-	-	-	-	-	-	1,595	13,401
Active Dental Insurance- Group C	-	-	-	-	-	-	-	65,298
Payroll Taxes	-	21,777	9,857	-	-	-	478,929	584,996
Life Insurance	-	288	208	-	-	-	8,723	75,901
State Defined Contribution- Group A	-	1,913	540	-	-	-	30,129	327,127
State Defined Contribution - Group B	-	-	-	-	-	-	-	28,848
State Defined Contribution - Group C	-	-	-	-	-	-	-	19,858
Other Benefits- Group A	-	184	1,068	-	-	-	27,581	194,023
Other Benefits- Group B	-	-	-	-	-	-	184	1,265
Other Benefits- Group C	-	-	-	-	-	-	-	54,793
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	2,065,828
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	153,550
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	13,161	8,240	-	-	-	589,804	26,486
State Defined Benefit Pension - Group B	-	-	-	-	-	-	7,776	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	174,328
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	-	878	-	-	-	1,647,307	5,712,669
Materials/Supplies	-	1,925	3,308	-	-	-	230,186	375,744
Software Licenses	-	1,288	-	-	-	-	69,900	37,541
Capital Outlays	-	26	6,581	-	-	-	622,961	213,937
Insurance	-	-	-	-	-	-	332,240	179,535
Maintenance	-	4,466	496	-	-	-	160,888	212,329
Vehicle Operations	-	-	3,981	-	-	-	302,204	66,203
Utilities	-	15,146	11,893	-	-	-	218,862	862,005
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	67,861	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	123,215	-
Trash Removal & Recycling	-	-	-	-	-	-	984,988	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	138,850	-
Other Operation Expenditures	-	159	-	-	-	-	305,733	152,690
Tipping Fees	-	-	-	-	-	-	189,792	-
Local Appropriation for Education	-	-	-	20,259,115	-	-	20,259,115	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	453,556	-	-	453,556	-
Municipal Debt- Principal	-	-	-	-	1,056,229	-	1,056,229	-
Municipal Debt- Interest	-	-	-	-	136,996	-	136,996	-
School Debt- Principal	-	-	-	-	345,000	-	345,000	-
School Debt- Interest	-	-	-	-	130,300	-	130,300	-
Retiree Medical Insurance- Total	-	-	-	-	-	38,168	38,168	93,240
Retiree Dental Insurance- Total	-	-	-	-	-	1,027	1,027	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 377,423	\$ 208,018	\$ 20,712,671	\$ 1,668,525	\$ 39,194	\$ 36,430,058	\$ 36,146,064

Financing Uses: Transfer to Capital Funds	\$ 1,923,985	\$ -
Financing Uses: Transfer to Other Funds	792,352	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 2,716,337	\$ -
Net Change in Fund Balance¹	(383,543)	(138,255)
Fund Balance1- beginning of year	\$15,146,312	\$1,028,746
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	15,146,312	1,028,746
Rounding	-	-
Fund Balance¹ - end of year	\$ 14,762,769	\$ 890,491

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

Town of Burrillville
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2019

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 15,146,312	-	\$ 15,146,312	
						-	-	-	
						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 15,146,312</u>		<u>\$ 15,146,312</u>	
General Fund per GASB 54	\$ 36,398,517	\$ 1,006,341	\$ 14,369,293	\$ 22,975,452	\$ 60,113	\$ 13,922,761	-	\$ 13,922,761	\$ 13,982,874
Clear River Energy Fund, 0286	530,180	-	1,018,783	-	\$ (488,603)	628,369	-	628,369	139,766
Jesse M Smith Library, 2555	965,190	-	935,503	-	\$ 29,687	268,523	-	268,523	298,210
Burrillville Extended Care, 2660	637,635	-	622,376	-	\$ 15,259	326,659	-	326,659	341,918
Totals per audited financial statements	<u>\$ 38,531,522</u>	<u>\$ 1,006,341</u>	<u>\$ 16,945,955</u>	<u>\$ 22,975,452</u>	<u>\$ (383,544)</u>	<u>\$ 15,146,312</u>	<u>\$ -</u>	<u>\$ 15,146,312</u>	<u>\$ 14,762,768</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$20,259,115	(\$20,259,115)	\$ -	\$ -	\$ -	\$ -	\$ -
Detail cost net 0100004-511570	31,789	-	31,789	-	-	-	-	-	-
Reclassify Library appropriation	(806,800)	-	(806,800)	-	-	-	-	-	-
Rounding	-	-	-	-	1	-	-	-	-
Totals Per MTP2	<u>\$ 37,756,511</u>	<u>\$ 1,006,341</u>	<u>\$ 36,430,060</u>	<u>\$ 2,716,337</u>	<u>\$ (383,543)</u>	<u>\$ 15,146,312</u>	<u>\$ -</u>	<u>\$ 15,146,312</u>	<u>\$ 14,762,768</u>

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

Town of Burrillville
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2019

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 1,084,334	-	\$ 1,084,334	
<i>Capital Lease for Enterprise Fund incorrectly reflected in FY18</i>						(55,588)	-	(55,588)	
						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 1,028,746</u>		<u>\$ 1,028,746</u>	
School Unrestricted Fund	\$ 14,419,305	\$ 20,259,115	\$ 34,828,097	\$ 34,000	\$ (183,677)	\$ 757,385	-	\$ 757,385	\$ 573,708
Enterprise Fund ¹	1,329,231	34,000	1,309,535	-	53,696	523,670	-	523,670	577,366
SBA School Capital Project Fund	-	-	-	-	-	-	-	-	-
School Special Revenue Funds	1,539,498	-	1,539,498	-	-	-	-	-	-
Totals per audited financial statements	<u>\$ 17,288,034</u>	<u>\$ 20,293,115</u>	<u>\$ 37,677,130</u>	<u>\$ 34,000</u>	<u>\$ (129,981)</u>	<u>\$ 1,281,055</u>	<u>\$ -</u>	<u>\$ 1,281,055</u>	<u>\$ 1,151,074</u>

Reconciliation from financial statements to MTP2

State contributions on behalf of teacher pensions are reported in revenue & expenditures

on financial statements only	\$ (1,546,369)	\$ -	\$ (1,546,369)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School General- Town Appropriation to education	20,259,115	(20,259,115)	-	-	-	-	-	-	-
Depreciation Expense	-	-	15,302	-	(15,302)	(252,309)	-	(252,309)	(267,611)
Difference in Grant revenue received versus deferred revenue	7,029	-	-	-	7,029	-	-	-	7,029
Elimination of transfers between funds	-	(34,000)	-	(34,000)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 36,007,809</u>	<u>\$ -</u>	<u>\$ 36,146,064</u>	<u>\$ -</u>	<u>\$ (138,255)</u>	<u>\$ 1,028,746</u>	<u>\$ -</u>	<u>\$ 1,028,746</u>	<u>\$ 890,491</u>

Reconciliation from MTP2 to UCOA

School Transfer to Rink	\$44,000	-	\$44,000
Adjustments for Capital Purchases/Lease pymts	-	-	(69,203)
Adjustment for prior year encumbrances	-	-	(71,778)
Rounding	-	-	(234)
Totals per UCOA Validated Totals Report	<u>\$ 36,051,809</u>	<u>\$ -</u>	<u>\$ 36,048,849</u>

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

TOWN OF BURRILLVILLE, RHODE ISLAND**NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2019****NOTE 1. Basis of Presentation**

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND**NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2019**

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

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

NOTE 5. Education Revenue and Expenditures

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

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

(CONCLUDED)

TOWN OF BURRILLVILLE

**REPORT IN ACCORDANCE WITH
GOVERNMENT AUDITING
STANDARDS**





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***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS***

To the Honorable Town Council,
Burrillville, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Burrillville, Rhode Island, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Burrillville, Rhode Island's basic financial statements and have issued our report thereon dated January 28, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Burrillville, Rhode Island's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Burrillville, Rhode Island's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify a certain deficiency in internal control that we consider to be a material weakness and significant deficiency.

Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. (2019-1).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and responses to be a significant deficiency. (2019-1).

Compliance and Other Matters

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

The Town of Burrillville, Rhode Island's Response to Findings

The Town of Burrillville, Rhode Island's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Town of Burrillville, Rhode Island's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cayer Caccia, LLP

Warwick, Rhode Island
January 28, 2020

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Town of Burrillville.
2. Internal control over financial reporting:

One significant deficiency disclosed during the audit of the financial statements is summarized below in finding 2019-1. The deficiency is reported as a material weakness.

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

B. FINDINGS RELATED TO AUDIT OF FINANCIAL STATEMENTS

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

The Town Council and management are responsible for the effective oversight of the financial reporting process, including the preparation of Town financial statements and related footnote disclosures. During fiscal year 2019, the Town relied upon the external auditor to prepare its financial statements and related footnote disclosures to ensure that they were prepared in accordance with generally accepted accounting principles. Therefore, adequate controls were not in place as of June 30, 2019 to prevent and detect misstatements in the financial statement preparation and reporting process.

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

Corrective Action Plan – Although the Town will continue to utilize the external auditor to prepare the financial statements, the Finance Department will attempt to take a more active role over the financial reporting process by reviewing the financial statements and preparing a disclosure checklist to ensure all required disclosures are included and the financial statements are complete. This increased level of involvement in preparing and reviewing the financial statements should eliminate this comment in future years.

C. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2018-1 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 2018, 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, 2018 to prevent and detect misstatements in the financial statement preparation and reporting process.

(CONTINUED)

TOWN OF BURRILLVILLE, RHODE ISLAND

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

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

2018-1 Oversight of the Town's Financial Reporting Process (Continued)

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

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

2018-2 Accurate Posting of Financial Activity

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

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

Current Status – The Finance Department made improvements in its grant accounting and external reporting, including reconciling grant activity with the MUNIS general ledger and supporting documentation on a monthly basis during fiscal year 2019. Based on these improvements, accurate posting of financial activity was not identified as a finding for fiscal year 2019.

(CONCLUDED)