

TOWN OF SCITUATE, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
March 31, 2012

***TOWN OF SCITUATE, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT***

*For the Fiscal Year Ended
March 31, 2012*

Prepared by: Town Treasurer's Office
Theodore J. Przybyla, Town Treasurer

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THE FOLLOWING SUBSECTIONS:**

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*Certificate of Achievement for
Excellence in Financial Reporting*

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List of Town Officials

**TOWN OF SCITUATE, RHODE ISLAND
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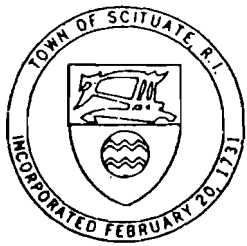
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Town of Scituate

Rhode Island

THEODORE J. PRZYBYLA
TOWN TREASURER

October 1, 2012

P.O. BOX 127

NORTH SCITUATE, RI 02857

(401) 647-2547

To the Honorable President and
Members of the Town Council
Scituate, Rhode Island

The Comprehensive Annual Financial Report of the Town of Scituate, for the fiscal year ended March 31, 2012, is submitted herewith. This report was prepared by the Treasurer's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rests with the Town. We believe the information, as presented, is accurate in all material aspects: that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain adequate understanding of the Town's financial affairs have been included.

The Town is required to undergo an annual Single Audit in conformance with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The Schedule of Expenditures of Federal Awards and Independent Auditors' Report on the internal control structure and compliance with laws and regulations are included in the Single Audit Section of this report.

GENERAL

The Town was established in 1636 and incorporated separately on February 20, 1730. It contains an area of fifty-five square miles and is located approximately eight miles west of Providence, Rhode Island.

The Scituate reservoir and its tributary ponds and stream extend throughout most of the area. The water resources are owned by the City of Providence, which maintains them and the attendant watershed in such attractive condition that much of the Town's area has the appearance of a natural park. The convenient location and general attractiveness have induced a considerable number of executives employed in Providence and other nearby communities, to establish residence in the Town.

By design, the Town has remained residential in character. Except for one manufacturer, businesses are almost entirely of the service type.

Approximately forty percent (42.6%) of the Town area is owned by the City of Providence and is employed in the collection and storage of water. This property was acquired by an act of the State of Rhode Island (the "State") legislature that provided the land could be used for water supply purposes only. This huge reservoir is so well engineered and controlled that it has never posed a flood threat. For its land and improvements thereon, the City of Providence currently pays the Town of Scituate an annual amount that represents approximately 21% of the Town's total tax levy. Under legislation adopted by the General Assembly, the valuation may be renegotiated every ten years for the subsequent period. The current valuation was last determined in the 12/31/2009 revaluation for the 2010-2011 fiscal year. The Town of Scituate and the City of Providence have negotiated a new agreement establishing the annual tax payment through December 31, 2017.

Government

The Town of Scituate is a municipal corporation operating under the General Laws of Rhode Island and as such utilizes the Town Council form of government. The Town Council consists of 7 elected members headed by a Town Council President. Town Council members are elected at large for a term of two years. The Town Council has the responsibility of managing the affairs of the Town and submits a detailed budget of its estimated expenditures and revenues for each fiscal year to the voters at an annual Financial Town Meeting.

Education

The public school system of the Town consists of one senior high school, one middle school and three elementary schools. A five-member School Committee that is elected at-large at the regular biennial elections for four-year term directs the general administration of the Scituate School Department. The School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a detailed budget of expenditures and revenues to the voters at an annual Financial Town Meeting and, once the school budget is approved, determines the allocation of the amount appropriated. The school enrollment for September 1, 2012 is 1538. The cost per student was \$11,520.00 shared by the Town and the State of Rhode Island in the form of School Operation Aid. The cost of operating the Town's school system for the fiscal year ended March 31, 2012 was \$19,761,992 and \$21,380,786 has been budgeted for fiscal year ending March 31, 2013.

Student enrollment per the Scituate School Department for the past 7 years has been and is projected to be as follows:

Fiscal Year	<u>Ending</u>	<i>Actual</i>	<u>Enrollment</u>
2004		1,792
2007		1,873
2008		1,806
2009		1,700
2010		1,660
2011		1,652
2012		1,538
		<i>Projected</i>	
2013		1,514
2014		1,446
2015		1,367
2016		1,323
2017		1,250
2018		1,208

Projections revised NESDC and Scituate School Department

Municipal Services

In addition to its schools, the Town provides major public services, certain of which are described below:

Rubbish and Garbage Collection

Rubbish and garbage collection are made weekly by the Town. Recycling is picked up on a bi-weekly basis.

Police Department

The Scituate Police Department has a force of 17 full time members. In fiscal 2012 the Police Department expended \$1,765,156. The Department's fiscal 2013 budget is \$1,874,887.

Fire Protection

Four fire stations and districts, all volunteer, are located on Danielson Pike in North Scituate; Main Street, west of Jackson Flat Road in Hope; Chopmist Hill Road, Route 102; and Old Plainfield Pike in Potterville. Equipment includes fire trucks, rescues and specialized equipment. The Department expended \$780,299 in fiscal 2012 and \$821,055 is budgeted for fiscal 2013.

Emergency Management Services

The Town has a part time Emergency Management Director located at One Lincoln Circle, North Scituate.

Emergency Medical Services

The Town's School Department services the School Health Program.

Rescue service is provided by a rescue from each of the four volunteer fire districts, as well as through the volunteer Scituate Ambulance Rescue Corps.

Senior Services Center

The Town has a full time Senior Service Center located at 1315 Chopmist Hill Road, North Scituate. Today this is a fully functional facility including the senior meal site, operating 3(three) days per week. In fiscal 2012 the Senior Services Department expended \$122,024 and \$125,545 is budgeted for fiscal 2013.

Public Works, Sewers and Water

The Town's Public Works Department maintains the Town's property including highways and public buildings. The Department expended \$1,757,778 in fiscal 2012 and the fiscal 2013 budget is \$2,243,233.

There are no sanitary sewers in the Town. The majority of town residents draw water from private wells and a small number of residents are served by a public water supplier (Kent County Water Authority).

Libraries

There are 2 public libraries in the Town of Scituate; North Scituate Library and Hope Library, primarily supported by the Town. The libraries' fiscal 2012 appropriation was \$422,707 and the fiscal 2013 budget is level funded at \$422,707.

Employee Relations

As of March 31, 2012 the Town had 24 full-time and approximately 82 part-time and seasonal employees exclusive of the School and Police Departments. The Police Department employed 17 uniformed officers, 5 full-time and 2 part-time civilian employees and 1 full-time and 1 part-time animal control officers. The School Department as of such date had 200 full and part-time professional, as well as 58 part-time and full-time non-professional employees.

The Town's uniformed police employees are members of the International Brotherhood of Police officers (IBPO). The present contract with the Police expires June 30, 2012. The Town's professional school employees are members of the National Education Association of Rhode Island (NEARI) with a contract that expires August 31, 2012. The School Department's custodians are members (NEARI) with a contract that expires June 30, 2013. The School Department's Paraprofessionals are members (NEARI) with a contract that expires June 30, 2012. The employees of the Department of Public Works are members of the Teamsters, Chauffeurs, Warehousemen & Helpers of America Local Union No. 251 with a contract that expires June 30, 2011; the Town Council is currently negotiating a new contract with the Public Works Union, International Brotherhood of Police and Paraprofessionals.

ECONOMIC CONDITIONS AND OUTLOOK

Population

In 2000, Scituate was ranked 29th in population among the thirty-nine cities and towns in Rhode Island and the Town experienced a 4.8% increase in population from 1990 to 2000. Set forth below is a table of the population in the Town for various years from 1930 to 2010. The estimated population for 2011 was 10,324.

<u>Year</u>	<u>Population</u>
1930	2,292
1940	2,838
1950	3,905
1960	5,210
1970	7,489
1980	8,405
1990	9,796
2000	10,324
2007	10,870
2009	10,817 (estimate)
2010	10,329
2011	10,324

Source: U.S. Bureau of the Census. Rhode Island City and Town, Town Population Estimates

Unemployment

The most recent labor market information summary indicates that annualized unemployment for the years indicated was as shown in the following table:

	ANNUALIZED									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Town of Scituate	5.8%	5.1%	5.8 %	5.0 %	5.3%	7.0%	12.5%	11.9%	11.1%	10.00%
State of Rhode Island	5.3%	4.6%	5.5%	5.1%	5.2%	7.5%	12.4%	12.9%	11.5%	10.8%
United States	6.0%	5.4%	5.4%	4.3%	5.0%	5.5 %	9.5%	10.2%	8.8%	8.3%

Source: WWW. Rhode Island Department of Labor and Training; Data Center

Employment

In 2011 the Town had 264 private business and industrial firms subject to the payment of employment security taxes. During that period, the payrolls for those firms totaled \$15,737,344 and the average number of Persons employed were 1,635. The following is a listing of the various types of industry in the Town covered by the Department of Labor and Training for the calendar year ended December 31, 2011.

<u>Industry</u>	Year Ended December 31, 2011		
	Average No. of Units	Annual Payroll	Average No. of Employees
Agr., Fish., Mining	11	\$ 297,235	65
Construction	63	1,844,805	184
All Manufacturing	11	238,490	23
Transportation/Warehousing	11	176,300	16
Wholesale Trade	11	316,184	27
Retail Trade	17	1,102,311	177
Fin., Ins., Real Estate	16	130,867	14
Service Industries	113	3,336,433	466
Government	13	8,294,719	663
Totals		\$15,737,344	1,635

Source: WWW. Rhode Island Department of Labor and Training; Quarterly Census of Employment & Wages; by City and Town. Annual Report

Income Levels

According to the 2000 U.S. Census, the median family income of the Town of Scituate was \$60,788 compared to \$42,090 for the State of Rhode Island. Median family income in the Town increased from \$48,995 in 1990, an increase of 24.1%. Scituate's 2000 median family income ranked 5th among Rhode Island cities and towns.

The per capita income of the Town was \$28,092 compared to \$21,688 for the State. Per capita income in the Town increased from \$18,400 in 1990 to \$28,092 in 2000, an increase of 52.6%. Scituates'2000 per capita income ranks 7th among Rhode Island cities and towns.

Building Permits

The following table indicates the number of building permits issued by the Town building inspector for the calendar years indicated and the declared value of the construction undertaken: the permit totals include additions, renovations, roofing, siding, pools, electrical, mechanical and plumbing permits.

	<u>Permits Issued</u>	<u>Value</u>
1995	581	\$9,557,407
1996	586	9,809,563
1997	525	8,478,798
1998	504	7,182,210
1999	608	9,131,092
2000	563	9,828,962
2001	647	9,270,187
2002	645	12,542,473
2003	833	15,369,548
2004	*759	13,779,607
2005	750	12,445,315
2006	644	13,531,309
2007	557	9,990,825
2008	590	8,229,435
2009	489	7,194,349
2010	519	6,498,604
2011	521	6,689,490

*Includes Churches and Town Properties
Source: Town of Scituate, Building Inspector

Housing

At the end of 2011/2012 (4/1/2011 through 3/31/2012) sale prices for single family homes in Scituate ranged from \$62,000 to \$550,000. The median sales price for homes in Scituate was \$225,000 and the average sales price was \$236,232.

Source: Tax Assessor's data base

Economic Development

Within the past 2 years, a few projects have been underway and some projects are still on the drawing board:

- A proposal for 15 duplexes – w/30% affordable Housing, on Old Hope Kent Road, has been eliminated. A neighborhood group purchased the land out of Receivership and will not proceed with any housing project.
- Construction has been completed on 14 House –Phase 1- of Scituate Highlands; there are no plans to start Phase 2.
- A plan for 12 condominiums – 3 Affordable on Hartford Pike, received all state permits and is expected to complete Town approvals and start construction soon.

- The Dexter Credit Union completed construction of a beautiful new bank at the former “Fleet” bank site on Danielson Pike.
- Although Job Lot moved out of 104 Danielson Pike, Family Dollar Store has plans to upgrade and modernize the building before moving in the year.

Major Initiatives

The Town Council and the School Committee are committed to providing the children of Scituate with the schools and resources necessary for their success. The residents of Scituate have annually supported education initiatives by their continued support at the Financial Town Meeting and this support is expected to continue as a primary objective of the community.

- With funds from a State Energy Grant the Town Hall window and exterior door replacement project was completed.
- The Congregational Church is being completely sanded and repainted; the Scituate Art Festival Committee is paying for the work.
- The Plan Commission has adopted updated regulations that include Low Impact Development Standards.
- A multi-use building at 169 Danielson Pike with North Scituate Village is being renovated for new retail space.

Source: Town of Scituate, Building Inspector

FINANCIAL INFORMATION

A detailed understanding of the financial position and operating results of the Town is provided in the Comprehensive Annual Financial Report (CAFR). The Management’s Discussion and Analysis starting on Page 3 of the CAFR provides additional information to assess the Town’s financial condition.

Internal Controls

In developing and evaluating the Town's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization, procedures, and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently is designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization.
- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance - related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets.
- Access to assets is permitted only in accordance with management's authorization.
- The recorded accountability of assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The definition of accounting control presumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits to be derived. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgetary Control

The Town has formally established budgetary accounting control for its General Fund. It is the responsibility of the Town Budget Committee to submit to the Town Council and make available to the general public a proposed General Fund budget, including the School Department appropriation for the fiscal year. The Town Council may then revise and adopt a recommended General Fund budget including changes to the School Department appropriation. At least two public hearings are conducted on the recommended General Fund Budget and the final recommended budget is approved by the voters and legally enacted through an ordinance by the Town Council at the Annual Financial Town Meeting. The General Fund annual operating budget amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Town's financial position for management, citizens and investors. At March 31, 2012 the Town's bonded debt to assessed valuation was as follows:

	<u>Amount</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
Net Direct Bonded Debt	\$7,625,500	0.98%	\$738.62

Tables 9 - 13 in the statistical section of this report present more detailed information about the debt position of the Town.

Cash Management

The intention of the cash management system is to limit the amount of funds placed in accounts where low or no interest is paid. Idle cash is invested in various instruments with staggered maturity dates, depending on the anticipated cash requirements during the period.

Risk Management

The Town's properties are insured by the RI Interlocal Risk Management Trust, Inc. This agency was established for the primary purpose of providing insurance to local government entities. The following coverage is provided to the Town of Scituate: general liability, automobile liability, public buildings, and public official's liability insurance.

Independent Audit

In accordance with the RI General Laws an audit of the financial statements has been completed by the Town's independent auditors, Bacon & Company CPA's LLC and their opinion is included herein.

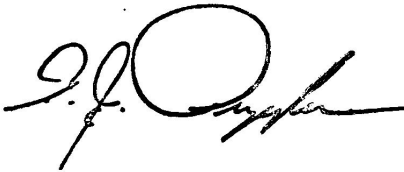
Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Scituate for its comprehensive annual financial report for the fiscal year ended March 31, 2011. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate for fiscal 2012.

Acknowledgment

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the competent staff of the Treasurer's Office. I would also express my appreciation to other personnel from various departments who assisted in its preparation. Finally, I would like to thank the Town Council for their support in planning and conducting the financial operation of the Town in a dedicated, professional and responsible manner.

A handwritten signature in black ink, appearing to read 'T.J. Przybyla', with a large, stylized circular flourish at the end.

Theodore J. Przybyla
Town Treasurer

TJP/dag

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Scituate
Rhode Island

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2011

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



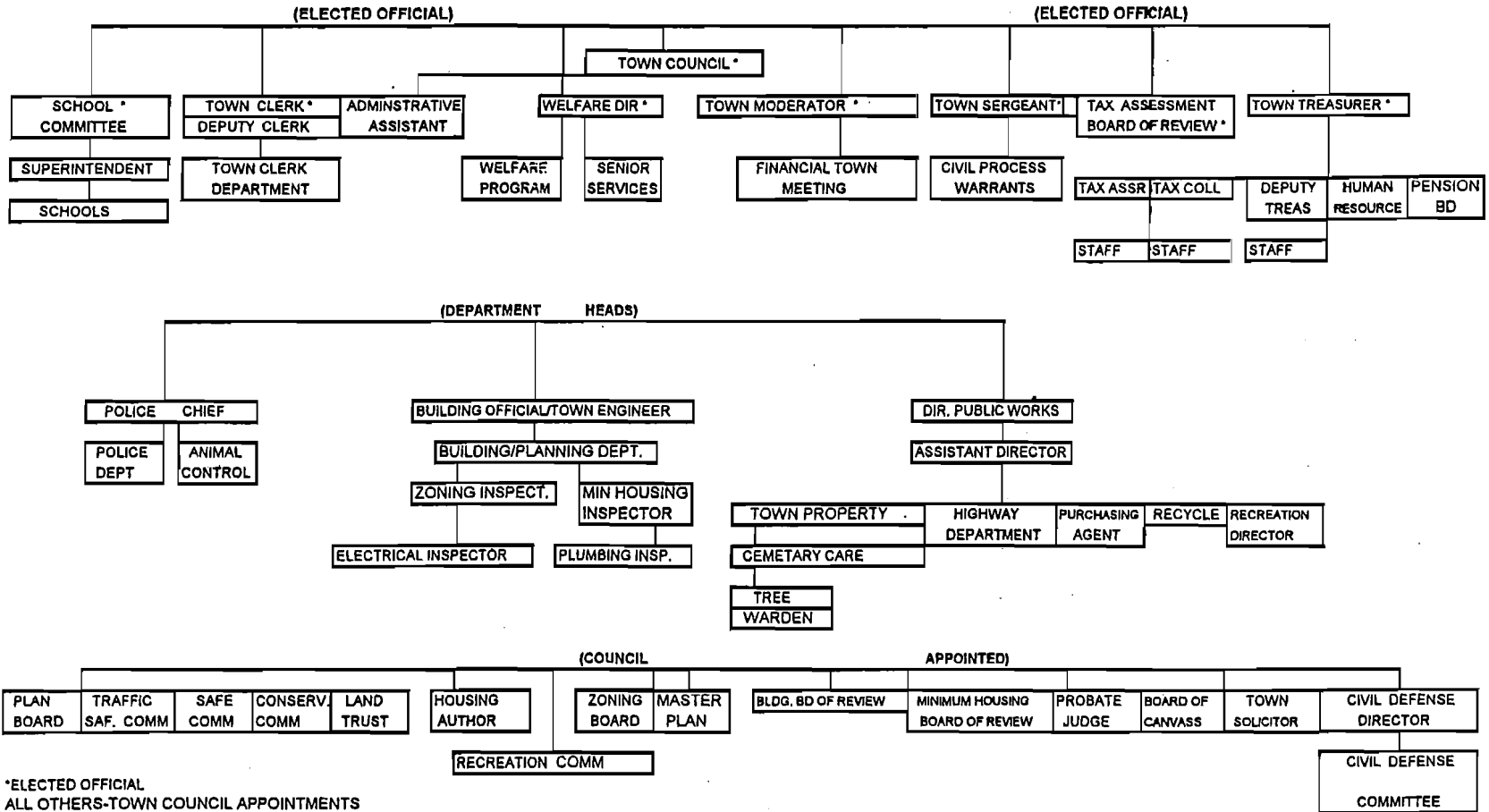
Linda C. Dandson

President

Jeffrey R. Egan

Executive Director

TOWN OF SCITUATE ORGANIZATIONAL CHART



*ELECTED OFFICIAL
ALL OTHERS-TOWN COUNCIL APPOINTMENTS

TOWN OF SCITUATE, RHODE ISLAND

Town Treasurer

Theodore J. Przybyla

Town Council

Charles Collins, Jr., President
David L. Hanna, Jr., Vice President
David A. D'Agostino
Brenda Frederickson
William Hurry, Jr.
Kathleen Knight-Bianchi
John F. Winfield, Jr.

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

Independent Auditors' Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

INDEPENDENT AUDITORS' REPORT

To the Honorable President and
Members of the Town Council
Scituate, Rhode Island

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island, as of and for the year ended March 31, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Scituate, Rhode Island's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island, as of March 31, 2012, and the respective changes in financial position thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2012 on our consideration of the Town of Scituate, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and supplementary pension and other postemployment benefit information on pages 3 through 12 and 49 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scituate, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information, and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *"Audits of States, Local Governments, and Non-profit Organizations"* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scituate, Rhode Island's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Warwick, Rhode Island
October 1, 2012

TOWN OF SCITUATE MANAGEMENTS DISCUSSION AND ANALYSIS

Management of the Town of Scituate provides this Management's Discussion and Analysis of the Town of Scituate Comprehensive Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of Scituate are for fiscal year ended March 31, 2012. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the Town's financial statements that follow.

FINANCIAL HIGHLIGHTS

At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,890,714, or 9.09% of total 2012 budgeted expenditures. This is an increase of \$225,231 from the prior year unassigned fund balance.

The Town ended fiscal year 2012 with a budgetary operating surplus of \$514,745 and the School ended with a budgetary operating surplus of \$920,378.

The Town of Scituate's total bonded debt decreased by \$1,742,000. This was due to scheduled repayment of existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

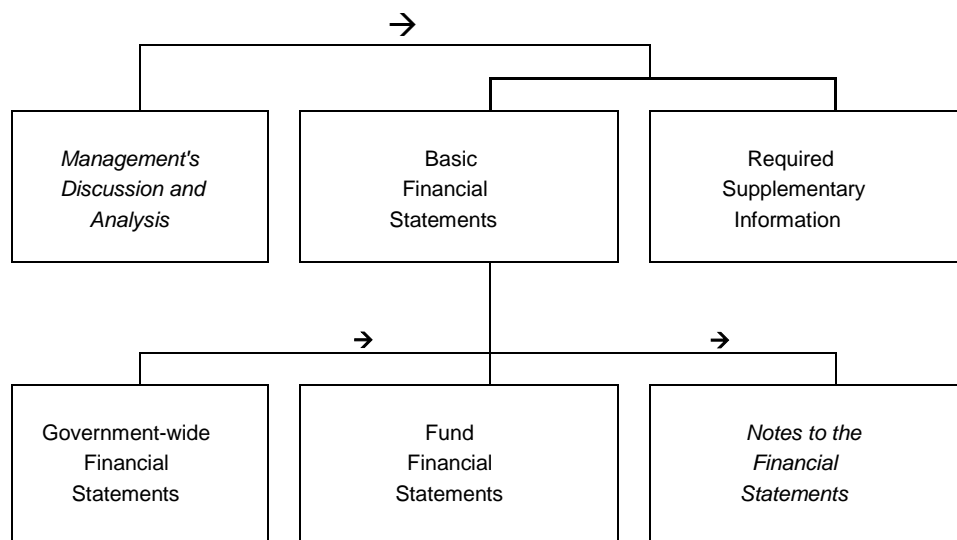
This discussion and analysis is intended to serve as an introduction to the Town's annual audit report. The financial section of this report consists of **four** parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information that includes combining statements for non-major governmental funds and other fiduciary funds.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall status.
- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
 - ✓ The *governmental funds* statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.

- ✓ *Fiduciary fund* statements provide information about assets that are held by the Town as a trustee or agent for the benefit of someone or something other than the Town itself. The Town cannot use these assets to support its own programs.

The financial statements also include notes that provide more detailed data about some of the information in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds and fiduciary funds, which are added together and presented in a single column in the basic financial statements.

**Figure A-1
Required Components of
Town of Scituate’s Basic Financial Report**



**Summary
Information**

**Detail
Information**

Figure A- 2

Major Features of the Town of Scituate’s Government-Wide and Fund Financial Statements

	Government- Wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Town government (except fiduciary funds)	The activities of the Town that are not fiduciary such as police, fire and DPW	Instances in which the Town is the trustee or agent for someone else’s resources
Required Financial Statements	Statement of Net Assets, Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, And Changes in Fund Balances	Statement of Fiduciary Net Assets, Statement of Changes in Fiduciary Net Assets
Accounting Basis And Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liability Information	All assets and liabilities both financial and capital and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter	All assets and liabilities, both short-term and long-term
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the Town’s financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government’s assets and liabilities. All of the current year’s revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's *net assets* and how they have changed. Net assets – the difference between the Town's assets and liabilities – is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town you need to consider additional non-financial factors such as changes in the Town's property tax base and the status and standing of the Town's Schools.

The government-wide financial statements of the Town are divided into two categories.

- *Governmental activities* – Most of the Town's basic services are included here, such as the police, fire, library, public works and general administration. Property taxes, general fees and state funding finance most of these activities.
- *Component units* – The Town does not have any entities that are deemed to be component units.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental funds – Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the government fund statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities.

The Town maintains fifty-five governmental funds; one is considered a major fund and is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The Town's major governmental fund is: General Fund.

The basic governmental fund financial statements can be found beginning on page 15 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

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 follow the basic financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. **This section includes budgetary comparison schedules, which include a reconciliation between the statutory revenue and expenditures for budgetary purposes and the revenues and expenditures for the General Fund as presented in the governmental fund financial statements.** Required supplementary information follows the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Town's net assets totaled \$11,911,377 at the close of the most recent fiscal year.

A large portion of the Town's net assets reflects its investment in capital such as land, building, 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.

**Town of Scituate Net Assets
March 31, 2012 and 2011**

	3/31/2012	3/31/2011
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Current and other assets	\$ 9,815,139	\$10,409,093
Capital assets	<u>20,457,452</u>	<u>21,073,199</u>
Total assets	30,272,591	31,482,292
Current liabilities	3,991,208	4,396,067
Long-term liabilities	<u>14,370,006</u>	<u>15,790,401</u>
Total liabilities	18,361,214	20,186,468
Net Assets:		
Invested in capital assets, net of related debt	\$12,843,119	\$12,066,199
Restricted for:		
Specific Projects and Programs	2,420,821	2,241,114
Unrestricted	<u>(3,352,563)</u>	<u>(3,011,489)</u>
Total net assets	<u>\$11,911,377</u>	<u>\$11,295,824</u>

An additional portion of the Town's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net assets.

At the end of the current fiscal year, the Town is able to report positive balances in net assets.

Changes in Net Assets

The government's net assets increased by \$615,553 during the current fiscal year.

**Town of Scituate Changes in Net Assets
For the Year Ended March 31, 2012 and 2011**

	3/31/2012	3/31/2011
	Governmental	Governmental
	<u>Activities</u>	<u>Activities</u>
Program revenues:		
Charges for services	\$ 1,350,260	\$ 1,333,377
Operating grants and contributions	5,556,318	5,650,603
Capital grants and contributions	<u>84,973</u>	<u>250,000</u>
Total program revenues	<u>6,991,551</u>	<u>7,233,980</u>
General revenues:		
Property taxes	25,467,030	24,834,047
State aid and in lieu of taxes, unrestricted	292,411	455,126
Investment earnings and miscellaneous	<u>33,580</u>	<u>21,785</u>
Total general revenues	<u>25,793,021</u>	<u>25,310,958</u>
Total revenues	<u>32,784,572</u>	<u>32,544,938</u>
Expenses:		
General government	1,586,381	1,485,973
Public safety	4,162,851	4,231,458
Public works	2,251,931	2,407,004
Social services	960,148	891,122
Education	22,749,585	22,181,976
Interest Expense	<u>458,123</u>	<u>529,887</u>
Total Expenses	<u>32,169,019</u>	<u>31,727,420</u>
Increase (Decrease) in net assets	615,553	817,518
Net assets – beginning of year	<u>11,295,824</u>	<u>10,478,306</u>
Net assets – end of year	<u>\$11,911,377</u>	<u>\$11,295,824</u>

Governmental activities. Governmental activities increased the Town's net assets by \$615,553. Key elements of this increase are as follows: current year purchases of capital assets and scheduled debt repayments.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Town'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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,157,168 which is a decrease of \$145,768 in comparison with the prior year. \$2,880,872 or 40% of this total amount represents unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,890,714. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 9.09% of total general fund budgeted expenditures.

General Fund Budgetary Highlights

There was no need to amend the original budget as submitted at the Financial Town Meeting on April 5, 2011 for the fiscal year 2012. There were no material department overages. Budgetary highlights include savings in Interest Expense and Highway Department General Expense due to the mild winter of 2011/2012. Legal Service expenses remain constant with the exception of a legal settlement in fiscal year 2012.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of March 31, 2012 amounted to \$20,457,452 (net of accumulated depreciation). This investment in capital assets includes infrastructure, land, buildings, improvements, machinery and equipment, vehicles and construction in progress.

Town of Scituate Capital Assets

Governmental Activities:

	<u>ENDING BALANCE 3/31/2012</u>	<u>ENDING BALANCE 3/31/2011</u>
Governmental activities:		
Nondepreciable assets:		
Land & land rights	\$ 2,008,448	\$ 2,008,448
	<u>2,008,448</u>	<u>2,008,448</u>
Depreciable assets:		
Infrastructure	17,208,336	16,991,855
Buildings & improvements	20,967,834	20,830,556
Office furniture & equipment	1,403,682	1,408,944
Machinery & equipment	2,761,110	2,691,751
Vehicles	<u>5,019,682</u>	<u>4,839,135</u>
TOTAL CAPITAL ASSETS	<u>49,369,092</u>	<u>48,770,689</u>
Less accumulated depreciation for:		
Infrastructure	13,045,941	12,721,915
Buildings & improvements	8,472,382	7,991,086
Office furniture & equipment	1,250,758	1,225,965
Machinery & equipment	2,141,928	2,028,192
Vehicles	<u>4,000,631</u>	<u>3,730,332</u>
TOTAL ACCUMULATED DEPRECIATION	<u>28,911,640</u>	<u>27,697,490</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$20,457,452</u>	<u>\$21,073,199</u>

Additional information on the Town's capital assets can be found in Note 2 – Capital Assets on page 26 of this report.

Long-term debt. At the end of the fiscal year, the Town had total bonded debt outstanding of \$7,625,500. General obligation bonds are backed by the full faith and credit of the Town, including the Town's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens.

The Town has an Aaa rating from Moody's Investors Service.

State statute limits the amount of bonds a governmental entity can issue to 3% of its total net assessed value, which approximates \$23,336,807. As of March 31, 2012 the Town's debt, subject to the 3% limit, was \$6,225,500 which is under the debt limit by \$17,111,307.

Additional information on the Town's long-term debt can be found in Note 6 – Long-Term Liabilities on pages 29 – 31 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the Town of Scituate is 10.0 percent. This compares to the State's average unemployment rate of 10.8 percent and the national average of 8.3 percent. Per capita and median family income remains some of the highest in the State. Median Family Income ranks 5th and Per Capita Income ranks 7th among Rhode Island's 39 Cities and Towns.

	Per Capita	Median Family
Scituate	\$28,092	\$60,788
Rhode Island	\$21,688	\$52,781
United States	\$21,587	\$50,046

The following factors were considered in preparing the Town's budget for the 2012-13 fiscal year.

- The Town has budgeted the full ARC for Police Pension, and commenced funding OPEB in the amount of \$100,000 in Fiscal 2013.
- Contribution for municipal retirement system increased from 11.11% to 13.65%.
- The Fiscal 2013 budget provides for a 1.5% base salary increase for town staff, after three years with no increase.
- Most appropriations remain level funded at the prior year's budgeted amounts. These measures are necessary to absorb cuts in state aid, eliminated state revenue sharing and continued decreases in the motor vehicle excise tax exemption.
- The Town has budgeted \$372,814 of its unrestricted fund balance for capital expenditures.
- The School expects to receive \$300,000 in additional state aid if Fiscal 2013 over the prior year; union contracts provide for an estimated 1.2% salary increase.
- The Town legal services budget has been increased to cover estimated expenses.

The Town has appropriated \$1,152,000 of the School Unrestricted Fund Balance for spending in the 2012-13 fiscal year Budget. The Fiscal 2012/2013 budget was achieved with no tax rate increase. The Town tax rates will remain at \$32.726 per thousand for residential real property and \$40.296 per thousand for commercial real property for fiscal year ending March 31, 2013. Both are calculated at 50% of total assessed value. These rates were derived after completion of the December 31, 2009 town-wide revaluation, review of all real, tangible and motor vehicle property assessments on December 31, 2011 and completion of the budget process.

The Town of Scituate (Town) and the Providence Water Supply Board (PWSB) will be entering the sixth year of a ten (10) year tax treaty beginning with taxes assessed as of December 31, 2007.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Town Treasurer, PO Box 127, 195 Danielson Pike, North Scituate, RI 02857.

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

- Governmental Funds*
- Fiduciary Funds*

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND
Statement of Net Assets
March 31, 2012

	Governmental Activities
Assets:	
Current assets:	
Cash and cash equivalents	\$ 3,486,980
Investments	11,008
Accrued interest receivable	89,319
Real estate and personal property tax receivable (net)	5,380,938
Due from federal and state government	324,702
Other receivables	176,107
Prepaid expenses	274,481
Total current assets	9,743,535
Noncurrent assets:	
Capital assets: (Note 2)	
Land and land rights	2,008,448
Depreciable buildings, property, equipment, and infrastructure (net)	18,449,004
Other assets (net)	71,604
Total noncurrent assets	20,529,056
Total assets	30,272,591
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	1,425,008
Accrued interest payable	154,305
Unearned revenue	105,955
Other liabilities	116,568
Compensated absences payable	253,222
Long-term debt - due within one year (Note 6)	1,936,150
Total current liabilities	3,991,208
Noncurrent liabilities:	
Long-term debt - due in more than one year (Note 6)	9,518,362
Compensated absences payable	540,667
Net pension obligation	3,028,598
Net other post-employment benefits obligation	1,282,379
Total noncurrent liabilities	14,370,006
Total liabilities	18,361,214
Net Assets:	
Invested in capital assets, net of related debt	12,843,119
Restricted for:	
Education programs	1,921,497
Social service programs	186,572
Public safety programs	73,489
Records preservation	85,018
Other programs	23,729
Permanent:	
Expendable	88,421
Nonexpendable	42,095
Unrestricted	(3,352,563)
Total net assets	\$ 11,911,377

The accompanying notes are an integral part of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND

Statement of Activities

For the Fiscal Year Ended March 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<i>Net (Expense)</i>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<i>Revenue and Changes in Net Assets</i>
Governmental Activities:					<u>Total Governmental Activities</u>
General government	\$ 1,586,381	\$ 464,224	\$ -	\$ -	\$ (1,122,157)
Public safety	4,162,851	399,664	73,471	-	(3,689,716)
Public works	2,251,931	15,481	24,747	84,973	(2,126,730)
Social services	960,148	41,829	63,862	-	(854,457)
Education	22,749,585	429,062	4,978,578	-	(17,341,945)
Interest expense	458,123	-	415,660	-	(42,463)
Total	<u>32,169,019</u>	<u>1,350,260</u>	<u>5,556,318</u>	<u>84,973</u>	<u>(25,177,468)</u>

General Revenues:

Taxes:

Property taxes	25,467,030
State aid and in lieu of taxes, unrestricted	292,411
Investment earnings	2,782
Miscellaneous	30,798

Total general revenues 25,793,021

Change in net assets 615,553

Net assets - beginning of year, restated 11,295,824

Net assets - end of year \$ 11,911,377

The accompanying notes are an integral part of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND

**Balance Sheet
Governmental Funds
March 31, 2012**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 2,873,270	\$ 650,477	\$ 3,523,747
Investments	-	11,008	11,008
Real estate and personal property tax receivable	5,675,938	-	5,675,938
Due from federal and state governments	6,018	318,684	324,702
Due from other funds	2,803,690	793,413	3,597,103
Other receivables	152,336	23,771	176,107
Prepaid expenditures	274,481	-	274,481
Total assets	<u>\$ 11,785,733</u>	<u>\$ 1,797,353</u>	<u>\$ 13,583,086</u>
Liabilities and Fund Balances			
Liabilities:			
Cash overdraft	\$ 36,767	\$ -	\$ 36,767
Accounts payable and accrued expenditures	1,215,364	209,644	1,425,008
Due to other funds	3,549,334	47,769	3,597,103
Deferred revenues	1,226,836	23,636	1,250,472
Other liabilities	116,568	-	116,568
Total liabilities	<u>6,144,869</u>	<u>281,049</u>	<u>6,425,918</u>
Fund Balances:			
Nonspendable:			
Prepaid expenditures	274,481	-	274,481
Cemetery perpetual care	-	42,095	42,095
Restricted for:			
Education programs	1,719,717	201,780	1,921,497
Public safety programs	-	73,489	73,489
Social service programs	-	162,936	162,936
Records preservation	-	85,018	85,018
Capital projects	-	102,955	102,955
Other programs	-	112,150	112,150
Committed for:			
Open space, park and recreational facilities	-	100,808	100,808
Other programs	-	7,352	7,352
Assigned to:			
2013 budget	722,028	-	722,028
Revaluation	33,924	-	33,924
Capital projects	-	637,563	637,563
Unassigned	2,890,714	(9,842)	2,880,872
Total fund balances	<u>5,640,864</u>	<u>1,516,304</u>	<u>7,157,168</u>
Total liabilities and fund balances	<u>\$ 11,785,733</u>	<u>\$ 1,797,353</u>	<u>\$ 13,583,086</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
March 31, 2012

Total Fund Balances - Total Governmental Funds	\$ 7,157,168
 Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 2 to the financial statements.	20,457,452
Accrued interest receivable on property taxes is reported as revenue in the Government-Wide Financial Statements in the period earned. In the Governmental Fund Financial Statements, interest on property taxes is reported when received.	89,319
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are reported as deferred revenue (a liability) in the Governmental Fund Financial Statements.	1,120,881
Allowance for uncollectible property taxes receivable is reported in the Government-Wide Financial Statements, but is not reported in the Governmental Funds Balance Sheet.	(295,000)
Other receivables are not available to pay for current period expenditures and, therefore, are deferred in the Governmental Funds Financial Statements.	23,636
Debt issuance costs are reported as expenditures in the Governmental Funds Financial Statements. The cost and related accumulated amortization is reflected as an other asset on the Government-Wide Financial Statements.	71,604
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	(154,305)
Long-term liabilities (including bonds, loans and notes payable, net pension obligation, net OPEB obligation, and compensated absences) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet. See note 6A to the financial statements.	<u>(16,559,378)</u>
 Net Assets - Governmental Activities	 <u>\$ 11,911,377</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
General property taxes	\$ 25,348,302	\$ -	\$ 25,348,302
Federal and state aid and grants	4,572,971	1,281,390	5,854,361
Charges for services	890,705	289,824	1,180,529
Fines and penalties	48,602	-	48,602
Investment and interest income	66,894	323	67,217
Contributions and private grants	-	79,341	79,341
Miscellaneous	121,129	24,936	146,065
Total revenues	<u>31,048,603</u>	<u>1,675,814</u>	<u>32,724,417</u>
Expenditures:			
Current:			
General government	1,118,115	-	1,118,115
Public safety	2,721,716	20,636	2,742,352
Public works	1,757,778	196,496	1,954,274
Social services	725,904	161,373	887,277
Education	20,646,491	1,598,160	22,244,651
Fixed charges and other	1,558,546	-	1,558,546
Debt service	2,359,904	5,066	2,364,970
Total expenditures	<u>30,888,454</u>	<u>1,981,731</u>	<u>32,870,185</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>160,149</u>	<u>(305,917)</u>	<u>(145,768)</u>
Other financing sources (uses):			
Transfers from other funds	-	10,000	10,000
Transfers to other funds	(10,000)	-	(10,000)
Total other financing sources (uses)	<u>(10,000)</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	150,149	(295,917)	(145,768)
Fund balances, beginning of year, restated	<u>5,490,715</u>	<u>1,812,221</u>	<u>7,302,936</u>
Fund balances, end of year	<u>\$ 5,640,864</u>	<u>\$ 1,516,304</u>	<u>\$ 7,157,168</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities
For the Year Ended March 31, 2012

Net Changes in Fund Balances - Total Governmental Funds	\$ (145,768)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Fund Financial Statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities the cost of those assets is allocated over its estimated useful life as depreciation expense. This is the amount of capital assets recorded in the current period.	650,880
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Fund Financial Statements.	(1,265,097)
Loss on the disposal of capital assets is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, the loss on the disposal of capital assets is not reported in the Governmental Fund Financial Statements.	(1,530)
Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, compensated absences are not reported as expenditures in Governmental Fund Financial Statements. The following amount represents the change in long-term compensated absences from the prior year.	(5,653)
Debt issued at a premium provides current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide Financial Statements. Debt issuance costs and loss on refundings are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide Financial Statements.	
This amount represents amortization on loss on refunding during the current period.	(6,935)
This amount represents amortization of premium on debt during the current period.	7,486
This amount represents amortization of debt issuance costs during the current period.	(6,074)
Repayment of bond and loan principal is an expenditure in the Governmental Fund Financial Statements, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Assets.	1,894,650
Accrued interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in the Governmental Fund Financial Statements. The following amount represents the change in accrued interest expense from the prior year.	25,304
The net pension and net OPEB obligation payable are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, the net pension and net OPEB obligations are not reported as an expenditure in the Governmental Fund Financial Statements. The following amount represents the change in the net pension and net OPEB obligation payable from the prior year.	(584,281)
Property taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are recognized as revenue when measurable and available in the Governmental Fund Financial Statements.	66,855
Principal payments received on loan receivables are reported as a reduction of the receivable in the Government-Wide Financial Statements. In the Governmental Fund Financial Statements, principal payments received are reported as revenue.	(1,722)
Accrued interest receivable on property taxes is reported as revenue in the Government-Wide Financial Statements in the period earned. In the Governmental Fund Financial Statements, interest on property taxes is reported when received.	(12,562)
Change in Net Assets of Governmental Activities	<u><u>\$ 615,553</u></u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND
Statement of Fiduciary Net Assets
Fiduciary Funds
March 31, 2012

	<u>Pension Trust Fund</u>	<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets			
Cash and cash equivalents	\$ 17,843	\$ 51,727	\$ 170,003
Investments:			
Collective funds - equity	1,836,155	-	-
Collective funds - fixed income	966,716	-	-
Collective funds - real estate investment trust	270,826	-	-
Total investments	<u>3,073,697</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,091,540</u>	<u>51,727</u>	<u>170,003</u>
Liabilities			
Deposits held in custody for others	<u>-</u>	<u>-</u>	<u>170,003</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>170,003</u>
Net Assets			
Held in trust for pension benefits and other purposes	<u>\$ 3,091,540</u>	<u>\$ 51,727</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended March 31, 2012

	<u>Pension Trust Fund</u>	<u>Private- Purpose Trust Fund</u>
Additions		
Contributions:		
Employer	\$ 356,593	\$ -
Plan member	106,593	-
Total contributions	<u>463,186</u>	<u>-</u>
Investment income:		
Interest and dividend income	32	9
Net appreciation (depreciation)		
in fair value of investments	99,598	-
Less: investment expense	<u>(12,255)</u>	<u>-</u>
Net investment income	<u>87,375</u>	<u>9</u>
Other additions	<u>224</u>	<u>-</u>
Total additions	<u>550,785</u>	<u>9</u>
Deductions		
Benefits paid	566,393	-
Administrative and other expense	<u>15,227</u>	<u>-</u>
Total deductions	<u>581,620</u>	<u>-</u>
Change in net assets	(30,835)	9
Net assets - beginning of year, restated	<u>3,122,375</u>	<u>51,718</u>
Net assets - end of year	<u>\$ 3,091,540</u>	<u>\$ 51,727</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

The financial statements of the Town of Scituate, Rhode Island have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Town's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Town of Scituate was incorporated in 1731. The Town is governed largely under the 1731 Colonial Charter. In some matters, including the issuance of short and long-term debt, the Town is governed by the general laws of the State of Rhode Island. The Town provides the following services: Public Safety (police, fire, civil defense and animal control), Public Works (highways, sanitation and facilities maintenance), Education, Social Services, and General Administrative Services.

The Town is a municipal corporation governed by a Town Council form of government with a seven-member Town Council headed by a Council President.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the Town applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units." A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Through the application of GASB Statement Nos. 14 and 39 criteria, no separate entities have been determined to be component units of the Town.

B. BASIS OF PRESENTATION AND ACCOUNTING

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds to demonstrate legal compliance and to aid management by segregating transactions related to specific Town functions or activities.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

Government-Wide Financial Statements

The Town's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental Activities for the Town. The Town has no Business-Type Activities. Fiduciary Activities of the Town are not included in these statements.

These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all the Town's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period in which the liability is incurred. The types of transactions included in program revenues for the Town are reported in three categories: 1) charges for services; 2) operating grants and contributions; and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 related to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

Major Governmental Funds:

General Fund – The General Fund is used to account for resources devoted to financing the general services that the Town performs for its citizens.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Assets and a Statement of Changes in Net Assets. The Town’s Fiduciary Funds include a Pension Trust Fund, Private Purpose Trust Fund and Agency Funds. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other governments. The Fiduciary Funds are accounted for on an “*economic resources*” measurement focus and the accrual basis of accounting. Agency Funds are purely custodial and do not involve measurement of results of operations.

Pension Trust Fund – This fund accounts for pension benefits provided to Town Police Officers. The principal revenue source for this fund is employer and employee contributions.

Private Purpose Trust Fund – This fund accounts for assets held by the Town under a trust arrangement to benefit the poor through the Town’s Human Services Department.

Agency Funds – These funds account for assets held by the Town as agent for various student groups for student activities, for the Town Council’s Sunshine Fund, and for probate.

C. INVESTMENTS

Investments are recorded at fair value. Unrealized gains and losses from changes in fair value are recognized as investment income.

D. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

Accounts receivable and taxes receivable, are shown net of an allowance for uncollectible accounts. The allowances are calculated from the age of the individual receivables. Property taxes due on July 1 of the current year and other delinquent balances are recorded as receivables.

E. CAPITAL ASSETS AND DEPRECIATION

Capital assets are reported in the Government-Wide Statement of Net Assets, but are not reported in the Governmental Fund Financial Statements.

All capital assets are capitalized at historical or estimated historical cost. Donated capital assets are recorded at fair market value as of the date received. The Town follows the policy of not capitalizing assets with a cost of less than \$500 and a useful life of less than 1 year.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

In 2008, the Town retroactively reported the estimated historical cost of major general infrastructure assets acquired or significantly reconstructed through fiscal year 2003. Additions to infrastructure have been reported in the Government-Wide Financial Statements as capital assets since the implementation of GASB No. 34 in fiscal year 2004.

Depreciation is calculated on the straight-line basis over the following useful lives:

<u>Description</u>	<u>Useful Life</u>
Infrastructure	25-75 years
Buildings and improvements	20-40 years
Office furniture and equipment	5-7 years
Machinery and equipment	10-12 years
Vehicles	4-10 years

F. DEFERRED REVENUE

In the Governmental Fund Financial Statements, deferred revenue represents funds received in advance of being owed or receivables which will be collected and included in revenues of future fiscal years.

In the General Fund, deferred revenues relate to delinquent property tax balances less property tax amounts due as of the balance sheet date and received sixty days thereafter.

G. PROPERTY TAXES

The Town is permitted by State Law to levy property taxes. Current fiscal year tax collections for the Town were approximately 79.7% of the total 2011 levy. During the period April 1, 2012 through May 31, 2012, the Town collected an additional \$4,453,939 of the 2011 tax levy. The total collections therefore represent approximately 97.2% of the total 2011 levy. The tax rate of the Town is established by the Town Council.

The Town's fiscal 2011-2012 property taxes were levied on June 13, 2011 on assessed valuation as of December 31, 2010. Upon levy, taxes are billed and are due quarterly on July 1, October 1, January 1, and April 1. Failure to mail payments by due dates result in a lien on the taxpayer's property. Assessed values are established by Tax Assessor's Office and are currently calculated at 50% of assessed value for real estate and 95% of market value for motor vehicles. A full revaluation of all property was completed as of December 31, 2009. The City of Providence Water Supply Board is the Town's principal taxpayer representing 16.56% of the Town's net assessed valuation in fiscal 2012.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

H. COMPENSATED ABSENCES

Under the terms of various contracts and agreements, Town and School Department employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at March 31. Sick leave benefits are based on the sick leave accumulated at March 31 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at March 31, 2012.

The entire compensated absence liability is reported on the Government-Wide Financial Statements. For Governmental Fund Financial Statements, a compensated absence liability is reported only if a liability has matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement).

I. ACCRUED LIABILITIES AND LONG-TERM DEBT

All accrued liabilities and long-term debt are reported in the Government-Wide Financial Statements.

For Governmental Fund Financial Statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether the liabilities will be liquidated with current financial resources. However, claims, judgments, and compensated absences paid from governmental funds are reported as a liability in the Fund Financial Statements only if the liability has matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement). Long-term debt paid from governmental funds is not recognized as a liability in the Fund Financial Statements until due.

J. DEBT PREMIUMS AND ISSUANCE COSTS

In the Governmental Fund Financial Statements, debt premiums and issuance costs are treated as period costs in the year of issue. Debt issuance costs are shown as an "expenditure" and debt premiums are reflected as an "other financing source".

In the Government-Wide Statements, debt premiums and issuance costs are deferred and amortized over the term of the debt. Debt premiums are presented as an addition to the face amount of the debt payable whereas issuance costs are recorded as other assets.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2012 was as follows:

	<u><i>Beginning Balance</i></u>	<u><i>Additions</i></u>	<u><i>Retirements</i></u>	<u><i>Ending Balance</i></u>
Governmental Activities				
Nondepreciable assets:				
Land and land rights	\$ 2,008,448	\$ -	\$ -	\$ 2,008,448
	<u>2,008,448</u>	<u>-</u>	<u>-</u>	<u>2,008,448</u>
Depreciable assets:				
Buildings and improvements	20,830,556	138,628	1,350	20,967,834
Infrastructure	16,991,855	216,481	-	17,208,336
Office furniture and equipment	1,408,944	34,202	39,464	1,403,682
Machinery and equipment	2,691,751	74,311	4,952	2,761,110
Vehicles	4,839,135	187,258	6,711	5,019,682
Total Capital Assets	<u>48,770,689</u>	<u>650,880</u>	<u>52,477</u>	<u>49,369,092</u>
Less accumulated depreciation for:				
Buildings and improvements	7,991,086	481,608	312	8,472,382
Infrastructure	12,721,915	324,026	-	13,045,941
Office furniture and equipment	1,225,965	64,257	39,464	1,250,758
Machinery and equipment	2,028,192	118,196	4,460	2,141,928
Vehicles	3,730,332	277,010	6,711	4,000,631
Total Accumulated Depreciation	<u>27,697,490</u>	<u>1,265,097</u>	<u>50,947</u>	<u>28,911,640</u>
Governmental Activities Capital Assets, Net	<u>\$21,073,199</u>	<u>\$ (614,217)</u>	<u>\$ 1,530</u>	<u>\$ 20,457,452</u>

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 5,270
Public Safety	280,113
Public Works	434,551
Social Services	38,530
Education	506,633
Total Depreciation Expense	<u>\$1,265,097</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

LEGAL DEBT MARGIN – The Town's legal debt margin as set forth by State Statute is limited to 3% of total net assessed value, which approximates \$23,336,807. As of March 31, 2012, the Town's debt, subject to the 3% limit, was \$6,225,500, which is under the debt limit by \$17,111,307.

DEFICIT FUND BALANCES – The following nonmajor funds had deficit fund balances at March 31, 2012: Animal Shelter Bond Fund \$(8,450) and 2009 School Loan Fund \$(1,392).

NOTE 4 – CASH DEPOSITS

DEPOSITS – are in various financial institutions and are carried at cost. The carrying amount of deposits is separately displayed on the Balance Sheet of the Fund Financial Statements and Statement of Net Assets as “Cash and Cash Equivalents” and “Cash Overdraft”.

	<i>Carrying Amount</i>
Total Deposits	<u>\$3,611,780</u>
Add: Petty Cash	20
Add: Cash on Hand	96,910
Add: Investment Classified as Cash Equivalent	<u>17,843</u>
Total Cash and Cash Equivalents Reported in the Financial Statements	<u>\$3,726,553</u>

CUSTODIAL CREDIT RISK – custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. As of March 31, 2012, \$856,960 of the Town's bank balance of \$3,945,364 was exposed to custodial credit risk as follows:

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

	<u>Bank Balance</u>
Insured (Federal depository insurance funds)	\$3,088,404
Collateralized with securities held by pledging financial institution's agent in the Town's name	856,960
Uninsured and uncollateralized	-
Total	<u><u>\$3,945,364</u></u>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators, shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At March 31, 2012, the Town's uninsured or uncollateralized deposits with institutions were \$0. These deposits are held by institutions that meet the minimum capital standards prescribed by the federal regulators.

NOTE 5 – INVESTMENTS

The Town invests in various types of investments that are stated at fair value. The Town Treasurer has control over the type of investments made, except for those investments in the Police Pension Trust Fund, which are controlled by the Plan Trustee. The Town does not have a formal investment policy or any other legally contracted agreement that limits the type of investments that may be made, except as stipulated in the Police Pension Plan trustee agreement. As of March 31, 2012, the Town had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Federated Gov. Obligations Tax Managed Fund	Weighted average – 53 days	\$ 11,008
Collective Funds – Money Market	N/A	17,843
Collective Funds – Equity	N/A	1,836,155
Collective Funds – Fixed Income	Average maturity – 4.32 years	278,115
Collective Funds – Fixed Income	Average duration – .32 years	688,601
Collective Funds – Real Estate Investment Trust	N/A	270,826
Total Investments		<u>3,102,548</u>
Less: Investment Classified as Cash Equivalent		<u>(17,843)</u>
Total Investments Reported in the Financial Statements		<u><u>\$3,084,705</u></u>

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.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

Credit Risk – The Town does not have a formal investment policy that limits its investment choices, except as stipulated in the Police Pension Plan trustee agreement. As of March 31, 2012 the investment in Federated Government Obligations Tax Managed Fund was rated AAAM by Standard & Poor’s and Aaa-mf by Moody’s. The average quality of the Collective Funds – Fixed Income investment of \$278,115 was AA- and the average quality of the Collective Funds – Fixed Income investment of \$688,601 was AA+.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a formal policy which addresses custodial credit risk. The Town had no investments subject to custodial credit risk as of March 31, 2012.

Concentration of Credit Risk – The Town places no limit on the amount the Town may invest in any one issuer. The Town had no investments subject to concentration of credit risk as of March 31, 2012.

NOTE 6 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES

Long-term liability activity for the year ended March 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and loans payable:					
Bonds payable	\$ 9,367,500	\$ -	\$ 1,742,000	\$ 7,625,500	\$ 1,778,500
Loans payable	3,902,950	-	152,650	3,750,300	157,650
	<u>13,270,450</u>	<u>-</u>	<u>1,894,650</u>	<u>11,375,800</u>	<u>1,936,150</u>
Plus amortized premium on loans	134,747	-	7,486	127,261	-
Less deferred amount on refunding	<u>(55,484)</u>	<u>-</u>	<u>(6,935)</u>	<u>(48,549)</u>	<u>-</u>
Total bonds and loans	<u>13,349,713</u>	<u>-</u>	<u>1,895,201</u>	<u>11,454,512</u>	<u>1,936,150</u>
Other liabilities:					
Compensated absences	788,236	185,247	179,594	793,889	253,222
Net pension obligation	2,711,831	316,767	-	3,028,598	-
Net other postemployment benefits obligation	<u>1,014,865</u>	<u>267,514</u>	<u>-</u>	<u>1,282,379</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 17,864,645</u>	<u>\$ 769,528</u>	<u>\$ 2,074,795</u>	<u>\$ 16,559,378</u>	<u>\$ 2,189,372</u>

All debt of the governmental activities is general obligation debt. The payments on the bonds, loans and compensated absences are made from the General Fund. If the net pension obligation or net other postemployment benefits obligation were to be liquidated, payments would be made by the General Fund.

TOWN OF SCITUATE, RHODE ISLAND

Notes to Financial Statements

March 31, 2012

B. GENERAL OBLIGATION BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding April 1, 2011</u>	<u>New Issues</u>	<u>Maturities/ Refundings During Year</u>	<u>Outstanding March 31, 2012</u>
School fund debt								
Refunding bonds	07/15/2002	3.50%	04/01/2014	\$ 4,600,000	\$ 1,835,000	\$ -	\$ 435,000	\$ 1,400,000
				<u>4,600,000</u>	<u>1,835,000</u>	<u>-</u>	<u>435,000</u>	<u>1,400,000</u>
General fund debt								
General Laws - Section 45-12-2:								
General obligation bonds	04/15/2002	3.5%-5%	04/15/2012	870,000	170,000	-	85,000	85,000
General obligation bonds	04/15/2003	2%-3.5%	04/15/2013	1,830,000	620,000	-	200,000	420,000
General obligation bonds	05/12/2005	3.81%	05/12/2012	226,500	71,500	-	35,000	36,500
General obligation bonds	09/30/2005	4.18%	09/30/2015	250,000	125,000	-	25,000	100,000
General obligation bonds	05/15/2006	4.14%-4.58%	05/15/2013	461,000	201,000	-	67,000	134,000
General obligation bonds	04/26/2007	4.23%	04/15/2012	734,750	300,000	-	150,000	150,000
General obligation bonds	06/25/2008	3.97%	04/15/2013	430,000	270,000	-	90,000	180,000
General obligation bonds	04/28/2009	2.79%	08/01/2018	7,035,000	5,775,000	-	655,000	5,120,000
				<u>11,837,250</u>	<u>7,532,500</u>	<u>-</u>	<u>1,307,000</u>	<u>6,225,500</u>
Total				<u>\$ 16,437,250</u>	<u>\$ 9,367,500</u>	<u>\$ -</u>	<u>\$ 1,742,000</u>	<u>\$ 7,625,500</u>

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

The debt service through maturity for the above bonds is as follows:

<u>Fiscal Year Ending March 31,</u>	<u>Governmental Activities</u> <u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,778,500	\$212,906
2014	1,552,000	154,054
2015	1,220,000	107,093
2016	755,000	75,957
2017	750,000	54,265
2018-2019	1,570,000	44,082
	<u>\$7,625,500</u>	<u>\$648,357</u>

C. LOAN PAYABLE

On April 30, 2009, the Town entered into a loan agreement with Rhode Island Health and Educational Building Corp. in the amount of \$4,000,000 for School Department capital improvements. The loan bears interest of 3 - 5% and is payable semi-annually.

On April 8, 2010, the Town received a loan in the amount of \$50,600 from Aramark as part of its food service agreement dated July 1, 2009. The loan is payable in annual installments of \$12,650 over a four-year period and is non-interest bearing.

<u>Fiscal Year Ending March 31,</u>	<u>Governmental Activities</u> <u>Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 157,650	\$162,687
2014	162,650	158,263
2015	155,000	153,687
2016	160,000	148,563
2017	165,000	142,875
2018-2022	935,000	591,637
2023-2027	1,175,000	353,019
2028-2030	840,000	64,500
	<u>\$3,750,300</u>	<u>\$1,775,231</u>

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

NOTE 7 – SHORT-TERM DEBT

The Town issued the following short-term notes during fiscal year 2012:

Tax Anticipation Notes – Tax anticipation notes in the amount of \$2,000,000 were issued on April 13, 2011 and matured on March 15, 2012 with an interest rate of 1.49%. The notes were issued in anticipation of taxes assessed as of December 31, 2010 and due July 1, 2011. The proceeds were deposited into the General Fund.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Tax anticipation notes	\$ -	\$2,000,000	\$2,000,000	\$ -
Governmental Activities Short-Term Debt	<u>\$ -</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$ -</u>

NOTE 8 – INTERFUND BALANCES

The Town reports interfund balances between many of its funds. The totals of all balances agree with the sum of interfund balances presented in the fund statements.

	<u>Due From:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	
Due To:			
General Fund	\$ 2,755,921	\$ 47,769	\$ 2,803,690
Other Governmental Funds	793,413	-	793,413
Total	<u>\$ 3,549,334</u>	<u>\$ 47,769</u>	<u>\$ 3,597,103</u>

The balances primarily result from the time lag between the dates the 1) transactions are recorded in the accounting system and 2) payments between funds are made.

NOTE 9 – INTERFUND TRANSFERS

	<u>Transfer From:</u>
	<u>General Fund</u>
Transfer To:	
Other Governmental Funds	\$ 10,000
Total	<u>\$ 10,000</u>

Transfers are used to move revenues from the fund that the budget requires to collect them, to the funds that the budget requires to expend them.

TOWN OF SCITUATE, RHODE ISLAND
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NOTE 10 – NET ASSETS/FUND BALANCES

The Government-Wide Financial Statements utilize a net asset presentation. Net assets are categorized as invested in capital assets, net of related debt; restricted; and unrestricted.

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Assets – This category presents external restrictions imposed by grantors or laws and regulations.

Unrestricted Net Assets – This category represents net assets of the Town, not restricted for any project or other purpose.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash (e.g. inventories and prepaid expenditures).

Restricted Fund Balance – This classification includes amounts that have constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority.

Assigned Fund Balance – This classification includes amounts constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance – This classification is the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to another fund and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

TOWN OF SCITUATE, RHODE ISLAND
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Committed fund balances are established, modified or rescinded by a resolution adopted at a Financial Town Meeting or an ordinance adopted by the Town Council. Assigned fund balances are authorized by the Treasurer or School Committee. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

NOTE 11 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables except CDBG loans receivable within the subsequent year. The real estate and personal property tax receivable is net of an allowance for doubtful accounts of \$295,000.

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at March 31, 2012, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities				
General Fund	\$ 673,155	\$ 542,209	\$ -	\$ 1,215,364
Other Governmental Funds	197,457	12,187	-	209,644
Total	<u>\$ 870,612</u>	<u>\$ 554,396</u>	<u>\$ -</u>	<u>\$ 1,425,008</u>

NOTE 12 – POST-EMPLOYMENT BENEFITS

Plan Description

The Town of Scituate administers a single-employer, defined benefit post-employment health insurance plan. This plan does not include the pension benefits discussed in Note 17. The plan provides medical and dental insurance for eligible retirees and their dependents through the Town’s group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the Town and the respective unions or as established by the Town’s Human Resource Policy Manual for non-union employees. The plan does not issue a publicly available financial report.

TOWN OF SCITUATE, RHODE ISLAND
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The plan provides the following benefits based on employee group:

- **Certified Teachers:** Upon retirement, certified teachers are eligible to purchase medical and dental insurance (single or family) up to age 65 and pay 100% of the premium.
- **Police Department:** Police officers that retire after July 1, 2000 with 25 years of service are eligible for medical and dental insurance (single or family). The police officer contributes 50% of the premium towards his/her coverage.
- **DPW and Non-Union Town Employees:** DPW and non-union town employees upon retirement are eligible for individual medical insurance coverage. Retired members must contribute the following towards their premium coverage:

<u>Years of Service</u>	<u>Contribution</u>
10-15	100%
16-22	21%
23-29	10.5%
30+	0%

- Town employees are also eligible to contribute 100% of the remaining premium towards family coverage.

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions or are stated in the Town Human Resource Policy Manual for non-union employees. The Town is required to contribute the cost of medical and dental benefits, less the amount of any applicable employee share of medical or dental premiums. For the year ended March 31, 2012, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended March 31, 2012, the Town contributed \$198,953 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other post-employment benefit (OPEB) cost for the plan is calculated based on the annual required contribution (ARC) for the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Town's net OPEB obligation:

TOWN OF SCITUATE, RHODE ISLAND
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Annual required contribution (ARC)	\$ 483,102
Interest on net OPEB obligation	45,669
Adjustment to annual required contribution	(62,304)
Annual OPEB cost	<u>466,467</u>
Contributions made	<u>(198,953)</u>
Increase in net OPEB obligation	267,514
Net OPEB obligation, beginning of year	<u>1,014,865</u>
Net OPEB obligation, end of year	<u><u>\$1,282,379</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years are as follows:

<u><i>Fiscal</i></u> <u><i>Year Ended</i></u>	<u><i>Annual</i></u> <u><i>OPEB Cost</i></u>	<u><i>Percentage of Annual</i></u> <u><i>OPEB Cost Contributed</i></u>	<u><i>Net OPEB</i></u> <u><i>Obligation</i></u>
3/31/10	\$523,306	34.1%	\$ 736,190
3/31/11	\$471,035	40.8%	\$1,014,865
3/31/12	\$466,467	42.6%	\$1,282,379

Funded Status and Funding Progress

The funded status of the Town's plan as of April 1, 2010, the most recent actuarial valuation, is as follows:

Actuarial Accrued Liability (AAL)	\$ 4,385,028
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 4,385,028</u>
Funded ratio (Actuarial Value of Plan Assets/AAL)	0%
Annual Covered Payroll (Active Plan Members)	\$15,355,605
UAAL as a Percentage of Covered Payroll	28.6%

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

TOWN OF SCITUATE, RHODE ISLAND
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Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The April 1, 2010 actuarial valuation used the projected unit credit funding actuarial cost method (with service proration). Under this funding method, projected benefits are assumed to accrue on a straight line basis from the date of hire to the date of retirement for each participant. Normal cost for a participant is the present value of the projected benefit which accrues in the current plan year. Normal cost for the plan is the sum of the normal costs for all participants. The actuarial assumptions included: a) 4.5% interest discount rate; b) medical cost trend rate – 7.5% per year graded off 0.5% per year to an ultimate rate of 4.5% per year; and c) dental cost trend rate – 5% per year graded off 0.25% per year to an ultimate rate of 4.5% per year. The unfunded actuarial accrued liability as of the April 1, 2010 is being amortized using the level dollar 30-year open amortization basis.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about employment, mortality and healthcare cost trends. Actuarial valuations are subject to continual revision as actual results are compared to past expectations and new estimates are formulated about the future.

NOTE 13 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

During the ordinary course of its operations, the Town is a party to various other claims, legal actions and complaints. In the opinion of the Town's management and legal counsel, these matters are not anticipated to have a material financial impact on the Town.

B. FEDERALLY ASSISTED PROGRAMS – COMPLIANCE AUDITS

The Town participates in a number of federal awards programs. These programs through the year ended March 31, 2012 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditors' reports thereon are presented in the Single Audit Section of this report. The amount, if any, of expenditures that may be disallowed will not be material to the financial position of the Town.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

NOTE 14 – RISK MANAGEMENT

The Town of Scituate 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. The Town and the School Department (as of July 27, 2005) participate in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property and liability claims. Upon joining the Trust, the Town and the School Department signed a participation agreement that outlines the rights and responsibilities of the Trust, the Town and the School Department. The agreement states that for premiums paid, the Trust will assume financial responsibility for the losses up to the maximum amount of insurance purchased, minus 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 above the losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the Town and the School Department are insured for varying amounts depending on the type of coverage provided. Settled claims resulting from these risks have not exceeded Trust coverage in any of the past three fiscal years. The Town and School Department funded workers' compensation claims through their health insurance policies through December 31, 2007 and claims not covered by health insurance were paid by the Town or School Department on a pay-as-you-go basis. Effective January 1, 2008, the Town and School Department purchased workers' compensation insurance.

NOTE 15 – SUBSEQUENT EVENTS

On April 19, 2012, the Town issued \$2,000,000 in General Obligation Tax Anticipation Notes. The notes have an interest rate of 1.27% and mature on March 14, 2013.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
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NOTE 16 – RESTATEMENTS AND PRIOR PERIOD ADJUSTMENTS

The following restatements and prior period adjustments were recorded to beginning net assets in the Government-Wide Financial Statements and beginning fund balances in the Governmental Fund Financial Statements:

	<u><i>Governmental Activities</i></u>	<u><i>General Fund</i></u>	<u><i>School Unrestricted Fund</i></u>	<u><i>Other Governmental Funds</i></u>	<u><i>Pension Trust Fund</i></u>
Net Assets/Fund Balances – March 31, 2011, as previously reported	\$11,601,899	\$2,665,483	\$1,541,809	\$3,078,306	\$ -
Correct prior year capital assets	40,937	-	-	-	-
Correct prior year depreciation	(79,283)	-	-	-	-
Correct prior year net pension obligation	54,884	-	-	-	-
Correct prior year deferred revenue	17,338	-	-	17,338	-
Correct for prior year compensated absences	(339,951)	-	-	-	-
Restatement to include pension plan as pension trust fund	-	-	-	-	3,122,375
Reclassification of funds due to implementation of GASB Statement No. 54	-	2,825,232	(1,541,809)	(1,283,423)	-
<i>Net Assets/Fund Balances</i> <i>– March 31, 2011, as</i> <i>restated</i>	<u>\$11,295,824</u>	<u>\$5,490,715</u>	<u>\$ -</u>	<u>\$1,812,221</u>	<u>\$3,122,375</u>

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

NOTE 17 – PENSION PLANS

A. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

All Town of Scituate certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("ERS"), a cost-sharing multiple-employer defined benefit plan administered by the State of Rhode Island. The payroll for employees covered by the System for the year ended March 31, 2012 was \$10,563,877, which consisted of \$374,279 for employees charged to federal programs and \$10,189,598 for all other employees.

The State of Rhode Island's Employees' Retirement System issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 50 Service Avenue, Warwick, Rhode Island 02886 or at www.ersri.org.

Plan Description

The following eligibility and benefit provisions are established by Rhode Island General Laws, Title 16, Chapter 16-16. All Scituate School Department certified school personnel are eligible to participate in the System if they are certified by the Board of Regents, engaged in teaching as principal occupation and are regularly employed on at least a half time basis. Superintendents, principals, business agents and other administrators participate as teachers. Employees are vested in their retirement benefits upon completion of 10 years of service.

Retirement Eligibility:

(i) Grandfathered Schedule A members – members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009 – are eligible to retire on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service.

(ii) Schedule B members – members with less than 10 years of contributory service as of June 30, 2005 and members hired on or after that date – are eligible for retirement on or after age 65 if they have credit for 10 years of service, or on or after age 62 if they have credit for 29 years of service. In addition, a member who attains age 62 with at least 20 years of service credit may retire with an actuarially reduced retirement benefit. The reduction is based on the difference between 65 and the member's age of retirement.

(iii) Schedule A members who are not grandfathered – i.e., members who had at least 10 years of creditable service at June 30, 2005, but who were not eligible to retire on September 30, 2009 – will be eligible for retirement at an individually determined age. This age is the result of interpolating between the retirement age under the rules applicable to grandfathered employees in

(i) above and the retirement age applicable to members hired after September 30, 2009 in (ii) above. The interpolation is based on service as of September 30, 2009 divided by projected service at the retirement age under (i) above.

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Monthly Benefit:

The retirement benefit is a percentage of the member's monthly final average compensation (FAC). For members eligible to retire as of September 30, 2009, their FAC will be based on the highest three consecutive annual salaries. For members not eligible to retire as of September 30, 2009, their FAC will be based on the highest five consecutive years of salary. Monthly benefits are based on one-twelfth of this amount. The percentage is a function of the member's service as described below.

(i) For grandfathered Schedule A members (members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement as September 30, 2009), benefits are based under this schedule (Schedule A):

<u>For Service In:</u>	<u>Years</u>	<u>Benefit Percentage Earned</u>
The first 1 years of service	1-10	1.7% per year
The next 10 years of service	11-20	1.9% per year
The next 14 years of service	21-34	3.0% per year
The next 1 year of service	35	2.0% per year

The maximum benefit is 80% of FAC.

(ii) For Schedule B members (members with less than 10 years of contributory service as of June 30, 2005) and for all future hires, benefits are based on the following schedule (Schedule B):

<u>For Service In:</u>	<u>Years</u>	<u>Benefit Percentage Earned</u>
The first 10 years of service	1-10	1.6% per year
The next 10 years of service	11-20	1.8% per year
The next 5 years of service	21-25	2.0% per year
The next 5 years of service	26-30	2.25% per year
The next 7 years of service	31-37	2.50% per year
The next 1 year of service	38	2.25% per year

The maximum benefit is 75% of FAC.

(iii) For Schedule A members who are not grandfathered – i.e., members who had at least 10 years of creditable service at June 30, 2005, but who were not eligible to retire on September 30, 2009 – benefits are based on Schedule A (under (i) above) for service through September 30, 2009 and on Schedule B (under (ii) above) for service after September 30, 2009. The maximum benefit is 80% of FAC.

Post-Retirement Benefit Increase:

(i) For members with at least 10 years of contributory service as of June 30, 2005 who are retired or eligible to retire as of September 30, 2009, and for all members receiving a disability retirement benefit on that date: a 3.00% compound increase in their retirement benefit each year,

TOWN OF SCITUATE, RHODE ISLAND
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beginning in January of the year in which the member reaches the third anniversary of retirement. This increase is not a function of actual increases in the cost of living.

(ii) For other members who retired or were eligible to retire as of June 30, 2010: a compound increase in their retirement benefit each year equal to the increase in the CPI, effective on each anniversary date beginning on the third anniversary of retirement. This increase is limited to 3.00%.

(iii) For other members who were not retired or were not eligible to retire as of June 30, 2010: a compound increase in their first \$35,000 of annual retirement benefit each year equal to the increase in the CPI, effective on each anniversary date beginning on the later of the member's third anniversary of retirement and the month following their 65th birthday. This increase is limited to 3.00%. Additionally, the \$35,000 annual COLA limit is applicable for benefits paid in 2010 and would be indexed annually to increase in the same manner as COLAs for Schedule B members (CPI for the year, not greater than 3.0%).

Funding Policy

Covered employees are required by State Statute to contribute 9.5% of their salary to the plan. The State and the School Department are required to contribute an amount determined annually by the actuary and as provided by State Statute. The split between State and the School Department is specified by State Statute. The contribution requirement for the period April 1, 2011 through June 30, 2011 was 19.01% and for the period July 1, 2011 through March 31, 2012 was 22.32%. The Teachers' Plan cost is paid 60% by the School Department and 40% by the State. However, the State will pay the total cost of the contribution deferrals which were .26% for the period April 1, 2011 through June 30, 2011 and .27% for the period July 1, 2011 through March 31, 2012. This results in a contribution requirement for the School Department of 11.25% and a contribution requirement for the State of 7.76% for the period April 1, 2011 through June 30, 2011. The contribution requirement for the School Department is 13.23% and the contribution requirement for the State is 9.09% for the period July 1, 2011 through March 31, 2012.

The State contribution for the cut off year ended March 31, 2012 was \$884,499 which represented 8.37% of covered payroll. The payments made by the State to the Employees' Retirement System are considered on behalf of payments and are reported as revenue and as an expenditure in the financial statements. The contribution requirement for the cut off year ended March 31, 2012 was \$2,367,610, which consisted of \$1,364,042 from the School Department (\$78,090 for federally funded employees and \$1,285,952 for other employees), and \$1,003,568 from employees. These contributions represented 12.91% and 9.5% of covered payroll respectively. The annual required contribution was determined as part of the June 30, 2008 and June 30, 2009 actuarial valuations, respectively.

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The School Department does not have any investments or related party investments with the State Plan. The School Department's contribution represented .98% of total contributions required of all participating entities.

Three-Year Trend Information

<i><u>Fiscal Year</u></i>	<i><u>Annual Required Contributions</u></i>	<i><u>Percentage Contributed</u></i>
2010	\$1,244,983	100%
2011	\$1,221,509	100%
2012	\$1,364,042	100%

B. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

The Town of Scituate participates in the Municipal Employees' Retirement System (MERS), an agent multiple employer defined benefit plan administered by the State of Rhode Island. All Town employees except police and certified school personnel participate in the MERS. The payroll for employees covered by the MERS for the year ended March 31, 2012 was \$2,618,442. Police officers participated in MERS prior to October 1, 1981 and there are no active police officers in MERS. The actuarial value of assets is larger than the actuarial liability, so no funding is required.

The State of Rhode Island's Municipal Employees' Retirement System issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 50 Service Avenue, Warwick, Rhode Island 02886 or at www.ersri.org.

Plan Description

The following eligibility and benefit provisions are established by Rhode Island General Laws, Title 45, Chapters 19, 19.1, 21, 21.1, 21.2, and 21.3 and may be amended by State Statute. The MERS generally provides retirement benefits equal to 2% of a member's final average compensation (FAC) multiplied by the number of years of service up to 37.5 years, up to a maximum benefit of 75% of FAC. Final average compensation is the average of the three highest consecutive years of annual salary exclusive of overtime, bonuses or severance pay. Such benefits are available to general employees on or after age 58 with 10 years of service or after 30 years of service regardless of age. The plan also provides non-service connected disability benefits after 5 years of service, service connected disability benefits with no minimum service requirement, survivors' benefits, and certain lump sum death benefits. Employees are vested in their retirement benefits upon the completion of 10 years of service. Members employed by municipalities who elect one of the optional COLA provisions receive an increase equal to 3% of the original retirement benefit each year beginning January 1 following the member's retirement. The Town of Scituate has adopted COLA plan B.

TOWN OF SCITUATE, RHODE ISLAND
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Funding Policy

General employees are required by State Statute to contribute 6% of their annual earnings. The contribution rate is increased to 7% with the optional cost-of-living provision. The Town of Scituate is required to contribute based on an actuarially determined amount and as provided by State Statute for each participating municipality. The Town's rate for general employees for the period April 1, 2011 through June 30, 2011 was 11.11% of covered payroll. The Town's rate for general employees the period July 1, 2011 through June 30, 2012 is 13.65% of covered payroll. The Town's rate for police officers is 0% for the period April 1, 2011 through June 30, 2012.

Annual Pension Cost

For fiscal year 2012, the Town's annual pension cost of \$338,377 for the MERS was equal to the Town's required and actual contributions.

Three-Year Trend Information

<i>Fiscal Year</i>	<i>Annual Pension Cost (APC)</i>	<i>Percentage of APC Contributed</i>	<i>Net Pension Obligation</i>
2010	\$312,476	100%	\$ -
2011	\$294,154	100%	\$ -
2012	\$338,377	100%	\$ -

The required contribution was determined as part of the June 30, 2008 and June 30, 2009 actuarial valuations. The actuarial method used is the Entry Age actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial accrued liability. Significant actuarial assumptions used in the June 30, 2008 and June 30, 2009 valuations include the following:

- 1) Investment return – 8.25% per year, compounded annually, composed of an assumed 3% inflation rate and a 5.25% net real rate of return.
- 2) Projected salary increases – general employees – a service related component, plus a 4.5% wage inflation assumption (composed of a 3% price inflation assumption and a 1.5% additional general increase) and police officers – not applicable since no active employees.
- 3) Cost of living adjustment – 3%, not compounded.

The actuarial value of assets is based on market value of assets with a five year phase-in of actual investment return in excess of (less than) expected investment income. The MERS' unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of payroll on a closed basis. The remaining amortization period at June 30, 2009 was 20 years.

TOWN OF SCITUATE, RHODE ISLAND
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Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the general employees plan was 77.7% funded. The actuarial accrued liability for benefits was \$12,017,846, and the actuarial value of assets was \$9,339,147, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,678,699. The covered payroll (annual payroll of active employees covered by the plan) was \$2,716,149, and the ratio of the UAAL to the covered payroll was 98.6%. As of June 30, 2011, the most recent actuarial valuation date, the police plan was 721.5% funded. The actuarial accrued liability for benefits was \$23,793, and the actuarial value of assets was \$171,670, resulting in a funding excess of \$147,877. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and the ratio of the funding excess to covered payroll was 0%. The June 30, 2011 actuarial valuation used the same methods and assumptions described above under Annual Pension Cost, except the investment return was changed to 7.5% per year, the projected salary increase for general employees was changed to 4% and the amortization period for the UAAL was changed to 25 years from June 30, 2010.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. POLICE PENSION PLAN

Plan Description

The Town of Scituate participates in a single-employer defined benefit pension plan established by the Town to provide pension benefits for its police officers as of October 1, 1981. The Pension Plan is being administered by Wilmington Trust Company. For financial reporting purposes, the plan is included as a pension trust fund in the Town's financial statements. A separate, audited pension plan report is not available for the Police Pension Plan. The Town's payroll for employees covered by the Plan for the year ended March 31, 2012 was \$1,046,891.

At April 1, 2011, employee membership related to the plan was as follows:

Retired	12
Vested Disabled	4
Active	<u>17</u>
Total	<u><u>33</u></u>

Benefit Provisions

Benefits and contributions are established by contract and may be amended by union negotiation.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

The Police Pension Plan provides retirement, death and disability benefits. Under the plan, all regular or permanent police of the Town of Scituate are eligible to participate in the plan, following the completion of a six-month waiting period. Members are 100 percent vested after 10 years of service. A participant hired on or prior to June 30, 2000 is eligible for normal retirement after completion of 20 years of service. A participant hired on or after July 1, 2000 is eligible for normal retirement after completion of 25 years of service. If a member leaves covered employment or dies prior to 10 years of service, accumulated member contributions are refunded. A member who terminates after ten years of service will be eligible to receive a pension commencing at age 56 equal to his or her accrued benefit. For participants hired on or prior to June 30, 2000, the normal retirement benefit is equal to 2.5% of the base annual pay times years of service up to 20 years, plus 2% of base annual pay times years of service in excess of 20 years. The maximum benefit is 60% of base annual pay. For participants hired on or after July 1, 2000, the normal retirement benefit is equal to 60% of the base annual pay. A participant may retire upon the completion of 10 years of service or the attainment of age 56, whichever is later.

Funding Policy

Effective July 1, 2000, active plan members are required to contribute 10% of their covered earnings. The Town is required to contribute an amount at least equal to the employees' contributions. The Town has an actuarial calculation to determine the actuarially required contribution, but does not fund the plan based on the calculation. The Town contribution is currently 10% of covered earnings plus a supplemental contribution of \$250,000 per year.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the accounting period in which they are due. Contributions from the Town are recognized when due and when the Town has made a formal commitment to provide the contributions. Expenses are recognized in the period in which they are incurred. Benefit payments to participants are recorded upon distribution.

Method Used to Value Investments

Investments are recorded at fair value. Cash and cash equivalents having a maturity of three months or less when purchased are reported at cost. Fair market is determined using quoted market prices, when available, independent third party appraisals, and independent brokers and industry experts. Given the inherent nature of investments it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Assets.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension obligation for the Police Pension Plan for the current year were determined by the actuary as of March 31, 2012, based on the latest actuarial report completed as of April 1, 2011.

The annual pension cost and changes in the net pension obligation were as follows:

Actuarially Required Contribution (ARC)	\$ 632,116
Interest on NPO	203,387
Adjustments to ARC	(162,143)
Annual pension cost	<u>673,360</u>
Contributions made	<u>(356,593)</u>
Increase in net pension obligation	316,767
Net pension obligation beginning of year	<u>2,711,831</u>
Net pension obligation end of year	<u><u>\$3,028,598</u></u>

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
3/31/2010	\$619,349	57.10%	\$2,454,952
3/31/2011	\$614,023	58.16%	\$2,711,831
3/31/2012	\$673,360	52.96%	\$3,028,598

The Town's required contribution to the plan was determined as part of the April 1, 2011 actuarial valuation using the Entry Age Normal actuarial cost method. The normal cost is the sum of the normal costs for all participants. For a current participant, the individual normal cost is the participant's normal cost accrual rate multiplied by the participant's current compensation. The normal cost accrual rate equals (a) the present value of future benefits as of participant's entry age divided by (b) the present value of future compensation as of the participant's entry age. For other than a current participant, the normal cost equals \$0. The actuarial assumptions included: (a) 7.5% investment rate of return per year; (b) projected salary increases of 4% per year; (c) post retirement benefit increases of 2% per year; and (d) level percent of payroll amortization method over a 25-year amortization period on an open basis. Assets used for the purposes of determining the contribution level are equal to the current market value of the assets. The investment rate of return was changed from 8.25% in the April 1, 2009 actuarial valuation to 7.5% in the April 1, 2011 actuarial valuation.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Financial Statements
March 31, 2012

Funded Status and Fund Progress

As of April 1, 2011, the most recent actuarial valuation, the plan was 27.5% funded. The actuarial accrued liability for benefits was \$11,348,767, and the actuarial value of assets was \$3,122,375, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,226,392. The covered payroll (annual payroll of active employees covered by the plan) was \$917,936, and the ratio of the UAAL to the covered payroll was 896.2%. The April 1, 2011 actuarial valuation used the methods and assumptions described above under Annual Pension Cost.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

TOWN OF SCITUATE, RHODE ISLAND
Required Supplementary Information - Pension Plans and OPEB Plan
Schedule of Funding Progress (1)
"Unaudited"

	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age</u>	<u>Unfunded Liability/ (Funding Excess)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability/ (Funding Excess) as a Percentage of Covered Payroll</u>
Municipal Employees							
Retirement System -	06/30/2009	\$ 9,338,334	\$12,103,315	\$ 2,764,981	77.2%	\$ 2,691,498	102.7%
General Employees	06/30/2010	9,342,641	13,666,849	4,324,208	68.4%	2,773,328	155.9%
	06/30/2011	9,339,147	12,017,846	2,678,699	77.7%	2,716,149	98.6%
Municipal Employees							
Retirement System -	06/30/2009	\$ 173,152	\$ 24,272	\$ (148,880)	713.4%	\$ -	0.0%
Police Officers	06/30/2010	170,820	24,727	(146,093)	690.8%	-	0.0%
	06/30/2011	171,670	23,793	(147,877)	721.5%	-	0.0%
Police Pension Plan (2)							
	04/01/2001	\$ 1,903,828	\$ 5,415,026	\$ 3,511,198	35.2%	\$ 611,402	574.3%
	04/01/2003	1,675,040	5,978,449	4,303,409	28.0%	756,930	568.5%
	04/01/2005	2,510,044	6,778,751	4,268,707	37.0%	727,658	586.6%
	04/01/2007	3,264,495	7,779,343	4,514,848	42.0%	857,060	526.8%
	04/01/2009	2,286,905	9,768,342	7,481,437	23.4%	898,737	832.4%
	04/01/2011	3,122,375	11,348,767	8,226,392	27.5%	917,936	896.2%
Postemployment Health							
Insurance Plan	04/01/2008	\$ -	\$ 4,713,768	\$ 4,713,768	0.0%	\$14,863,696	31.7%
	04/01/2010	-	4,385,028	4,385,028	0.0%	15,355,605	28.6%

(1) The information included in the schedule of funding progress was obtained from the actuarial valuation at the date indicated.

(2) AAL is based on the Entry Age Normal Actuarial Cost Method.
Allocation is based on earnings.
No aggregation is used.
Entry age based on date of hire.

TOWN OF SCITUATE, RHODE ISLAND
Required Supplementary Information
Police Pension Plan
Schedule of Annual Required Contributions
"Unaudited"

<u><i>Year Ended March 31</i></u>	<u><i>Annual Required Contribution</i></u>	<u><i>Percentage Contributed</i></u>
2007	\$ 327,706	101.7%
2008	376,164	92.2%
2009	372,804	93.9%
2010	580,159	61.0%
2011	576,686	61.9%
2012	632,116	56.4%

(1) The annual required contribution was obtained from a separate valuation prepared by the actuaries.

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Fiscal Year Ended March 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
General Property Taxes	\$25,492,150	\$25,492,150	\$ 25,348,302	\$ (143,848)
Federal and State Aid and Grants				
Police grants	-	-	21,613	21,613
Emergency management grants	-	-	44,925	44,925
Recycling grants	-	-	24,747	24,747
Town properties grants	-	-	12,638	12,638
Telephone tax	105,000	105,000	116,256	11,256
Motor vehicle phase out	123,748	123,748	124,351	603
Hotel and meal tax	50,179	50,179	51,804	1,625
School housing	374,000	374,000	415,660	41,660
Total federal and state aid and grants	<u>652,927</u>	<u>652,927</u>	<u>811,994</u>	<u>159,067</u>
Charges for Services				
Town clerk	181,461	181,461	185,551	4,090
Dog licenses	16,000	16,000	8,498	(7,502)
Tax collector	7,796	7,796	8,335	539
Building inspector	50,000	50,000	54,183	4,183
Town properties	10,000	10,000	7,981	(2,019)
Planning and zoning	10,350	10,350	3,208	(7,142)
Recreation	35,000	35,000	41,829	6,829
Emergency medical services	245,000	245,000	315,755	70,755
Police	18,000	18,000	23,612	5,612
Highway	-	-	7,500	7,500
Communications tower rental	100,000	100,000	107,956	7,956
Total charges for services	<u>673,607</u>	<u>673,607</u>	<u>764,408</u>	<u>90,801</u>
Fines and Penalties	<u>51,250</u>	<u>51,250</u>	<u>48,602</u>	<u>(2,648)</u>
Investment and Interest Income				
Interest on taxes	93,000	93,000	64,435	(28,565)
Interest on investments	5,000	5,000	2,094	(2,906)
Total investment and interest income	<u>98,000</u>	<u>98,000</u>	<u>66,529</u>	<u>(31,471)</u>
Miscellaneous Revenue	<u>81,192</u>	<u>81,192</u>	<u>92,747</u>	<u>11,555</u>
Prior Year Budgeted Surplus	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Total revenues	<u>27,209,126</u>	<u>27,209,126</u>	<u>27,292,582</u>	<u>83,456</u>
Expenditures				
Current:				
General Government				
Town council	14,500	14,500	12,500	2,000
Town treasurer	159,486	159,486	147,505	11,981
Town clerk	171,682	171,682	161,272	10,410
Town solicitor	242,398	242,398	406,808	(164,410)
Probate judge	3,650	3,650	2,999	651
Tax collection and assessment	217,679	217,679	208,233	9,446
Board of canvassers	17,565	17,565	6,139	11,426
Building and zoning	218,548	218,548	199,259	19,289
Total general government	<u>1,045,508</u>	<u>1,045,508</u>	<u>1,144,715</u>	<u>(99,207)</u>

(Continued)

The notes to required supplementary information are an integral part of this schedule.

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Revenues and Expenditures - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended March 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety				
Fire department	783,932	783,932	780,299	3,633
Animal control	72,754	72,754	71,181	1,573
Street lights	30,000	30,000	35,270	(5,270)
Emergency management	3,960	3,960	69,810	(65,850)
Police department	1,806,128	1,806,128	1,765,156	40,972
Total public safety	<u>2,696,774</u>	<u>2,696,774</u>	<u>2,721,716</u>	<u>(24,942)</u>
Public Works				
Town properties	295,855	295,855	272,904	22,951
Highway	1,126,354	1,126,354	937,495	188,859
Solid waste disposal	597,590	597,590	527,539	70,051
Care of trees	9,300	9,300	9,300	-
Pawtuxet River Authority	2,800	2,800	2,800	-
Cemetery care	7,740	7,740	7,740	-
Total public works	<u>2,039,639</u>	<u>2,039,639</u>	<u>1,757,778</u>	<u>281,861</u>
Social Services				
Recreation department	171,727	171,727	173,766	(2,039)
Libraries	422,707	422,707	422,707	-
Human services	9,566	9,566	5,866	3,700
Memorial and Veterans' Day	1,000	1,000	1,000	-
Senior services	123,920	123,920	122,024	1,896
Total social services	<u>728,920</u>	<u>728,920</u>	<u>725,363</u>	<u>3,557</u>
Fixed Charges and Other				
Audit	29,300	29,300	25,867	3,433
Officers' bonds	1,660	1,660	849	811
Employee benefits	1,388,250	1,388,250	1,277,720	110,530
R.I. League of Cities and Towns	4,110	4,110	4,110	-
Police supplemental pension contribution	250,000	250,000	250,000	-
Total fixed charges and other	<u>1,673,320</u>	<u>1,673,320</u>	<u>1,558,546</u>	<u>114,774</u>
Debt Service				
Principal	1,882,000	1,882,000	1,882,000	-
Interest	442,150	442,150	442,147	3
Short-term interest and fiscal charges	191,000	191,000	35,757	155,243
Total debt service	<u>2,515,150</u>	<u>2,515,150</u>	<u>2,359,904</u>	<u>155,246</u>
School Appropriation				
	<u>16,499,815</u>	<u>16,499,815</u>	<u>16,499,815</u>	<u>-</u>
Total expenditures	<u>27,199,126</u>	<u>27,199,126</u>	<u>26,767,837</u>	<u>431,289</u>
Excess of revenues over expenditures before other financing uses				
	<u>10,000</u>	<u>10,000</u>	<u>524,745</u>	<u>514,745</u>

(Continued)

The notes to required supplementary information are an integral part of this schedule.

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Revenues and Expenditures - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended March 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Other Financing Uses</i>				
<i>Transfers to other funds:</i>				
Special revenue funds	(2,000)	(2,000)	(2,000)	-
Capital project funds	(8,000)	(8,000)	(8,000)	-
<i>Total other financing uses</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
<i>Net change in fund balance - budgetary basis</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,745</u>	<u>\$ 514,745</u>

The notes to required supplementary information are an integral part of this schedule.

TOWN OF SCITUATE, RHODE ISLAND
Notes to Required Supplementary Information
 "Unaudited"

NOTE 1 - SCHEDULE OF FUNDING PROGRESS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<i>Municipal Employees Retirement System</i>	<i>Police Pension Plan</i>	<i>Other Postemployment Health Insurance Benefit Plan</i>
Valuation date	June 30, 2011	April 1, 2011	April 1, 2010
Actuarial cost method	Entry Age	Entry Age Normal	Projected Unit Credit
Amortization method	Level percent of payroll over a closed period	Level percent of payroll over an open period	Level dollar over an open period
Amortization period	25 years from June 30, 2010 or 24 years as of the valuation date	25 years	30 years
Asset valuation method	Market value of assets with a five year phase-in of actual investment return in excess of (less than) expected investment income	Current market value	Not applicable
Actuarial assumptions:			
Investment rate of return	7.5%, compounded annually, composed of an assumed 2.75% inflation rate and a 4.75% net real rate of return	7.5% per annum	4.5% discount rate
Projected salary increases	General Employees - an annual service related component, plus a 4% wage inflation assumption (composed of a 2.75% price inflation assumption and a 1.25% additional general increase); police officers - not applicable	4% per annum	Not applicable
Cost-of-living adjustments	3%, not compounded	2% per annum	Not applicable
Healthcare cost trend rates	Not applicable	Not applicable	Medical - 7.5% per year graded off 0.5% per year to ultimate rate of 4.5% Dental - 5 % per year graded off 0.25% per year to ultimate rate of 4.5%
Participant information	General Employees:		
	Active employees 90	Retired 12	Active 410
	Retirees and beneficiaries 58	Vested disabled 4	Retired 50
	<u>148</u>	Active 17	<u>460</u>
		<u>33</u>	
	Police Officers: Retirees and beneficiaries <u>1</u>		

TOWN OF SCITUATE, RHODE ISLAND
Notes to Required Supplementary Information
March 31, 2012

NOTE 2 - BUDGETARY DATA AND BUDGETARY COMPLIANCE

The Town has formally established budgetary accounting control for its General Fund. It is the responsibility of the Town Budget Committee to submit to the Town Council and make available to the general public a proposed General Fund budget, including the School Department appropriation for the fiscal year. The Town Council may then revise and adopt a recommended General Fund budget including changes to the School Department appropriation. At least two public hearings are conducted on the recommended General Fund budget and the final recommended budget is approved by the voters and legally enacted through an ordinance of the Town Council at the Annual Financial Town Meeting. The General Fund annual operating budget amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The budget approved and adopted at the Annual Financial Town Meeting reports the amount budgeted for each department. Therefore, the legal level of control for the General Fund is at the departmental level. Transfers between departments must be approved by the Town Council. Amendments that would change the total appropriation must be approved by the voters and Town Council at a Financial Town Meeting. There were no supplemental budgetary appropriations in fiscal year 2012. Appropriations which are not expended or encumbered lapse at year end.

The General Fund budget is in conformity with the legally enacted budgetary basis, which is not in conformity with generally accepted accounting principles. The budget to actual presentation in the required supplementary information is reflected on the budgetary basis. The difference between the budgetary basis and the generally accepted accounting principles basis is explained below.

Explanation of Differences between Budgetary Revenues and Other Financing Sources and Expenditures and Other Financing Uses and GAAP Revenues and Other Financing Sources and Expenditures and Other Financing Uses

<u>Revenues and Other Financing Sources</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$27,292,582
Differences – budget to GAAP:	
The appropriated fund balance is a budgetary revenue, but is not a current year revenue for financial reporting purposes.	(160,000)
The pension contributions made to the Employees’ Retirement System by the State on behalf of the Town of Scituate is not reported as a budgetary revenue, but is a current year revenue for financial reporting purposes.	884,499

TOWN OF SCITUATE, RHODE ISLAND
Notes to Required Supplementary Information
March 31, 2012

<u>Revenues and Other Financing Sources (continued)</u>	<u>General Fund</u>
Unbudgeted revenues not included for budgetary purposes, but included for financial reporting purposes.	3,031,522
<i>Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$31,048,603</u></u>

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$26,777,837
Differences – budget to GAAP: The pension contributions made to the Employees’ Retirement System by the State on behalf of the Town of Scituate is not reported as a budgetary expenditure, but is a current year expenditure for financial reporting purposes.	884,499
Unbudgeted expenditures not included for budgetary purposes, but included for financial reporting purposes.	3,262,718
Assignment of fund balance reported as a budgetary expenditure, but it is not an expenditure for financial reporting purposes.	<u>(26,600)</u>
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$30,898,454</u></u>

OTHER SUPPLEMENTARY INFORMATION

**The information
provided herein contains
schedules which the Town deems
necessary to provide additional disclosures.**

THIS SECTION CONTAINS THE FOLLOWING:

Combining Fund Financial Statements for Nonmajor Governmental Funds

Combining Statement of Net Assets for Agency Funds

Other Supplementary Information

**COMBINING FUND FINANCIAL STATEMENTS -
NONMAJOR GOVERNMENTAL FUNDS**

**THE FOLLOWING FUNDS OF THE TOWN
ARE REPORTED IN THIS SECTION:**

**Special Revenue Funds
are used to account for
resources allocated to specific
purposes. A Special Revenue Fund
continues in existence as long as governmental
resources are allocated to its specific purpose.**

School Restricted Fund – was established to account for the receipt and disbursement of State and Federal grants for education.

Food Service Fund – accounts for the fees, Federal and State reimbursements and expenditures of the School's food service program.

Community Development Block Grant – accounts for activity of the Community Development Block Grant program.

Substance Abuse Fund – was established to account for the State's Bramley Grant for substance abuse.

Senior Citizens Van Fund – was established to account for the purchase and maintenance of the senior services transportation vehicle.

State Asset Forfeiture Fund – accounts for funds provided by the State for seized properties.

Vital Statistics Surcharge – was established to account for State mandated fees for records restoration.

Historical Land Records – was established by State Law for the preservation of historical public records.

Recreation Camperships Fund – was established to provide recreation program registration fees for needy families.

Probate Filing Records – was established by State Law for maintaining probate court records.

Federal Asset Drug Forfeiture Fund – was established to account for funds provided by the Federal government from seized property.

Animal Health Fund – was established by State Law for mandatory spaying and neutering for adopted dogs and cats.

State Police Computer Grant – was established to account for funds received to upgrade the Police Department's computer system.

Police Substance Abuse Fund – accounts for the activity of the DARE program.

Explorers Account-Post 1 – was established to account for the junior policing program.

Senior Center Donations – was established to account for donations to benefit the Town’s senior center.

Human Services Legislative Grant – was established to account for a human services grant from the State Legislature.

Food Pantry Donations – was established to account for donations to benefit the Town’s food pantry.

Senior Center Grants – was established to account for State grants received for the senior center.

Emergency Management Grants – was established to account for State and Federal grants received for emergency management activities.

Congregational Church Restoration – was established to account for expenditures for the restoration and care of Historical Congregational Church.

Land Dedication Recreation Fund – was established to account for the fees in lieu of land dedication from subdivisions which will be used for the construction and improvement of Town recreational facilities.

Green Area Beautification – was established to account for expenditures for the upkeep and care of Town village greens.

Main Street Project – was established to account for funds received for the Main Street Project.

Cemetery Capital Fee Fund – was established to account for the fees required of developers for the maintenance of historical cemeteries in and around new subdivisions.

Recording Tech. Scanning Fund – was established by State Law to provide for scanning technology for Town Clerk records.

Citizens Police Academy Fund – was established to account for a private grant for the Citizens Police Academy.

The Capital Projects Funds
account for all resources used for the acquisition
and/or construction of capital items by the Town and School
except those financed by the Proprietary Fund Types or Trust Funds.

Highway Department Capital Escrow – was established to account for the Highway Department capital program.

School Ballfield Fund – was established to account for additional renovations to the School Department's ballfield.

School Capital Construction Fund – was established to account for non-bonded School construction projects.

Highway Bridges Special Projects – was established to account for the reconstruction and maintenance of bridges and other special projects.

Police Vehicles Capital Fund – was established to account for the purchase and maintenance of new police vehicles.

Open Space - was established to account for the purchase and maintenance of open space.

Chopmist Hill Renovation Fund – was established to account for bonded capital expenditures related to the renovation of Chopmist Hill Inn.

Animal Shelter Bond Fund – was established to account for bonded capital expenditures related to improvements of the Town's animal shelter.

Public Works/Safety Bond Fund – was established to account for bonded capital expenditures for Public Works and Public Safety.

School Bond Fund – was established to account for bonded capital expenditures related to the Town's schools.

School Land Fund – was established to account for the purchase of land by the School Department.

School 2008, School 2009 and School 2010 Capital Funds – were established to account for non-bonded school construction projects.

2009 School Loan Fund – was established to account for School capital expenditures funded through a loan from RIHBEC.

Town Properties Building Fund – was established to account for the construction of a Town properties building.

Computer Upgrade – accounts for the expenditures associated with the upgrade of the Town's computer system.

Capital Assets Fund – accounts for expenditures associated with the purchase of new capital asset software and the related conversion costs.

Recreation Capital Fund – was established to provide for future recreational capital expenditures.

K-9 Truck Capital Fund – accounts for the purchase and maintenance of an animal control vehicle.

Police Vehicle Escrow – was established to account for the purchase and maintenance of police vehicles outside the original five year vehicle replacement plan.

Proposed Police Station – was established to account for expenditures to investigate building a new police station versus improving the existing building.

Fire Department Capital Fund – was established to account for bond proceeds and Town appropriations devoted to financing Fire Department capital expenditures.

The Permanent Funds
account for all resources that are legally
restricted to the extent that only earnings, and not
principal, may be used for purposes that support Town programs.

Sam Tourtellot & Leslie Davis Fund – was established to account for the assets held for the restoration and care of Historical Congregational Church.

Elsie Gleason Fund – was established to account for assets held for the restoration and care of Historical Congregational Church.

Glenford Cemetery Fund – was established to account for the assets held to provide special care to Historical Glenford Cemetery.

Cemetery Fund – was established to account for the general cemetery care of Town cemeteries inclusive of historical cemeteries.

TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2012

	<i>Special Revenue Funds</i>						
	<i>School Restricted Fund</i>	<i>Food Service Fund</i>	<i>Community Development Block Grant</i>	<i>Substance Abuse Fund</i>	<i>Senior Citizens Van Fund</i>	<i>State Asset Forfeiture Fund</i>	<i>Vital Statistics Surcharge</i>
ASSETS							
Cash	\$ 72,366	\$ 36,540	\$ 79,356	\$ 185	\$ 1,350	\$ 720	\$ 673
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	23,636	-	-	-	-
Due from federal and state governments	286,974	28,054	-	3,656	-	-	-
Due from other funds	4,029	-	-	28,409	-	-	-
Total assets	\$ 363,369	\$ 64,594	\$ 102,992	\$ 32,250	\$ 1,350	\$ 720	\$ 673
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ 151,659	\$ 42,803	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	31,721	-	-	-	-	-	-
Deferred revenue	-	-	23,636	-	-	-	-
Total liabilities	183,380	42,803	23,636	-	-	-	-
Fund balances (deficits)							
Nonspendable:							
Cemetery perpetual care	-	-	-	-	-	-	-
Restricted for:							
Education programs	179,989	21,791	-	-	-	-	-
Public safety programs	-	-	-	-	-	720	-
Social service programs	-	-	79,356	32,250	1,350	-	-
Records preservation	-	-	-	-	-	-	673
Capital projects	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
Committed for:							
Open space, park and recreational facilities	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
Assigned to:							
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	179,989	21,791	79,356	32,250	1,350	720	673
Total liabilities and fund balances	\$ 363,369	\$ 64,594	\$ 102,992	\$ 32,250	\$ 1,350	\$ 720	\$ 673

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
March 31, 2012

	<i>Special Revenue Funds</i>						
	<i>Historical Land Records</i>	<i>Recreation Camperships Fund</i>	<i>Probate Filing Records</i>	<i>Federal Asset Drug Forfeiture Fund</i>	<i>Animal Health Fund</i>	<i>State Police Computer Grant</i>	<i>Police Substance Abuse Fund</i>
ASSETS							
Cash	\$ 12,415	\$ 730	\$ 1,490	\$ 26,090	\$ 8,446	\$ 4,208	\$ 4,766
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	2,195	-
Total assets	\$ 12,415	\$ 730	\$ 1,490	\$ 26,090	\$ 8,446	\$ 6,403	\$ 4,766
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances (deficits)							
Nonspendable:							
Cemetery perpetual care	-	-	-	-	-	-	-
Restricted for:							
Education programs	-	-	-	-	-	-	-
Public safety programs	-	-	-	26,090	8,446	6,403	4,766
Social service programs	-	730	-	-	-	-	-
Records preservation	12,415	-	1,490	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
Committed for:							
Open space, park and recreational facilities	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
Assigned to:							
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	12,415	730	1,490	26,090	8,446	6,403	4,766
Total liabilities and fund balances	\$ 12,415	\$ 730	\$ 1,490	\$ 26,090	\$ 8,446	\$ 6,403	\$ 4,766

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
March 31, 2012

	<i>Special Revenue Funds</i>						
	<i>Explorers Account Post 1</i>	<i>Senior Center Donations</i>	<i>Human Services Legislative Grant</i>	<i>Food Pantry Donations</i>	<i>Senior Center Grants</i>	<i>Emergency Management Grants</i>	<i>Congregational Church Restoration</i>
ASSETS							
Cash	\$ 4,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,300
Investments	-	-	-	-	-	-	-
Accounts receivable	67	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	7,323	1,002	7,281	33,644	22,324	-
Total assets	\$ 4,647	\$ 7,323	\$ 1,002	\$ 7,281	\$ 33,644	\$ 22,324	\$ 5,300
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	162	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	162	-	-	-	-	-	-
Fund balances (deficits)							
Nonspendable:							
Cemetery perpetual care	-	-	-	-	-	-	-
Restricted for:							
Education programs	-	-	-	-	-	-	-
Public safety programs	4,485	-	-	-	-	22,324	-
Social service programs	-	7,323	1,002	7,281	33,644	-	-
Records preservation	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	5,300
Committed for:							
Open space, park and recreational facilities	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
Assigned to:							
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	4,485	7,323	1,002	7,281	33,644	22,324	5,300
Total liabilities and fund balances	\$ 4,647	\$ 7,323	\$ 1,002	\$ 7,281	\$ 33,644	\$ 22,324	\$ 5,300

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
March 31, 2012

	Special Revenue Funds						
	Land Dedication Recreation Fund	Green Area Beautification	Main Street Project	Cemetery Capital Fee Fund	Recording Tech. Scanning Fund	Citizens Police Academy Fund	Total Special Revenue Funds
ASSETS							
Cash	\$ 503	\$ 551	\$ -	\$ 7,352	\$ 70,440	\$ -	\$ 338,061
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	23,703
Due from federal and state governments	-	-	-	-	-	-	318,684
Due from other funds	100,305	-	17,878	-	-	255	224,645
Total assets	\$ 100,808	\$ 551	\$ 17,878	\$ 7,352	\$ 70,440	\$ 255	\$ 905,093
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,462
Due to other funds	-	-	-	-	-	-	31,883
Deferred revenue	-	-	-	-	-	-	23,636
Total liabilities	-	-	-	-	-	-	249,981
Fund balances (deficits)							
Nonspendable:							
Cemetery perpetual care	-	-	-	-	-	-	-
Restricted for:							
Education programs	-	-	-	-	-	-	201,780
Public safety programs	-	-	-	-	-	255	73,489
Social service programs	-	-	-	-	-	-	162,936
Records preservation	-	-	-	-	70,440	-	85,018
Capital projects	-	-	-	-	-	-	-
Other programs	-	551	17,878	-	-	-	23,729
Committed for:							
Open space, park and recreational facilities	100,808	-	-	-	-	-	100,808
Other programs	-	-	-	7,352	-	-	7,352
Assigned to:							
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	100,808	551	17,878	7,352	70,440	255	655,112
Total liabilities and fund balances	\$ 100,808	\$ 551	\$ 17,878	\$ 7,352	\$ 70,440	\$ 255	\$ 905,093

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
March 31, 2012

	<i>Capital Project Funds</i>							
	<i>Highway Department Capital Escrow</i>	<i>School Ball Field Fund</i>	<i>School Capital Construction Fund</i>	<i>Highway Bridges Special Projects</i>	<i>Police Vehicles Capital Fund</i>	<i>Open Space</i>	<i>Chopmist Hill Renovation Fund</i>	<i>Animal Shelter Bond Fund</i>
ASSETS								
Cash	\$ 44,642	\$ 635	\$ 305	\$ 12,154	\$ -	\$ 79,651	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-	-
Due from other funds	412	-	-	53,422	492	20,263	22	-
Total assets	\$ 45,054	\$ 635	\$ 305	\$ 65,576	\$ 492	\$ 99,914	\$ 22	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	8,450
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	8,450
Fund balances (deficits)								
Nonspendable:								
Cemetery perpetual care	-	-	-	-	-	-	-	-
Restricted for:								
Education programs	-	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-	-
Social service programs	-	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	492	-	-	-
Other programs	-	-	-	-	-	-	-	-
Committed for:								
Open space, park and recreational facilities	-	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-	-
Assigned to:								
Capital projects	45,054	635	305	65,576	-	99,914	22	-
Unassigned	-	-	-	-	-	-	-	(8,450)
Total fund balances (deficits)	45,054	635	305	65,576	492	99,914	22	(8,450)
Total liabilities and fund balances	\$ 45,054	\$ 635	\$ 305	\$ 65,576	\$ 492	\$ 99,914	\$ 22	\$ -

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
March 31, 2012

Capital Project Funds

	Public Works/ Safety Bond Fund	School Bond Fund	School Land Fund	School 2008 Capital Fund	School 2009 Capital Fund	School 2010 Capital Fund	2009 School Loan Fund	Town Properties Building Fund
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	11,008	-
Accounts receivable	-	-	-	-	-	68	-	-
Due from federal and state governments	-	-	-	-	-	-	-	-
Due from other funds	87,292	2,462	3,787	5,829	13,145	286,767	-	16,607
Total assets	\$ 87,292	\$ 2,462	\$ 3,787	\$ 5,829	\$ 13,145	\$ 286,835	\$ 11,008	\$ 16,607
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,782	\$ 12,400	\$ -
Due to other funds	-	-	-	-	7,436	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	7,436	2,782	12,400	-
Fund balances (deficits)								
Nonspendable:								
Cemetery perpetual care	-	-	-	-	-	-	-	-
Restricted for:								
Education programs	-	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-	-
Social service programs	-	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-	-
Capital projects	87,292	2,462	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-	-
Committed for:								
Open space, park and recreational facilities	-	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-	-
Assigned to:								
Capital projects	-	-	3,787	5,829	5,709	284,053	-	16,607
Unassigned	-	-	-	-	-	-	(1,392)	-
Total fund balances (deficits)	87,292	2,462	3,787	5,829	5,709	284,053	(1,392)	16,607
Total liabilities and fund balances	\$ 87,292	\$ 2,462	\$ 3,787	\$ 5,829	\$ 13,145	\$ 286,835	\$ 11,008	\$ 16,607

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
March 31, 2012

	<i>Capital Project Funds</i>							
	<i>Computer Upgrade Fund</i>	<i>Recreation Capital Fund</i>	<i>K-9 Capital Fund</i>	<i>Police Vehicle Fund</i>	<i>Capital Assets Fund</i>	<i>Proposed Police Station Fund</i>	<i>Fire Department Capital Fund</i>	<i>Total Capital Project Funds</i>
ASSETS								
Cash	\$ 20,212	\$ 11,546	\$ 124	\$ 113	\$ 11,624	\$ -	\$ 894	\$ 181,900
Investments	-	-	-	-	-	-	-	11,008
Accounts receivable	-	-	-	-	-	-	-	68
Due from federal and state governments	-	-	-	-	-	-	-	-
Due from other funds	17,186	18,500	-	-	8,400	22,367	11,815	568,768
Total assets	\$ 37,398	\$ 30,046	\$ 124	\$ 113	\$ 20,024	\$ 22,367	\$ 12,709	\$ 761,744
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,182
Due to other funds	-	-	-	-	-	-	-	15,886
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	31,068
Fund balances (deficits)								
Nonspendable:								
Cemetery perpetual care	-	-	-	-	-	-	-	-
Restricted for:								
Education programs	-	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-	-
Social service programs	-	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	12,709	102,955
Other programs	-	-	-	-	-	-	-	-
Committed for:								
Open space, park and recreational facilities	-	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-	-
Assigned to:								
Capital projects	37,398	30,046	124	113	20,024	22,367	-	637,563
Unassigned	-	-	-	-	-	-	-	(9,842)
Total fund balances (deficits)	37,398	30,046	124	113	20,024	22,367	12,709	730,676
Total liabilities and fund balances	\$ 37,398	\$ 30,046	\$ 124	\$ 113	\$ 20,024	\$ 22,367	\$ 12,709	\$ 761,744

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
March 31, 2012

	<i>Permanent Funds</i>				<i>Total Permanent Funds</i>	<i>Total All Nonmajor Governmental Funds</i>
	<i>Sam Tourtellot & Leslie Davis Fund</i>	<i>Elsie Gleason Fund</i>	<i>Glenford Cemetery Fund</i>	<i>Cemetery Fund</i>		
ASSETS						
Cash	\$ 7,260	\$ 2,580	\$ 26,768	\$ 93,908	\$130,516	\$ 650,477
Investments	-	-	-	-	-	11,008
Accounts receivable	-	-	-	-	-	23,771
Due from federal and state governments	-	-	-	-	-	318,684
Due from other funds	-	-	-	-	-	793,413
Total assets	<u>\$ 7,260</u>	<u>\$ 2,580</u>	<u>\$ 26,768</u>	<u>\$ 93,908</u>	<u>\$130,516</u>	<u>\$ 1,797,353</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,644
Due to other funds	-	-	-	-	-	47,769
Deferred revenue	-	-	-	-	-	23,636
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,049</u>
Fund balances (deficits)						
Nonspendable:						
Cemetery perpetual care	-	-	13,039	29,056	42,095	42,095
Restricted for:						
Education programs	-	-	-	-	-	201,780
Public safety programs	-	-	-	-	-	73,489
Social service programs	-	-	-	-	-	162,936
Records preservation	-	-	-	-	-	85,018
Capital projects	-	-	-	-	-	102,955
Other programs	7,260	2,580	13,729	64,852	88,421	112,150
Committed for:						
Open space, park and recreational facilities	-	-	-	-	-	100,808
Other programs	-	-	-	-	-	7,352
Assigned to:						
Capital projects	-	-	-	-	-	637,563
Unassigned	-	-	-	-	-	(9,842)
Total fund balances (deficits)	<u>7,260</u>	<u>2,580</u>	<u>26,768</u>	<u>93,908</u>	<u>130,516</u>	<u>1,516,304</u>
Total liabilities and fund balances	<u>\$ 7,260</u>	<u>\$ 2,580</u>	<u>\$ 26,768</u>	<u>\$ 93,908</u>	<u>\$130,516</u>	<u>\$ 1,797,353</u>

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<i>Special Revenue Funds</i>						
	<i>School Restricted Fund</i>	<i>Food Service Fund</i>	<i>Community Development Block Grant</i>	<i>Substance Abuse Fund</i>	<i>Senior Citizens Van Fund</i>	<i>State Asset Forfeiture Fund</i>	<i>Vital Statistics Surcharge</i>
Revenues							
State aid and grants	\$ 1,033,148	\$ 123,176	\$ 20,000	\$ 21,938	\$ -	\$ 233	\$ -
Charges for services	-	274,985	-	-	-	-	-
Investment and interest income	-	-	69	-	1	-	1
Contributions and private grants	61,277	-	-	-	-	-	-
Other income	-	-	21,149	-	-	-	-
Total revenues	<u>1,094,425</u>	<u>398,161</u>	<u>41,218</u>	<u>21,938</u>	<u>1</u>	<u>233</u>	<u>1</u>
Expenditures							
Current:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Social services	-	-	92,809	19,900	-	-	-
Education	1,145,192	376,298	-	-	-	-	-
Debt service	-	5,066	-	-	-	-	-
Total expenditures	<u>1,145,192</u>	<u>381,364</u>	<u>92,809</u>	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(50,767)</u>	<u>16,797</u>	<u>(51,591)</u>	<u>2,038</u>	<u>1</u>	<u>233</u>	<u>1</u>
Other financing sources							
Transfers from other funds	-	-	2,000	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(50,767)</u>	<u>16,797</u>	<u>(49,591)</u>	<u>2,038</u>	<u>1</u>	<u>233</u>	<u>1</u>
Fund balances (deficits), beginning of year, restated	<u>230,756</u>	<u>4,994</u>	<u>128,947</u>	<u>30,212</u>	<u>1,349</u>	<u>487</u>	<u>672</u>
Fund balances (deficits), end of year	<u>\$ 179,989</u>	<u>\$ 21,791</u>	<u>\$ 79,356</u>	<u>\$ 32,250</u>	<u>\$ 1,350</u>	<u>\$ 720</u>	<u>\$ 673</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<i>Special Revenue Funds</i>						
	<i>Historical Land Records</i>	<i>Recreation Camperships Fund</i>	<i>Probate Filing Records</i>	<i>Federal Asset Drug Forfeiture Fund</i>	<i>Animal Health Fund</i>	<i>State Police Computer Grant</i>	<i>Police Substance Abuse Fund</i>
Revenues							
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	1,926	-	76	-	2,593	-	-
Investment and interest income	7	1	-	-	6	3	3
Contributions and private grants	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenues	<u>1,933</u>	<u>1</u>	<u>76</u>	<u>-</u>	<u>2,599</u>	<u>3</u>	<u>3</u>
Expenditures							
Current:							
Public safety	-	-	-	-	5,017	-	-
Public works	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,017</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>1,933</u>	<u>1</u>	<u>76</u>	<u>-</u>	<u>(2,418)</u>	<u>3</u>	<u>3</u>
Other financing sources							
Transfers from other funds	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,933	1	76	-	(2,418)	3	3
Fund balances (deficits), beginning of year, restated	<u>10,482</u>	<u>729</u>	<u>1,414</u>	<u>26,090</u>	<u>10,864</u>	<u>6,400</u>	<u>4,763</u>
Fund balances (deficits), end of year	<u>\$ 12,415</u>	<u>\$ 730</u>	<u>\$ 1,490</u>	<u>\$ 26,090</u>	<u>\$ 8,446</u>	<u>\$ 6,403</u>	<u>\$ 4,766</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<i>Special Revenue Funds</i>						
	<i>Explorers Account Post 1</i>	<i>Senior Center Donations</i>	<i>Human Services Legislative Grant</i>	<i>Food Pantry Donations</i>	<i>Senior Center Grants</i>	<i>Emergency Management Grants</i>	<i>Congregational Church Restoration</i>
Revenues							
State aid and grants	\$ -	\$ -	\$ 3,500	\$ -	\$ 4,560	\$ 2,500	\$ -
Charges for services	-	-	-	-	-	-	-
Investment and interest income	-	-	-	-	-	-	3
Contributions and private grants	3,450	3,041	-	5,823	5,000	-	-
Other income	-	-	-	-	-	-	-
Total revenues	<u>3,450</u>	<u>3,041</u>	<u>3,500</u>	<u>5,823</u>	<u>9,560</u>	<u>2,500</u>	<u>3</u>
Expenditures							
Current:							
Public safety	1,887	-	-	-	-	2,612	-
Public works	-	-	-	-	-	-	-
Social services	-	4,085	4,538	5,979	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>1,887</u>	<u>4,085</u>	<u>4,538</u>	<u>5,979</u>	<u>-</u>	<u>2,612</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>1,563</u>	<u>(1,044)</u>	<u>(1,038)</u>	<u>(156)</u>	<u>9,560</u>	<u>(112)</u>	<u>3</u>
Other financing sources							
Transfers from other funds	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,563	(1,044)	(1,038)	(156)	9,560	(112)	3
Fund balances (deficits), beginning of year, restated	<u>2,922</u>	<u>8,367</u>	<u>2,040</u>	<u>7,437</u>	<u>24,084</u>	<u>22,436</u>	<u>5,297</u>
Fund balances (deficits), end of year	<u>\$ 4,485</u>	<u>\$ 7,323</u>	<u>\$ 1,002</u>	<u>\$ 7,281</u>	<u>\$ 33,644</u>	<u>\$ 22,324</u>	<u>\$ 5,300</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<i>Special Revenue Funds</i>						<i>Total Special Revenue Funds</i>
	<i>Land Dedication Recreation Fund</i>	<i>Green Area Beautification</i>	<i>Main Street Project</i>	<i>Cemetery Capital Fee Fund</i>	<i>Recording Tech. Scanning Fund</i>	<i>Citizens Police Academy Fund</i>	
Revenues							
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,209,055
Charges for services	-	-	-	-	10,244	-	289,824
Investment and interest income	-	1	-	4	40	-	139
Contributions and private grants	-	-	-	-	-	750	79,341
Other income	-	-	-	-	-	-	21,149
Total revenues	<u>-</u>	<u>1</u>	<u>-</u>	<u>4</u>	<u>10,284</u>	<u>750</u>	<u>1,599,508</u>
Expenditures							
Current:							
Public safety	-	-	-	-	-	701	10,217
Public works	-	-	-	-	-	-	-
Social services	34,062	-	-	-	-	-	161,373
Education	-	-	-	-	-	-	1,521,490
Debt service	-	-	-	-	-	-	5,066
Total expenditures	<u>34,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>701</u>	<u>1,698,146</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(34,062)</u>	<u>1</u>	<u>-</u>	<u>4</u>	<u>10,284</u>	<u>49</u>	<u>(98,638)</u>
Other financing sources							
Transfers from other funds	-	-	-	-	-	-	2,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Net change in fund balance	<u>(34,062)</u>	<u>1</u>	<u>-</u>	<u>4</u>	<u>10,284</u>	<u>49</u>	<u>(96,638)</u>
Fund balances (deficits), beginning of year, restated	<u>134,870</u>	<u>550</u>	<u>17,878</u>	<u>7,348</u>	<u>60,156</u>	<u>206</u>	<u>751,750</u>
Fund balances (deficits), end of year	<u>\$ 100,808</u>	<u>\$ 551</u>	<u>\$ 17,878</u>	<u>\$ 7,352</u>	<u>\$ 70,440</u>	<u>\$ 255</u>	<u>\$ 655,112</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<i>Capital Project Funds</i>							
	<i>Highway Department Capital Escrow</i>	<i>School Ball Field Fund</i>	<i>School Capital Construction Fund</i>	<i>Highway Bridges Special Projects</i>	<i>Police Vehicles Capital Fund</i>	<i>Open Space</i>	<i>Chopmist Hill Renovation Fund</i>	<i>Animal Shelter Bond Fund</i>
Revenues								
State aid and grants	\$ 72,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Investment and interest income	27	-	-	7	-	44	-	-
Contributions and private grants	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Total revenues	<u>72,362</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>-</u>
Expenditures								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	188,809	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total expenditures	<u>188,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(116,447)</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>-</u>
Other financing sources								
Transfers from other funds	-	-	-	-	-	8,000	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(116,447)</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>8,044</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of year, restated	<u>161,501</u>	<u>635</u>	<u>305</u>	<u>65,569</u>	<u>492</u>	<u>91,870</u>	<u>22</u>	<u>(8,450)</u>
Fund balances (deficits), end of year	<u>\$ 45,054</u>	<u>\$ 635</u>	<u>\$ 305</u>	<u>\$ 65,576</u>	<u>\$ 492</u>	<u>\$ 99,914</u>	<u>\$ 22</u>	<u>\$ (8,450)</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<i>Capital Project Funds</i>							
	<i>Public Works/ Safety Bond Fund</i>	<i>School Bond Fund</i>	<i>School Land Fund</i>	<i>School 2008 Capital Fund</i>	<i>School 2009 Capital Fund</i>	<i>School 2010 Capital Fund</i>	<i>2009 School Loan Fund</i>	<i>Town Properties Building Fund</i>
Revenues								
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Investment and interest income	-	-	-	-	-	-	5	-
Contributions and private grants	-	-	-	-	-	-	-	-
Other income	-	-	3,787	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>3,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>
Expenditures								
Current:								
Public safety	10,419	-	-	-	-	-	-	-
Public works	7,687	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-
Education	-	-	-	-	2,943	73,721	6	-
Debt service	-	-	-	-	-	-	-	-
Total expenditures	<u>18,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,943</u>	<u>73,721</u>	<u>6</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(18,106)</u>	<u>-</u>	<u>3,787</u>	<u>-</u>	<u>(2,943)</u>	<u>(73,721)</u>	<u>(1)</u>	<u>-</u>
Other financing sources								
Transfers from other funds	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(18,106)	-	3,787	-	(2,943)	(73,721)	(1)	-
Fund balances (deficits), beginning of year, restated	<u>105,398</u>	<u>2,462</u>	<u>-</u>	<u>5,829</u>	<u>8,652</u>	<u>357,774</u>	<u>(1,391)</u>	<u>16,607</u>
Fund balances (deficits), end of year	<u>\$ 87,292</u>	<u>\$ 2,462</u>	<u>\$ 3,787</u>	<u>\$ 5,829</u>	<u>\$ 5,709</u>	<u>\$ 284,053</u>	<u>\$ (1,392)</u>	<u>\$ 16,607</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<i>Capital Project Funds</i>							
	<i>Computer Upgrade Fund</i>	<i>Recreation Capital Fund</i>	<i>K-9 Capital Fund</i>	<i>Police Vehicle Fund</i>	<i>Capital Assets Fund</i>	<i>Proposed Police Station Fund</i>	<i>Fire Department Capital Fund</i>	<i>Total Capital Project Funds</i>
Revenues								
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,335
Charges for services	-	-	-	-	-	-	-	-
Investment and interest income	13	7	-	-	7	-	1	111
Contributions and private grants	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	3,787
Total revenues	<u>13</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>1</u>	<u>76,233</u>
Expenditures								
Current:								
Public safety	-	-	-	-	-	-	-	10,419
Public works	-	-	-	-	-	-	-	196,496
Social services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	76,670
Debt service	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,585</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>13</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>1</u>	<u>(207,352)</u>
Other financing sources								
Transfers from other funds	-	-	-	-	-	-	-	8,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Net change in fund balance	13	7	-	-	7	-	1	(199,352)
Fund balances (deficits), beginning of year, restated	<u>37,385</u>	<u>30,039</u>	<u>124</u>	<u>113</u>	<u>20,017</u>	<u>22,367</u>	<u>12,708</u>	<u>930,028</u>
Fund balances (deficits), end of year	<u>\$ 37,398</u>	<u>\$ 30,046</u>	<u>\$ 124</u>	<u>\$ 113</u>	<u>\$ 20,024</u>	<u>\$ 22,367</u>	<u>\$ 12,709</u>	<u>\$ 730,676</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended March 31, 2012

	<i>Permanent Funds</i>				<i>Total Permanent Funds</i>	<i>Total All Nonmajor Governmental Funds</i>
	<i>Sam Tourtellot & Leslie Davis Fund</i>	<i>Elsie Gleason Fund</i>	<i>Glenford Cemetery Fund</i>	<i>Cemetery Fund</i>		
Revenues						
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,281,390
Charges for services	-	-	-	-	-	289,824
Investment and interest income	4	2	15	52	73	323
Contributions and private grants	-	-	-	-	-	79,341
Other income	-	-	-	-	-	24,936
Total revenues	<u>4</u>	<u>2</u>	<u>15</u>	<u>52</u>	<u>73</u>	<u>1,675,814</u>
Expenditures						
Current:						
Public safety	-	-	-	-	-	20,636
Public works	-	-	-	-	-	196,496
Social services	-	-	-	-	-	161,373
Education	-	-	-	-	-	1,598,160
Debt service	-	-	-	-	-	5,066
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,981,731</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>4</u>	<u>2</u>	<u>15</u>	<u>52</u>	<u>73</u>	<u>(305,917)</u>
Other financing sources						
Transfers from other funds	-	-	-	-	-	10,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	4	2	15	52	73	(295,917)
Fund balances (deficits), beginning of year, restated	<u>7,256</u>	<u>2,578</u>	<u>26,753</u>	<u>93,856</u>	<u>130,443</u>	<u>1,812,221</u>
Fund balances (deficits), end of year	<u>\$ 7,260</u>	<u>\$ 2,580</u>	<u>\$ 26,768</u>	<u>\$ 93,908</u>	<u>\$ 130,516</u>	<u>\$ 1,516,304</u>

TOWN OF SCITUATE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Balance Sheet
March 31, 2012

	<u>Literacy</u>	<u>IDEA ARRA</u>	<u>Preschool ARRA</u>	<u>Professional Development</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Art Festival</u>
ASSETS							
Cash	\$ 28,366	\$ -	\$ -	\$ 17,516	\$ 8,976	\$ 6,212	\$ 250
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 28,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,516</u>	<u>\$ 8,976</u>	<u>\$ 6,212</u>	<u>\$ 250</u>
 LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Account payable and accrued expenditures	5,494	-	-	310	-	3,461	-
Due to other funds	71	-	-	-	-	-	-
Total liabilities	<u>5,565</u>	<u>-</u>	<u>-</u>	<u>310</u>	<u>-</u>	<u>3,461</u>	<u>-</u>
Fund balances - restricted	<u>22,801</u>	<u>-</u>	<u>-</u>	<u>17,206</u>	<u>8,976</u>	<u>2,751</u>	<u>250</u>
Total liabilities and fund balances	<u>\$ 28,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,516</u>	<u>\$ 8,976</u>	<u>\$ 6,212</u>	<u>\$ 250</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Balance Sheet (Continued)
March 31, 2012

	<u>Volunteers</u>	<u>Title I ARRA</u>	<u>Student Equity</u>	<u>School Support System</u>	<u>Preschool</u>	<u>IDEA Part B</u>	<u>Title I</u>
ASSETS							
Cash	\$ 800	\$ -	\$ 61,878	\$ -	\$ -	\$ -	\$ -
Due from federal and state governments	-	-	-	4,722	9,193	240,709	19,840
Due from other funds	-	-	-	-	197	3,832	-
Total assets	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 61,878</u>	<u>\$ 4,722</u>	<u>\$ 9,390</u>	<u>\$ 244,541</u>	<u>\$ 19,840</u>
 LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ 1,842	\$ 5,976	\$ 89,701	\$ 17,637
Account payable and accrued expenditures	-	-	1,910	2,880	2,695	124,334	2,203
Due to other funds	-	-	-	-	719	30,506	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,910</u>	<u>4,722</u>	<u>9,390</u>	<u>244,541</u>	<u>19,840</u>
Fund balances - restricted	<u>800</u>	<u>-</u>	<u>59,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 61,878</u>	<u>\$ 4,722</u>	<u>\$ 9,390</u>	<u>\$ 244,541</u>	<u>\$ 19,840</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Balance Sheet (Continued)
March 31, 2012

	<u>Title II</u>	<u>Title IV</u>	<u>Education Jobs</u>	<u>State Fiscal Stabilization</u>	<u>RTTT IIS Set Aside</u>	<u>RTTT HCD Set Aside</u>	<u>RTTT S&C</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from federal and state governments	10,363	-	-	-	-	-	1,722
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 10,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,722</u>
 LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ 3,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Account payable and accrued expenditures	6,550	-	-	-	-	-	1,722
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>10,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,722</u>
Fund balances - restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 10,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,722</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Balance Sheet (Continued)
March 31, 2012

	<u>RTTT IIS</u>	<u>Language Assistance</u>	<u>Champlin Foundation</u>	<u>Amica</u>	<u>RI Foundation</u>	<u>Verizon</u>	<u>Total</u>
ASSETS							
Cash	\$ -	\$ 45,560	\$ 16,303	\$ 474	\$ -	\$ 5,000	\$ 191,335
Due from federal and state governments	425	-	-	-	-	-	286,974
Due from other funds	-	-	-	-	-	-	4,029
Total assets	<u>\$ 425</u>	<u>\$ 45,560</u>	<u>\$ 16,303</u>	<u>\$ 474</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 482,338</u>
 LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,969
Account payable and accrued expenditures	-	100	-	-	-	-	151,659
Due to other funds	425	-	-	-	-	-	31,721
Total liabilities	<u>425</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,349</u>
Fund balances - restricted	<u>-</u>	<u>45,460</u>	<u>16,303</u>	<u>474</u>	<u>-</u>	<u>5,000</u>	<u>179,989</u>
Total liabilities and fund balances	<u>\$ 425</u>	<u>\$ 45,560</u>	<u>\$ 16,303</u>	<u>\$ 474</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 482,338</u>

TOWN OF SCITUATE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended March 31, 2012

	<u>Literacy</u>	<u>IDEA ARRA</u>	<u>Preschool ARRA</u>	<u>Professional Development</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Art Festival</u>
Revenues							
Federal and state aid and grants	\$ 23,253	\$ 184,031	\$ 8,020	\$ -	\$ 20,866	\$ 11,272	\$ -
Contributions and private grants	-	-	-	-	-	-	-
Total revenues	<u>23,253</u>	<u>184,031</u>	<u>8,020</u>	<u>-</u>	<u>20,866</u>	<u>11,272</u>	<u>-</u>
Expenditures							
Education	39,515	184,031	8,020	6,568	24,606	24,697	-
Total expenditures	<u>39,515</u>	<u>184,031</u>	<u>8,020</u>	<u>6,568</u>	<u>24,606</u>	<u>24,697</u>	<u>-</u>
Net change in fund balance	<u>(16,262)</u>	<u>-</u>	<u>-</u>	<u>(6,568)</u>	<u>(3,740)</u>	<u>(13,425)</u>	<u>-</u>
Fund balances - beginning of year	<u>39,063</u>	<u>-</u>	<u>-</u>	<u>23,774</u>	<u>12,716</u>	<u>16,176</u>	<u>250</u>
Fund balances - end of year	<u>\$ 22,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,206</u>	<u>\$ 8,976</u>	<u>\$ 2,751</u>	<u>\$ 250</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Fiscal Year Ended March 31, 2012

	<u>Volunteers</u>	<u>Title I ARRA</u>	<u>Student Equity</u>	<u>School Support System</u>	<u>Preschool</u>	<u>IDEA Part B</u>	<u>Title I</u>
Revenues							
Federal and state aid and grants	\$ 1,000	\$ 21,460	\$ 35,971	\$ 5,136	\$ 17,118	\$ 392,168	\$ 155,653
Contributions and private grants	-	-	-	-	-	-	-
Total revenues	<u>1,000</u>	<u>21,460</u>	<u>35,971</u>	<u>5,136</u>	<u>17,118</u>	<u>392,168</u>	<u>155,653</u>
Expenditures							
Education	200	21,460	62,889	5,136	17,118	396,420	155,653
Total expenditures	<u>200</u>	<u>21,460</u>	<u>62,889</u>	<u>5,136</u>	<u>17,118</u>	<u>396,420</u>	<u>155,653</u>
Net change in fund balance	<u>800</u>	<u>-</u>	<u>(26,918)</u>	<u>-</u>	<u>-</u>	<u>(4,252)</u>	<u>-</u>
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>86,886</u>	<u>-</u>	<u>-</u>	<u>4,252</u>	<u>-</u>
Fund balances - end of year	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 59,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Fiscal Year Ended March 31, 2012

	<u>Title II</u>	<u>Title IV</u>	<u>Education Jobs</u>	<u>State Fiscal Stabilization</u>	<u>RTTT IIS Set Aside</u>	<u>RTTT HCD Set Aside</u>	<u>RTTT S&C</u>
Revenues							
Federal and state aid and grants	\$ 71,695	\$ 2,126	\$ 51,640	\$ 22,178	\$ 2,822	\$ 126	\$ 1,722
Contributions and private grants	-	-	-	-	-	-	-
Total revenues	<u>71,695</u>	<u>2,126</u>	<u>51,640</u>	<u>22,178</u>	<u>2,822</u>	<u>126</u>	<u>1,722</u>
Expenditures							
Education	<u>71,695</u>	<u>2,126</u>	<u>51,640</u>	<u>22,178</u>	<u>2,822</u>	<u>126</u>	<u>1,722</u>
Total expenditures	<u>71,695</u>	<u>2,126</u>	<u>51,640</u>	<u>22,178</u>	<u>2,822</u>	<u>126</u>	<u>1,722</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Fiscal Year Ended March 31, 2012

	<i>RTTT IIS</i>	<i>Language Assistance</i>	<i>Champlin Foundation</i>	<i>Amica</i>	<i>RI Foundation</i>	<i>Verizon</i>	<i>Total</i>
Revenues							
Federal and state aid and grants	\$ 425	\$ 4,466	\$ -	\$ -	\$ -	\$ -	\$ 1,033,148
Contributions and private grants	-	-	59,270	500	1,507	-	61,277
Total revenues	<u>425</u>	<u>4,466</u>	<u>59,270</u>	<u>500</u>	<u>1,507</u>	<u>-</u>	<u>1,094,425</u>
Expenditures							
Education	425	1,645	42,967	26	1,507	-	1,145,192
Total expenditures	<u>425</u>	<u>1,645</u>	<u>42,967</u>	<u>26</u>	<u>1,507</u>	<u>-</u>	<u>1,145,192</u>
Net change in fund balance	<u>-</u>	<u>2,821</u>	<u>16,303</u>	<u>474</u>	<u>-</u>	<u>-</u>	<u>(50,767)</u>
Fund balances - beginning of year	<u>-</u>	<u>42,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>230,756</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 45,460</u>	<u>\$ 16,303</u>	<u>\$ 474</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 179,989</u>

AGENCY FUNDS

**Agency Funds account
for assets held by the Town
as an agent for individuals,
organizations or other governmental units.**

Student Activity Funds – accounts for student activities such as field trips, yearbooks and proms.

Town Council Sunshine Fund – was established to account for expenditures of the Town Council for condolence purposes.

Probate Fund – was established to account for funds held in probate.

TOWN OF SCITUATE, RHODE ISLAND

Combining Statement of Net Assets

Agency Funds

March 31, 2012

	<u><i>Student Activities Fund</i></u>	<u><i>Town Council Sunshine Fund</i></u>	<u><i>Probate Fund</i></u>	<u><i>Total Agency Funds</i></u>
<i>Assets</i>				
Cash	<u>\$ 161,661</u>	<u>\$ 63</u>	<u>\$ 8,279</u>	<u>\$ 170,003</u>
<i>Total assets</i>	<u><u>\$ 161,661</u></u>	<u><u>\$ 63</u></u>	<u><u>\$ 8,279</u></u>	<u><u>\$ 170,003</u></u>
<i>Liabilities</i>				
Deposits held in custody for others	<u>\$ 161,661</u>	<u>\$ 63</u>	<u>\$ 8,279</u>	<u>\$ 170,003</u>
<i>Total liabilities</i>	<u><u>\$ 161,661</u></u>	<u><u>\$ 63</u></u>	<u><u>\$ 8,279</u></u>	<u><u>\$ 170,003</u></u>

TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended March 31, 2012

	<u>Balance</u> <u>March 31, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2012</u>
 STUDENT ACTIVITY FUND				
<i>Assets</i>				
Cash	\$ 151,731	\$ 271,406	\$ 261,476	\$ 161,661
Total assets	<u>\$ 151,731</u>	<u>\$ 271,406</u>	<u>\$ 261,476</u>	<u>\$ 161,661</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 151,731	\$ 271,406	\$ 261,476	\$ 161,661
Total liabilities	<u>\$ 151,731</u>	<u>\$ 271,406</u>	<u>\$ 261,476</u>	<u>\$ 161,661</u>
 TOWN COUNCIL SUNSHINE FUND				
<i>Assets</i>				
Cash	\$ 63	\$ -	\$ -	\$ 63
Total assets	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 63	\$ -	\$ -	\$ 63
Total liabilities	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63</u>
 PROBATE FUND				
<i>Assets</i>				
Cash	\$ -	\$ 8,279	\$ -	\$ 8,279
Total assets	<u>\$ -</u>	<u>\$ 8,279</u>	<u>\$ -</u>	<u>\$ 8,279</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ -	\$ 8,279	\$ -	\$ 8,279
Total liabilities	<u>\$ -</u>	<u>\$ 8,279</u>	<u>\$ -</u>	<u>\$ 8,279</u>
 TOTAL AGENCY FUNDS				
<i>Assets</i>				
Cash	\$ 151,794	\$ 279,685	\$ 261,476	\$ 170,003
Total assets	<u>\$ 151,794</u>	<u>\$ 279,685</u>	<u>\$ 261,476</u>	<u>\$ 170,003</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 151,794	\$ 279,685	\$ 261,476	\$ 170,003
Total liabilities	<u>\$ 151,794</u>	<u>\$ 279,685</u>	<u>\$ 261,476</u>	<u>\$ 170,003</u>

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Tax Collections
For the Fiscal Year Ended March 31, 2012

Real Estate and Personal Property Taxes

<u>Year</u>	<u>Balance March 31, 2011</u>	<u>Current Year Assessment</u>	<u>Additions</u>	<u>Abatements and Adjustments</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance March 31, 2012</u>
2011	\$ -	\$ 25,492,269	\$ 34,370	\$ (1,791)	\$ 25,524,848	\$ 20,328,684	\$ 5,196,164
2010	5,050,657	-	588	(1,283)	5,049,962	4,864,686	185,276
2009	168,140	-	-	-	168,140	73,273	94,867
2008	92,951	-	-	-	92,951	4,824	88,127
2007	69,863	-	-	-	69,863	642	69,221
2006	14,821	-	-	-	14,821	784	14,037
2005	12,967	-	-	-	12,967	315	12,652
2004	6,457	-	-	-	6,457	378	6,079
2003	6,192	-	-	-	6,192	674	5,518
2002	4,257	-	-	-	4,257	260	3,997
2001	-	-	368	-	368	368	-
2000	-	-	275	-	275	275	-
	<u>\$ 5,426,305</u>	<u>\$ 25,492,269</u>	<u>\$ 35,601</u>	<u>\$ (3,074)</u>	<u>\$ 30,951,101</u>	<u>\$ 25,275,163</u>	<u>\$ 5,675,938</u>

Schedule of Most Recent Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Net Assessed Valuations</u>	<u>Net Levy</u>
Real property	\$ 703,259,716	\$ 23,036,054
Motor vehicles	51,918,422	1,567,667
Tangible personal property	22,715,442	888,548
Total	<u>\$ 777,893,580</u>	<u>\$ 25,492,269</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 25,275,163
Payment adjustments and transfers	(14,644)
Revenue received 60 days subsequent to fiscal year ending March 31, 2012	4,555,505
	<u>29,816,024</u>
Prior year revenue received in current year	(4,467,722)
Current year property tax revenue	<u>\$ 25,348,302</u>

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Revenues and Expenditures - Budget and Actual
School Department Operating Budget
For the Fiscal Year Ended March 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Town appropriation	\$ 16,499,815	\$ 16,499,815	\$ 16,499,815	\$ -
State aid to education	2,981,446	2,981,446	2,876,478	(104,968)
Other school revenues	122,500	122,500	154,077	31,577
School applied fund balance	1,152,000	1,152,000	1,152,000	-
Total revenues	<u>20,755,761</u>	<u>20,755,761</u>	<u>20,682,370</u>	<u>(73,391)</u>
Expenditures				
Education	<u>20,755,761</u>	<u>20,755,761</u>	<u>19,761,992</u>	<u>993,769</u>
Total expenditures	<u>20,755,761</u>	<u>20,755,761</u>	<u>19,761,992</u>	<u>993,769</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 920,378</u>	<u>\$ 920,378</u>

STATISTICAL SECTION

The Statistical Schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Town.

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial position has changed over time.	85-88
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the Town's ability to generate its most significant local revenue sources, the real and personal property tax.	89-93
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	94-98
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	99-100
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	101-103

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

TOWN OF SCITUATE, RHODE ISLAND
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)
"Unaudited"

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$ 2,927,420	\$ 3,819,077	\$ 4,327,936	\$ 4,804,205	\$ 10,256,196	\$10,676,154	\$11,598,150	\$12,066,199	\$12,843,119
Restricted	347,149	435,721	665,002	848,235	790,480	831,917	585,995	2,241,114	2,420,821
Unrestricted	3,299,985	2,942,109	3,049,935	3,684,371	3,614,351	3,841,863	(1,344,880)	(3,011,489)	(3,352,563)
Total Governmental Activities Net Assets	<u>\$ 6,574,554</u>	<u>\$ 7,196,907</u>	<u>\$ 8,042,873</u>	<u>\$ 9,336,811</u>	<u>\$ 14,661,027</u>	<u>\$ 15,349,934</u>	<u>\$ 10,839,265</u>	<u>\$ 11,295,824</u>	<u>\$ 11,911,377</u>

Note: Prior to implementation of GASB 34 in 2004, this information was not compiled and is unavailable.

Source: Town of Scituate's Comprehensive Annual Financial Report

TOWN OF SCITUATE, RHODE ISLAND
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)
"Unaudited"

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses									
Governmental Activities:									
General Government	\$ 1,157,594	\$ 1,174,454	\$ 1,204,056	\$ 1,420,456	\$ 1,392,152	\$ 1,527,583	\$ 6,653,132	\$ 1,485,973	\$ 1,586,381
Public Safety	3,136,327	3,346,730	3,645,144	3,721,954	3,894,316	4,028,697	4,116,636	4,231,458	4,162,851
Public Works	1,892,267	2,115,489	1,935,820	2,137,812	2,662,898	2,639,938	2,459,391	2,407,004	2,251,931
Social Services	764,402	778,083	1,127,796	882,715	973,438	950,922	866,246	891,122	960,148
Education	17,718,169	18,859,956	19,662,683	20,852,589	22,077,741	22,305,360	22,483,750	22,181,976	22,749,585
Debt Service	504,214	450,610	434,520	436,920	427,637	363,291	562,399	529,887	458,123
Total Governmental Activities Expenses	<u>25,172,973</u>	<u>26,725,322</u>	<u>28,010,019</u>	<u>29,452,446</u>	<u>31,428,182</u>	<u>31,815,791</u>	<u>37,141,554</u>	<u>31,727,420</u>	<u>32,169,019</u>
Program Revenues									
Governmental Activities:									
Charges for services:									
General Government	437,537	520,092	522,603	488,834	463,327	449,735	441,816	454,163	464,224
Public Safety	165,393	151,842	181,887	218,481	172,696	178,825	321,970	373,800	399,664
Public Works	19,050	26,525	26,960	16,300	18,490	17,505	17,775	17,350	15,481
Social Services	29,226	23,894	27,739	193,225	37,905	42,367	34,908	43,499	41,829
Education	431,214	439,173	589,963	663,221	565,627	487,357	472,530	444,565	429,062
Operating Grants and Contributions	5,090,558	5,158,413	5,316,355	5,350,449	5,471,366	5,706,585	4,896,729	5,650,603	5,556,318
Capital Grants and Contributions	10,000	114,295	99,041	6,000	-	10,000	88,145	250,000	84,973
Total Governmental Activities Program Revenues	<u>6,182,978</u>	<u>6,434,234</u>	<u>6,764,548</u>	<u>6,936,510</u>	<u>6,729,411</u>	<u>6,892,374</u>	<u>6,273,873</u>	<u>7,233,980</u>	<u>6,991,551</u>
Net (Expense) Revenue Governmental Activities	<u>(18,989,995)</u>	<u>(20,291,088)</u>	<u>(21,245,471)</u>	<u>(22,515,936)</u>	<u>(24,698,771)</u>	<u>(24,923,417)</u>	<u>(30,867,681)</u>	<u>(24,493,440)</u>	<u>(25,177,468)</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes	17,587,760	18,798,893	20,110,590	21,394,953	22,416,562	23,572,025	24,615,000	24,834,047	25,467,030
State Aid and in lieu of taxes	1,350,117	2,026,074	1,874,426	2,106,982	2,149,821	1,885,405	1,722,883	455,126	292,411
Investment Earnings	90,091	60,949	105,421	167,126	185,515	69,729	7,608	8,299	2,782
Miscellaneous	-	-	-	140,813	-	-	11,521	13,486	30,798
Total Governmental Activities	<u>19,027,968</u>	<u>20,885,916</u>	<u>22,090,437</u>	<u>23,809,874</u>	<u>24,751,898</u>	<u>25,527,159</u>	<u>26,357,012</u>	<u>25,310,958</u>	<u>25,793,021</u>
Change in Net Assets Governmental Activities	<u>\$ 37,973</u>	<u>\$ 594,828</u>	<u>\$ 844,966</u>	<u>\$ 1,293,938</u>	<u>\$ 53,127</u>	<u>\$ 603,742</u>	<u>\$ (4,510,669)</u>	<u>\$ 817,518</u>	<u>\$ 615,553</u>

Note: Prior to implementation of GASB 34 in 2004 this information was not compiled and is unavailable.

Source: Town of Scituate's Comprehensive Annual Financial Report

Table 3

TOWN OF SCITUATE, RHODE ISLAND
Fund Balances of Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)
"Unaudited"

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund									
Reserved	\$ -	\$ 26,035	\$ 448,054	\$ 171,664	\$ 58,894	\$ -	\$ -	\$ -	\$ -
Unreserved	1,565,536	1,481,449	935,681	1,316,007	1,502,327	1,854,152	2,941,930	2,665,483	-
Nonspendable	-	-	-	-	-	-	-	-	274,481
Restricted	-	-	-	-	-	-	-	-	1,719,717
Assigned	-	-	-	-	-	-	-	-	755,952
Unassigned	-	-	-	-	-	-	-	-	2,890,714
Total General Fund	<u>\$ 1,565,536</u>	<u>\$ 1,507,484</u>	<u>\$ 1,383,735</u>	<u>\$ 1,487,671</u>	<u>\$ 1,561,221</u>	<u>\$ 1,854,152</u>	<u>\$ 2,941,930</u>	<u>\$ 2,665,483</u>	<u>\$ 5,640,864</u>
All Other Governmental Funds									
Reserved	\$ 1,292,980	\$ 177,046	\$ 117,803	\$ 122,802	\$ 127,805	\$ 342,855	\$ 130,244	\$ 130,443	\$ -
Unreserved									
Reported in:									
Special Revenue Funds	3,281,390	3,190,342	3,821,032	4,271,969	4,070,033	4,113,032	3,245,848	3,687,027	-
Capital Projects Funds	1,041,034	485,842	342,622	611,986	817,467	987,716	1,483,901	819,983	-
Nonspendable	-	-	-	-	-	-	-	-	42,095
Restricted	-	-	-	-	-	-	-	-	738,328
Committed	-	-	-	-	-	-	-	-	108,160
Assigned	-	-	-	-	-	-	-	-	637,563
Unassigned	-	-	-	-	-	-	-	-	(9,842)
Total All Other Governmental Funds	<u>\$ 5,615,404</u>	<u>\$ 3,853,230</u>	<u>\$ 4,281,457</u>	<u>\$ 5,006,757</u>	<u>\$ 5,015,305</u>	<u>\$ 5,443,603</u>	<u>\$ 4,859,993</u>	<u>\$ 4,637,453</u>	<u>\$ 1,516,304</u>
Total Governmental Funds	<u>\$ 7,180,940</u>	<u>\$ 5,360,714</u>	<u>\$ 5,665,192</u>	<u>\$ 6,494,428</u>	<u>\$ 6,576,526</u>	<u>\$ 7,297,755</u>	<u>\$ 7,801,923</u>	<u>\$ 7,302,936</u>	<u>\$ 7,157,168</u>

Notes:

Prior to implementation of GASB No. 34 in 2004,
this information was not compiled and is unavailable.

In 2012 the Town implemented GASB No. 54, reserved and unreserved fund balances are no longer used.
Fund balances are now reported as nonspendable, restricted, committed, assigned and unassigned.

Source: Town of Scituate's Comprehensive Annual Financial Report

Table 4

TOWN OF SCITUATE, RHODE ISLAND
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
"Unaudited"

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
General Property Taxes	\$ 15,877,800	\$ 17,512,173	\$ 18,683,454	\$ 20,014,679	\$ 21,202,702	\$ 22,253,861	\$ 23,425,236	\$ 24,478,480	\$ 24,698,174	\$ 25,348,302
Federal and State Aid and Grants	-	6,315,766	7,194,500	7,221,174	7,424,366	7,598,155	7,568,321	6,652,745	6,332,363	5,854,361
Charges for Services	-	977,878	1,087,306	1,274,271	1,487,161	1,139,958	987,254	1,046,007	1,220,792	1,180,529
Fines and Penalties	-	104,542	73,552	68,881	80,011	52,044	45,335	52,198	49,698	48,602
Investment and Interest Income	125,090	177,845	134,539	197,356	294,371	294,804	189,690	90,575	78,242	67,217
Contributions and Private Grants	-	140,356	104,282	68,648	39,065	23,032	33,669	55,012	23,366	79,341
Intergovernmental Revenues	6,710,545	-	-	-	-	-	-	-	-	-
Town Clerk Revenue	204,525	-	-	-	-	-	-	-	-	-
Other Revenues	595,067	-	668	6,000	153,702	66,043	144,339	203,319	65,770	146,065
Total Revenues	23,513,027	25,228,560	27,278,301	28,851,009	30,681,378	31,427,897	32,393,844	32,578,336	32,468,405	32,724,417
Expenditures										
Current:										
General Government	852,074	886,014	906,809	936,694	1,142,136	1,034,386	1,065,681	1,142,803	1,031,577	1,118,115
Public Safety	1,748,144	2,180,646	3,795,382	2,724,448	2,806,773	2,963,325	2,751,355	2,724,479	2,756,086	2,742,352
Public Works	1,570,769	1,636,559	1,899,450	1,888,870	1,842,956	2,188,927	2,107,206	1,834,311	2,059,104	1,954,274
Social Services	654,148	928,509	1,081,219	1,132,594	828,604	904,695	853,382	1,068,654	862,356	887,277
Fixed Charges	1,065,828	1,158,295	1,290,768	1,381,725	1,521,628	1,620,889	1,558,859	6,618,690	1,562,111	1,558,546
Education	15,492,672	17,524,046	18,616,852	19,540,910	20,740,580	21,908,212	22,131,374	25,850,794	22,250,848	22,244,651
Other	412,855	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	936,457	736,459	1,086,459	1,041,459	1,071,459	1,112,715	1,295,465	1,545,000	2,005,000	1,882,000
Interest	373,380	470,285	421,588	379,679	359,006	347,400	339,293	459,801	508,248	482,970
Capital Outlay	807,792	-	-	-	-	-	-	-	-	-
Total Expenditures	23,914,119	25,520,813	29,098,527	29,026,379	30,313,142	32,080,549	32,102,615	41,244,532	33,035,330	32,870,185
Excess of Revenues Over (Under) Expenditures										
Before Other Financing Sources (Uses)	(401,092)	(292,253)	(1,820,226)	(175,370)	368,236	(652,652)	291,229	(8,666,196)	(566,925)	(145,768)
Other Financing Sources (Uses)										
Proceeds from Issuance of Debt	5,470,574	1,830,000	-	476,500	461,000	734,750	430,000	11,035,000	50,600	-
Premium on Debt	-	31,035	-	-	-	-	-	149,719	-	-
Payment -Bond Refunding Agent	(4,710,574)	-	-	-	-	-	-	(2,014,355)	-	-
Transfers In	12,260,771	13,708,845	15,181,624	16,465,288	17,326,261	18,366,062	19,429,671	19,509,317	18,864,067	10,000
Transfers Out	(12,345,171)	(13,708,845)	(15,181,624)	(16,465,288)	(17,326,261)	(18,366,062)	(19,429,671)	(19,509,317)	(18,864,067)	(10,000)
Total Other Financing Sources (Uses)	675,600	1,861,035	-	476,500	461,000	734,750	430,000	9,170,364	50,600	-
Net Change in Fund Balances	\$ 274,508	\$ 1,568,782	\$ (1,820,226)	\$ 301,130	\$ 829,236	\$ 82,098	\$ 721,229	\$ 504,168	\$ (516,325)	\$ (145,768)
Debt Service as a Percentage of Noncapital Expenditures	5.67%	4.78%	5.50%	5.02%	4.78%	4.66%	5.19%	5.45%	7.85%	7.34%

Source: Town of Scituate Comprehensive Annual Financial Report

Note: In fiscal year 2004 the Town reclassified certain revenue and expenditure categories.

TOWN OF SCITUATE, RHODE ISLAND
Assessed and Estimated Value of Taxable Property
Last Ten Fiscal Years
"Unaudited"

<i>Fiscal Year</i>	<i>Real Property</i>					<i>Personal Property Tangible</i>		
	<i>Residential</i>	<i>Commercial</i>	<i>Less Tax-Exempt Property</i>	<i>Total Taxable Assessed Value</i>	<i>Direct Tax Rate</i>	<i>Estimated Actual Value</i>	<i>Tangible Personal Property</i>	<i>Tax Rate Personal Property</i>
2003	\$ 342,898,960	\$ 158,226,300	\$ 3,431,449	\$ 497,693,811	\$ 28.45	\$1,002,250,520	\$ 24,315,160	\$ 28.45
2004	347,719,380	158,554,740	3,447,948	502,826,172	31.33	1,012,548,240	24,529,920	31.33
2005	551,737,090	180,025,470	3,510,150	728,252,410	22.08	1,463,525,120	26,426,300	33.05
2006	560,248,530	180,222,570	3,516,500	736,954,600	23.29	1,480,942,200	27,638,350	34.87
2007	567,514,290	180,135,970	3,436,500	744,213,760	24.57	1,495,300,520	29,502,240	36.79
2008	694,016,310	213,839,710	3,576,000	904,280,020	21.42	1,815,712,040	23,775,070	32.13
2009	699,609,930	213,222,350	3,680,000	909,152,280	22.40	1,825,664,560	23,216,950	33.592
2010	703,054,600	212,770,070	24,603,155	891,221,515	22.40	1,831,649,340	23,553,230	36.60
2011	555,472,840	209,553,800	62,544,334	702,482,306	32.00	1,530,053,280	23,611,120	38.25
2012	556,253,790	209,606,950	62,601,023	703,259,717	32.73	1,531,721,480	24,067,390	39.117

**

Real property is valued in full every 3 years with a State mandated update of the current market value (statistical) in the third year following each reappraisal.

Source: Tax Assessor's Office

** Tax Exempt amount increased in FY 2010 due to Tax Agreement with ProvWater.

(Continued)

Table 5

TOWN OF SCITUATE, RHODE ISLAND
Assessed and Estimated Value of Taxable Property (Continued)
Last Ten Fiscal Years
"Unaudited"

<i>Fiscal Year</i>	<i>Personal Property Motor Vehicle</i>				<i>Tax Rate Motor Vehicles</i>	<i>Personal Property Estimates Actual Value</i>	<i>Total</i>		
	<i>Motor Vehicles</i>	<i>Less Tax-Exempt Property</i>	<i>Total Motor Vehicle Taxable Assessed Value</i>	<i>Tax Rate</i>			<i>Total Assessed Value</i>	<i>Estimated Actual Value</i>	<i>Ratio</i>
2003	\$ 71,937,248	\$ 29,885,967	\$ 42,051,281	\$ 30.20	\$ 100,038,579	\$ 597,377,668	\$ 1,102,289,099	54.19%	
2004	77,181,920	31,189,919	45,992,001	30.20	105,774,046	607,985,960	1,118,322,286	54.37%	
2005	79,324,634	32,710,998	46,613,636	30.20	109,925,915	837,513,494	1,573,451,035	53.23%	
2006	86,423,570	33,358,221	53,065,349	30.20	118,610,528	854,533,020	1,599,552,728	53.42%	
2007	96,029,792	46,685,699	49,344,093	30.20	N/A	873,182,292	N/A	N/A	
2008	96,975,747	47,715,845	49,259,902	30.20	N/A	1,028,606,837	N/A	N/A	
2009	101,335,447	48,259,725	53,075,722	30.20	N/A	1,037,384,677	N/A	N/A	
2010	90,579,741	47,373,231	43,206,510	30.20	N/A	1,029,957,641	N/A	N/A	
2011	107,763,886	57,898,689	49,865,197	30.20	N/A	896,401,646	N/A	N/A	
2012	110,568,688	58,650,266	51,918,422	30.20	N/A	900,496,818	N/A	N/A	

Real property is valued in full every 3 years with a State mandated update of the current market value (statistical) in the third year following each reappraisal.

Source: Tax Assessor's Office

Table 6

TOWN OF SCITUATE, RHODE ISLAND
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)
"Unaudited"

<i>Town Direct Rates</i>				
<i>Fiscal Year</i>	<i>Basic Rate</i>	<i>MV</i>	<i>PP</i>	<i>Comm Mixed Use</i>
2003	\$28.450	\$30.200	\$28.450	
2004	31.330	30.200	31.330	
2005	22.080	30.200	33.050	\$27.750
2006	23.290	30.200	34.870	29.280
2007	24.570	30.200	36.790	30.890
2008	21.420	30.200	32.130	28.920
2009	22.395	30.200	33.592	30.233
2010	24.400	30.200	36.600	32.940
2011	32.000	30.200	38.250	39.400
2012	32.726	30.200	39.117	40.296

Notes:

- (1) Real Estate is assessed at 50% value
- (2) Motor Vehicles are assessed at 95%
- (3) Full Revaluation was conducted as of December 31, 2009
- (4) Statistical Revaluation was conducted as of December 31, 2006
- (5) Motor Vehicle Phase-Out Exemptions began in fiscal Year 2000
- (6) The Town does not have any overlapping governments.

Table 7

TOWN OF SCITUATE, RHODE ISLAND
Principal Property Tax Payers,
Current Year and Nine Years Ago
"Unaudited"

<i>Taxpayer</i>	<i>2012</i>			<i>2003</i>			
	<i>Taxable Assessed Value</i>	<i>Percentage of Total Taxable Assessed Value</i>	<i>Type of Business</i>	<i>Taxpayer</i>	<i>Taxable Assessed Value</i>	<i>Percentage of Total Taxable Assessed Value</i>	<i>Type of Business</i>
Providence Water Supply Board	\$128,843,318	16.56%	Utility/Watershed	Providence Water Supply Board	\$151,537,780	26.87%	Utility/Watershed
Narragansett Electric, Co.	9,340,030	1.20%	Utility/Electric	Narragansett Electric, Co.	7,746,360	1.37%	Utility/Electric
Cox Communications	3,416,580	0.44%	Utility/Cable	Providence Public Build Auth	3,012,920	0.53%	Utility/Watershed
Providence Public Build Auth	3,216,701	0.41%	Utility/Watershed	Cox Communications	1,950,040	0.35%	Utility/Cable
Scituate Village Shopping Cntr.	1,815,550	0.23%	Retail Shopping	Scituate Village Shopping Cntr.	1,363,200	0.24%	Retail Shopping
New England Development RI LLC	1,032,250	0.13%	Industrial Mill	Ford Motor Credit Company	1,222,959	0.22%	Motor Vehicle Leasing
Scituate Commons	835,570	0.11%	Residential Apartments	General Motors Acceptance Corp	1,190,149	0.21%	Motor Vehicle Leasing
Cavanagh, Peter A., et us Theresa	973,650	0.13%	Residential	Cavanagh, Peter A et ux Theresa A	1,051,340	0.19%	Residential
Toyota Motor Credit Corp	1,005,178	0.13%	Motor Vehicle Leasing	Ciunci, Vincent R. ET UX Mary	670,700	0.12%	Residential
Verizon Online LLC	751,280	0.10%	Leased Tangible Property	Mercedes Benz Corporation	669,724	0.12%	Motor Vehicle Leasing
Totals	\$151,230,107	19.44%			\$170,415,172	30.21%	

Sources: Town of Scituate Tax Assessor

(1) Source: Tax Assessor's Data Base File

(2) 2011 and 2002 Tax Rolls

Table 8

TOWN OF SCITUATE, RHODE ISLAND
Property Tax Levies and Collections (1)
Last Ten Fiscal Years
"Unaudited"

<i>Fiscal Year</i>	<i>Net Adjusted Tax Levy</i>	<i>Collected Within Fiscal Year of Levy</i>		<i>Subsequent Year Tax Collections</i>	<i>Total Collections to Date</i>		<i>Net Outstanding Taxes</i>
		<i>Current Tax Collections</i>	<i>Percent of Net Levy Collected</i>		<i>Total Tax Collections</i>	<i>Percent of Net Levy Collected</i>	
2003	\$ 15,761,633	\$ 12,591,886	79.9%	\$ 3,165,750	\$ 15,757,636	100.0%	\$ 3,997
2004	17,453,485	13,847,720	79.3%	3,600,247	17,447,967	100.0%	5,518
2005	18,715,191	14,877,743	79.5%	3,831,369	18,709,112	100.0%	6,079
2006	20,028,518	16,436,121	82.1%	3,579,745	20,015,866	99.9%	12,652
2007	21,237,280	17,443,409	82.1%	3,779,834	21,223,243	99.9%	14,037
2008	22,358,161	18,707,533	83.7%	3,581,407	22,288,940	99.7%	69,221
2009	23,485,597	19,346,238	82.4%	4,051,232	23,397,470	99.6%	88,127
2010	24,578,625	20,203,423	82.2%	4,280,335	24,483,758	99.6%	94,867
2011	24,851,209	19,801,247	79.7%	4,864,686	24,665,933	99.3%	185,276
2012	25,524,848	20,328,684	79.6%	-	20,328,684	79.6%	5,196,164

Notes:

(1) Source: Schedule of Tax Collections

Table 9

TOWN OF SCITUATE, RHODE ISLAND
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
"Unaudited"

<i>Fiscal Year</i>	<i>Governmental Activities</i>				<i>Total Primary Government</i>	<i>Percentage of Personal Income</i>	<i>Per Capita</i>
	<i>General Obligation Bonds</i>	<i>Note Payable</i>	<i>Loan Payable</i>	<i>Capital Lease</i>			
2003	\$ 9,800,266	\$ 304,000	\$ -	\$ -	\$ 10,104,266	3.48% (a)	\$ 978.72
2004	10,931,807	266,000	-	-	11,197,807	3.86% (a)	1,084.64
2005	9,883,348	228,000	-	-	10,111,348	3.49% (a)	979.40
2006	9,356,389	190,000	-	-	9,546,389	3.29% (a)	924.68
2007	8,783,930	152,000	-	-	8,935,930	3.08% (a)	865.55
2008	8,443,965	114,000	-	-	8,557,965	2.95% (a)	828.94
2009	7,616,500	76,000	-	-	7,692,500	2.65% (a)	745.11
2010	11,199,500	38,000	4,000,000	-	15,237,500	5.01% (a)	1,408.66
2011	9,367,500	-	3,902,950	-	13,270,450	4.57% (a)	1,284.78
2012	7,625,500	-	3,750,300	-	11,375,800	3.92% (a)	1,101.88

Notes: - Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
 - See Schedule 14 for personal income and population data.

(a) Ratio is calculated using personal income from 2000 census year.

Table 10

TOWN OF SCITUATE, RHODE ISLAND
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
"Unaudited"

<i>Fiscal Year</i>	<i>General Bonded Debt Outstanding</i>		<i>Percentage of Actual Taxable Value (a) of Property</i>	<i>Per Capita (b)</i>
	<i>General Obligation Bonds</i>	<i>Total</i>		
2003	\$ 9,800,266	\$ 9,800,266	1.79%	\$ 949.27
2004	10,931,807	10,931,807	1.95%	1,058.87
2005	9,883,348	9,883,348	1.23%	957.32
2006	9,356,389	9,356,389	1.14%	906.28
2007	8,783,930	8,783,930	1.07%	850.83
2008	8,443,965	8,443,965	0.86%	817.90
2009	7,616,500	7,616,500	0.77%	737.75
2010	11,199,500	11,199,500	1.17%	1,035.36
2011	9,367,500	9,367,500	1.21%	906.91
2012	7,625,500	7,625,500	0.98%	738.62

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Source: Town of Scituate, Rhode Island Audited Financial Statements

(a) Actual taxable value equals gross assessed value less exemptions.

(b) Population data can be found in Table 14.

*TOWN OF SCITUATE, RHODE ISLAND
Direct and Overlapping Governmental Activities Debt
As of March 31, 2012
"Unaudited"*

The Town of Scituate, Rhode Island has no overlapping debt.

TOWN OF SCITUATE, RHODE ISLAND
Legal Debt Margin Information
Last Ten Fiscal Years
"Unaudited"

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 16,467,710	\$ 16,789,620	\$ 24,038,770	\$ 24,529,749	\$ 26,195,469	\$ 29,319,450	\$ 29,563,349	\$ 28,729,449	\$ 23,236,266	\$ 23,336,807
Total net debt applicable to limit	1,435,266	3,041,807	2,663,348	2,751,389	2,813,930	3,138,965	3,011,500	8,944,500	7,532,500	6,225,500
Legal debt margin	<u>\$ 15,032,444</u>	<u>\$ 13,747,813</u>	<u>\$ 21,375,422</u>	<u>\$ 21,778,360</u>	<u>\$ 23,381,539</u>	<u>\$ 26,180,485</u>	<u>\$ 26,551,849</u>	<u>\$ 19,784,949</u>	<u>\$ 15,703,766</u>	<u>\$ 17,111,307</u>
Total net debt margin as a percentage of debt limit	91.28%	81.88%	88.92%	88.78%	89.26%	89.29%	89.81%	68.87%	67.58%	73.32%

Note: With certain exceptions, under the General Laws of the State of Rhode Island, the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town.

*Source: Town of Scituate, Rhode Island Audited Financial Statements

TOWN OF SCITUATE, RHODE ISLAND
Pledged-Revenue Coverage
Last Ten Years
"Unaudited"

The Town of Scituate, Rhode Island has no non-general obligation long-term debt backed by pledged revenues.

Table 14

TOWN OF SCITUATE, RHODE ISLAND
Demographic and Economic Statistics
Last Ten Fiscal Years
"Unaudited"

<i>Fiscal Year Ended March</i>	<i>Population (1)</i>	<i>Median Family Income (1)</i>	<i>Per Capita Personal Income (1)</i>	<i>Median Age(1)</i>	<i>School Enrollment (2)</i>	<i>Unemployment Rate (3)</i>
2003	10,324	\$ 67,593	\$ 28,092	39.7	1,782	5.80%
2004	10,324	67,593	28,092	39.7	1,793	4.60%
2005	10,324	67,593	28,092	39.7	1,814	5.01%
2006	10,324	67,593	28,092	39.7	1,792	5.50%
2007	10,324	67,593	28,092	39.7	1,873	4.70%
2008	10,324	67,593	28,092	39.7	1,806	7.00%
2009	10,324	67,593	28,092	39.7	1,700	12.5%
2010	10,817	67,593	28,092	39.7	1,660	11.9%
2011	10,329	60,788	28,092	39.7	1,652	11.1%
2012	10,324	60,788	28,092	39.7	1,538	10.0%

Sources:

- (1) U.S. Census Bureau.
- (2) School enrollment provided by the Scituate School Department Business Offices.
Enrollment includes students in Scituate Public Schools
- (3) Unemployment rates obtained from State of Rhode Island Dept. of Labor and Training.

Table 15

TOWN OF SCITUATE, RHODE ISLAND
Principal Employers
Current Year and Nine Years Ago
"Unaudited"

<i>Employer</i>	<i>2012</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total Town Employment</i>
Town of Scituate Municipal /School	419	1	6.65%
Totrama Supermarkets DBA The Village IGA	73	2	1.16%
Providence Water Supply Board	52	3	0.83%
Atlas Insulation Co.	48	4	0.76%
Maxi Drug South Lp DBA Rite - Aid	30	5	0.48%
102 Scituate Corp DBA Dunkin Donuts	21	6	0.33%
McDonald's	20	7	0.32%
Scituate Lumber	17	8	0.27%
Charming Treasurers	12	9	0.19%
Corner Bistro LLL	10	10	0.16%
Total	<u>702</u>		<u>11.15%</u>

Source: Tax Assessor's Yearly Annual Tangible Return Town Businesses

Note: Data is unavailable for 2003

Table 16

TOWN OF SCITUATE, RHODE ISLAND
Full-time Equivalent Town Government Employees by Function/Program
Last Ten Fiscal Years
"Unaudited"

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Central Administration										
Town Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Town Clerk	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Board of Canvassers	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Probate Court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building/Zoning Planning	4.0	4.0	4.0	4.0	4.0	4.5	3.0	3.0	3.0	3.0
Wastewater Planning Board	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Zoning Board	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0
Land Trust	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Historic District Town Sergeant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Financial Administration										
Treasurer	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Treasurer's Office	3.0	3.0	3.0	3.0	3.0	2.5	2.0	2.0	2.0	2.0
Tax Collection	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0
Tax Assessor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety										
Police										
Officers	18.0	18.0	18.0	17.0	17.0	16.0	17.0	17.0	16.0	17.0
Civilians	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Animal Control										
Animal Control Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civilians	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Emergency Management	0.3	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5
Public Works Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Asst. Director	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.0
Highway										
Driver/Laborer/ Building/Grounds	7.4	7.4	6.4	6.4	6.4	5.0	6.0	6.0	6.0	7.0
Forman Driver/Laborer	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Maintenance										
Custodial	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Vehicles & Equipment	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
Recreation Department										
Director	1.0	1.0	1.0	1.3	1.3	0.0	*0.4	*0.4	*0.4	*0.4
Summer Programs	74.0	69.0	75.0	75.0	75.0	82.0	93.0	93.0	93.0	93.0
Human Services Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Meal site	1.3	1.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Senior Van Driver	0.8	0.8	0.8	0.8	0.1	0.8	0.8	0.8	0.8	0.8

Source: Comprehensive Annual Financial Report/ Miscellaneous Statistics Unaudited

*Seasonal

Table 17

TOWN OF SCITUATE, RHODE ISLAND
Operating Indicators by Function/Program
Last Ten Fiscal Years
"Unaudited"

<i>Function/Program</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Public Safety (1)										
Police										
Calls	8,937	8,572	8,396	7,720	9,144	7,904	10,202	12,000	18,010	16,344
Physical Arrests	303	239	243	245	280	164	176	189	236	316
Citations	1,566	1,733	1,601	1,339	1,888	1,056	1,086	853	594	1,340
Accidents	350	316	353	362	273	284	300	195	388	273
Animal Control										
Dog Licenses Issued	700	648	658	659	408	408	576	576	576	600
Building/Zoning (1)										
Commercial Construction Permits	1	-	-	1	-	-	3	6	-	2
Residential Construction Permits	51	40	10	22	2	2	9	6	20	16
2 -Family	-	-	-	-	-	-	1	-	-	-

Sources: Various Town departments.

(1) Statistics for Public Safety and Building Zoning are based on a calendar year.

Table 18

TOWN OF SCITUATE, RHODE ISLAND
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
"Unaudited"

<i>Function/Program</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	7	7	7	7	7	7	7	7	7	7
Fire Stations	4	4	4	4	4	4	4	4	4	4
Animal Control										
Animal Shelters	1	1	1	1	1	1	1	1	1	1
Public Works										
Stations/Garage	1	1	1	1	1	1		1	1	1
Streets and Highways										
Street (miles - state paved)	56.70	56.70	56.70	56.70	56.70	56.70	56.70	56.7	56.7	56.7
Street (miles - local paved)	83.0	83.0	83.0	83.0	83.0	83.0	86.7	86.7	86.7	87.4
Parks and Recreation										
Playgrounds	4	4	4	4	4	4	4	4	4	4
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Beaches	1	1	1	1	1	1	1	1	1	1
Baseball/Softball diamonds	1	1	1	1	1	1	5	5	5	5
Baseball/Hardball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/Football fields	7	7	7	7	7	7	6	6	6	6
Basketball Courts/Outdoor	2	2	2	2	2	2	2	2	2	2
Basketball Courts/ Indoor	4	4	4	4	4	4	4	4	4	4
Undeveloped Sites	2	2	2	2	2	2	2	2	2	2
Human Services										
Transit mini-bus	2	2	2	2	2	2	3	3	3	3
Senior Center	1	1	1	1	1	1	1	1	1	1
Buildings										
Town Hall	1	1	1	1	1	1	1	1	1	1
Community House	1	1	1	1	1	1	1	1	1	1
Congregational Church	1	1	1	1	1	1	1	1	1	1
Potterville School House	1	1	1	1	1	1	1	1	1	1
Clayville School House	1	1	1	1	1	1	1	1	1	1
Old Towne House	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments
Financial Report Miscellaneous Statistics

S I N G L E A U D I T S E C T I O N

**This section contains information
regarding grant activity for the year ended
March 31, 2012 which was audited under the guidelines
of the Single Audit Act of 1996 and the United States
Office of Management and Budget's Circular A-133, "Audits
of States, Local Governments, and Non-Profit Organizations".**

***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 President and
Members of the Town Council
Scituate, Rhode Island

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island as of and for the year ended March 31, 2012, which collectively comprise the Town of Scituate, Rhode Island's basic financial statements and have issued our report thereon dated October 1, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of Scituate, Rhode Island is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Scituate, Rhode Island's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Town of Scituate, Rhode Island's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Scituate, Rhode Island's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the Town of Scituate, Rhode Island in a separate letter dated October 1, 2012.

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

Bacon & Company, LLC

Warwick, Rhode Island
October 1, 2012

***REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133***

To the Honorable President and
Members of the Town Council
Scituate, Rhode Island

Compliance

We have audited the Town of Scituate, Rhode Island's compliance with types of compliance requirements described in the ***OMB Circular A-133 Compliance Supplement*** that could have a direct and material effect on each of the Town of Scituate, Rhode Island's major federal programs for the year ended March 31, 2012. The Town of Scituate, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Scituate, Rhode Island's management. Our responsibility is to express an opinion on the Town of Scituate, Rhode Island's compliance based on our audit.

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; and OMB Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Scituate, Rhode Island's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Scituate, Rhode Island's compliance with those requirements.

As described in item 12-01 in the accompanying schedule of findings and questioned costs, the Town of Scituate, Rhode Island did not comply with requirements regarding cash management that are applicable to its Energy Efficiency and Conservation Block Grant. Compliance with such requirements is necessary, in our opinion, for the Town of Scituate, Rhode Island to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Town of Scituate, Rhode Island complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2012.

Internal Control Over Compliance

Management of the Town of Scituate, Rhode Island is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Scituate, Rhode Island's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Scituate, Rhode Island's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-01 to be a material weakness.

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

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

Bacon & Company, LLC

Warwick, Rhode Island
October 1, 2012

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended March 31, 2012

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes _____ no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: qualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X yes _____ no

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

84.027A	IDEA – Special Education Cluster
84.173A	Preschool – Special Education Cluster
84.391	IDEA-ARRA-Special Education Cluster
84.392	Preschool-ARRA- Special Education Cluster
81.128	Energy Efficiency Conservation Block Grant - ARRA

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

- Auditee qualified as low-risk auditee? _____ yes X no

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended March 31, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Program: Energy Efficiency and Conservation Block Grant – ARRA

Agency: U.S. Department of Energy

Pass-through: R.I. Office of Energy Resources

CFDA Number: 81.128

12-01 Criteria: Recipients of advances of Federal funds must follow procedures to minimize the time elapsing between the transfer of funds from the State and disbursement.

Condition: The Town's policies and procedures related to cash management are not operating effectively to minimize the time elapsing between transfer of funds from the State and disbursements.

Questioned Costs: None

Recommendation: We recommend that the Town establish procedures to ensure funds received from the State are disbursed in a timely manner.

Town Response: The Town accepts the auditor's recommendation and will establish procedures to minimize the time between receipt of grant funds and disbursement to vendors.

TOWN OF SCITUATE, RHODE ISLAND

*Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended March 31, 2012*

<i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>
<i>U.S. Department of Housing and Urban Development</i>			
Passed through R.I. Division of Planning, Office of Housing and Community Development: <i>CDBG State-Administered CDBG Cluster:</i>			
Community development block grant	14.228	09/30/23	\$ 9,285
Community development block grant	14.228	10/30/24	70,345
Community development block grant	14.228	11/30/25	<u>13,179</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>92,809</u>
<i>U.S. Department of Education</i>			
Passed through R.I. Department of Education: <i>Special Education Cluster (IDEA):</i>			
IDEA	84.027A	2725-13202-101/201	396,420
IDEA - ARRA	84.391	4572-10202-101	184,031
Preschool Sec. 619	84.173A	2725-13502-101/201	17,118
Preschool Sec. 619 - ARRA	84.392	4572-10802-101	8,020
School Support System	84.027A	2725-13202-110/210	5,136
<i>Title I, Part A Cluster:</i>			
Title I	84.010A	2725-11702-101/201	155,653
Title I -ARRA	84.389	4572-10102-101	21,460
Title II	84.367A	2725-16402-101/201	71,695
Title IV	84.186A	2725-12602-101/201	2,126
Education Jobs - ARRA	84.410	4572-13102-101	51,640
ARRA Race to the Top - IIS Set Aside	84.395A	4572-13502-160	2,822
ARRA Race to the Top - HCD Set Aside	84.395A	4572-13502-180	126
ARRA Race to the Top - S&C	84.395A	4572-13502-110	1,722
ARRA Race to the Top - IIS	84.395A	4572-13502-120	425
<i>State Fiscal Stabilization Fund Cluster:</i>			
State Fiscal Stabilization Funds - ARRA	84.394	4572-10502-101	<u>22,178</u>
<i>Total U.S. Department of Education</i>			<u>940,572</u>
<i>U.S. Department of Agriculture</i>			
Passed through R.I. Department of Education: <i>Child Nutrition Cluster:</i>			
National School Lunch Program	10.555	N/A	118,166
Federal commodities	10.550	N/A	<u>17,588</u>
<i>Total U.S. Department of Agriculture</i>			<u>135,754</u>

(Continued)

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended March 31, 2012

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security			
Passed through R.I. Emergency Management Agency: Disaster Grants	97.036	4027	<u>44,925</u>
Total U.S. Department of Homeland Security			<u>44,925</u>
U.S. Department of Energy			
Passed through R.I. Office of Energy Resources: Energy Efficiency Conservation Block Grant - ARRA	81.128	N/A	<u>84,973</u>
Total U.S. Department of Energy			<u>84,973</u>
U.S. Department of Justice			
Passed through R.I. Public Safety Grant Administration Office: Byrne/JAG ARRA	16.803	09-029-JAG-R	<u>20,237</u>
Total U.S. Department of Justice			<u>20,237</u>
U.S. Department of Health and Human Services			
Passed through R.I. Department of Health: MEDS	93.069	N/A	<u>2,612</u>
Total U.S. Department of Health and Human Services			<u>2,612</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,321,882</u></u>

TOWN OF SCITUATE, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
March 31, 2012

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Scituate, Rhode Island and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.