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***TOWN OF SCITUATE***

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***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED  
MARCH 31, 2013***

***SHARON S. JOHNSON  
TREASURER***

***Prepared by: Town Treasurer's Office***

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***SCITUATE, RHODE ISLAND***

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**TOWN OF SCITUATE, RHODE ISLAND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2013**

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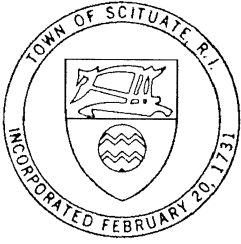
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## **INTRODUCTORY SECTION**

This Section Contains the Following Subsections:

Letter of Transmittal  
Certificate of Achievement for Excellence in Financial Reporting  
Organizational Chart  
List of Town Officials



# Town of Scituate

## Rhode Island

SHARON S. JOHNSON  
TOWN TREASURER

September 24, 2013

PO. 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, 2013, 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 2012-2013 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 1508. The cost per student was \$13,104.77 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, 2013 was \$21,380,786 and \$21,774,823 has been budgeted for fiscal year ending March 31, 2014.

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

<b>Fiscal Year</b>	
<b><u>Ending</u></b>	<b><u>Enrollment</u></b>
	<i>Actual</i>
2004 .....	1,792
2007.....	1,873
2008.....	1,806
2009.....	1,700
2010.....	1,660
2011.....	1,652
2012.....	1,538
2013.....	1,503
	<i>Projected</i>
2014.....	1,450
2015.....	1,378
2016.....	1,306
2017.....	1,252
2018.....	1,216
2019.....	1,158

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 2013 the Police Department expended \$1,825,169. The Department's fiscal 2014 budget is \$1,911,630.

### *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 \$819,126 in fiscal 2013 and \$853,845 is budgeted for fiscal 2014.

### *Emergency Management Services*

The Town has a part time Emergency Management Director located at 1315 Chopmist Hill Road, 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 three days per week. In fiscal 2013 the Senior Services Department expended \$119,586 and \$133,085 is budgeted for fiscal 2014.

### *Public Works, Sewers and Water*

The Town's Public Works Department maintains the Town's property including highways and public buildings. The Department expended \$2,085,864 in fiscal 2013 and the fiscal 2014 budget is \$2,205,100.

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 2013 appropriation was \$422,707 and the fiscal 2014 budget is level funded at \$526,330.

## **Employee Relations**

As of March 31, 2013 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 expired 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, 2016. The School Department's custodians are members (NEARI) with a contract that expires June 30, 2014. The School Department's Paraprofessionals are members (NEAR) with a contract that expires June 30, 2015. 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, 2015; the Town Council is currently negotiating a new contract with the Police International Brotherhood of Police Officers.

**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 1910 to 2000. 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
2012.....	10,324
2013.....	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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Town of Scituate	5.1%	5.8 %	5.0 %	5.3%	7.0%	12.5%	11.9%	11.1%	10.00%	8.8%
State of Rhode Island	4.6%	5.5%	5.1%	5.2%	7.5%	12.4%	12.9%	11.5%	10.8%	9.4%
United States	5.4%	5.4%	4.3%	5.0%	5.5 %	9.5%	10.2%	8.8%	8.3%	7.3%

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

## Employment

In 2013 the Town had 261 private business and industrial firms subject to the payment of employment security taxes. During that period, the payrolls for those firms totaled \$ 14,070,162 and the average number of persons employed were 1,458. 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, 2012.

Year Ended December 31, 2012			
Industry	Average No. of Units	Annual Payroll	Average No. of Employees
Agr., Fish., Mining	10	\$ 104,692	17
Construction	61	1,200,993	137
All Manufacturing	11	148,524	19
Transportation/Warehousing	11	51,082	7
Wholesale Trade	7	254,338	26
Retail Trade	17	1,116,657	174
Fin., Ins., Real Estate	13	139,841	17
Service Industries	120	2,803,897	454
Government	12	8,250,138	607
<b>Totals</b>	<u>261</u>	<u>14,070,162</u>	<u>1,458</u>

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%. The Town of Scituate's year 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%. The Town of Scituate's year 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
2012	572	7,031,052

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

### **Housing**

At the end of 2012/2013 (4/1/2012 through 3/31/2013) sale prices for single family homes in Scituate ranged from \$90,000 to \$575,000. The median sales price for homes in Scituate was \$249,000 and the average sales price was \$256,833.

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 new 11,000 sq.ft. commercial building is proposed for the corner of Rte. 101 and 102.
- The Scituate Animal Hospital will be constructing a major addition.
- A new pizza restaurant will open in Hope on October 1<sup>st</sup>.
- Two major subdivisions – 5 lots off Heather Lane and 13 lots on Nipmuc Road received Master Plan approval.

### **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.

- The Town opened bids for a new septic system to serve the Town hall and North Scituate Fire Station, slated for October construction.
- Public Works and the Friends of the Scituate Animal Shelter are coordinating on a standby generator with automatic transfer.
- The Town obtained a collaborative 319 Grant from Rhode Island Department of Environmental Management for drainage and water quality improvements at the Town hall and North Scituate Municipal Parking Lots.
- The Town selected a consultant for final design of the reconstruction and enhancement of Main Street, Hope.

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 and the School Unrestricted Fund, which is a Special Revenue 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 Unrestricted Fund transfer for the fiscal year. The Town Council may then revise and adopt a recommended General Fund budget including changes to the School Unrestricted Fund transfer. 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 and School Unrestricted 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.

## **Independent Audit**

In accordance with the RI General Laws an audit of the financial statements has been completed by the Town's independent auditors, Baxter, Dansereau & Associates, LLP 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, 2012. 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 2013.

## **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.

Respectfully,



Sharon Johnson  
Town Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

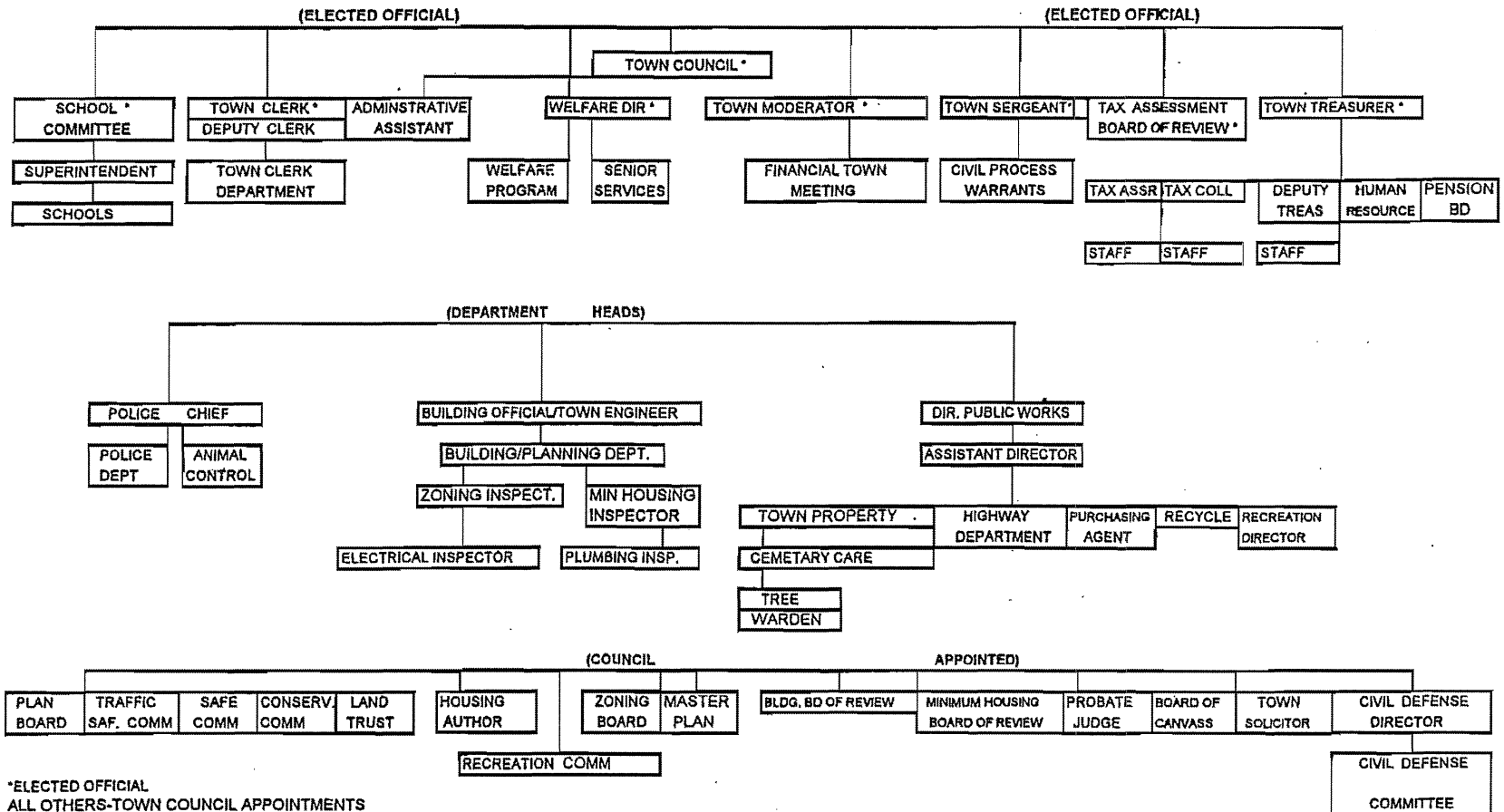
**Town of Scituate  
Rhode Island**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**March 31, 2012**

Executive Director/CEO

TOWN OF SCITUATE ORGANIZATIONAL CHART



\*ELECTED OFFICIAL  
ALL OTHERS-TOWN COUNCIL APPOINTMENTS

# **TOWN OF SCITUATE, RHODE ISLAND**

## **TOWN TREASURER**

Sharon S. Johnson

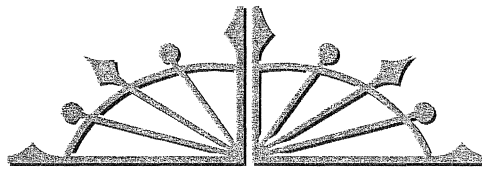
## **TOWN COUNCIL**

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 Subsections:

Independent Auditor's Report  
Management's Discussion and Analysis  
Basic Financial Statements  
Required Supplementary Information  
Supplementary Information



**BAXTER DANSEREAU & ASSOCIATES, LLP**  
Accounting, Consulting & Tax Services

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*Partners*

William J. Baxter, Jr., CPA  
Paul L. Dansereau, CPA

***INDEPENDENT AUDITOR'S REPORT***

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

***Report on the Financial Statements***

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 (Town) as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Scituate, Rhode Island as of March 31, 2013, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 57-59 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.

### *Other Information*

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 section, combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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 basic financial statements as a whole.

The introductory and statistical sections have 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 them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Scituate, Rhode Island's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baxter Dansereau & Associates, LLP". The signature is written in a cursive style with a large, sweeping initial "B".

Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

September 24, 2013



## **Management's Discussion and Analysis**

## 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, 2013. 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 \$3,210,193, or 11.5% of total 2013 budgeted expenditures. This is an increase of \$319,479 from the prior year unassigned fund balance.

The Town ended fiscal year 2013 with a budgetary operating surplus of \$607,769 and the School ended with a budgetary operating surplus of \$1,129,022.

The Town of Scituate's total bonded debt decreased by \$1,778,500. 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**

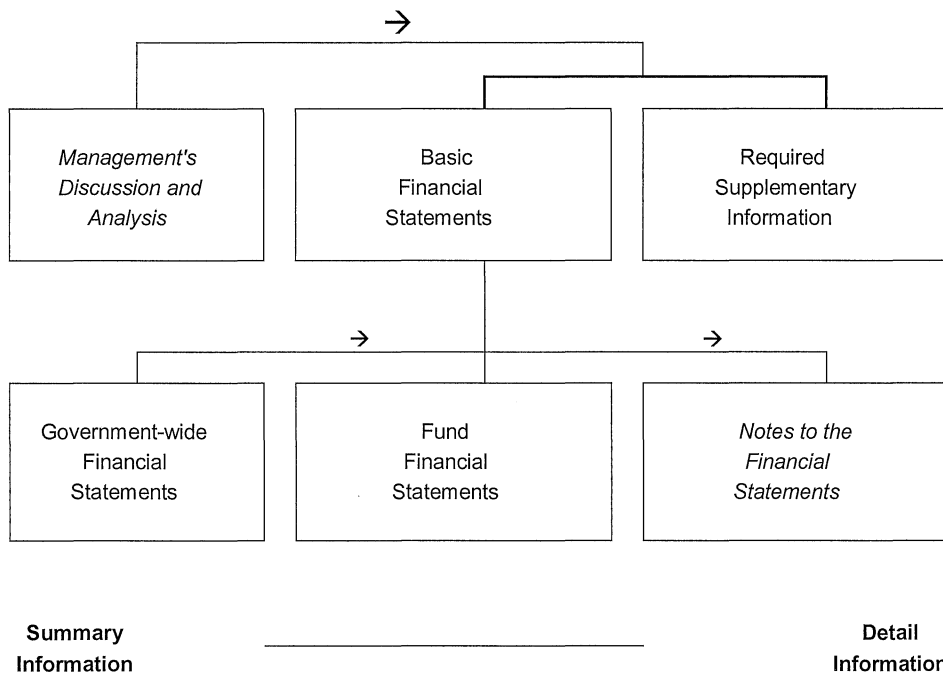


Figure A- 2

**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 Position, 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 position 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 position* and how they have changed. Net position – 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 position is 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 seventy-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 the General Fund.

The basic governmental fund financial statements can be found beginning on page 14 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 Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's net position totaled \$12,666,443 at the close of the most recent fiscal year.

A large portion of the Town's net position 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, 2013 and 2012**

	Governmental Activities	
	2013	2012
<b>ASSETS</b>		
Current and other assets	\$ 9,942,546	\$ 9,815,139
Capital assets	19,538,805	20,457,452
<b>Total assets</b>	<b>29,481,351</b>	<b>30,272,591</b>
<b>LIABILITIES</b>		
Current Liabilities	3,975,216	3,991,208
Long-term liabilities	12,839,692	14,370,006
<b>Total liabilities</b>	<b>16,814,908</b>	<b>18,361,214</b>
<b>NET POSITION</b>		
Net invested in capital assets	13,263,125	12,843,119
Restricted	2,380,016	2,420,821
Unrestricted	(2,976,698)	(3,352,563)
<b>Total net assets</b>	<b>\$ 12,666,443</b>	<b>\$ 11,911,377</b>

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position 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 position.

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

**Changes in Net Assets**

The government's net assets increased by \$804,502 during the current fiscal year.

**Town of Scituate Changes in Net Assets  
For the Year Ended March 31, 2013 and 2012**

	Governmental Activities	
	2013	2012
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 1,321,456	\$ 1,350,260
Operating grants and contributions	5,887,888	5,556,318
Capital grants and contributions	-	84,973
Total program revenues	7,209,344	6,991,551
General revenues		
Property taxes, levied for general purposes	25,820,373	25,467,030
State revenue sharing	310,851	292,411
Investment earnings and miscellaneous	14,770	33,580
Total general revenues	26,145,994	25,793,021
<b>Total revenues</b>	<b>33,355,338</b>	<b>32,784,572</b>
<b>Expenses</b>		
General government	1,452,706	1,586,381
Public safety	4,910,264	4,162,851
Public works	2,304,466	2,251,931
Social services	796,773	960,148
Education	22,689,160	22,749,585
Interest expense	367,414	458,123
Loss on disposal of equipment	30,053	-
<b>Total expenses</b>	<b>32,550,836</b>	<b>32,169,019</b>
Increase (decrease) in net assets	804,502	615,553
Net position - beginning of year	11,911,377	11,295,824
Prior period adjustment - see note	(49,436)	-
Net position - beginning of year restated	11,861,941	-
Net position - end of year	<b>\$ 12,666,443</b>	<b>\$ 11,911,377</b>

**Governmental activities.** Governmental activities for the current year increased the Town's net assets by \$804,502. 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 \$6,918,238 which is a decrease of \$238,830 in comparison with the prior year. Of this total amount \$3,210,193 or 46% 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 \$3,210,193. 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 11.5% 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 3, 2012 for the fiscal year 2013. Favorable revenue variances were mainly due from higher than anticipated fees received from realty stamps and rescue billings. Favorable variances between the original general fund budget and the final departmental expenditures of \$561,366 were mainly due to contracts that were not settled at year end; an increase in recycling revenue because the percentage of recycled materials increased; the rate of increase in the Town's portion of retirement payments for employees was not as high as anticipated; and lower than anticipated interest rates on borrowing.

## **Capital Assets and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental activities as of March 31, 2013 amounted to \$19,538,805 (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

### Capital Assets (Net of Accumulated Depreciation)

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	Governmental Activities	Governmental Activities
Land & land rights	\$ 2,124,928	\$ 2,008,448
Infrastructure	3,229,309	4,162,395
Buildings and improvements	12,453,778	12,495,452
Office furniture and equipment	176,752	152,924
Motor vehicles	1,059,584	1,019,051
Machinery and equipment	494,454	619,182
	<u>\$ 19,538,805</u>	<u>\$ 20,457,452</u>

Additional information on the Town's capital assets can be found in Note 2 – Capital Assets on page 26-27 of this report.

**Long-term debt.** At the end of the fiscal year, the Town had total bonded debt outstanding of \$5,847,000. 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 Aa2 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 \$23,506,925. As of March 31, 2013 the Town's debt, subject to the 3% limit, was \$5,847,000 which is under the debt limit by \$17,659,925.

Additional information on the Town's long-term debt can be found in Note 6 – Long-Term Liabilities on pages 29 – 32 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 5<sup>th</sup> and Per Capita Income ranks 7<sup>th</sup> among Rhode Island's 39 Cities and Towns.

	<b>Per Capita</b>	<b>Median Family</b>
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 2013-14 fiscal year.

- The Town has budgeted the full ARC for Police Pension plus an additional \$100,000 and continued to fund OPEB in the amount of \$100,000 in Fiscal 2014.
- Contribution for municipal retirement system increased slightly from 13.65% to 13.73%.
- The Fiscal 2014 budget provides for a 2% base salary increase for town staff.
- 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 \$289,128 of its unrestricted fund balance for capital expenditures.
- The School expects to receive \$200,000 in additional state aid in Fiscal 2014 over the prior year; union contracts provide for an estimated 0.49% salary increase.

The Town has appropriated \$952,000 of the School Department's accumulated surplus for spending in the 2013-14 fiscal year Budget. The Fiscal 2013/2014 budget was achieved with a 1% effective tax rate increase. The Town tax rates will be \$37.37 per thousand for residential real property and \$43.20 per thousand for commercial real property for fiscal year ending March 31, 2014. Both are calculated at 50% of total assessed value. These rates were derived after completion of the December 31, 2012 town-wide statistical revaluation, review of all real, tangible and motor vehicle property assessments on December 31, 2012 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**

## **Government-Wide Financial Statements**

**TOWN OF SCITUATE, RHODE ISLAND**  
**Statement of Net Position**  
**March 31, 2013**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 3,235,540
Real estate and personal property tax receivable (net)	5,616,067
Due from federal and state government	260,457
Other receivables	418,584
Prepaid expenses	304,753
<b>Total current assets</b>	<b>9,835,401</b>
<b>Noncurrent assets:</b>	
Capital assets:	
Land and land rights	2,124,928
Depreciation buildings, property, equipment, and infrastructure (net)	17,413,877
Other assets (net)	107,145
<b>Total noncurrent assets</b>	<b>19,645,950</b>
<b>TOTAL ASSETS</b>	<b>29,481,351</b>
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	1,728,729
Accrued interest payable	112,301
Unearned revenue	22,450
Other liabilities	130,489
Compensated absences payable	252,175
Long-term debt - due within one year (Note - 6 )	1,729,072
<b>Total current liabilities</b>	<b>3,975,216</b>
<b>Noncurrent liabilities:</b>	
Long-term debt - due in more than one year (Note - 6 )	7,710,578
Compensated absences payable	561,293
Net pension obligation	3,067,158
Net other post-employment benefits obligation	1,500,663
<b>Total noncurrent assets</b>	<b>12,839,692</b>
<b>TOTAL LIABILITIES</b>	<b>16,814,908</b>
<b>NET POSITION</b>	
Net investment in capital assets	13,263,125
<i>Restricted for:</i>	
Educational programs	1,839,517
Public safety programs	74,162
Social service programs	149,328
Records preservation	74,205
Other programs	112,220
Permanent:	
Expendable	88,489
Nonexpendable	42,095
Unrestricted	(2,976,698)
<b>Total Net Position</b>	<b>\$ 12,666,443</b>

*See auditor's report and accompanying notes to these financial statements*

**TOWN OF SCITUATE, RHODE ISLAND**  
**Statement of Activities**  
**For the Fiscal Year Ended March 31, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Revenue</u> <u>and Changes</u> <u>in Net Position</u>
					<u>Total</u> <u>Governmental</u> <u>Activities</u>
<b>Governmental activities:</b>					
General government	\$ 1,452,706	\$ 681,318	\$ 25,462	\$ -	\$ (745,926)
Public safety	4,910,264	396,234	45,932	-	(4,468,098)
Public works	2,304,466	7,500	44,612	-	(2,252,354)
Social services	796,773	-	-	-	(796,773)
Education	22,689,160	236,404	5,484,880	-	(16,967,876)
Interest expense	367,414	-	287,002	-	(80,412)
<b>Total governmental activities</b>	<b>\$ 32,520,783</b>	<b>\$ 1,321,456</b>	<b>\$ 5,887,888</b>	<b>\$ -</b>	<b>(25,311,439)</b>
<b>General revenues:</b>					
					25,820,373
					310,851
					2,301
					12,469
					(30,053)
					<u>26,115,941</u>
					804,502
					<u>11,911,377</u>
					(49,436)
					11,861,941
					<u>\$ 12,666,443</u>

*See auditor's report and accompanying notes to these financial statements*

## **Fund Financial Statements**



**TOWN OF SCITUATE, RHODE ISLAND**  
**Balance Sheet**  
**Governmental Funds**  
**March 31, 2013**

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,625,747	\$ 609,793	\$ 3,235,540
Real estate and personal property tax receivable	5,911,067	-	5,911,067
Due from federal & state governments	20,327	240,130	260,457
Other receivables	309,789	24,548	334,337
Internal balances	2,674,714	755,780	3,430,494
Prepaid expenditures	304,753	-	304,753
<b>TOTAL ASSETS</b>	<b>\$ 11,846,397</b>	<b>\$ 1,630,251</b>	<b>\$ 13,476,648</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Cash overdraft			
Accounts payable and accrued expenses	\$ 1,446,486	\$ 162,468	\$ 1,608,954
Internal balances	3,414,446	16,048	3,430,494
Deferred revenue	1,366,023	22,450	1,388,473
Other liabilities	130,489	-	130,489
<b>Total liabilities</b>	<b>6,357,444</b>	<b>200,966</b>	<b>6,558,410</b>
 <b>Fund balances:</b>			
<i>Nonspendable:</i>			
Prepaid expenditures	304,753	-	304,753
Cemetery perpetual care	-	42,095	42,095
<i>Restricted for:</i>			
Educational programs	1,684,286	155,231	1,839,517
Public safety programs	-	74,162	74,162
Social service programs	-	149,328	149,328
Records preservation	-	74,205	74,205
Other programs	-	112,220	112,220
<i>Committed for:</i>			
Open space, park & recreational facilities	-	100,808	100,808
Other programs	-	7,356	7,356
<i>Assigned for:</i>			
2014 budget	289,128	-	289,128
Educational programs	593	-	593
Capital projects	-	722,330	722,330
<i>Unassigned:</i>	3,210,193	(8,450)	3,201,743
<b>Total fund balances</b>	<b>5,488,953</b>	<b>1,429,285</b>	<b>6,918,238</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,846,397</b>	<b>\$ 1,630,251</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 9)	19,538,805
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 9)	1,030,339
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (see note 9)	(14,820,939)
<b>Net assets of governmental activities</b>	<b>\$ 12,666,443</b>

*See auditor's report and accompanying notes to these 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, 2013**

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
General property tax	\$ 25,598,867	\$ -	\$ 25,598,867
Federal and state aid grants	4,996,398	985,999	5,982,397
Charges for service	815,725	256,053	1,071,778
Fines and penalties	38,620	-	38,620
Investment and interest income	85,476	753	86,229
Contributions and private grants	315,895	19,832	335,727
Miscellaneous	-	25,286	25,286
<b>Total revenues</b>	<u>31,850,981</u>	<u>1,287,923</u>	<u>33,138,904</u>
<b>Expenditures</b>			
General government	1,129,220	38,093	1,167,313
Public safety	2,748,068	24,879	2,772,947
Public works	2,083,624	17,982	2,101,606
Social services	687,298	71,623	758,921
Education	21,054,236	1,219,956	22,274,192
Fixed charges and other	1,956,736	-	1,956,736
Debt service			
Principal	1,923,500	12,650	1,936,150
Interest	409,969	-	409,969
<b>Total expenditures</b>	<u>31,992,651</u>	<u>1,385,183</u>	<u>33,377,834</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(141,670)</u>	<u>(97,260)</u>	<u>(238,930)</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	-	21,248	21,248
Transfers to other funds	(10,241)	(11,007)	(21,248)
<b>Total other financing sources (uses)</b>	<u>(10,241)</u>	<u>10,241</u>	<u>-</u>
<b>Net changes in fund balances</b>	(151,911)	(87,019)	(238,930)
<b>Fund balances - beginning</b>	<u>5,640,864</u>	<u>1,516,304</u>	<u>7,157,168</u>
<b>Fund balances - ending</b>	<u>\$ 5,488,953</u>	<u>\$ 1,429,285</u>	<u>\$ 6,918,238</u>

*See auditor's report and accompanying notes to these financial statements*

**TOWN OF SCITUATE, RHODE ISLAND**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended March 31, 2013**

Net change in fund balances - total governmental funds \$ (238,930)

Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation, loss on disposal of equipment and adjustments in the current period.

Capital outlay	388,690	
Depreciation expense	(1,227,848)	
Loss on disposal of fixed assets	(30,053)	(869,211)

Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statements, however they are recognized as revenues in the statement of activities. 221,506

Amortization of bond issuance costs and premiums in the current period do not represent current financial resources, however they are recognized as expenditures and revenues in the statement of activities. (5,522)

Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities. 36,932

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the full accrual basis, expenses and liabilities are recorded regardless of when financial resources are available.

Principal payments made on long-term debt	1,936,150	
Net increase in compensated absences	(19,579)	
Net increase in Net Pension obligation	(38,560)	
Net increase in the other post employment benefit obligation	(218,284)	1,659,727

Change in net position of governmental activities \$ 804,502

***Please see Note 10 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements***

**TOWN OF SCITUATE, RHODE ISLAND**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**March 31, 2013**

	<b>Pension Trust Fund</b>	<b>Private Purpose Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 96,759	\$ 51,764	\$ 189,681
<b>Investments:</b>			
Collective funds - equity	2,306,650	-	-
Collective funds - fixed income	831,058	-	-
Collective funds - real estate investment trust	322,327	-	-
<b>Total Investments:</b>	3,460,035	-	-
<b>Total Assets</b>	3,556,794	51,764	189,681
<b>LIABILITIES</b>			
Deposits held in custody for others	-	-	189,681
<b>Total Liabilities</b>	-	-	189,681
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	\$ 3,556,794	\$ 51,764	\$ -

*See auditor's report and accompanying notes to these financial statements*

**TOWN OF SCITUATE, RHODE ISLAND**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**March 31, 2013**

	<b>Pension Trust Fund</b>	<b>Private Purpose Trust Fund</b>
<b>Additions:</b>		
Contributions:		
Employer	\$ 633,709	\$ -
Plan member	106,112	-
Total contributions;	739,821	-
Investment income:		
Interest and dividend income	50	37
Net appreciation (depreciation) in fair value of investments	291,514	-
Less: investment expense	(29,757)	-
Net investment income	261,807	37
Other additions	1,100	-
<b>Total Additions</b>	<b>1,002,728</b>	<b>37</b>
<b>Deductions</b>		
Benefits Paid	537,474	-
<b>Total Deductions:</b>	537,474	-
<b>Change in net assets</b>	465,254	37
<b>Net assets - beginning of year</b>	3,091,540	51,727
<b>Net assets - end of year</b>	\$ 3,556,794	\$ 51,764

*See auditor's report and accompanying notes to these financial statements*

## **Notes to Financial Statements**

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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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, 2013**

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***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

**Government-Wide Financial Statements**

The Town's Government-Wide Financial Statements include a Statement of Net position and a Statement of Activities and Changes in Net Position. 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 Position. The Statement of Activities presents changes in net position. 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 Position 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 position and changes in net positions 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, 2013**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 Position and a Statement of Changes in Net Position. 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 position, but are not reported in the Governmental Fund Financial Statements.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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:

<i>Description</i>	<i>Useful Life</i>
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 79.2% of the total 2012 levy. During the period April 1, 2013 through May 31, 2013, the Town collected an additional \$4,628,528 of the 2012 tax levy. The total collections therefore represent approximately 98.2% of the total 2012 levy. The tax rate of the Town is established by the Town Council.

The Town's fiscal 2012-2013 property taxes were levied on June 14, 2012 on assessed valuation as of December 31, 2011. 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

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 16.44% of the Town's net assessed valuation in fiscal 2013.

**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, 2013.

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".

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**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, 2013 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Adjustments	
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land & land rights	\$ 2,008,448	\$ -	\$ -	\$ 116,480	\$ 2,124,928
Total capital assets not being depreciated	<u>2,008,448</u>	<u>-</u>	<u>-</u>	<u>116,480</u>	<u>2,124,928</u>
Other capital assets:					
Infrastructure	17,208,336	-	-	(643,924)	16,564,412
Buildings and improvements	20,967,834	-	(19,750)	393,018	21,341,102
Office furniture and equipment	1,403,682	62,681	(4,624)	(1,535)	1,460,204
Motor vehicles	5,019,682	286,971	(24,026)	25,887	5,308,514
Machinery and equipment	2,761,110	39,038	(85,063)	(118,540)	2,596,545
Total other capital assets at historical cost	<u>47,360,644</u>	<u>388,690</u>	<u>(133,463)</u>	<u>(345,094)</u>	<u>47,270,777</u>
Less accumulated depreciation for:					
Infrastructure	13,045,941	310,160	-	(20,998)	13,335,103
Buildings and improvements	8,472,382	477,406	(2,281)	(60,183)	8,887,324
Office furniture and equipment	1,250,758	61,154	(4,624)	(23,836)	1,283,452
Motor vehicles	4,000,631	285,455	(15,617)	(21,539)	4,248,930
Machinery and equipment	2,141,928	93,673	(80,888)	(52,622)	2,102,091
Total accumulated depreciation	<u>28,911,640</u>	<u>1,227,848</u>	<u>(103,410)</u>	<u>(179,178)</u>	<u>29,856,900</u>
Governmental activities capital assets, net	<u>\$ 20,457,452</u>	<u>\$ (839,158)</u>	<u>\$ (30,053)</u>	<u>\$ (49,436)</u>	<u>\$ 19,538,805</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 2 – CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental functions as follows:

General government	\$	6,916
Public safety		247,855
Public works		454,491
Social services		37,852
Education		480,734
Total governmental activities depreciation expense	\$	<u>1,227,848</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 \$23,506,925. As of March 31, 2013, the Town's debt, subject to the 3% limit, was \$5,847,000, which is under the debt limit by \$17,659,925.

**DEFICIT FUND BALANCES** – The following nonmajor fund had a deficit fund balance at March 31, 2013: Animal Shelter Bond Fund \$(8,450).

**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 Position as “Cash and Cash Equivalents” and “Cash Overdraft”.

Cash and investments of the Town consist of the following at March 31, 2013

<b>Cash and cash equivalents</b>	
Deposits with financial institutions	\$ 3,425,221
<b>Total cash</b>	<u>\$ 3,425,221</u>

Cash and investments are classified in the accompanying financial statements as follows:

<b>Statement of net assets</b>	
Cash and cash equivalents	\$ 3,235,540
	<u>\$ 3,235,540</u>
<b>Fiduciary funds</b>	
Cash and cash equivalents	189,681
	<u>189,681</u>
<b>Total cash and investments</b>	<u>\$ 3,425,221</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 4 – CASH DEPOSITS** *(continued)*

**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, 2013, \$ -0- of the Town’s bank balance of \$3,425,221 was exposed to custodial credit risk as follows:

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, 2013, 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.

**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.

**Credit Risk:** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The town did not have any debt type investments that were exposed to credit risk as defined by GASB 40.

**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, 2013.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 5 – INVESTMENTS (continued)**

**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, 2013.

**NOTE 6 – LONG-TERM LIABILITIES**

**A. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended March 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and loans payable:					
Bonds payable	\$ 7,625,500	\$ 2,000,000	\$ 3,778,500	\$ 5,847,000	\$ 1,552,000
Loans payable	3,750,300	-	157,650	3,592,650	162,650
	<u>11,375,800</u>	<u>2,000,000</u>	<u>3,936,150</u>	<u>9,439,650</u>	<u>1,714,650</u>
Plus amortized premium on loans	127,261	-	7,486	119,775	7,486
Less deferred amount on refunding	(48,549)	-	6,935	(41,614)	6,936
Total bonds and loans	<u>11,454,512</u>	<u>2,000,000</u>	<u>3,950,571</u>	<u>9,517,811</u>	<u>1,729,072</u>
Other liabilities:					
Compensated absences	793,889	26,472	6,893	813,468	252,175
Net pension obligation	3,028,598	38,560	-	3,067,158	-
Net other post-employment benefits obligation	1,282,379	218,284	-	1,500,663	-
Total other liabilities	<u>5,104,866</u>	<u>283,316</u>	<u>6,893</u>	<u>5,381,289</u>	<u>252,175</u>
<b>Governmental Activities Long-Term Liabilities</b>	<u>\$ 16,559,378</u>	<u>\$ 2,283,316</u>	<u>\$ 3,957,464</u>	<u>\$ 14,899,100</u>	<u>\$ 1,981,247</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, 2013**

**NOTE 6 - LONG TERM LIABILITIES (CONTINUED)**

Long-term liability activity for the fiscal year ended March 31, 2013 was as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Date of Issuance</b>	<b>Interest Rate</b>	<b>Date of Maturity</b>	<b>Authorized</b>	<b>Outstanding April 1, 2012</b>	<b>Additions</b>	<b>Maturities During Year</b>	<b>Outstanding March 31, 2013</b>	<b>Amounts due within one year</b>	<b>Interest Paid</b>
<b>General Obligation Bonds Payable</b>										
General obligation bonds	4/15/2002	3.5%-5.0%	4/15/2012	\$ 870,000	\$ 85,000	\$ -	\$ 85,000	\$ -	\$ -	\$ 1,785
General obligation bonds	4/15/2003	2.0%-3.5%	4/15/2013	1,830,000	420,000	-	205,000	215,000	215,000	11,113
General obligation bonds	5/12/2005	3.81%	5/12/2012	226,500	36,500	-	36,500	-	-	1,391
General obligation bonds	9/30/2005	4.18%	9/30/2015	250,000	100,000	-	25,000	75,000	25,000	4,180
General obligation bonds	5/15/2006	4.14%-4.58%	5/15/2013	461,000	134,000	-	67,000	67,000	67,000	4,572
General obligation bonds	4/26/2007	4.23%	4/15/2012	734,750	150,000	-	150,000	-	-	3,173
General obligation bonds	6/25/2008	3.97%	4/15/2013	430,000	180,000	-	90,000	90,000	90,000	5,360
General obligation bonds	4/28/2009	2.79%	8/1/2018	7,035,000	5,120,000	-	670,000	4,450,000	690,000	133,502
Refunding bonds - School	7/15/2002	3.50%	4/1/2014	4,600,000	1,400,000	-	450,000	950,000	465,000	47,831
<b>Total general obligation bonds payable</b>				<u>16,437,250</u>	<u>7,625,500</u>	<u>-</u>	<u>1,778,500</u>	<u>5,847,000</u>	<u>1,552,000</u>	<u>212,907</u>
<b>Tax Anticipation Notes Payable</b>										
Tax Anticipation Notes	4/19/2012	1.27%	3/15/2013	2,000,000	-	2,000,000	2,000,000	-	-	22,931
<b>Total bond anticipation notes payable</b>				<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>22,931</u>
<b>Loans payable</b>										
RIHEBC Loan	4/30/2009	3.0-5.0%	5/15/2029	4,000,000	3,725,000	-	145,000	3,580,000	150,000	162,687
Aramark	4/8/2010	0.00%	4/8/2014	50,600	25,300	-	12,650	12,650	12,650	-
<b>Total loans payable</b>				<u>4,050,600</u>	<u>3,750,300</u>	<u>-</u>	<u>157,650</u>	<u>3,592,650</u>	<u>162,650</u>	<u>162,687</u>
Amortized premium on loans					127,261	-	7,486	119,775	7,486	-
Deferred amount on refunding bond					(48,549)	-	6,935	(41,614)	6,936	-
<b>Total governmental activities bonds, TANs and leases payable</b>					<u>11,454,512</u>	<u>2,000,000</u>	<u>3,950,571</u>	<u>9,517,811</u>	<u>1,729,072</u>	<u>398,525</u>
<b>Accrued expenses</b>										
Compensated absences - Town					460,195	24,737	6,893	478,039	148,192	-
Compensated absences - School Department					333,694	1,735	-	335,429	103,983	-
Net pension obligation					3,028,598	38,560	-	3,067,158	-	-
Net other post employment benefit obligation					1,282,379	218,284	-	1,500,663	-	-
<b>Total accrued expenses</b>					<u>5,104,866</u>	<u>283,316</u>	<u>6,893</u>	<u>5,381,289</u>	<u>252,175</u>	<u>-</u>
<b>Total long-term liabilities - governmental activities</b>					<u>\$ 16,559,378</u>	<u>\$ 2,283,316</u>	<u>\$ 3,957,464</u>	<u>\$ 14,899,100</u>	<u>\$ 1,981,247</u>	<u>\$ 398,525</u>



**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 6 – LONG-TERM LIABILITIES (Continued)**

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

**GOVERNMENTAL ACTIVITIES - GENERAL OBLIGATION BONDS**

<b>Fiscal Year Ended March 31,</b>	<b>Percentage of Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2014	26.54%	1,552,000	154,054	1,706,054
2015	47.41%	1,220,000	107,092	1,327,092
2016	60.32%	755,000	75,956	830,956
2017	73.15%	750,000	54,265	804,265
2018	86.40%	775,000	32,991	807,991
2019	100.00%	795,000	11,090	806,090
		<b>\$ 5,847,000</b>	<b>\$ 435,448</b>	<b>\$ 6,282,448</b>

**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.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 6 – LONG-TERM LIABILITIES (Continued)**

**C. LOAN PAYABLE (continued)**

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.

**GOVERNMENTAL ACTIVITIES - LOANS PAYABLE**

<u>Fiscal Year Ended March 31,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	4.53%	162,650	158,262	320,912
2015	8.84%	155,000	153,687	308,687
2016	13.30%	160,000	148,562	308,562
2017	17.89%	165,000	142,875	307,875
2018	22.62%	170,000	135,912	305,912
2019	27.63%	180,000	127,462	307,462
2020	32.78%	185,000	118,837	303,837
2021	38.21%	195,000	109,712	304,712
2022-2030	100.00%	2,220,000	517,230	2,737,230
		<u>\$ 3,592,650</u>	<u>\$ 1,612,539</u>	<u>\$ 5,205,189</u>

**NOTE 7 – SHORT-TERM DEBT**

The Town issued the following short-term notes during fiscal year 2013:

Tax Anticipation Notes – Tax anticipation notes in the amount of \$2,000,000 were issued on April 19, 2012 and matured on March 14, 2013 with an interest rate of 1.27%. The notes were issued in anticipation of taxes assessed as of December 31, 2011 and due July 1, 2012. The proceeds were deposited into the General Fund.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Tax Anticipation Notes	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -
<b>Governmental Activities</b>				
Short-Term Debt	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 8 – INTERFUND BALANCES AND TRANSFERS**

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.

	<b><u>Due from / other funds</u></b>	<b><u>Due to/ other funds</u></b>
<b>General Fund</b>	\$ 2,674,714	\$ 3,414,446
<b>Special Revenue Funds:</b>		
Town Special Revenue	216,069	162
<b>Other Non-major Funds</b>		
Capital Projects Funds	539,711	15,886
<b>Totals</b>	<b><u>\$ 3,430,494</u></b>	<b><u>\$ 3,430,494</u></b>

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.

<u>Fund / Department</u>	<b><u>Transfers from other funds</u></b>	<b><u>Transfers to other funds</u></b>
General Fund	\$ -	\$ 10,241
Town Special Revenue Funds	2,241	-
Capital Projects	19,007	11,007
Totals	<b><u>\$ 21,248</u></b>	<b><u>\$ 21,248</u></b>

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**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 9 - DIFFERENCES BETWEEN GOVERNMENTAL FUNDS BALANCE SHEET AND THE STATEMENT OF NET POSITION**

"Total fund balances" of the Towns' governmental funds \$6,918,238 differs from "net position" of governmental activities \$12,666,443 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

	<b>Balance Sheet/Statement of Net Position</b>			
	<b>Total Governmental Funds</b>	<b>Long-term Assets/ Liabilities (1)</b>	<b>Reclassifications and Eliminations</b>	<b>Statement Net Position Totals</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 3,235,540	\$ -	\$ -	\$ 3,235,540
<b>Receivables:</b>				
Property taxes, net	5,911,067	(295,000)	-	5,616,067
Intergovernmental	260,457	-	-	260,457
Other	334,337	84,247	-	418,584
Internal balances	3,430,494	-	(3,430,494)	-
Prepaid expenses	304,753	-	-	304,753
Other assets	-	107,145	-	107,145
Property, plant and equipment - net	-	17,413,877	-	17,413,877
Assets not being depreciated	-	2,124,928	-	2,124,928
<b>Total assets</b>	<u>\$ 13,476,648</u>	<u>\$ 19,435,197</u>	<u>\$ (3,430,494)</u>	<u>\$ 29,481,351</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 1,608,954	\$ 119,775	\$ -	\$ 1,728,729
Accrued interest payable	-	112,301	-	112,301
Internal balances	3,430,494	-	(3,430,494)	-
Deferred revenue	1,388,473	(1,366,023)	-	22,450
Other liabilities	130,489	-	-	130,489
<b>Long-term liabilities</b>				
Due within one year	-	1,981,247	-	1,981,247
Due in more than one year	-	12,839,692	-	12,839,692
<b>Total liabilities</b>	<u>6,558,410</u>	<u>13,686,992</u>	<u>(3,430,494)</u>	<u>16,814,908</u>
<b>Fund Balances/Net Position</b>				
Total fund balances/net position	6,918,238	5,748,205	-	12,666,443
Total liabilities and fund balances/net position	<u>\$ 13,476,648</u>	<u>\$ 19,435,197</u>	<u>\$ (3,430,494)</u>	<u>\$ 29,481,351</u>

(1) When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the Town as a whole.

Cost of capital assets	\$ 49,395,705
Accumulated depreciation	(29,856,900)
	<u>\$ 19,538,805</u>

Because the focus of governmental funds is on short term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance. Also some expenditures in the governmental activates do not reflect current period charges.

Adjustment of deferred revenue	\$ 1,366,023
Accrued interest receivable	84,247
Deferred amount of refunding	41,614
Accrued interest payable	(112,301)
Allowance for doubtful accounts	(295,000)
Bond premiums	(119,775)
Bond issuance costs	65,531
	<u>\$ 1,030,339</u>

Long-term liabilities applicable to the Towns' governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position.

Bonds payable	\$ 5,847,000
Loans payable	3,592,650
Accrued compensated absences	813,468
Net pension obligation	3,067,158
Net other post employment benefit obligation	1,500,663
	<u>\$ 14,820,939</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 10 - DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES**

The "net change in the fund balances" for governmental funds (\$238,930) differs from the "change in net position" for governmental activities \$804,502 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities**

	<u>Total Governmental Funds</u>	<u>Long-term Revenues/ Expenses (1)</u>	<u>Capital- related Items (2)</u>	<u>Long-term Debt Transactions (3)</u>	<u>Statement of Activities Totals</u>
<b>Revenues</b>					
General property tax	\$ 25,598,867	\$ 221,506	\$ -	\$ -	\$ 25,820,373
Intergovernmental and departmental revenues	5,982,397	-	-	-	5,982,397
License and permits	1,071,778	-	-	-	1,071,778
Fines and penalties	38,620	-	-	-	38,620
Interest on investments	86,229	(5,072)	-	-	81,157
Tuitions	335,727	-	-	-	335,727
Other revenues	25,286	-	-	-	25,286
<b>Total revenues</b>	<u>33,138,904</u>	<u>216,434</u>	<u>-</u>	<u>-</u>	<u>33,355,338</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	1,167,313	282,496	2,897	-	1,452,706
Public safety	2,772,947	-	180,581	-	2,953,528
Public works	2,101,606	-	202,860	-	2,304,466
Social services	758,921	-	37,852	-	796,773
Education	22,274,192	-	414,968	-	22,689,160
Fixed charges and other	1,956,736	-	-	-	1,956,736
Debt Service					
Principal	1,936,150	-	-	(1,936,150)	-
Interest	409,969	(42,555)	-	-	367,414
<b>Total expenditures</b>	<u>33,377,834</u>	<u>239,941</u>	<u>839,158</u>	<u>(1,936,150)</u>	<u>32,520,783</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	21,248	-	-	-	21,248
Transfers to other funds	(21,248)	-	-	-	(21,248)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss on disposal of capital asset	-	-	(30,053)	-	(30,053)
<b>Net change for the year</b>	<u>\$ (238,930)</u>	<u>\$ (23,507)</u>	<u>\$ (869,211)</u>	<u>\$ 1,936,150</u>	<u>\$ 804,502</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 10 - DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (CONTINUED)**

- (1) Increases in deferred revenues that provide current financial resources to governmental funds are not reported as revenues in the statement of activities. State funded public service corporation tax revenues that are not accrued for in the governmental funds are reported as revenues in the statement of activities.

Deferred revenue property tax	\$ 221,506
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Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest was reduced on the calculation for bonds payable and bond issuance costs and premiums are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Accrued interest payable	\$ 42,004
Accrued interest receivable	(5,072)
Deferred amount of refunding	(6,935)
Amortization bond issuance costs	(6,073)
Amortization bond premium costs	7,486
Total expenditure adjustment	<u>\$ 31,410</u>

- (2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ 388,690
Depreciation expense	(1,227,848)
Difference	<u>\$ (839,158)</u>

When a loss is realized for the disposal of capital assets the loss is not recognized on the governmental funds and is only recorded on the statement of activities.

Loss on disposal of equipment	<u>\$ (30,053)</u>
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- (3) Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the town as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Principal payments made	1,778,500
Loan payments made	157,650
Difference	<u>\$ 1,936,150</u>

Certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the in statement of activities these accrued expenses are recognized and charged to current activities.

Net increase in the OPEB	\$ (218,284)
Net increase in the NPO	(38,560)
Net increase in compensated absences	(19,579)
Change	<u>\$ (276,423)</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 11 – NET POSITIONS/FUND BALANCES**

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

**Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. 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 Position** – This category presents external restrictions imposed by grantors or laws and regulations.

**Unrestricted Net Position** – This category represents net position 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 11 – NET POSITION/FUND BALANCES (Continued)**

The Town has set classification policies and procedures for the above noted level of fund balance reporting.

- a) For committed fund balances: the Financial Town Meeting is the highest level of decision making authority by a resolution or an ordinance adopted by the Town Council is required to establish, modify or rescind a fund balance commitment.
- b) For assigned fund balance: The Town’s Treasurer or School Committee is authorized to assign amounts to a purpose.
- c) The Town considers amounts that are committed, assigned or unassigned to have been spent when an expenditure is incurred for the purpose of which any amounts in any of the unassigned fund balance classifications could be used.
- d) 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 and considers committed amounts to have been spent when an expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

**NOTE 12 – 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, 2013, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities</b>				
General Fund	\$ 642,278	\$ 804,208	\$ 119,775	\$ 1,566,261
Other Governmental Funds	162,468	-	-	162,468
	<u>\$ 804,746</u>	<u>\$ 804,208</u>	<u>\$ 119,775</u>	<u>\$ 1,728,729</u>



**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 13 – 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.

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, 2013, the Town contributed \$177,700 to the plan.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)**

**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:

Annual required contribution	\$ 417,005
Interest on OPEB	57,707
Adjustment to annual required contribution	<u>(78,728)</u>
Annual OPEB cost	395,984
Allocations for implicit Rate Subsidy	(71,326)
Contributions made	<u>(106,374)</u>
Increase (decrease) in net OPEB obligation	<u>218,284</u>
Net OPEB beginning of year	<u>1,282,379</u>
Net OPEB obligation end of year	<u><u>\$ 1,500,663</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:

Fiscal Year	Annual OPEB Cost	Plan Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
3/31/2011	471,035	192,360	40.84%	1,014,865
3/31/2012	466,467	198,953	42.65%	1,282,379
3/31/2013	395,984	177,700	44.88%	1,500,663

**Funded Status and Funding Progress**

The funded status of the Town’s plans as of the most recent actuarial valuation dates, is as follows:

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>April 1,</u>	Actuarial Value of Assets <u>(a)</u>	Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
2008	\$ -	4,713,768	4,713,768	0.0%	14,863,696	31.71%
2010	-	4,385,028	4,385,028	0.0%	15,355,605	28.56%
2012	-	3,977,363	3,977,363	0.0%	15,672,979	25.38%

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.

**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, 2012 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, 2012 is being amortized using the level dollar 30-year open amortization basis.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)**

Health care cost trend rates for medical cost are 7.50% per year graded off 0.50% per year to an ultimate rate of 4.00% per year.

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 14 – 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, 2013 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.

**NOTE 15 – 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

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 15 – RISK MANAGEMENT (continued)**

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 16 – 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, 2013 was \$9,967,422, which consisted of \$235,096 for employees charged to federal programs and \$9,732,326 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](http://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.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 16 – PENSION PLANS (Continued)**

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

(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.

*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):

<b><i>For Service In:</i></b>	<b><i>Years</i></b>	<b><i>Benefit Percentage Earned</i></b>
The first 10 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.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 16 – PENSION PLANS (Continued)**

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

(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><i>For Service In:</i></u>	<u><i>Years</i></u>	<u><i>Benefit Percentage Earned</i></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 years 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 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

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 16 – PENSION PLANS (Continued)**

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

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, 2013 through June 30, 2012 was 22.32% and for the period July 1, 2012 through March 31, 2013 was 19.29%. 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 .27% for the period April 1, 2012 through June 30, 2012 and .27% for the period July 1, 2012 through March 31, 2013. This results in a contribution requirement for the School Department of 13.23% and a contribution requirement for the State of 9.09% for the period April 1, 2012 through June 30, 2012. The contribution requirement for the School Department is 11.41% and the contribution requirement for the State is 7.88% for the period July 1, 2012 through March 31, 2013.

The State contribution for the cut off year ended March 31, 2013 was \$803,959 which represented 7.88% 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, 2013 was \$1,814,643, which consisted of \$1,206,791 from the School Department (\$52,278 for federally funded employees and \$1,154,513 for other employees), and \$607,852 from employees. These contributions represented 11.82% and 5.95% of covered payroll respectively. The annual required contribution was determined as part of the June 30, 2009 and June 30, 2010 actuarial valuations, respectively.



**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 16 – PENSION PLANS (Continued)**

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

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*

<u>Fiscal Year</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2011	\$ 1,221,509	100%
2012	\$ 1,364,042	100%
2013	\$ 1,206,791	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, 2013 was \$2,334,211. 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](http://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

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 16 – PENSION PLANS (Continued)**

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

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.

***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, 2012 through June 30, 2012 was 13.65% of covered payroll. The Town's rate for general employees the period July 1, 2012 through March 31, 2013 is 20.75% of covered payroll. The Town's rate for police officers is 0% for the period April 1, 2012 through June 30, 2013.

***Annual Pension Cost***

For fiscal year 2013, the Town's annual pension cost of \$357,520 for the MERS plan was equal to the Town's required and actual contributions.

***Three-Year Trend Information***

<u><i>Fiscal Year</i></u>	<u><i>Annual Pension Cost (APC)</i></u>	<u><i>Percentage of APC Contributed</i></u>	<u><i>Net Pension Obligation</i></u>
2011	\$ 294,154	100%	\$ -
2012	\$ 338,377	100%	\$ -
2013	\$ 357,520	100%	\$ -

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 16 – PENSION PLANS (Continued)**

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

The required contribution was determined as part of the June 30, 2009 and June 30, 2010 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, 2009 and June 30, 2010 valuations include the following:

- 1) Investment return – 7.50% per year, compounded annually, composed of an assumed 2.75% inflation rate and a 4.75% net real rate of return.
- 2) Projected salary increases – general employees – a service related component, plus a 4.00% wage inflation assumption (composed of a 2.75% price inflation assumption and a 1.25% additional general increase) and police officers – not applicable since no active employees.
- 3) Cost of living adjustment – 2%, 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.

***Funded Status and Funding Progress***

As of June 30, 2012, the most recent actuarial valuation date, the general employees plan was 77.4% funded. The actuarial accrued liability for benefits was \$12,346,123, and the actuarial value of assets was \$9,552,928, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,793,195. The covered payroll (annual payroll of active employees covered by the plan) was \$2,696,855, and the ratio of the UAAL to the covered payroll was 103.6%. As of June 30, 2012, the most recent actuarial valuation date, the police plan was 770.1% funded. The actuarial accrued liability for benefits was \$22,848, and the actuarial value of assets was \$175,958, resulting in a funding excess of \$153,110. 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, 2012 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.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 16 – PENSION PLANS (Continued)**

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

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, 2013 was \$1,053,510.

At April 1, 2012, employee membership related to the plan was as follows:

Retired	13
Vested Disabled	4
Active	<u>17</u>
Total	34

***Benefit Provisions***

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 16 – PENSION PLANS (Continued)**

**C. POLICE PENSION PLAN**

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 for the year ended March 31, 2013 was \$108,751 plus a supplemental contribution of \$528,709.

**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 Position.

***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, 2013, based on the latest actuarial report completed as of April 1, 2013.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**NOTE 16 – PENSION PLANS (Continued)**

**C. POLICE PENSION PLAN**

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

Annual required contribution	\$	629,958
Interest on NPO		227,145
Adjustment to annual required contribution		<u>(181,083)</u>
Annual NPO cost		676,020
Contributions made		<u>(637,460)</u>
Increase (decrease) in net pension obligation		<u>38,560</u>
NPO beginning of year		<u>3,028,598</u>
NPO obligation end of year		<u><u>\$ 3,067,158</u></u>

**Three-Year Trend Information**

	Annual Pension	Plan	Percentage	Net OPEB
Fiscal Year	Cost (APC)	Contributions	of OPEB Cost Contributed	Obligation
3/31/2011	614,023	357,144	58.16%	2,711,831
3/31/2012	673,360	356,593	52.96%	3,028,598
3/31/2013	676,020	637,460	94.30%	3,067,158

The Town's required contribution to the plan was determined as part of the April 1, 2012 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.

**TOWN OF SCITUATE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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**NOTE 16 – PENSION PLANS (Continued)**

**C. POLICE PENSION PLAN**

***Funded Status and Fund Progress***

As of April 1, 2013, the most recent actuarial valuation, the plan was 30.1% funded. The actuarial accrued liability for benefits was \$11,853,528, and the actuarial value of assets was \$3,566,679, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,286,849. The covered payroll (annual payroll of active employees covered by the plan) was \$916,057, and the ratio of the UAAL to the covered payroll was 904.6%. The April 1, 2013 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.

**NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 24, 2013, the date the financial statements were available to be issued.

On April 24, 2013, the Town issued \$2,000,000 in General Obligation Tax Anticipation Notes. The notes have an interest rate of 0.72% and mature on March 13, 2014.

**NOTE 18 – PRIOR PERIOD ADJUSTMENT**

In fiscal year 2013 a prior period adjustment was made for corrections that were required to be made to the Towns capital asset schedules. These changes included adjustments to capital assets and the related accumulated depreciation schedules.

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2013**

**NOTE 19 ACTUARIAL INFORMATION**

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

	<u>Municipal Employees Retirement System</u>	<u>Police Pension Plan</u>	<u>Other Postemployment Health Insurance Benefit Plan</u>
Valuation Date	June 30, 2012	April 1, 2013	April 1, 2012
Actuarial cost method	Entry age	Entry Age Normal	Projected Unit Credit Funding Method
Amortization method	Level percent of payroll over a closed period	Level dollar closed	Level dollar over an open period
Amortization period	25 years from June 30, 2010 or 24 years as of the valuation date	25 years declining by 1% for each future 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%, compounded annually, composed of an assumed 2.75% inflation rate and a 4.75% net real rate of return	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% addition general increase); police officers - not applicable	4% per annum	Not applicable
Cost-of-living adjustments	Assumed to be 2% per annum	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 4.00% Dental - 5% per year graded off 0.25% per year to ultimate rate of 4.00%
Participant information	General employees: Active employees 87 Retirees and beneficiaries 60 <u>147</u>	Active 17 Vested disabled 3 Retired 13 Deceased beneficiary participant 1 Alternate Payees under QDRO 2 <u>36</u>	Active 393 Retired 54 <u>447</u>



**REQUIRED SUPPLEMENTARY INFORMATION**

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

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Municipal Employees Retirement System - General Employees						
2010	9,342,641	13,666,849	4,324,208	68%	2,773,328	156%
2011	9,339,147	12,017,846	2,678,699	78%	2,716,149	99%
2012	9,552,928	12,346,123	2,793,195	77%	2,696,855	104%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Municipal Employees Retirement System - Police Officers						
2010	170,820	24,727	(146,093)	691%	-	0%
2011	171,670	23,793	(147,877)	722%	-	0%
2012	175,958	22,848	(153,110)	770%	-	0%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Police Pension Plan (2)						
4/1/2003	1,675,040	5,978,449	4,303,409	28%	756,930	569%
4/1/2005	2,510,044	6,778,751	4,268,707	37%	727,658	587%
4/1/2007	3,264,495	7,779,343	4,514,848	42%	857,060	527%
4/1/2009	2,286,905	9,768,342	7,481,437	23%	898,737	832%
4/1/2011	3,122,375	11,348,767	8,226,392	28%	917,936	896%
4/1/2013	3,566,679	11,853,528	8,286,849	30%	916,057	905%
Postemployment Health Insurance Plan						
4/1/2008	-	4,713,768	4,713,768	0%	14,863,696	32%
4/1/2010	-	4,385,028	4,385,028	0%	15,355,605	29%
4/1/2012	-	3,977,363	3,977,363	0%	15,672,979	25%

(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"**

Year Ended June 30,	Total Annual Pension Cost	Total Amount Contributed	Total Percentage Contributed
2007	327,706	333,277	102%
2008	376,164	346,823	92%
2009	372,804	350,063	94%
2010	580,159	353,897	61%
2012	632,116	356,513	56%
2013	629,958	637,460	101%

**TOWN OF SCITUATE, RHODE ISLAND**  
**Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
<b>General property tax</b>				
Property Taxes	\$ 25,667,150	\$ 25,667,150	\$ 25,598,867	\$ (68,283)
<b>Total general property taxes</b>	<u>25,667,150</u>	<u>25,667,150</u>	<u>25,598,867</u>	<u>(68,283)</u>
<b>Federal and State Aid and Grants</b>				
Police Grants	-	-	10,740	10,740
Recycling grants	15,000	15,000	22,235	7,235
Telephone tax	116,256	116,256	124,310	8,054
Motor vehicle phase out	127,207	127,207	124,425	(2,782)
Hotel and meal tax	55,210	55,210	62,116	6,906
School housing	287,850	287,850	287,002	(848)
<b>Total federal and state aid grants</b>	<u>601,523</u>	<u>601,523</u>	<u>630,828</u>	<u>29,305</u>
<b>Charges for service</b>				
Town clerk	166,461	166,461	214,662	48,201
Dog licenses	8,000	8,000	7,778	(222)
Tax collector	7,796	7,796	10,455	2,659
Building inspector	50,000	50,000	46,968	(3,032)
Town properties	10,000	10,000	12,475	2,475
Planning and zoning	10,350	10,350	17,038	6,688
Recreation	35,000	35,000	20,945	(14,055)
Emergency medical services	275,000	275,000	354,135	79,135
Police	48,000	48,000	41,538	(6,462)
Highway	7,500	7,500	7,500	-
Communications tower rental	100,000	100,000	81,670	(18,330)
<b>Total charges for service</b>	<u>718,107</u>	<u>718,107</u>	<u>815,164</u>	<u>97,057</u>
<b>Fines and Penalties</b>	<u>51,250</u>	<u>51,250</u>	<u>38,620</u>	<u>(12,630)</u>
<b>Investment and interest income</b>				
Interest on taxes	93,000	93,000	83,928	(9,072)
Interest on investments	2,000	2,000	1,257	(743)
<b>Total investment and interest income</b>	<u>95,000</u>	<u>95,000</u>	<u>85,185</u>	<u>(9,815)</u>
<b>Miscellaneous Revenue</b>	121,192	121,192	132,202	11,010
<b>Prior Year Budgeted Surplus</b>	722,028	722,028	722,028	-
<b>Total revenues</b>	<u>\$ 27,976,250</u>	<u>\$ 27,976,250</u>	<u>\$ 28,022,894</u>	<u>\$ 46,644</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Expenditures - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended March 31, 2013**

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
<b>General Government</b>				
Town council	\$ 14,500	\$ 14,500	\$ 12,500	\$ 2,000
Town treasurer	161,119	161,119	148,537	12,582
Town clerk	173,147	173,147	161,329	11,818
Town solicitor	327,398	327,398	320,149	7,249
Probate judge	3,650	3,650	3,770	(120)
Tax assessor	116,931	116,931	114,009	2,922
Tax collector	103,183	103,183	101,254	1,929
Board of canvassers	26,200	26,200	24,657	1,543
Building and zoning	217,939	217,939	209,669	8,270
<b>Total general government</b>	<u>1,144,067</u>	<u>1,144,067</u>	<u>1,095,874</u>	<u>48,193</u>
<b>Public Safety</b>				
Fire department	821,055	821,055	819,126	1,929
Animal control	73,566	73,566	70,046	3,520
Street lights	30,000	30,000	30,356	(356)
Emergency management	3,960	3,960	3,371	589
Police department	1,874,887	1,874,887	1,825,169	49,718
<b>Total public safety</b>	<u>2,803,468</u>	<u>2,803,468</u>	<u>2,748,068</u>	<u>55,400</u>
<b>Public works</b>				
Town properties	498,881	498,881	479,179	19,702
Highway	1,119,482	1,119,482	1,048,852	70,630
Solid waste disposal	602,590	602,590	528,888	73,702
Care of trees	9,740	9,740	8,365	1,375
Pawtuxet River Authority	2,800	2,800	10,600	(7,800)
Cemetery care	7,740	7,740	7,740	-
<b>Total public works</b>	<u>2,241,233</u>	<u>2,241,233</u>	<u>2,083,624</u>	<u>157,609</u>
<b>Social services</b>				
Recreation department	171,727	171,727	136,578	35,149
Libraries	422,707	422,707	422,707	-
Human service	9,566	9,566	7,427	2,139
Memorial and Veterans' Day	1,000	1,000	1,000	-
Senior services	125,545	125,545	119,586	5,959
<b>Total social services</b>	<u>730,545</u>	<u>730,545</u>	<u>687,298</u>	<u>43,247</u>
<b>Fixed charges and other</b>				
Audit	29,300	29,300	20,137	9,163
Officers' bonds	1,660	1,660	1,475	185
Employee benefits	1,493,250	1,493,250	1,402,305	90,945
RI League of Cities & Towns	4,110	4,110	4,110	-
Police supplemental pension contribution	528,709	528,709	528,709	-
<b>Total fixed charges and other</b>	<u>2,057,029</u>	<u>2,057,029</u>	<u>1,956,736</u>	<u>100,293</u>
<b>Debt service</b>				
Principal	1,923,500	1,923,500	1,923,500	-
Interest	566,593	566,593	409,969	156,624
<b>Total debt service</b>	<u>2,490,093</u>	<u>2,490,093</u>	<u>2,333,469</u>	<u>156,624</u>
<b>School Appropriation</b>	<u>16,499,815</u>	<u>16,499,815</u>	<u>16,499,815</u>	<u>-</u>
<b>Total Expenditures</b>	<u>27,966,250</u>	<u>27,966,250</u>	<u>27,404,884</u>	<u>561,366</u>
<b>Excess of revenues over expenditures before other financing uses</b>	<u>10,000</u>	<u>10,000</u>	<u>618,010</u>	<u>608,010</u>
<b>Other Financing Uses</b>				
Transfers to other funds - SRF	2,000	2,000	2,241	(241)
Transfers to other funds - Capital Projects	8,000	8,000	8,000	-
<b>Total Other Financing Uses</b>	<u>10,000</u>	<u>10,000</u>	<u>10,241</u>	<u>(241)</u>
<b>Net change in fund balance - budgetary basis</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,769</u>	<u>\$ 607,769</u>

**TOWN OD SCITUATE, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**March 31, 2013**

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 2013. 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***

A reconciliation of the General Fund's revenues and expenditures and other financing sources (uses) is presented below.

	Revenues and Transfers	Expenditures and Transfers
<b>General Fund:</b>		
<b>Schedule of Revenues, Expenditures and Other Financing Sources</b>		
<b>(Non-GAAP Budgetary Basis) Budget and Actual .....</b>	<b>\$ 28,022,894</b>	<b>\$ 27,415,125</b>
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	803,959	803,959
Appropriation of Fund Balance Non-GAAP.....	(722,028)	-
Unbudgeted Items.....	4,550,115	4,587,767
 <b>Statement of Revenues, Expenditures and Changes in Fund</b>		
<b>Balances .....</b>	<b>\$ 32,654,940</b>	<b>\$ 32,806,851</b>

## **SUPPLEMENTARY INFORMATION**

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
General property tax	\$ 25,667,150	\$ 25,667,150	\$ 25,598,867	\$ (68,283)
Federal and state aid grants	601,523	601,523	630,828	29,305
Charges for services	718,107	718,107	815,164	97,057
Fines and penalties	51,250	51,250	38,620	(12,630)
Investment and interest income	95,000	95,000	85,185	(9,815)
Miscellaneous revenue	121,192	121,192	132,202	11,010
<b>Total Revenues</b>	<u>27,254,222</u>	<u>27,254,222</u>	<u>27,300,866</u>	<u>46,644</u>
<b>Expenditures</b>				
General government	1,144,067	1,144,067	1,095,874	48,193
Public Safety	2,803,468	2,803,468	2,748,068	55,400
Public works	2,241,233	2,241,233	2,083,624	157,609
Social services	730,545	730,545	687,298	43,247
Fixed charges and other	2,057,029	2,057,029	1,956,736	100,293
Debt service:				
Principal	1,923,500	1,923,500	1,923,500	-
Interest	566,593	566,593	409,969	156,624
School appropriation	16,499,815	16,499,815	16,499,815	-
<b>Total expenditures</b>	<u>27,966,250</u>	<u>27,966,250</u>	<u>27,404,884</u>	<u>561,366</u>
<b>Excess of revenues over expenditures before operating transfers</b>	<u>(712,028)</u>	<u>(712,028)</u>	<u>(104,018)</u>	<u>608,010</u>
<b>Other financing sources and uses</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(10,000)	(10,000)	(10,241)	(241)
Prior year budgeted surplus	722,028	722,028	722,028	-
<b>Total operating transfers</b>	<u>712,028</u>	<u>712,028</u>	<u>711,787</u>	<u>(241)</u>
<b>Excess of revenues over (under) expenditures and operating transfers</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,769</u>	<u>\$ 607,769</u>



**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**March 31, 2013**

	<b>Town Special Revenue Funds</b>	<b>School Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Town Permanent Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 278,719	\$ 10,504	\$ 189,986	\$ 130,584	\$ 609,793
Internal balances	216,069	-	539,711	-	755,780
Due from other governments	33,619	206,511	-	-	240,130
Other receivables	24,479	-	69	-	24,548
<b>TOTAL ASSETS</b>	<b>\$ 552,886</b>	<b>\$ 217,015</b>	<b>\$ 729,766</b>	<b>\$ 130,584</b>	<b>\$ 1,630,251</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 70,704	\$ 91,764	\$ -	\$ -	\$ 162,468
Internal balances	162	-	15,886	-	16,048
Deferred revenue	22,450	-	-	-	22,450
<b>Total liabilities</b>	<b>93,316</b>	<b>91,764</b>	<b>15,886</b>	<b>-</b>	<b>200,966</b>
<b>Fund balances</b>					
<i>Nonspendable:</i>					
Cemetery perpetual care	-	-	-	42,095	42,095
<i>Restricted for:</i>					
Educational programs	29,980	125,251	-	-	155,231
Public safety programs	74,162	-	-	-	74,162
Social service programs	149,328	-	-	-	149,328
Records preservation	74,205	-	-	-	74,205
Other programs	23,731	-	-	88,489	112,220
<i>Committed for:</i>					
Open space, park & recreational facilities	100,808	-	-	-	100,808
Other programs	7,356	-	-	-	7,356
<i>Assigned for:</i>					
Capital projects	-	-	722,330	-	722,330
<i>Unassigned</i>	-	-	(8,450)	-	(8,450)
<b>Total fund balances (deficits)</b>	<b>459,570</b>	<b>125,251</b>	<b>713,880</b>	<b>130,584</b>	<b>1,429,285</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 552,886</b>	<b>\$ 217,015</b>	<b>\$ 729,766</b>	<b>\$ 130,584</b>	<b>\$ 1,630,251</b>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Town Special Revenue Funds</u>	<u>School Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Town Permanent Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues</b>					
Intergovernmental revenue	\$ 146,313	\$ 822,059	\$ 17,627	\$ -	\$ 985,999
Charges for service	256,053	-	-	-	256,053
Investment income	599	-	86	68	753
Contributions and private grants	15,082	-	4,750	-	19,832
Other income	10,380	2,437	12,469	-	25,286
<b>Total revenues</b>	<u>428,427</u>	<u>824,496</u>	<u>34,932</u>	<u>68</u>	<u>1,287,923</u>
<b>Expenditures</b>					
General government	27,086	-	11,007	-	38,093
Public safety	8,176	-	16,703	-	24,879
Public works	-	-	17,982	-	17,982
Social services	71,623	-	-	-	71,623
Education	326,686	879,234	14,036	-	1,219,956
Debt service	12,650	-	-	-	12,650
<b>Total expenditures</b>	<u>446,221</u>	<u>879,234</u>	<u>59,728</u>	<u>-</u>	<u>1,385,183</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	(17,794)	(54,738)	(24,796)	68	(97,260)
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,241	-	19,007	-	21,248
Transfers to other funds	-	-	(11,007)	-	(11,007)
<b>Total other financing sources (uses)</b>	<u>2,241</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>10,241</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(15,553)</u>	<u>(54,738)</u>	<u>(16,796)</u>	<u>68</u>	<u>(87,019)</u>
<b>Fund balances - beginning</b>	475,123	179,989	730,676	130,516	1,516,304
<b>Fund balances - ending</b>	<u>\$ 459,570</u>	<u>\$ 125,251</u>	<u>\$ 713,880</u>	<u>\$ 130,584</u>	<u>\$ 1,429,285</u>

**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.**

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

*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* – established to account for the State's Bramley Grant for substance abuse.

*Senior Citizens Van Fund* – 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.

*Historical Land Records* – established by State law for the preservation of historical public records.

*Recreation Campership Fund* – established to provide recreation program registration fees for needy families.

*Probate Filing Records* – established by State law for maintaining probate court records.

*Federal Asset Forfeiture Fund* – established to account for funds provided by the Federal government from seized properties.

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

*State Police Computer Grant* – established to account for funds received to upgrade the police department's computer system.

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

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

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

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

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

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

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

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

***Land Dedication Recreation Fund*** – 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 Fund*** – established to account for expenditures for the upkeep and care of Town village greens.

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

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

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

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

SUPPLEMENTARY INFORMATION  
TOWN OF SCITUATE, RHODE ISLAND  
Town Special Revenue Funds  
Combining Balance Sheet - Non-Major Governmental Funds  
March 31, 2013

	Vital Statistics Surcharge Fund	Food Service Fund	Community Development Block Grant	Sub. Abuse Fund	Senior Citizens Van Fund	State Asset Forfeiture Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 673	\$ 83,519	\$ 56,683	\$ 185	\$ 1,350	\$ 720
Due from other governments	-	17,165	-	16,454	-	-
Internal balances	-	-	-	23,023	-	-
Other receivables	-	-	22,450	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 673</u>	<u>\$ 100,684</u>	<u>\$ 79,133</u>	<u>\$ 39,662</u>	<u>\$ 1,350</u>	<u>\$ 720</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ -	\$ 70,704	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	-	-
Deferred revenue	-	-	22,450	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>70,704</u>	<u>22,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>						
<i>Restricted for:</i>						
Educational programs	-	29,980	-	-	-	-
Public safety programs	-	-	-	-	-	720
Social service programs	-	-	56,683	39,662	1,350	-
Records preservation	673	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Other programs	-	-	-	-	-	-
<i>Committed for:</i>						
Open space, park & recreational facilities	-	-	-	-	-	-
Other programs	-	-	-	-	-	-
<i>Assigned for:</i>						
Capital projects	-	-	-	-	-	-
<i>Unassigned</i>						
<b>Total fund balances (deficits)</b>	<u>673</u>	<u>29,980</u>	<u>56,683</u>	<u>39,662</u>	<u>1,350</u>	<u>720</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 673</u>	<u>\$ 100,684</u>	<u>\$ 79,133</u>	<u>\$ 39,662</u>	<u>\$ 1,350</u>	<u>\$ 720</u>

(Continued)

SUPPLEMENTARY INFORMATION  
TOWN OF SCITUATE, RHODE ISLAND  
Town Special Revenue Funds  
Combining Balance Sheet - Non-Major Governmental Funds  
March 31, 2013

	Historical Land Records	Recreation Camperships Fund	Probate Filing Records	Federal Asset Drug Forfeiture Fund	Animal Health Fund	State Police Computer Grant	Police Substance Abuse Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 10,506	\$ 730	\$ 1,554	\$ 26,090	\$ 8,039	\$ 4,210	\$ 4,768
Due from other governments	-	-	-	-	-	-	-
Internal balances	-	-	-	-	-	2,195	-
Other receivables	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 10,506</u>	<u>\$ 730</u>	<u>\$ 1,554</u>	<u>\$ 26,090</u>	<u>\$ 8,039</u>	<u>\$ 6,405</u>	<u>\$ 4,768</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
<i>Restricted for:</i>							
Educational programs	-	-	-	-	-	-	-
Public safety programs	-	-	-	26,090	8,039	6,405	4,768
Social service programs	-	730	-	-	-	-	-
Records preservation	10,506	-	1,554	-	-	-	-
Other programs	-	-	-	-	-	-	-
<i>Committed for:</i>							
Open space, park & recreational facilities	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
<i>Assigned for:</i>							
Capital projects	-	-	-	-	-	-	-
<i>Unassigned</i>							
<b>Total fund balances (deficits)</b>	<u>10,506</u>	<u>730</u>	<u>1,554</u>	<u>26,090</u>	<u>8,039</u>	<u>6,405</u>	<u>4,768</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 10,506</u>	<u>\$ 730</u>	<u>\$ 1,554</u>	<u>\$ 26,090</u>	<u>\$ 8,039</u>	<u>\$ 6,405</u>	<u>\$ 4,768</u>

(Continued)

SUPPLEMENTARY INFORMATION  
TOWN OF SCITUATE, RHODE ISLAND  
Town Special Revenue Funds  
Combining Balance Sheet - Non-Major Governmental Funds  
March 31, 2013

	Explorers Account Post 1	Senior Center Donations	Human Service Legislative Grant	Food Pantry Donations	Senior Center Grants	Emergency Management Grants	Congregational Church Restoration
<b>ASSETS</b>							
Cash and cash equivalents	\$ 6,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,302
Due from other governments	-	-	-	-	-	-	-
Internal balances	-	5,497	1,215	7,366	36,825	21,508	-
Other receivables	67	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 6,537</u>	<u>\$ 5,497</u>	<u>\$ 1,215</u>	<u>\$ 7,366</u>	<u>\$ 36,825</u>	<u>\$ 21,508</u>	<u>\$ 5,302</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	162	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
<i>Restricted for:</i>							
Educational programs	-	-	-	-	-	-	-
Public safety programs	6,375	-	-	-	-	21,508	-
Social service programs	-	5,497	1,215	7,366	36,825	-	-
Records preservation	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	5,302
<i>Committed for:</i>							
Open space, park & recreational facilities	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
<i>Assigned for:</i>							
Capital projects	-	-	-	-	-	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<u>6,375</u>	<u>5,497</u>	<u>1,215</u>	<u>7,366</u>	<u>36,825</u>	<u>21,508</u>	<u>5,302</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,537</u>	<u>\$ 5,497</u>	<u>\$ 1,215</u>	<u>\$ 7,366</u>	<u>\$ 36,825</u>	<u>\$ 21,508</u>	<u>\$ 5,302</u>

(Continued)

SUPPLEMENTARY INFORMATION  
TOWN OF SCITUATE, RHODE ISLAND  
Town Special Revenue Funds  
Combining Balance Sheet - Non-Major Governmental Funds  
March 31, 2013

	Land Dedication Recreation Fund	Green Area Beautification	Main Street Project	Cemetery Capital Fee Fund	Recording Technical Scanning Fund	Citizens Police Academy Fund	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 503	\$ 551	\$ -	\$ 7,356	\$ 59,510	\$ -	\$ 278,719
Due from other governments	-	-	-	-	-	-	33,619
Internal balances	100,305	-	17,878	-	-	257	216,069
Other receivables	-	-	-	-	1,962	-	24,479
<b>TOTAL ASSETS</b>	<u>\$ 100,808</u>	<u>\$ 551</u>	<u>\$ 17,878</u>	<u>\$ 7,356</u>	<u>\$ 61,472</u>	<u>\$ 257</u>	<u>\$ 552,886</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,704
Internal balances	-	-	-	-	-	-	162
Deferred revenue	-	-	-	-	-	-	22,450
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,316</u>
<b>Fund balances</b>							
<i>Restricted for:</i>							
Educational programs	-	-	-	-	-	-	29,980
Public safety programs	-	-	-	-	-	257	74,162
Social service programs	-	-	-	-	-	-	149,328
Records preservation	-	-	-	-	61,472	-	74,205
Other programs	-	551	17,878	-	-	-	23,731
<i>Committed for:</i>							
Open space, park & recreational facilities	100,808	-	-	-	-	-	100,808
Other programs	-	-	-	7,356	-	-	7,356
<i>Unassigned</i>	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<u>100,808</u>	<u>551</u>	<u>17,878</u>	<u>7,356</u>	<u>61,472</u>	<u>257</u>	<u>459,570</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 100,808</u>	<u>\$ 551</u>	<u>\$ 17,878</u>	<u>\$ 7,356</u>	<u>\$ 61,472</u>	<u>\$ 257</u>	<u>\$ 552,886</u>

(Concluded)



**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Town Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	Vital Statistics Surcharge Fund	Food Service Fund	Community Development Block Grant	Sub. Abuse Fund	Senior Citizens Van Fund	State Asset Forfeiture Fund
<b>Revenues</b>						
Intergovernmental revenue	\$ -	\$ 111,121	\$ 7,000	\$ 21,942	\$ -	\$ -
Charges for service	-	236,404	-	-	-	-
Investment income	-	-	543	-	-	-
Contributions and private grants	-	-	-	-	-	-
Other income	-	-	10,317	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>347,525</u>	<u>17,860</u>	<u>21,942</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Social services	-	-	42,774	14,530	-	-
Education	-	326,686	-	-	-	-
Debt service	-	12,650	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>339,336</u>	<u>42,774</u>	<u>14,530</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	-	8,189	(24,914)	7,412	-	-
<b>Other financing sources (uses)</b>						
Operating transfers from (to) other funds	-	-	2,241	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>2,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>-</u>	<u>8,189</u>	<u>(22,673)</u>	<u>7,412</u>	<u>-</u>	<u>-</u>
<b>Fund balances - beginning</b>	673	21,791	79,356	32,250	1,350	720
<b>Fund balances - ending</b>	<u>\$ 673</u>	<u>\$ 29,980</u>	<u>\$ 56,683</u>	<u>\$ 39,662</u>	<u>\$ 1,350</u>	<u>\$ 720</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Town Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	Historical Land Records	Recreation Camperships Fund	Probate Filing Records	Federal Asset Drug Forfeiture Fund	Animal Health Fund	State Police Computer Grant	Police Substance Abuse Fund
<b>Revenues</b>							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	2,247	-	-	-	3,263	-	-
Investment income	5	-	1	-	4	2	2
Contributions and private grants	-	-	-	-	-	-	-
Other income	-	-	63	-	-	-	-
<b>Total revenues</b>	<u>2,252</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>3,267</u>	<u>2</u>	<u>2</u>
<b>Expenditures</b>							
General government	4,161	-	-	-	-	-	-
Public safety	-	-	-	-	3,674	-	-
Public works	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>4,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,674</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	(1,909)	-	64	-	(407)	2	2
<b>Other financing sources (uses)</b>							
Operating transfers from (to) other funds	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>(1,909)</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>(407)</u>	<u>2</u>	<u>2</u>
<b>Fund balances - beginning</b>	12,415	730	1,490	26,090	8,446	6,403	4,766
<b>Fund balances - ending</b>	<u>\$ 10,506</u>	<u>\$ 730</u>	<u>\$ 1,554</u>	<u>\$ 26,090</u>	<u>\$ 8,039</u>	<u>\$ 6,405</u>	<u>\$ 4,768</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Town Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Explorers Account Post 1</u>	<u>Senior Center Donations</u>	<u>Human Service Legislative Grant</u>	<u>Food Pantry Donations</u>	<u>Senior Center Grants</u>	<u>Emergency Management Grants</u>	<u>Congregational Church Restoration</u>
<b>Revenues</b>							
Intergovernmental revenue	\$ -	\$ -	\$ 3,000	\$ -	\$ 2,500	\$ 750	\$ -
Charges for service	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	2
Contributions and private grants	3,860	2,336	-	7,136	1,000	-	-
Other income	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>3,860</u>	<u>2,336</u>	<u>3,000</u>	<u>7,136</u>	<u>3,500</u>	<u>750</u>	<u>2</u>
<b>Expenditures</b>							
General government	-	-	-	-	-	-	-
Public safety	1,970	-	-	-	-	1,566	-
Public works	-	-	-	-	-	-	-
Social services	-	4,162	2,787	7,051	319	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>1,970</u>	<u>4,162</u>	<u>2,787</u>	<u>7,051</u>	<u>319</u>	<u>1,566</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	1,890	(1,826)	213	85	3,181	(816)	2
<b>Other financing sources (uses)</b>							
Operating transfers from (to) other funds	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	1,890	(1,826)	213	85	3,181	(816)	2
<b>Fund balances - beginning</b>	4,485	7,323	1,002	7,281	33,644	22,324	5,300
<b>Fund balances - ending</b>	<u>\$ 6,375</u>	<u>\$ 5,497</u>	<u>\$ 1,215</u>	<u>\$ 7,366</u>	<u>\$ 36,825</u>	<u>\$ 21,508</u>	<u>\$ 5,302</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Town Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	Land Dedication Recreation Fund	Green Area Beautification	Main Street Project	Cemetery Capital Fee Fund	Recording Technical Scanning Fund	Citizens Police Academy Fund	Totals
<b>Revenues</b>							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,313
Charges for service	-	-	-	-	13,921	218	256,053
Investment income	-	-	-	4	36	-	599
Contributions and private grants	-	-	-	-	-	750	15,082
Other income	-	-	-	-	-	-	10,380
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>13,957</u>	<u>968</u>	<u>428,427</u>
<b>Expenditures</b>							
General government	-	-	-	-	22,925	-	27,086
Public safety	-	-	-	-	-	966	8,176
Public works	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	71,623
Education	-	-	-	-	-	-	326,686
Debt service	-	-	-	-	-	-	12,650
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,925</u>	<u>966</u>	<u>446,221</u>
<b>Excess (deficiency) of revenues over (under)</b> <b>expenditures before other financing sources (uses)</b>	-	-	-	4	(8,968)	2	(17,794)
<b>Other financing sources (uses)</b>							
Operating transfers from (to) other funds	-	-	-	-	-	-	2,241
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,241</u>
<b>Excess of revenues and other sources</b> <b>over (under) expenditures</b>	-	-	-	4	(8,968)	2	(15,553)
<b>Fund balances - beginning</b>	100,808	551	17,878	7,352	70,440	255	475,123
<b>Fund balances - ending</b>	<u>\$ 100,808</u>	<u>\$ 551</u>	<u>\$ 17,878</u>	<u>\$ 7,356</u>	<u>\$ 61,472</u>	<u>\$ 257</u>	<u>\$ 459,570</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**March 31, 2013**

	<u>Literacy</u>	<u>Professional Development</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Art Festival</u>	<u>Volunteers</u>	<u>Student Equity</u>	<u>School Support System</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 5,283	\$ 10,544	\$ 8,976	\$ 2,751	\$ 2	\$ 1,300	\$ 48,468	\$ -
Due from other governments	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 5,283</u>	<u>\$ 10,544</u>	<u>\$ 8,976</u>	<u>\$ 2,751</u>	<u>\$ 2</u>	<u>\$ 1,300</u>	<u>\$ 48,468</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>								
<i>Restricted for:</i>								
Educational programs	5,283	10,544	8,976	2,751	2	1,300	48,468	-
<i>Unassigned</i>	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>5,283</u>	<u>10,544</u>	<u>8,976</u>	<u>2,751</u>	<u>2</u>	<u>1,300</u>	<u>48,468</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,283</u>	<u>\$ 10,544</u>	<u>\$ 8,976</u>	<u>\$ 2,751</u>	<u>\$ 2</u>	<u>\$ 1,300</u>	<u>\$ 48,468</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**March 31, 2013**

	<u>IDEA Preschool</u>	<u>IDEA Part B</u>	<u>Title I</u>	<u>Title II</u>	<u>RTTT IIS Set Aside</u>	<u>Education Jobs</u>	<u>Civics</u>	<u>RTTT EE</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ (4,649)	\$ (84,255)	\$ (14,686)	\$ (11,157)	\$ -	\$ -	\$ -	\$ -
Due from other governments	7,988	172,680	14,686	11,157	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 3,339</u>	<u>\$ 88,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ 3,339	\$ 88,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>3,339</u>	<u>88,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>								
<i>Restricted for:</i>								
Educational programs	-	-	-	-	-	-	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,339</u>	<u>\$ 88,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**March 31, 2013**

	<u>RTTT HCD Set Aside</u>	<u>RTTT EE Set Aside</u>	<u>RI Foundation</u>	<u>Language Assistance</u>	<u>Champlin Foundation</u>	<u>Amica</u>	<u>Verizon</u>	<u>Totals</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 44,526	\$ -	\$ 593	\$ 2,808	\$ 10,504
Due from other governments	-	-	-	-	-	-	-	206,511
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,526</u>	<u>\$ -</u>	<u>\$ 593</u>	<u>\$ 2,808</u>	<u>\$ 217,015</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,764
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,764</u>
<b>Fund balances</b>								
<i>Restricted for:</i>								
Educational programs	-	-	-	44,526	-	593	2,808	125,251
<i>Unassigned</i>	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,526</u>	<u>-</u>	<u>593</u>	<u>2,808</u>	<u>125,251</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,526</u>	<u>\$ -</u>	<u>\$ 593</u>	<u>\$ 2,808</u>	<u>\$ 217,015</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Literacy</u>	<u>Professional Development</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Art Festival</u>	<u>Volunteers</u>	<u>Student Equity</u>	<u>School Support System</u>
<b>Revenues</b>								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,138
Other	-	-	-	-	-	500	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>3,138</u>
<b>Expenditures</b>								
Education	17,518	6,662	-	-	248	-	11,500	3,138
<b>Total expenditures</b>	<u>17,518</u>	<u>6,662</u>	<u>-</u>	<u>-</u>	<u>248</u>	<u>-</u>	<u>11,500</u>	<u>3,138</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>(17,518)</u>	<u>(6,662)</u>	<u>-</u>	<u>-</u>	<u>(248)</u>	<u>500</u>	<u>(11,500)</u>	<u>-</u>
<b>Fund balances - beginning</b>	<u>22,801</u>	<u>17,206</u>	<u>8,976</u>	<u>2,751</u>	<u>250</u>	<u>800</u>	<u>59,968</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 5,283</u>	<u>\$ 10,544</u>	<u>\$ 8,976</u>	<u>\$ 2,751</u>	<u>\$ 2</u>	<u>\$ 1,300</u>	<u>\$ 48,468</u>	<u>\$ -</u>

(Continued)



**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	<u>IDEA Preschool</u>	<u>IDEA Part B</u>	<u>Title I</u>	<u>Title II</u>	<u>RTTT IIS Set Aside</u>	<u>Education Jobs</u>	<u>Civics</u>	<u>RTTT EE</u>
<b>Revenues</b>								
Intergovernmental revenue	\$ 28,357	\$ 537,053	\$ 169,189	\$ 41,262	\$ 26,009	\$ 79	\$ 2,629	\$ 3,000
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>28,357</u>	<u>537,053</u>	<u>169,189</u>	<u>41,262</u>	<u>26,009</u>	<u>79</u>	<u>2,629</u>	<u>3,000</u>
<b>Expenditures</b>								
Education	28,357	537,053	169,189	41,262	26,009	79	2,629	3,000
<b>Total expenditures</b>	<u>28,357</u>	<u>537,053</u>	<u>169,189</u>	<u>41,262</u>	<u>26,009</u>	<u>79</u>	<u>2,629</u>	<u>3,000</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	-	-	-	-	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-	-	-	-	-
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	<u>RTTT HCD Set Aside</u>	<u>RTTT EE Set Aside</u>	<u>RI Foundation</u>	<u>Language Assistance</u>	<u>Champlin Foundation</u>	<u>Amica</u>	<u>Verizon</u>	<u>Totals</u>
<b>Revenues</b>								
Intergovernmental revenue	\$ 5,637	\$ 5,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 822,059
Other	-	-	1,437	-	-	500	-	2,437
<b>Total revenues</b>	<u>5,637</u>	<u>5,706</u>	<u>1,437</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>824,496</u>
<b>Expenditures</b>								
Education	5,637	5,706	1,437	934	16,303	381	2,192	879,234
<b>Total expenditures</b>	<u>5,637</u>	<u>5,706</u>	<u>1,437</u>	<u>934</u>	<u>16,303</u>	<u>381</u>	<u>2,192</u>	<u>879,234</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(934)</u>	<u>(16,303)</u>	<u>119</u>	<u>(2,192)</u>	<u>(54,738)</u>
<b>Fund balances - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,460</u>	<u>16,303</u>	<u>474</u>	<u>5,000</u>	<u>179,989</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,526</u>	<u>\$ -</u>	<u>\$ 593</u>	<u>\$ 2,808</u>	<u>\$ 125,251</u>

(Concluded)

**The Capital Projects Fund 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 or Trust Fund types.**

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

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

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

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

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

*Open Space* – established to account for the purchase and maintenance of open space in Town.

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

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

*Public Works/Safety Bond Fund* – established to account for bonded capital expenditures for public works and public safety.

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

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

*School 2008/2009/2010 Capital Funds* – established to account for non-bonded school construction costs.

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

*Town Properties Building Fund* – 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.

*Recreation Capital Fund* – 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*** – established to account for the purchase and maintenance of police vehicles outside of the original five year vehicle replacement plan.

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

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

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

SUPPLEMENTARY INFORMATION  
TOWN OF SCITUATE, RHODE ISLAND  
Capital Projects Funds  
Combining Balance Sheet - Non-Major Governmental Funds  
March 31, 2013

	Highway Department Capital Escrow	School Ball Field Fund	School Capital Construction Fund	Highway Bridges Special Projects Fund	Police Vehicles Capital Fund	School Fields Open Space	Chopmist Hill Renovation Fund	Animal Shelter Bond Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ 44,662	\$ 635	\$ 305	\$ 12,160	\$ -	\$ 87,690	\$ -	\$ -
Other receivables	-	-	-	-	-	-	-	-
Internal balances	2,840	-	-	53,422	700	20,263	22	-
<b>TOTAL ASSETS</b>	<u>\$ 47,502</u>	<u>\$ 635</u>	<u>\$ 305</u>	<u>\$ 65,582</u>	<u>\$ 700</u>	<u>\$ 107,953</u>	<u>\$ 22</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	-	-	-	8,450
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,450</u>
<b>Fund balances</b>								
<i>Assigned for:</i>								
Capital projects	47,502	635	305	65,582	700	107,953	22	-
<i>Unassigned for:</i>	-	-	-	-	-	-	-	(8,450)
<b>Total fund balances (deficit)</b>	<u>47,502</u>	<u>635</u>	<u>305</u>	<u>65,582</u>	<u>700</u>	<u>107,953</u>	<u>22</u>	<u>(8,450)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 47,502</u>	<u>\$ 635</u>	<u>\$ 305</u>	<u>\$ 65,582</u>	<u>\$ 700</u>	<u>\$ 107,953</u>	<u>\$ 22</u>	<u>\$ -</u>

(continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Capital Projects Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**March 31, 2013**

	<u>Public Works / Safety Bond Fund</u>	<u>School Bond Fund</u>	<u>School Land Fund</u>	<u>School 2008 Capital Fund</u>	<u>School 2009 Capital Fund</u>	<u>School 2010 Capital Fund</u>	<u>2009 School Loan Fund</u>	<u>Town Properties Building Fund</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -
Other receivables	-	-	-	-	-	69	-	-
Internal balances	86,132	2,462	3,787	5,898	13,145	267,166	-	16,607
<b>TOTAL ASSETS</b>	<u>\$ 86,132</u>	<u>\$ 2,462</u>	<u>\$ 3,787</u>	<u>\$ 5,898</u>	<u>\$ 13,145</u>	<u>\$ 267,235</u>	<u>\$ 1</u>	<u>\$ 16,607</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	7,436	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,436</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>								
<i>Assigned for:</i>								
Capital projects	86,132	2,462	3,787	5,898	5,709	267,235	1	16,607
<i>Unassigned for:</i>								
	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>86,132</u>	<u>2,462</u>	<u>3,787</u>	<u>5,898</u>	<u>5,709</u>	<u>267,235</u>	<u>1</u>	<u>16,607</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 86,132</u>	<u>\$ 2,462</u>	<u>\$ 3,787</u>	<u>\$ 5,898</u>	<u>\$ 13,145</u>	<u>\$ 267,235</u>	<u>\$ 1</u>	<u>\$ 16,607</u>

(continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Capital Projects Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**March 31, 2013**

	<u>Computer Upgrade Fund</u>	<u>Recreation Capital Fund</u>	<u>K-9 Capital Fund</u>	<u>Police Vehicle Fund</u>	<u>Capital Assets Fund</u>	<u>Proposed Police Station Fund</u>	<u>Fire Department Capital Fund</u>	<u>Total Capital Projects Funds</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 20,221	\$ 11,551	\$ 124	\$ 113	\$ 11,630	\$ -	\$ 894	\$ 189,986
Other receivables	-	-	-	-	-	-	-	69
Internal balances	17,186	18,500	-	-	8,400	22,367	814	539,711
<b>TOTAL ASSETS</b>	<u>\$ 37,407</u>	<u>\$ 30,051</u>	<u>\$ 124</u>	<u>\$ 113</u>	<u>\$ 20,030</u>	<u>\$ 22,367</u>	<u>\$ 1,708</u>	<u>\$ 729,766</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	-	-	-	15,886
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,886</u>
<b>Fund balances</b>								
<i>Assigned for:</i>								
Capital projects	37,407	30,051	124	113	20,030	22,367	1,708	722,330
<i>Unassigned for:</i>	-	-	-	-	-	-	-	(8,450)
<b>Total fund balances (deficit)</b>	<u>37,407</u>	<u>30,051</u>	<u>124</u>	<u>113</u>	<u>20,030</u>	<u>22,367</u>	<u>1,708</u>	<u>713,880</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 37,407</u>	<u>\$ 30,051</u>	<u>\$ 124</u>	<u>\$ 113</u>	<u>\$ 20,030</u>	<u>\$ 22,367</u>	<u>\$ 1,708</u>	<u>\$ 729,766</u>

(concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds**  
**March 31, 2013**

	Highway Department Capital Escrow	School Ball Field Fund	School Capital Construction Fund	Highway Bridges Special Projects Fund	Police Vehicles Capital Fund	Open Space	Chopmist Hill Renovation Fund	Animal Shelter Bond Fund
<b>Revenues</b>								
State aid and grants	\$ 17,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	21	-	-	6	-	39	-	-
Contributions and private grants	-	-	-	-	4,750	-	-	-
Other income	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 17,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 4,750</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>								
General government	\$ -	\$ -	\$ 11,007	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	4,542	-	-	-
Public works	15,200	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>15,200</u>	<u>-</u>	<u>11,007</u>	<u>-</u>	<u>4,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing source:</b>	2,448	-	(11,007)	6	208	39	-	-
<b>Other financing sources (uses)</b>								
Transfers from other funds	-	-	11,007	-	-	8,000	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>11,007</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	2,448	-	-	6	208	8,039	-	-
<b>Fund balances - beginning</b>	45,054	635	305	65,576	492	99,914	22	(8,450)
<b>Fund balances - ending</b>	<u>\$ 47,502</u>	<u>\$ 635</u>	<u>\$ 305</u>	<u>\$ 65,582</u>	<u>\$ 700</u>	<u>\$ 107,953</u>	<u>\$ 22</u>	<u>\$ (8,450)</u>

(continued)



**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds**  
**March 31, 2013**

	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
<b>Revenues</b>								
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-	-
Other income	-	-	-	69	-	-	12,400	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,400</u>	<u>\$ -</u>
<b>Expenditures</b>								
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	1,160	-	-	-	-	-	-	-
Public works	-	-	-	-	-	2,782	-	-
Education	-	-	-	-	-	14,036	-	-
<b>Total expenditures</b>	<u>1,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,818</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing source:</b>	(1,160)	-	-	69	-	(16,818)	12,400	-
<b>Other financing sources (uses)</b>								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	(11,007)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,007)</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	(1,160)	-	-	69	-	(16,818)	1,393	-
<b>Fund balances - beginning</b>	<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>
<b>Fund balances - ending</b>	<u>\$ 86,132</u>	<u>\$ 2,462</u>	<u>\$ 3,787</u>	<u>\$ 5,898</u>	<u>\$ 5,709</u>	<u>\$ 267,235</u>	<u>\$ 1</u>	<u>\$ 16,607</u>

(continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds**  
**March 31, 2013**

	Computer Upgrade Fund	Recreation Capital Fund	K-9 Capital Fund	Police Vehicle Fund	Capital Assets Fund	Proposed Police Station Fund	Fire Department Capital Fund	Total Capital Projects Funds
<b>Revenues</b>								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,627
Investment income	9	5	-	-	6	-	-	86
Contributions and private grants	-	-	-	-	-	-	-	4,750
Other income	-	-	-	-	-	-	-	12,469
<b>TOTAL REVENUES</b>	<u>\$ 9</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,932</u>
<b>Expenditures</b>								
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,007
Public safety	-	-	-	-	-	-	11,001	16,703
Public works	-	-	-	-	-	-	-	17,982
Education	-	-	-	-	-	-	-	14,036
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,001</u>	<u>59,728</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing source:</b>	9	5	-	-	6	-	(11,001)	(24,796)
<b>Other financing sources (uses)</b>								
Transfers from other funds	-	-	-	-	-	-	-	19,007
Transfers to other funds	-	-	-	-	-	-	-	(11,007)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	9	5	-	-	6	-	(11,001)	(16,796)
<b>Fund balances - beginning</b>	37,398	30,046	124	113	20,024	22,367	12,709	730,676
<b>Fund balances - ending</b>	<u>\$ 37,407</u>	<u>\$ 30,051</u>	<u>\$ 124</u>	<u>\$ 113</u>	<u>\$ 20,030</u>	<u>\$ 22,367</u>	<u>\$ 1,708</u>	<u>\$ 713,880</u>

(concluded)

**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.

**SUPPLEMENTARY INFORMATION  
TOWN OF SCITUATE, RHODE ISLAND  
Town Permanent Funds  
Combining Balance Sheet - Non-Major Governmental Funds  
March 31, 2013**

	<u>Sam Tourtellot &amp; Leslie Davis Fund</u>	<u>Elsie Gleason Fund</u>	<u>Glenford Cemetery Fund</u>	<u>Cemetery Fund</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,264	\$ 2,581	\$ 26,781	\$ 93,958	\$ 130,584
<b>TOTAL ASSETS</b>	<u>\$ 7,264</u>	<u>\$ 2,581</u>	<u>\$ 26,781</u>	<u>\$ 93,958</u>	<u>\$ 130,584</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Nonspendable	-	-	13,039	29,056	42,095
Restricted	7,264	2,581	13,742	64,902	88,489
<b>Total fund balances (deficit)</b>	<u>7,264</u>	<u>2,581</u>	<u>26,781</u>	<u>93,958</u>	<u>130,584</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 7,264</u>	<u>\$ 2,581</u>	<u>\$ 26,781</u>	<u>\$ 93,958</u>	<u>\$ 130,584</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Town Permanent Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Sam Tourtellot &amp; Leslie Davis Fund</u>	<u>Elsie Gleason Fund</u>	<u>Glenford Cemetery Fund</u>	<u>Cemetery Fund</u>	<u>Totals</u>
<b>Revenues</b>					
Earnings on investments	\$ 4	\$ 1	\$ 13	\$ 50	\$ 68
<b>Total revenues</b>	<u>4</u>	<u>1</u>	<u>13</u>	<u>50</u>	<u>68</u>
<b>Expenditures</b>					
Net decrease in FMV of investment	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources</b>	<u>4</u>	<u>1</u>	<u>13</u>	<u>50</u>	<u>68</u>
<b>Fund balances - beginning</b>	<u>7,260</u>	<u>2,580</u>	<u>26,768</u>	<u>93,908</u>	<u>130,516</u>
<b>Fund balances - ending</b>	<u>\$ 7,264</u>	<u>\$ 2,581</u>	<u>\$ 26,781</u>	<u>\$ 93,958</u>	<u>\$ 130,584</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Fiduciary Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Balance</u> <u>April 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2013</u>
<b>STUDENT ACTIVITY FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 161,661	\$ 164,773	\$ 145,095	\$ 181,339
<b>TOTAL ASSETS</b>	<u>\$ 161,661</u>	<u>\$ 164,773</u>	<u>\$ 145,095</u>	<u>\$ 181,339</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 161,661	\$ 164,773	\$ 145,095	\$ 181,339
<b>TOTAL LIABILITIES</b>	<u>\$ 161,661</u>	<u>\$ 164,773</u>	<u>\$ 145,095</u>	<u>\$ 181,339</u>
<b>TOWN COUNCIL SUNSHINE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 63	\$ -	\$ -	\$ 63
<b>TOTAL ASSETS</b>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 63	\$ -	\$ -	\$ 63
<b>TOTAL LIABILITIES</b>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63</u>
<b>PROBATE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,279	\$ -	\$ -	\$ 8,279
<b>TOTAL ASSETS</b>	<u>\$ 8,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,279</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 8,279	\$ -	\$ -	\$ 8,279
<b>TOTAL LIABILITIES</b>	<u>\$ 8,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,279</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 170,003	\$ 164,773	\$ 145,095	\$ 189,681
<b>TOTAL ASSETS</b>	<u>\$ 170,003</u>	<u>\$ 164,773</u>	<u>\$ 145,095</u>	<u>\$ 189,681</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 170,003	\$ 164,773	\$ 145,095	\$ 189,681
<b>TOTAL LIABILITIES</b>	<u>\$ 170,003</u>	<u>\$ 164,773</u>	<u>\$ 145,095</u>	<u>\$ 189,681</u>

**SUPPLEMENTARY INFORMATION  
TOWN OF SCITUATE, RHODE ISLAND  
Fiduciary Funds - Pupil Activity Funds  
Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended March 31, 2013**

	<b>Cash Balance April 1, 2012</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Cash Balance March 31, 2013</b>
<b>PUPIL ACTIVITY FUNDS</b>				
Hope Elementary School	\$ 6,739	\$ 8,066	\$ 7,339	\$ 7,466
North Scituate Elementary School	10,104	13,979	8,686	15,397
Clayville Elementary School	15,862	11,744	6,603	21,003
Scituate Middle/High School	128,955	130,985	122,467	137,473
<b>TOTALS</b>	<b>\$ 161,660</b>	<b>\$ 164,774</b>	<b>\$ 145,095</b>	<b>\$ 181,339</b>

## **Scituate School Department Operations**



**SUPPLEMENTARY INFORMATION  
TOWN OF SCITUATE, RHODE ISLAND  
School Balance Sheet  
School Department Operations  
March 31, 2013**

	<u>School Unrestricted</u>	<u>NWR</u>	<u>Capital Reserve Fund</u>	<u>Jobs Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 9,725	\$ (15,664)	\$ -	\$ (4,663)	\$ (10,602)
<b>Receivables:</b>					
Due from federal and state governments	-	15,664	-	4,663	20,327
Other	108,661	-	-	-	108,661
Prepaid expenditures	304,753	-	-	-	304,753
<b>Due from:</b>					
Other funds	2,254,485	16,244	384,011	2,359	2,657,099
<b>TOTAL ASSETS</b>	<u>\$ 2,677,624</u>	<u>\$ 16,244</u>	<u>\$ 384,011</u>	<u>\$ 2,359</u>	<u>\$ 3,080,238</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 406,404	\$ -	\$ -	\$ -	\$ 406,404
Accrued payroll and benefits	674,941	-	-	-	674,941
<b>Due to:</b>					
Other funds	9,071	498	-	285	9,854
<b>TOTAL LIABILITIES</b>	<u>1,090,416</u>	<u>498</u>	<u>-</u>	<u>285</u>	<u>1,091,199</u>
<b>FUND BALANCE:</b>					
<b>Restricted for:</b>					
Education	1,587,208	15,746	384,011	2,074	1,989,039
<b>Unassigned:</b>					
	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>1,587,208</u>	<u>15,746</u>	<u>384,011</u>	<u>2,074</u>	<u>1,989,039</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 2,677,624</u>	<u>\$ 16,244</u>	<u>\$ 384,011</u>	<u>\$ 2,359</u>	<u>\$ 3,080,238</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Revenues, Expenditures, Other Financing Sources (Uses)**  
**School Department Operations**  
**March 31, 2013**

	<u>School Unrestricted</u>	<u>NWR</u>	<u>Capital Reserve Fund</u>	<u>Jobs Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Intergovernmental revenue	\$ 3,430,938	\$ 110,732	\$ -	\$ 19,941	\$ 3,561,611
Other revenue	183,693	-	-	-	183,693
Intergovernmental - pension contribution	803,959	-	-	-	803,959
<b>TOTAL REVENUES</b>	<u>4,418,590</u>	<u>110,732</u>	<u>-</u>	<u>19,941</u>	<u>4,549,263</u>
<b>EXPENDITURES:</b>					
<i>Current:</i>					
Education	20,137,424	94,986	-	17,867	20,250,277
Intergovernmental - pension contribution	803,959	-	-	-	803,959
<b>TOTAL EXPENDITURES</b>	<u>20,941,383</u>	<u>94,986</u>	<u>-</u>	<u>17,867</u>	<u>21,054,236</u>
<b>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>	<u>(16,522,793)</u>	<u>15,746</u>	<u>-</u>	<u>2,074</u>	<u>(16,504,973)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	16,499,815	-	-	-	16,499,815
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>16,499,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,499,815</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(22,978)</u>	<u>15,746</u>	<u>-</u>	<u>2,074</u>	<u>(5,158)</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<u>1,610,186</u>	<u>-</u>	<u>384,011</u>	<u>-</u>	<u>1,994,197</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$ 1,587,208</u>	<u>\$ 15,746</u>	<u>\$ 384,011</u>	<u>\$ 2,074</u>	<u>\$ 1,989,039</u>

**TOWN OF SCITUATE**  
**Supplementary Information**  
**School Department Operating Budget**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Original Budgeted Amount</u>	<u>Revised Budgeted Amount</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Town appropriation	\$ 16,499,815	\$ 16,499,815	\$ 16,499,815	\$ -
State aid to education	3,281,446	3,281,446	3,430,938	149,492
Other school revenues	122,500	122,500	183,693	61,193
School applied fund balance	1,152,000	1,152,000	1,152,000	-
<b>Total revenues</b>	<u>21,055,761</u>	<u>21,055,761</u>	<u>21,266,446</u>	<u>210,685</u>
<b>Expenditures</b>				
Education	21,055,761	21,055,761	20,137,424	(918,337)
<b>Total expenditures</b>	<u>21,055,761</u>	<u>21,055,761</u>	<u>20,137,424</u>	<u>(918,337)</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,129,022</u>	<u>\$ 1,129,022</u>

**TOWN OF SCITUATE, RHODE ISLAND  
TAX COLLECTOR'S ANNUAL REPORT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2013**

**REAL ESTATE AND PERSONAL PROPERTY TAXES**

<b>Tax Roll Year</b>	<b>Balance March 31, 2012</b>	<b>Current Year Assessment</b>	<b>Additions and Adjustments</b>	<b>Abatements and Adjustments</b>	<b>Amount to be Collected</b>	<b>Collections</b>	<b>Balance March 31, 2013</b>
2012	\$ -	\$ 25,737,323	\$ 35,863	\$ (11,086)	25,762,100	\$ 20,421,168	\$ 5,340,932
2011	5,196,164	-	6,564	(5,975)	5,196,753	4,955,193	241,560
2010	185,276	-	399	-	185,675	99,790	85,885
2009	94,867	-	-	-	94,867	17,988	76,879
2008	88,127	-	-	-	88,127	16,761	71,366
2007	69,221	-	-	-	69,221	16,223	52,998
2006	14,037	-	-	-	14,037	424	13,613
2005	12,652	-	-	-	12,652	300	12,352
2004	6,079	-	-	-	6,079	121	5,958
2003	5,518	-	-	-	5,518	-	5,518
2002 and prior	3,997	-	104	-	4,101	104	3,997
<b>Total</b>	<b>\$ 5,675,938</b>	<b>\$ 25,737,323</b>	<b>\$ 42,930</b>	<b>\$ (17,061)</b>	<b>\$ 31,439,130</b>	<b>\$ 25,528,072</b>	<b>\$ 5,911,058</b>

**SCHEDULE OF MOST RECENT NET ASSESSED PROPERTY VALUE BY CATEGORY**

<b>Description of Property</b>	<b>Valuations</b>	<b>Levy</b>
Real property	\$ 449,458,950	\$ 14,706,052
Real property - Commercial	209,460,780	8,440,432
Real property - Frozen	109,175,910	2,414,197
Motor vehicles	114,783,937	3,466,475
Tangible personal	23,296,080	911,273
<b>Total</b>	<b>906,175,657</b>	<b>29,938,429</b>
Exemptions:		
Real property	412,500	13,499
Real property - Commercial	58,658,523	2,363,704
Real property - Frozen	3,545,500	-
Motor vehicles	58,643,027	1,771,019
Tangible personal	1,351,947	52,884
<b>Total exemptions</b>	<b>122,611,497</b>	<b>4,201,106</b>
<b>Net assessed value</b>	<b>\$ 783,564,160</b>	<b>25,737,323</b>
<b>Current year assessment</b>		<b>\$ 25,737,323</b>

**Reconciliation of Current Year Property Tax Revenue**

Current year collections	\$ 25,528,072
Payment adjustments and transfers	(2,228)
Revenue received 60 days subsequent to fiscal year ending March 31, 2013	<u>4,628,528</u>
	30,154,372
Prior year revenue received in current year	<u>(4,555,505)</u>
<b>Current Year Property Taxes</b>	<b><u>\$ 25,598,867</u></b>

## **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.

## Contents

### **Financial Trends**

These schedules contain trend information to help the reader understand how the Town's financial position has changed over time.

### **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.

### **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.

### **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.

### **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.

**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.

**Table 1**

**Town of Scituate, Rhode Island  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
"Unaudited"**

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	<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>	<u>2013</u>
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 2,927,420	\$ 3,819,077	\$ 4,327,936	\$ 4,804,205	\$ 10,256,196	\$ 10,676,154	\$ 11,598,150	\$ 12,104,545	\$ 12,843,119	\$ 13,263,125
Restricted	347,149	435,721	665,002	848,235	790,480	831,917	585,995	681,967	2,420,821	2,380,016
Unrestricted	<u>3,299,985</u>	<u>2,942,109</u>	<u>3,049,935</u>	<u>3,684,371</u>	<u>3,614,351</u>	<u>3,841,863</u>	<u>(1,344,880)</u>	<u>(1,184,613)</u>	<u>(3,352,563)</u>	<u>(2,976,698)</u>
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>\$ 11,601,899</u>	<u>\$ 11,911,377</u>	<u>\$ 12,666,443</u>

Source: Town of Scituate's Comprehensive Annual Financial Report

Table 2

**Town of Scituate, Rhode Island**  
**Changes in Net Position**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**  
**"Unaudited"**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
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	\$ 1,452,706
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	4,910,264
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	2,304,466
Social Services	764,402	778,083	1,127,796	882,715	973,438	950,922	866,246	891,122	960,148	796,773
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	22,689,160
Debt Service	504,214	450,610	434,520	436,920	427,637	363,291	562,399	529,887	458,123	367,414
<b>Total Governmental Activities Expenses</b>	<b>25,172,973</b>	<b>26,725,322</b>	<b>28,010,019</b>	<b>29,452,446</b>	<b>31,428,182</b>	<b>31,815,791</b>	<b>37,141,554</b>	<b>31,727,420</b>	<b>32,169,019</b>	<b>32,520,783</b>
<b>Program Revenues</b>										
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	681,318
Public Safety	165,393	151,842	181,887	218,481	172,696	178,825	321,970	373,800	399,664	396,234
Public Works	19,050	26,525	26,960	16,300	18,490	17,505	17,775	17,350	15,481	7,500
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	236,404
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	5,887,888
Capital Grants and Contributions	10,000	114,295	99,041	6,000	-	10,000	88,145	250,000	84,973	-
<b>Total Governmental Activities Program Revenues</b>	<b>6,182,978</b>	<b>6,434,234</b>	<b>6,764,548</b>	<b>6,936,510</b>	<b>6,729,411</b>	<b>6,892,374</b>	<b>6,273,873</b>	<b>7,233,980</b>	<b>6,991,551</b>	<b>7,209,344</b>
<b>Net (Expense) Revenue Governmental Activities</b>	<b>(18,989,995)</b>	<b>(20,291,088)</b>	<b>(21,245,471)</b>	<b>(22,515,936)</b>	<b>(24,698,771)</b>	<b>(24,923,417)</b>	<b>(30,867,681)</b>	<b>(24,493,440)</b>	<b>(25,177,468)</b>	<b>(25,311,439)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
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	\$ 25,820,373
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	310,851
Investment Earnings	90,091	60,949	105,421	167,126	185,515	69,729	7,608	8,299	2,782	2,301
Miscellaneous	-	-	-	140,813	-	-	11,521	13,486	30,798	12,469
Loss on disposal of equipment	-	-	-	-	-	-	-	-	-	(30,053)
<b>Total Governmental Activities</b>	<b>19,027,968</b>	<b>20,885,916</b>	<b>22,090,437</b>	<b>23,809,874</b>	<b>24,751,898</b>	<b>25,527,159</b>	<b>26,357,012</b>	<b>25,310,958</b>	<b>25,793,021</b>	<b>26,115,941</b>
<b>Change in Net Assets Governmental Activities</b>	<b>\$ 37,973</b>	<b>\$ 594,828</b>	<b>\$ 844,966</b>	<b>\$ 1,293,938</b>	<b>\$ 53,127</b>	<b>\$ 603,742</b>	<b>\$ (4,510,669)</b>	<b>\$ 817,518</b>	<b>\$ 615,553</b>	<b>\$ 804,502</b>

Source: Town of Scituate's Comprehensive Annual Financial Report



Table 3

**Town of Scituate, Rhode Island**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**"Unaudited"**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
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	304,753
Restricted	-	-	-	-	-	-	-	-	1,719,717	1,684,286
Assigned	-	-	-	-	-	-	-	-	755,952	289,721
Unassigned	-	-	-	-	-	-	-	-	2,890,714	3,210,193
<b>Total General Fund</b>	<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>	<u>\$ 5,488,953</u>
<b>All Other Governmental Funds</b>										
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	42,095
Restricted	-	-	-	-	-	-	-	-	738,328	565,146
Committed	-	-	-	-	-	-	-	-	108,160	108,164
Assigned	-	-	-	-	-	-	-	-	637,563	722,330
Unassigned	-	-	-	-	-	-	-	-	(9,842)	(8,450)
<b>Total All Other Governmental Funds</b>	<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>	<u>1,429,285</u>
<b>Total Governmental Funds</b>	<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>	<u>\$ 6,918,238</u>

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 (Continued)**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
General Property Taxes	\$ 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	\$ 25,598,867
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	5,982,397
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	1,071,778
Fines and penalties	104,542	73,552	68,881	80,011	52,044	45,335	52,198	49,698	48,602	38,620
Investment and interest income	177,845	134,539	197,356	294,371	294,804	189,690	90,575	78,242	67,217	86,229
Contributions and private grants	140,356	104,282	68,648	39,065	23,032	33,669	55,012	23,366	79,341	-
Other Revenues	-	668	6,000	153,702	66,043	144,339	203,319	65,770	146,065	361,013
<b>Total Revenues</b>	<b>25,228,560</b>	<b>27,278,301</b>	<b>28,851,009</b>	<b>30,681,378</b>	<b>31,427,897</b>	<b>32,393,844</b>	<b>32,578,336</b>	<b>32,468,405</b>	<b>32,724,417</b>	<b>33,138,904</b>
<b>Expenditures</b>										
Current:										
General Government	886,014	906,809	936,694	1,142,136	1,034,386	1,065,681	1,142,803	1,031,577	1,118,115	1,167,313
Public Safety	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	2,772,947
Public Works	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	2,101,606
Social services	928,509	1,081,219	1,132,594	828,604	904,695	853,382	1,068,654	862,356	887,277	758,921
Fixed Charges	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	1,956,736
Education	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	22,274,192
Debt Service										
Principal	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	1,936,150
Interest	470,285	421,588	379,679	359,006	347,400	339,293	459,801	508,248	482,970	409,969
<b>Total Expenditures</b>	<b>25,520,813</b>	<b>29,098,527</b>	<b>29,026,379</b>	<b>30,313,142</b>	<b>32,080,549</b>	<b>32,102,615</b>	<b>41,244,532</b>	<b>33,035,330</b>	<b>32,870,185</b>	<b>33,377,834</b>
<i>Excess of Revenues Over (Under) Expenditures</i>										
<i>Before other financing sources (uses)</i>	<i>(292,253)</i>	<i>(1,820,226)</i>	<i>(175,370)</i>	<i>368,236</i>	<i>(652,652)</i>	<i>291,229</i>	<i>(8,666,196)</i>	<i>(566,925)</i>	<i>(145,768)</i>	<i>(238,930)</i>
<b>Other Financing Sources (Uses)</b>										
Proceeds from issuance of bonds	1,830,000	-	476,500	461,000	734,750	430,000	11,035,000	50,600	-	-
Premium on Bonds	31,035	-	-	-	-	-	149,719	-	-	-
Payment -Bond Refunding Agent	-	-	-	-	-	-	(2,014,355)	-	-	-
Transfers In	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	21,248
Transfers Out	(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)	(21,248)
<b>Total Other Financing Sources (Uses)</b>	<b>1,861,035</b>	<b>-</b>	<b>476,500</b>	<b>461,000</b>	<b>734,750</b>	<b>430,000</b>	<b>9,170,364</b>	<b>50,600</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,568,782</b>	<b>\$ (1,820,226)</b>	<b>\$ 301,130</b>	<b>\$ 829,236</b>	<b>\$ 82,098</b>	<b>\$ 721,229</b>	<b>\$ 504,168</b>	<b>\$ (516,325)</b>	<b>\$ (145,768)</b>	<b>\$ (238,930)</b>
<i>Debt Service as a percentage of noncapital expenditures</i>	<i>4.78%</i>	<i>5.50%</i>	<i>5.02%</i>	<i>4.78%</i>	<i>4.66%</i>	<i>5.19%</i>	<i>5.45%</i>	<i>7.85%</i>	<i>7.34%</i>	<i>7.66%</i>

Source: Town of Scituate Comprehensive Annual Financial Report

**Town of Scituate, Rhode Island**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**"Unaudited"**

**Table 5**

Fiscal Year	Real Property						Personal Property	
	Residential	Commercial	Less Tax-Exempt Property	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Value	Tangible Personal Property	Tax Rate Personal Property
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	22.395	1,825,664,560	23,216,950	33.59
2010	703,054,600	212,770,070	24,603,155	891,221,515	22.400	1,831,649,340	23,553,230	36.60
2011	555,472,840	209,553,800	62,544,334	702,482,306	32.000	1,530,053,280	23,611,120	38.25
2012	556,253,790	209,606,950	62,601,023	703,259,717	32.726	1,531,721,480	24,067,390	39.12
2013	558,634,860	209,460,780	62,616,523	705,479,117	32.726	1,536,191,280	23,296,080	39.12

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**

**(Continued)**

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

**Town of Scituate, Rhode Island** **Table 5**  
**Assessed and Estimated Actual Value of Taxable Property (Continued)**  
**Last Ten Fiscal Years**  
**"Unaudited"**

Fiscal Year	Personal Property					Total		
	Motor Vehicles	Less Tax-Exempt Property	Total Motor Vehicle Taxable Assessed Value	Tax Rate Motor Vehicles	Personal Property Estimates Actual Value	Total Assessed Value	Estimated Actual Value	Ratio
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
2013	114,783,937	58,643,027	56,140,910	30.20	N/A	906,175,657	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**

**Town of Scituate, Rhode Island**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$1,000 of assessed value)*  
**"Unaudited"**

**Table 6**

<b>Town Direct Rates</b>				
<b>Fiscal Year</b>	<b>Basic Rate</b>	<b>MV</b>	<b>PP</b>	<b>Comm Mixed Use</b>
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
2013	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) Retail/Wholesale inventory Tax phased out completely in Fiscal Year 2001
- (7) The Town does not have any overlapping governments.

*Town of Scituate, Rhode Island  
Principal Property Tax Payers,  
Current Year and Nine Years Ago  
"Unaudited"*

Table 7

<i>Taxpayer</i>	<i>2013</i>			<i>2004</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	16.44%	Utility/Watershed	Providende Water Supply Board	151,537,780	26.43%	Utility/Watershed
Narragansett Electric, Co.	9,172,570	1.17%	Utility/Electric	Narragansett Electric, Co.	7,882,470	1.37%	Utility/Electric
Providence Public Build Auth	3,216,701	0.41%	Utility/Watershed	Providence Public Build Auth	3,502,170	0.61%	Utility/Watershed
Cox Communications	3,187,410	0.41%	Utility/Cable	Cox Communications	1,967,040	0.34%	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	1,173,829	0.20%	Motor Vehicle Leasing
Toyota Motor Credit Corp	1,173,223	0.15%	Motor Vehicle Leasing	Cavanagh, Peter A et ux Theresa A	1,051,300	0.18%	Residentail
Scituate Commons	841,220	0.11%	Residential Apartments	General Motors Acceptance Corp	1,087,004	0.19%	Motor Vehicle Leasing
Cavanagh, Peter A., et us Theresa	973,650	0.12%	Residential	Ciunci, Vincent R. ET UX Mary	673,450	0.12%	Residentail
Honda Lease Trust	1,048,093	0.13%	Motor Vehicle Leasing	Chase Manhattan Auto	639,980	0.11%	Motor Vehicle Leasing
<b>Totals</b>	<b>\$151,303,985</b>	<b>19.31%</b>			<b>\$ 170,878,223</b>	<b>29.80%</b>	

Sources: Town of Scituate Tax Assessor

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

(2) 2012 and 2003 Tax Rolls

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

Table 8

<i>Fiscal Year</i>	<i>Net Adjusted Tax Levy</i>	<i>Current Tax Collections</i>	<i>Percent of Current Taxes Collected</i>	<i>Delinquent Tax Collections</i>	<i>Total Tax Collections</i>	<i>Ratio of Total Tax Collections to Net Tax Levy</i>	<i>Net Outstanding Delinquent Taxes</i>	<i>Ratio of Delinquent Taxes to Net Tax Levy</i>
2004	17,453,485	13,847,720	79.3%	3,600,247	17,447,967	100.0%	5,518	0.0%
2005	18,715,191	14,877,743	79.5%	3,831,490	18,709,233	100.0%	5,958	0.0%
2006	20,028,518	16,436,121	82.1%	3,580,045	20,016,166	99.9%	12,352	0.1%
2007	21,237,280	17,443,409	82.1%	3,780,258	21,223,667	99.9%	13,613	0.1%
2008	22,358,161	18,707,533	83.7%	3,597,630	22,305,163	99.8%	52,998	0.2%
2009	23,485,597	19,346,238	82.4%	4,067,993	23,414,231	99.7%	71,366	0.3%
2010	24,578,625	20,203,423	82.2%	4,298,323	24,501,746	99.7%	76,879	0.3%
2011	24,851,608	19,801,247	79.7%	4,964,476	24,765,723	99.7%	85,885	0.3%
2012	25,517,718	20,328,684	79.7%	4,947,474	25,276,158	99.1%	241,560	0.9%
2013	25,762,100	20,421,168	79.3%	0	20,421,168	79.3%	5,340,932	20.7%

Notes:

(1) Source: Schedule of Tax Collections

**Town of Scituate, Rhode Island**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**"Unaudited"**

Table 9

<b>Fiscal Year</b>	<b>Governmental Activities</b>				<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Note Payable</b>	<b>Loan Payable</b>	<b>Capital Lease</b>			
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	5.25% (a)	1,475.93
2011	9,367,500	-	3,902,950	-	13,270,450	4.57% (a)	1,285.40
2012	7,625,500	-	3,750,300	-	11,375,800	3.92% (a)	1,101.88
2013	5,847,000	-	3,592,650	-	9,439,650	3.25% (a)	914.34

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.

(b) Ratio is calculated using personal income from 2010 census year.



**Town of Scituate, Rhode Island**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**"Unaudited"**

<b><u>Fiscal Year</u></b>	<b><u>General Bonded Debt Outstanding</u></b>		<b><u>Percentage of Actual Taxable Value (a) of Property</u></b>	<b><u>Table 10</u></b>
	<b><u>General Obligation Bonds</u></b>	<b><u>Total</u></b>		<b><u>Per Capita (b)</u></b>
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
2013	5,847,000	5,847,000	0.75%	566.35

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 Schedule 14.

*Town of Scituate, Rhode Island  
Direct and Overlapping Governmental Activities Debt  
As of March 31, 2013  
"Unaudited"*

*Table 11*

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

**Town of Scituate, Rhode Island  
Legal Debt Margin Information  
Last Ten Fiscal Years  
"Unaudited"**

**Table 12**

	<i>Fiscal Year</i>									
	<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>	<u>2013</u>
Debt limit	\$ 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	\$ 23,506,925
Total net debt applicable to limit	<u>3,041,807</u>	<u>2,663,348</u>	<u>2,751,389</u>	<u>2,813,930</u>	<u>3,138,965</u>	<u>3,011,500</u>	<u>8,944,500</u>	<u>7,532,500</u>	<u>\$ 6,225,500</u>	<u>\$ 5,847,000</u>
Legal debt margin	<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>	<u>\$ 17,659,925</u>
Total net debt margin as a percentage of debt limit	81.88%	88.92%	88.78%	89.26%	89.29%	89.81%	68.87%	67.58%	73.32%	75.13%

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"***

**Table 13**

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

**Town of Scituate, Rhode Island  
Demographic and Economic Statistics,  
Last Ten Fiscal Years  
"Unaudited"**

**Table 14**

<b><u>Fiscal Year Ended March</u></b>	<b><u>Population (1)</u></b>	<b><u>Median Family Income (1)</u></b>	<b><u>Per Capita Personal Income (1)</u></b>	<b><u>Median Age(1)</u></b>	<b><u>School Enrollment (2)</u></b>	<b><u>Unemployment Rate (3)</u></b>
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%
2013	10,324	60,788	28,092	39.7	1,502	8.8%

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.

**Principal Employers  
Current Year and Nine Years Ago  
"Unaudited"**

**Table 15**

<b><i>Employer</i></b>	<b>2013</b>		
	<b><i>Employees</i></b>	<b><i>Rank</i></b>	<b><i>Percentage of Total Town Employment</i></b>
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 Bristo LLL	10	10	0.16%
Total	702		11.15%

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

**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>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>	<u>2013</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	3.0	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	4.0	4.0	4.0	4.0	4.5	3.0	3.0	3.0	3.0	3.0
Planning										
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	7.0	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	2.5	2.0	2.0	2.0	2.0	2.0
Tax Collection	2.5	2.5	2.5	2.5	2.5	2.0	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	17.0	17.0	16.0	17.0	17.0	16.0	17.0	17.0
Civilians	7.0	7.0	6.0	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	1	1	1	1
Civilians	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Emergency Management	1.0	1.0	1.0	1.0	0.5	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	0.5	0.5	0.5	0.5	0.0	0.0
Highway										
Driver/Laborer/ Building/Grounds	7.4	6.4	6.4	6.4	5.0	6.0	6.0	6.0	7.0	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	1.0	1.0	1.0	1.0	1.0	1.0
Recreation Department										
Director	1.0	1.0	1.3	1.3	0.0	*0.4	*0.4	*0.4	*0.4	*0.4
Summer Programs	69.0	75.0	75.0	75.0	82.0	93.0	93.0	93.0	93.0	84.0
Human Services Department								1.0		
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0
Meal site	1.3	1.5	1.5	1.5	1.5	1.5	1.5	0.8	1.5	1.5
Senior Van Driver	0.8	0.8	0.8	0.1	0.8	0.8	0.8	0.8	0.8	0.8

Source: Comprehensive Annual Financial Report/ Miscellaneous Statistics Unaudited

\*Seasonal

**Town of Scituate, Rhode Island  
Operating Indicators by Function/Program  
Last Ten Fiscal Years  
"Unaudited"**

<b>Function/Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Public Safety (1)										
Police										
Calls	8,572	8,396	7,720	9,144	7,904	10,202	12,000	18,010	16,344	10,442
Physical Arrests	239	243	245	280	164	176	189	236	316	129
Citations	1,733	1,601	1,339	1,888	1,056	1,086	853	594	1,340	690
Accidents	316	353	362	273	284	300	195	388	273	181
Animal Control										
Dog Licenses Issued	648	658	659	408	408	576	576	576	600	510
Building/Zoning (1)										
Commercial Construction Permits	-	-	1	-	-	3	6	-	2	-
Residential Construction Permits 2 -Family	40	10	22	2	2	9	6	20	16	8
	-	-	-	-	-	1	-	-	-	-

Sources: Various Town departments.

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

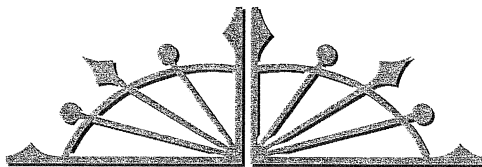


**Town of Scituate, Rhode Island**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**"Unaudited"**

**Table 18**

<b>Function/Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
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	56.7	56.7	56.7	56.7
Street (miles- local paved)	83.0	83.0	83.0	83.0	83.0	86.7	86.7	86.7	87.4	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	5	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	6	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	3	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

***TOWN OF SCITUATE, RHODE ISLAND  
SINGLE AUDIT  
FOR THE YEAR ENDED MARCH 31, 2013***



## BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

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*Partners*

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

### 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*

#### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the Town of Scituate's basic financial statements, and have issued our report thereon dated September 24, 2013.

#### **Internal Control Over Financial Reporting**

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

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

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

**Purpose of this Report**

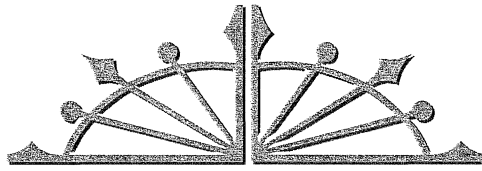
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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

A handwritten signature in cursive script that reads "Baxter, Danisereau & Associates, LLP". The signature is written in black ink and is positioned above the printed name of the firm.

Baxter, Danisereau & Associates, LLP

West Warwick, Rhode Island

September 24, 2013



**BAXTER DANSEREAU & ASSOCIATES, LLP**

Accounting, Consulting & Tax Services

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*Partners*

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

**REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

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

**Report on Compliance for the Major Federal Program**

We have audited the Town of Scituate's compliance with the 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, 2013. The Town of Scituate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Scituate's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 Town of Scituate'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 on compliance for the major federal programs. However, our audit does not provide a legal determination of Town of Scituate's compliance.

## Opinion on Each Major Federal Program

In our opinion, Town of Scituate, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended March 31, 2013.

## Report on Internal Control Over Compliance

Management of Town of Scituate is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Scituate's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Town of Scituate's internal control over compliance.

*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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Baxter, Dansereau & Associates, LLP  
West Warwick, Rhode Island  
September 24, 2013

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended March 31, 2013**

	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
<b>Passed through the State of Rhode Island Department of Education</b>			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	N/A	\$ 6,313
National School Lunch Program	10.555	N/A	99,258
Special School Milk Program for Children	10.556	N/A	733
Food Donation (Note 4)	10.550	N/A	7,060
<b>Total Passed through State of RI Department of Education</b>			<u>113,364</u>
<b>U.S. Department of Energy</b>			
<b>Passed through the State of Rhode Island Office of Energy</b>			
ARRA Energy Efficiency and Conservation Block Grant Program	81.128	N/A	\$ 15,200
<b>Total U.S. Department of Energy</b>			<u>\$ 15,200</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Passed through the State of Rhode Island Office of Housing and Community Development</b>			
Community Development Block Grant/States Program	14.228	Various	\$ 42,774
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ 42,774</u>
<b>U.S. Department of Justice</b>			
<b>Passed through the State of Rhode Island Department of Justice</b>			
Enforcing Underage Drinking Laws Program	16.727	15-0405-0-1-754	\$ 4,000
<b>Total U.S. Department of Justice</b>			<u>\$ 4,000</u>
<b>U.S. Department of Education</b>			
<b>Passed-through the State of Rhode Island Department of Education</b>			
Title I Grants to Local Education Agencies	84.010A	2725-11702-001	\$ 169,189
ARRA - Education Jobs Fund	84.410	4572-13102-101	79
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027A	2725-13202-001	540,191
Special Education - Preschool Grants	84.173A	2725-13502-001	28,357
Improving Teacher Quality State Grants	84.367A	2725-16402-001	41,262
<i>Race to the Top Cluster:</i>			
ARRA - Race to the Top - Educator	84.395	4572-13502-130	3,000
ARRA - Race to the Top - HS Set Aside	84.395	4572-13502-160	26,009
ARRA - Race to the Top - EE Set Aside	84.395	4572-13502-170	5,706
ARRA - Race to the Top - HCD Set Aside	84.395	4572-13502-180	5,637
<b>Total U.S. Department of Education</b>			<u>\$ 819,430</u>
<b>Total Federal Expenditures</b>			<u>\$ 994,768</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For The Year Ended March 31, 2013**

**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 that are not considered to be material weaknesses?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness (es) identified?      yes   X   no

Significant deficiency (ies) identified that are not considered to be material weakness (es)?      yes   X   none reported

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

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

**Identification of major programs:**

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
	<i>Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants

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

Auditee qualified as low risk auditee?      yes   X   no

**SECTION II – FINANCIAL STATEMENT FINDINGS**      yes   X   none

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**      yes   X   none



*TOWN OF SCITUATE, RHODE ISLAND*  
*Schedule of Findings and Questioned Costs*  
*For The Year Ended March 31, 2013*  
*(continued)*

**SECTION II – FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT  
AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**A. Significant Deficiency in Internal Control**

None Reported.

**B. Compliance**

None Reported.

**SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS**

**A. Finding**

None Reported

**B. Questioned Costs**

None Reported

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended March 31, 2013**

**PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS**

**A. Findings**

**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.

**Status:** The Town has submitted future request on a timely basis.

**B. Questioned Costs**

None Reported

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Schedule of Expenditures of Federal Awards**  
**March 31, 2013**

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of Scituate, Rhode Island.
2. **Basis of Accounting** - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.
3. **Determination of Type A, Type B and Major Programs** - The determination of Type A and Type B federal programs was based upon the expenditures for all federal programs for the Town of Scituate, Rhode Island. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended March 31, 2013, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

<u>CFDA</u>	<u>Program Name</u>
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants

4. **Non-Cash Assistance**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$7,060 represents the market value of such commodities used during the period.