

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

*For the Fiscal Year Ended*  
*March 31, 2011*

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

*For the Fiscal Year Ended*  
*March 31, 2011*

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

## **INTRODUCTORY SECTION**

**THIS SECTION CONTAINS  
THE FOLLOWING SUBSECTIONS:**

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*Letter of Transmittal*

*Certificate of Achievement for  
Excellence in Financial Reporting*

*Town of Scituate Organizational Chart*

*List of Town Officials*

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COMPREHENSIVE FINANCIAL REPORT  
For the Fiscal Year Ended March 31, 2011**

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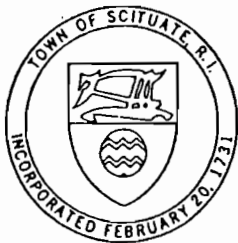
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# Town of Scituate

## Rhode Island

September 29, 2011

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, 2011, is submitted herewith. This report was prepared by the Treasurer's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rests with the Town. We believe the information, as presented, is accurate in all material aspects: that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain adequate understanding of the Town's financial affairs have been included.

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

### GENERAL

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

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

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

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

## Government

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

## Education

The public school system of the Town consists of one senior high school, one middle school and three elementary schools. A five-member School Committee that is elected at-large at the regular biennial elections for four-year term directs the general administration of the Scituate School Department. The School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a detailed budget of expenditures and revenues to the voters at an annual Financial Town Meeting and, once the school budget is approved, determines the allocation of the amount appropriated. The school enrollment for September 1, 2011 is 1652. The cost per student was \$11,921.00 shared by the Town and the State of Rhode Island in the form of School Operation Aid. The cost of operating the Town's school system for the fiscal year ended March 31, 2011 was \$18,901,009 and \$21,080,786 has been budgeted for fiscal year ending March 31, 2012.

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>	<i>Actual</i>	<b><u>Enrollment</u></b>
2004	.....	1,793
2005	.....	1,814
2006	.....	1,792
2007	.....	1,873
2008	.....	1,806
2009	.....	1,700
2010	.....	1,660
2011	.....	1,652
<i>Projected</i>		
2012	.....	1,558
2013	.....	1,550
2014	.....	1,520

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 16 full time members. In fiscal 2011 the Police Department expended \$1,682,288. The Department's fiscal 2012 budget is \$1,806,128.

### *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 \$721,639 in fiscal 2011 and \$783,932 is budgeted for fiscal 2012.

### *Emergency Management Services*

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

### *Emergency Medical Services*

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

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

### *Senior Services Center*

The Town has a full time Senior Service Center located at 1315 Chopmist Hill Road, North Scituate. Today this is a fully functional facility including the senior meal site, operating 3(three) days per week. In fiscal 2011 the Senior Services Department expended \$123,442 and \$123,920 is budgeted for fiscal 2012.

### *Public Works, Sewers and Water*

The Town's Public Works Department maintains the Town's property including highways and public buildings. The Department expended \$1,761,419 in fiscal 2011 and the fiscal 2012 budget is \$2,041,639.

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 2011 appropriation was \$422,707 and the fiscal 2012 budget is level funded at \$422,707.

## **Employee Relations**

As of March 31, 2011 the Town had 23 full-time and approximately 82 part-time and seasonal employees exclusive of the School and Police Departments. The Police Department employed 16 uniformed officers, 5 full-time and 1 part-time civilian employees and 1 full-time and 1 part-time animal control officers. The School Department as of such date had 200 full and part-time professional, as well as 58 part-time and full-time non-professional employees.

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

## **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 2010 was 10,329.

<b><u>Year</u></b>	<b><u>Population</u></b>
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

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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:

	<b>ANNUALIZED</b>									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Town of Scituate	5.4%	5.8%	5.1 %	5.8%	5.0%	5.3%	7.0%	12.5%	11.9%	11.1%
State of Rhode Island	5.1%	5.3%	4.6%	5.5%	5.1%	5.2%	7.5%	12.4%	12.9%	11.5%
United States	5.8%	6.0%	5.4%	5.4%	4.3%	5.0%	5.5%	9.5%	10.2%	8.8%

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

## Employment

In 2010 the Town had 246 private business and industrial firms subject to the payment of employment security taxes. During that period, the payrolls for those firms totaled \$ 12,870,403 and the average number of Persons employed were 1,478. 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, 2010.

<u>Industry</u>	<u>Year Ended December 31, 2010</u>		
	<u>Average No. of Units</u>	<u>Annual Payroll</u>	<u>Average No. of Employees</u>
Agr., Fish., Mining	11	\$ 94,007	17
Construction	59	1,142,371	144
All Manufacturing	12	210,868	34
Transportation/Warehousing	11	180,574	41
Wholesale Trade	9	213,347	16
Retail Trade	18	1,047,567	177
Fin., Ins., Real Estate	16	446,012	49
Service Industries	97	1,988,084	340
Government	13	7,547,573	660
<b>Totals</b>		<u>\$12,870,403</u>	<u>1,478</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%. Scituate's 2000 median family income ranked 5th among Rhode Island cities and towns.

The per capita income of the Town was \$28,092 compared to \$21,688 for the State. Per capita income in the Town increased from \$18,400 in 1990 to \$28,092 in 2000, an increase of 52.6%. Scituate's 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>Year</u>	<u>Permits Issued</u>	<u>Value</u>
1994	572	14,004,930
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

<u>Year</u>	<u>Permits Issued</u>	<u>Value</u>
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

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

## **Housing**

At the end of 2010/2011 (4/1/2010 through 3/31/2011) sale prices for single family homes in Scituate ranged from \$60,000 to \$600,000. The median sales price for homes in Scituate was \$235,000 and the average sales price was \$253,892.

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 major mill restoration project for mixed use-condominiums is stalled in the Hope Village. The project is currently in receivership. If the project comes to fruition, municipal sewers would be installed and some portions of the Village would get service. Financing and environmental issues also need to be resolved.
- A proposal for 15 duplexes – w/30% affordable Housing, on Old Hope Kent Road, has been approved for Master Plan, but has been appealed to the State Housing Appeals Board by the Developer. The appeal is languishing through the legal process.
- Construction has begun on a 36 Lot subdivision on Nipmuc Road; there are 8 houses in various stages of completion.
- A plan for 12 condominiums – 3 Affordable on Hartford Pike, received master plan approval and has obtained some state permits.
- The Dexter Credit Union has brought forth plans to build a new bank at the former “Fleet” bank site on Danielson Pike.
- Oakhill Acres Section 63 – between Trout Brook Lane and Oak Hill Road – received Master Plan approval for 16 House Lots.
- An 8 Lot extension of French Land received preliminary 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.

- With funds from a State Energy Grant the Town Hall is receiving all new windows and exterior doors.
- The Congregational Church is being completely sanded and repainted; the Scituate Art Festival Committee is paying for the work.
- The Plan Commission has been working updated regulations and will be considering Low Impact Development Standards.
- The North Scituate Library recently completed a beautiful addition to the rear of building, along Silk Lane.

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.

**Debt Administration**

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Town's financial position for management, citizens and investors. At March 31, 2011 the Town's bonded debt to assessed valuation was as follows:

	<u>Amount</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
Net Direct Bonded Debt	\$9,367,500	1.21%	\$906.91

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

**Cash Management**

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

**Risk Management**

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

**Independent Audit**

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

## **Reporting Achievement**


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Scituate for its comprehensive annual financial report for the fiscal year ended March 31, 2010. 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 2011.

## **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,



Theodore J. Przybyla  
Town Treasurer

TJP/dag

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Scituate  
Rhode Island

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
March 31, 2010

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

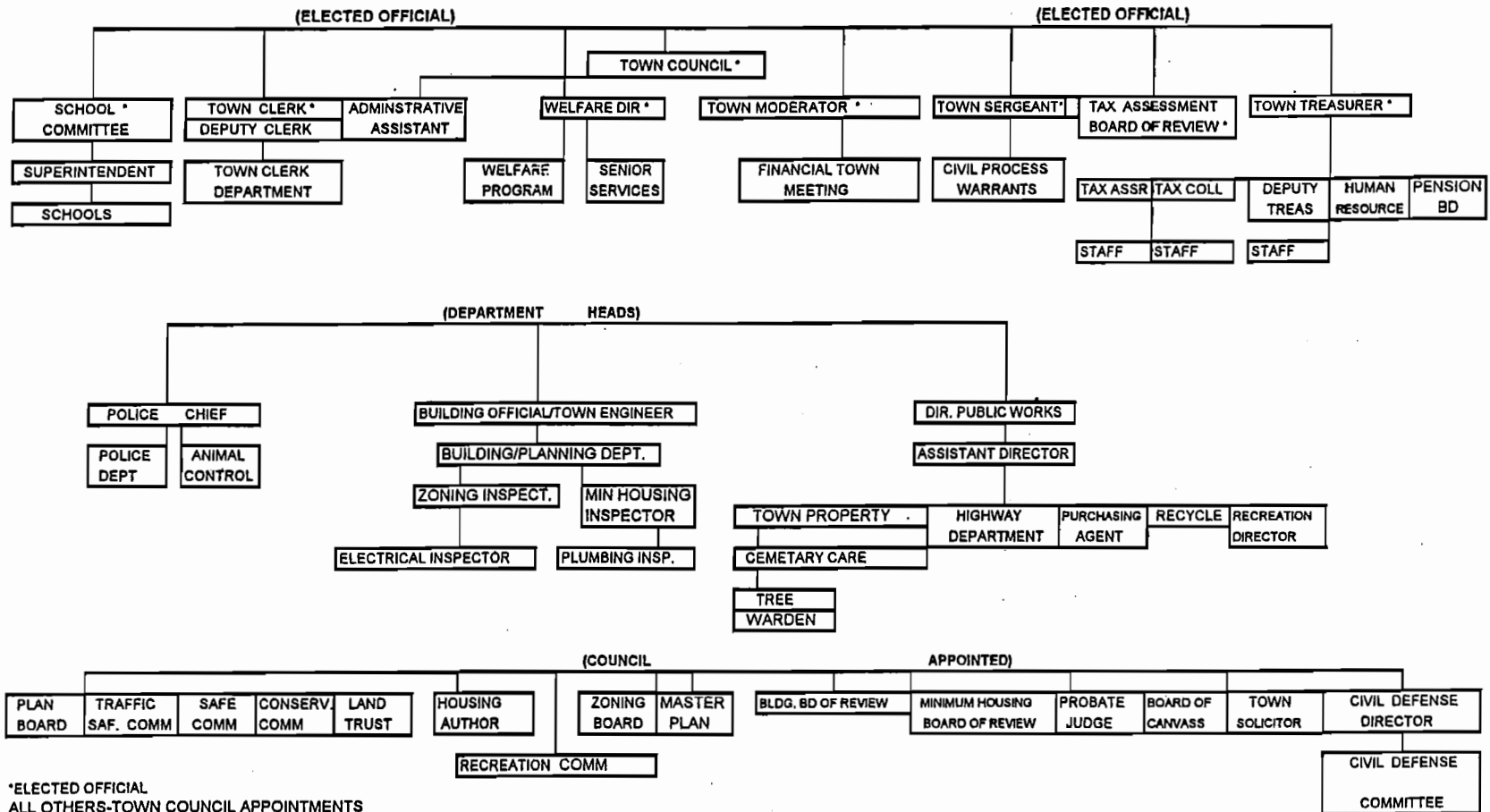


President

Executive Director



# TOWN OF SCITUATE ORGANIZATIONAL CHART



\*ELECTED OFFICIAL  
ALL OTHERS-TOWN COUNCIL APPOINTMENTS

***TOWN OF SCITUATE, RHODE ISLAND***

***Town Treasurer***

Theodore J. Przybyla

***Town Council***

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

## **FINANCIAL SECTION**

**THIS SECTION CONTAINS THE FOLLOWING:**

*Independent Auditors' Report*

*Management Discussion and Analysis*

*Basic Financial Statements*

*Required Supplementary Information*

*Other Supplementary Information*

***INDEPENDENT AUDITORS' REPORT***

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island, as of and for the year ended March 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Scituate, Rhode Island's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island, as of March 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2011 on our consideration of the Town of Scituate, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and supplementary pension and other postemployment benefit information on pages 3 through 12 and 46 through 54 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and as required by the 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 of the Town of Scituate, Rhode Island. The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Bacon & Company, LLC". The signature is written in a cursive, flowing style.

Warwick, Rhode Island  
September 29, 2011

## **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, 2011. 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, unreserved fund balance for the general fund was \$2,665,483, or 8.4% of total 2011 budgeted expenditures. This is a decrease of \$276,447 from the prior year unreserved fund balance.

The Town ended fiscal year 2011 with a budgetary operating surplus of \$646,753 and the School ended with a budgetary operating surplus of \$1,303,708.

The Town of Scituate's total bonded debt decreased by \$1,832,000. This was due to scheduled repayment of existing debt.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

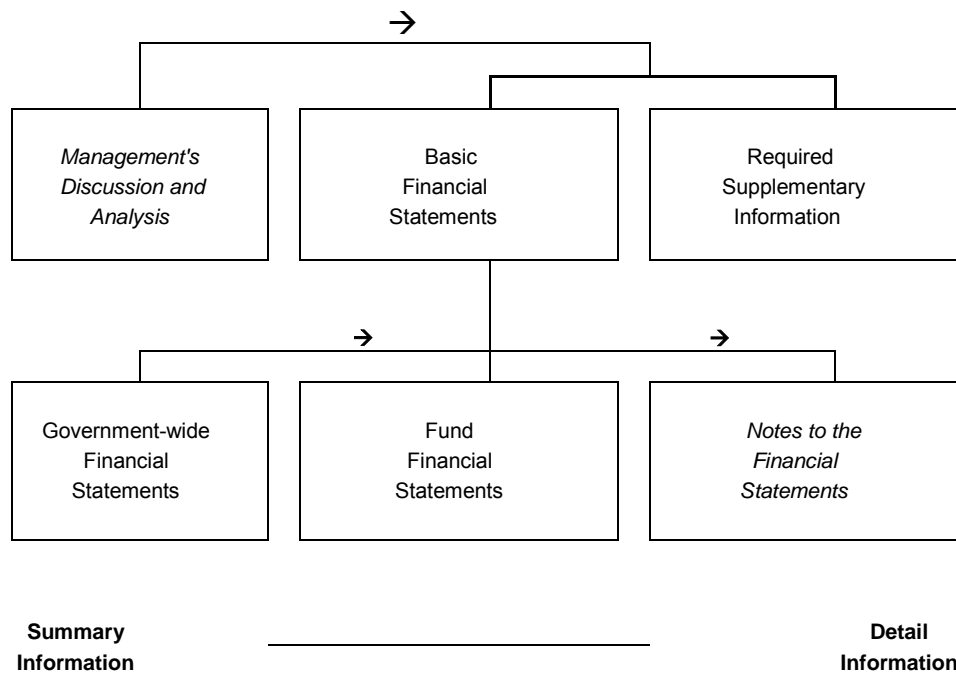


Figure A- 2

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

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

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

### Government-Wide Statements

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



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

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

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

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

## **Fund Financial Statements**

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

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

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

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

The Town maintains seventy-five governmental funds; two are considered major funds and are 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 funds are: 1. General Fund; and 2. School Unrestricted Fund.

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

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Town's net assets totaled \$11,601,899 at the close of the most recent fiscal year.

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

**Town of Scituate Net Assets  
March 31, 2011 and 2010**

	<b>3/31/2011</b>	<b>3/31/2010</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b><u>Activities</u></b>	<b><u>Activities</u></b>
Current and other assets	\$10,409,093	\$11,240,900
Capital assets	<u>21,111,545</u>	<u>21,285,250</u>
Total assets	31,520,638	32,526,150
Current liabilities	4,413,405	4,917,811
Long-term liabilities	<u>15,505,334</u>	<u>16,769,074</u>
Total liabilities	19,918,739	21,686,885
Net Assets:		
Invested in capital assets,	\$12,104,545	\$11,598,150
net of related debt		
Restricted for:		
Specific Projects and Programs	681,967	585,995
Unrestricted	<u>(1,184,613)</u>	<u>(1,344,880)</u>
<b>Total net assets</b>	<b><u>\$11,601,899</u></b>	<b><u>\$10,839,265</u></b>

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

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

**Changes in Net Assets**

The government's net assets increased by \$762,634 during the current fiscal year.

**Town of Scituate Changes in Net Assets  
For the Year Ended March 31, 2011 and 2010**

	<b>3/31/2011</b> <b>Governmental</b> <b><u>Activities</u></b>	<b>3/31/2010</b> <b>Governmental</b> <b><u>Activities</u></b>
Program revenues:		
Charges for services	\$ 1,333,377	\$ 1,288,999
Operating grants and contributions	5,650,603	4,896,729
Capital grants and contributions	<u>250,000</u>	<u>88,145</u>
Total program revenues	<u>7,233,980</u>	<u>6,273,873</u>
General revenues:		
Property taxes	24,834,047	24,615,000
State aid and in lieu of taxes, unrestricted	455,126	1,722,883
Investment earnings and miscellaneous	<u>21,785</u>	<u>19,129</u>
Total general revenues	<u>25,310,958</u>	<u>26,357,012</u>
Total revenues	<u>32,544,938</u>	<u>32,630,885</u>
Expenses:		
General government	1,485,973	6,653,132
Public safety	4,286,342	4,116,636
Public works	2,407,004	2,459,391
Social services	891,122	866,246
Education	22,181,976	22,483,750
Interest Expense	<u>529,887</u>	<u>562,399</u>
Total Expenses	<u>31,782,304</u>	<u>37,141,554</u>
Increase (Decrease) in net assets	762,634	(4,510,669)
Net assets – beginning of year	<u>10,839,265</u>	<u>15,349,934</u>
<b>Net assets – end of year</b>	<b><u>\$11,601,899</u></b>	<b><u>\$10,839,265</u></b>

**Governmental activities.** Governmental activities increased the Town's net assets by \$762,634. 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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,285,598 which is a decrease of \$516,325 in comparison with the prior year. \$7,155,155 or 98% of this total amount represents unreserved 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, unreserved fund balance of the general fund was \$2,665,483. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 8.4% 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 7, 2010 for the fiscal year 2011. There were no material department overages.

## **Capital Assets and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental activities as of March 31, 2011 amounted to \$21,111,545 (net of accumulated depreciation). This investment in capital assets includes infrastructure, land, buildings, improvements, machinery and equipment, vehicles and construction in progress.

## Town of Scituate Capital Assets

### Governmental Activities:

	<u>ENDING BALANCE 3/31/2011</u>	<u>ENDING BALANCE 3/31/2010</u>
<b>Governmental activities:</b>		
<b>Nondepreciable assets:</b>		
Land & land rights	\$ 1,982,448	\$ 1,982,448
Construction in progress	<u>0</u>	<u>3,978,862</u>
	1,982,448	5,961,310
<b>Depreciable assets:</b>		
Infrastructure		
Buildings & improvements	37,814,461	32,921,720
Office furniture & equipment	1,405,065	1,374,351
Machinery & equipment	2,688,643	2,683,291
Vehicles	<u>4,839,135</u>	<u>4,810,767</u>
<b>TOTAL CAPITAL ASSETS</b>	<u>48,729,752</u>	<u>47,751,439</u>
Less accumulated depreciation for:		
Infrastructure		
Buildings & improvements	20,641,407	19,957,454
Office furniture & equipment	1,225,353	1,169,803
Machinery & equipment	2,026,711	1,906,663
Vehicles	<u>3,724,736</u>	<u>3,432,269</u>
<b>TOTAL ACCUMULATED     DEPRECIATION</b>	<u>27,618,207</u>	<u>26,466,189</u>
<b>GOVERNMENTAL ACTIVITIES   CAPITAL ASSETS, NET</b>	<u>\$21,111,545</u>	<u>\$21,285,250</u>

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

**Long-term debt.** At the end of the fiscal year, the Town had total bonded debt outstanding of \$9,367,500. General obligation bonds are backed by the full faith and credit of the Town, including the Town's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens.

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

State statute limits the amount of bonds a governmental entity can issue to 3% of its total net assessed value, which approximates \$23,236,266. As of March 31, 2011 the Town's debt, subject to the 3% limit, was \$7,532,500 which is under the debt limit by \$15,703,766.

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

## **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the Town of Scituate is 11.9 percent. This compares to the State's average unemployment rate of 12.9 percent and the national average of 10.2 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 2011-12 fiscal year.

- The School operating costs will be level-funded for the third year in a row at \$21,080,786 with no increase for year 2012.
- Labor costs are expected to rise moderately, however staff cuts through retirement, elimination of a two part-time and one full-time position, as well as combining several department head responsibilities, is projected to temper total costs.
- Contribution for municipal retirement system decreased slightly from 12.16% to 11.11%.
- All town union staff has agreed not to take a raise in their base pay for the third year in a row. Non-union staff has also agreed to a base wage freeze. 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 appropriated \$1,152,000 of the School Unrestricted Fund Balance for spending in the 2011-12 fiscal year Budget. The Town tax rates will be \$32.726 per thousand for residential real property and \$40.296 per thousand for commercial real property for fiscal year ending March 31, 2012. Both are calculated at 50% of total assessed value. These rates were derived after completion of the December 31, 2009 town-wide revaluation, review of all real, tangible and motor vehicle property assessments on December 31, 2010 and completion of the budget process.

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

## **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

### **THE BASIC FINANCIAL STATEMENTS INCLUDE:**

*Government-Wide Financial Statements*

*Fund Financial Statements:*

- Governmental Funds*
- Fiduciary Funds*

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



**TOWN OF SCITUATE, RHODE ISLAND**  
**Statement of Net Assets**  
**March 31, 2011**

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 2,793,709
Investments	1,686,909
Accrued interest receivable	101,881
Real estate and personal property tax receivable (net)	5,226,305
Due from federal and state government	399,877
Other receivables	122,734
<b>Total current assets</b>	<u>10,331,415</u>
<b>Noncurrent assets:</b>	
Capital assets: (Note 2)	
Land and land rights	1,982,448
Depreciable buildings, property, equipment, and infrastructure (net)	19,129,097
Other assets (net)	77,678
<b>Total noncurrent assets</b>	<u>21,189,223</u>
<b>Total assets</b>	<u>31,520,638</u>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	1,938,448
Accrued interest payable	179,609
Unearned revenue	17,338
Other liabilities	203,766
Compensated absences payable	179,594
Long-term debt - due within one year (Note 6)	1,894,650
<b>Total current liabilities</b>	<u>4,413,405</u>
<b>Noncurrent liabilities:</b>	
Long-term debt - due in more than one year (Note 6)	11,455,063
Compensated absences payable	268,691
Net pension obligation	2,766,715
Net other post-employment benefits obligation	1,014,865
<b>Total noncurrent liabilities</b>	<u>15,505,334</u>
<b>Total liabilities</b>	<u>19,918,739</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	12,104,545
Restricted for:	
Education programs	230,756
Social service programs	193,303
Public safety programs	55,413
Town clerk records projects	72,052
Cemetery care - expendable	130,443
Unrestricted	(1,184,613)
<b>Total net assets</b>	<u>\$ 11,601,899</u>

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

**TOWN OF SCITUATE, RHODE ISLAND**

*Statement of Activities*

*For the Fiscal Year Ended March 31, 2011*

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>			<i>Net (Expense)</i>
		<i>Charges for</i>	<i>Operating</i>	<i>Capital</i>	<i>Revenue</i>
		<i>Services</i>	<i>Grants and</i>	<i>Grants and</i>	<i>and Changes</i>
			<i>Contributions</i>	<i>Contributions</i>	<i>in Net Assets</i>
					<i>Total</i>
					<i>Governmental</i>
					<i>Activities</i>
<b><i>Governmental Activities:</i></b>					
General government	\$ 1,485,973	\$ 454,163	\$ -	\$ -	\$ (1,031,810)
Public safety	4,286,342	373,800	223,896	-	(3,688,646)
Public works	2,407,004	17,350	15,946	250,000	(2,123,708)
Social services	891,122	43,499	331,200	-	(516,423)
Education	22,181,976	444,565	4,794,956	-	(16,942,455)
Interest expense	529,887	-	284,605	-	(245,282)
<b><i>Total</i></b>	<b><u>31,782,304</u></b>	<b><u>1,333,377</u></b>	<b><u>5,650,603</u></b>	<b><u>250,000</u></b>	<b><u>(24,548,324)</u></b>
<b><i>General Revenues:</i></b>					
Taxes:					
Property taxes					24,834,047
State aid and in lieu of taxes, unrestricted					455,126
Investment earnings					8,299
Miscellaneous					13,486
<b><i>Total general revenues</i></b>					<b><u>25,310,958</u></b>
<b><i>Change in net assets</i></b>					<b>762,634</b>
<b><i>Net assets - beginning of year</i></b>					<b><u>10,839,265</u></b>
<b><i>Net assets - end of year</i></b>					<b><u>\$ 11,601,899</u></b>

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

**TOWN OF SCITUATE, RHODE ISLAND**

**Balance Sheet  
Governmental Funds  
March 31, 2011**

	<b>General Fund</b>	<b>School Unrestricted Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,551,788	\$ 9,583	\$ 1,311,834	\$ 2,873,205
Investments	1,675,000	-	11,909	1,686,909
Real estate and personal property tax receivable	5,426,305	-	-	5,426,305
Due from federal and state governments	13,119	-	386,758	399,877
Due from other funds	116,844	2,961,558	1,706,834	4,785,236
Other receivables	36,609	60,700	25,425	122,734
<b>Total assets</b>	<b>\$ 8,819,665</b>	<b>\$ 3,031,841</b>	<b>\$ 3,442,760</b>	<b>\$ 15,294,266</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Cash overdraft	\$ -	\$ 79,496	\$ -	\$ 79,496
Accounts payable and accrued expenditures	377,788	1,301,295	259,365	1,938,448
Due to other funds	4,614,973	107,870	62,393	4,785,236
Deferred revenues	959,026	-	42,696	1,001,722
Other liabilities	202,395	1,371	-	203,766
<b>Total liabilities</b>	<b>6,154,182</b>	<b>1,490,032</b>	<b>364,454</b>	<b>8,008,668</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for cemetery care	-	-	130,443	130,443
Unreserved:				
Designated for subsequent year budget	160,000	1,152,000	-	1,312,000
Undesignated	2,505,483	389,809	-	2,895,292
Unreserved, reported in:				
Special revenue funds	-	-	2,127,880	2,127,880
Capital project funds	-	-	819,983	819,983
<b>Total fund balances</b>	<b>2,665,483</b>	<b>1,541,809</b>	<b>3,078,306</b>	<b>7,285,598</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,819,665</b>	<b>\$ 3,031,841</b>	<b>\$ 3,442,760</b>	<b>\$ 15,294,266</b>

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**March 31, 2011**

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<b>Total Fund Balances - Total Governmental Funds</b>	\$ 7,285,598
<b>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</b>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 2 to the financial statements.	21,111,545
Accrued interest receivable on property taxes is reported as revenue in the Government-Wide Financial Statements in the period earned. In the Governmental Fund Financial Statements, interest on property taxes is reported when received.	101,881
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are reported as deferred revenue (a liability) in the Governmental Fund Financial Statements.	959,026
Allowance for uncollectible property taxes receivable is reported in the Government-Wide Financial Statements, but is not reported in the Governmental Funds Balance Sheet.	(200,000)
Other receivables are not available to pay for current period expenditures and, therefore, are deferred in the Governmental Funds Financial Statements.	25,358
Debt issuance costs are reported as expenditures in the Governmental Funds Financial Statements. The cost and related accumulated amortization is reflected as an other asset on the Government-Wide Financial Statements.	77,678
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	(179,609)
Long-term liabilities (including bonds, loans and notes payable, net pension obligation, net OPEB obligation, and compensated absences) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet. See note 6A to the financial statements.	<u>(17,579,578)</u>
<b>Net Assets - Governmental Activities</b>	<u><u>\$ 11,601,899</u></u>

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended March 31, 2011**

	<b>General Fund</b>	<b>School Unrestricted Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
General property taxes	\$24,698,174	\$ -	\$ -	\$24,698,174
Federal and state aid and grants	676,122	3,160,068	2,496,173	6,332,363
Charges for services	748,903	185,007	286,882	1,220,792
Fines and penalties	49,698	-	-	49,698
Investment and interest income	76,635	-	1,607	78,242
Contributions and private grants	-	-	23,366	23,366
Miscellaneous	62,787	100	2,883	65,770
<b>Total revenues</b>	<u>26,312,319</u>	<u>3,345,175</u>	<u>2,810,911</u>	<u>32,468,405</u>
<b>Expenditures:</b>				
Current:				
General government	1,021,452	-	10,125	1,031,577
Public safety	2,745,209	-	10,877	2,756,086
Public works	1,761,419	-	297,685	2,059,104
Social services	682,508	-	179,848	862,356
Education	-	19,693,282	2,557,566	22,250,848
Fixed charges and other	1,562,111	-	-	1,562,111
Debt service	-	-	2,513,248	2,513,248
<b>Total expenditures</b>	<u>7,772,699</u>	<u>19,693,282</u>	<u>5,569,349</u>	<u>33,035,330</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>18,539,620</u>	<u>(16,348,107)</u>	<u>(2,758,438)</u>	<u>(566,925)</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	-	-	50,600	50,600
Transfers from other funds	-	16,499,815	2,364,252	18,864,067
Transfers to other funds	(18,816,067)	-	(48,000)	(18,864,067)
<b>Total other financing sources (uses)</b>	<u>(18,816,067)</u>	<u>16,499,815</u>	<u>2,366,852</u>	<u>50,600</u>
<b>Net change in fund balances</b>	(276,447)	151,708	(391,586)	(516,325)
<b>Fund balances, beginning of year</b>	<u>2,941,930</u>	<u>1,390,101</u>	<u>3,469,892</u>	<u>7,801,923</u>
<b>Fund balances, end of year</b>	<u>\$ 2,665,483</u>	<u>\$ 1,541,809</u>	<u>\$ 3,078,306</u>	<u>\$ 7,285,598</u>

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in the Fund Balances to Government-Wide Statement of Activities**  
**For the Year Ended March 31, 2011**

<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$ (516,325)</b>
<b>Amounts reported for Governmental Activities in the Statement of Activities are different because:</b>	
Governmental Fund Financial Statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities the cost of those assets is allocated over its estimated useful life as depreciation expense. This is the amount of capital assets recorded in the current period.	1,018,729
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Fund Financial Statements.	(1,179,914)
Loss on the disposal of capital assets is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, the loss on the disposal of capital assets is not reported in the Governmental Fund Financial Statements.	(12,520)
Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, compensated absences are not reported as expenditures in Governmental Fund Financial Statements. The following amount represents the change in long-term compensated absences from the prior year.	(21,070)
Proceeds from the issuance of debt are an other financing source in the Governmental Fund Financial Statements, but the issuance of debt increases long-term liabilities in the Government-Wide Statement of Net Assets. This amount represents debt proceeds received during the current period.	(50,600)
Debt issued at a premium provides current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide Financial Statements. Debt issuance costs and loss on refundings are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide Financial Statements. This amount represents amortization on loss on refunding during the current period.	(6,935)
This amount represents amortization of premium on debt during the current period.	7,486
This amount represents amortization of debt issuance costs during the current period.	(6,073)
Repayment of bond, loan and note principal is an expenditure in the Governmental Fund Financial Statements, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Assets.	2,017,650
Accrued interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in the Governmental Fund Financial Statements. The following amount represents the change in accrued interest expense from the prior year.	25,709
The net pension and net OPEB obligation payable are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, the net pension and net OPEB obligations are not reported as an expenditure in the Governmental Fund Financial Statements. The following amount represents the change in the net pension and net OPEB obligation payable from the prior year.	(590,438)
Property taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are recognized as revenue when measurable and available in the Governmental Fund Financial Statements.	70,328
Principal payments received on loan receivables are reported as a reduction of the receivable in the Government-Wide Financial Statements. In the Governmental Fund Financial Statements, principal payments received are reported as revenue.	(2,048)
New loans receivable are reported as an increase in the receivable in the Government-Wide Financial Statements. In the Governmental Fund Financial Statements, new loans made are reported as an expenditure.	13,053
Accrued interest receivable on property taxes is reported as revenue in the Government-Wide Financial Statements in the period earned. In the Governmental Fund Financial Statements, interest on property taxes is reported when received.	(4,398)
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ 762,634</b>

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**March 31, 2011**

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	<u><i>Private- Purpose Trust Fund</i></u>	<u><i>Agency Funds</i></u>
<b><i>Assets</i></b>		
Cash and cash equivalents	\$ 51,718	\$ 151,794
<b><i>Total assets</i></b>	<u>51,718</u>	<u>151,794</u>
 <b><i>Liabilities</i></b>		
Deposits held in custody for others	<u>-</u>	<u>151,794</u>
<b><i>Total liabilities</i></b>	<u>-</u>	<u>151,794</u>
 <b><i>Net Assets</i></b>		
Held in trust for other purposes	<u>\$ 51,718</u>	<u>\$ -</u>

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended March 31, 2011**

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	<u><i>Private- Purpose Trust Fund</i></u>
<b><i>Additions</i></b>	
Interest income	\$ 90
<b><i>Total additions</i></b>	<u>90</u>
<b><i>Deductions</i></b>	
Administrative and other expense	-
<b><i>Total deductions</i></b>	<u>-</u>
 <b><i>Change in net assets</i></b>	 90
 <b><i>Net assets - beginning of year</i></b>	 <u>51,628</u>
<b><i>Net assets - end of year</i></b>	<u><u>\$ 51,718</u></u>

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



***TOWN OF SCITUATE, RHODE ISLAND***  
***Notes to Financial Statements***  
***March 31, 2011***

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, 2011**

***Government-Wide Financial Statements***

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

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

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

***Governmental Fund Financial Statements***

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

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2011**

**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.

**School Unrestricted Fund** – The School Unrestricted Fund is used to account for the budgeted resources devoted to financing the general operations of the School System.

**Fiduciary Fund Financial Statements**

Fiduciary Fund Financial Statements include a Statement of Net Assets and a Statement of Changes in Net Assets. The Town's Fiduciary Funds include a 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.

**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 and for the Town Council's Sunshine Fund.

**C. INVESTMENTS**

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

**D. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE**

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

**E. CAPITAL ASSETS AND DEPRECIATION**

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

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

***TOWN OF SCITUATE, RHODE ISLAND***  
***Notes to Financial Statements***  
***March 31, 2011***

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:

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

***F. DEFERRED REVENUE***

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

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

***G. PROPERTY TAXES***

The Town is permitted by State Law to levy property taxes. Current fiscal year tax collections for the Town were approximately 79.7% of the total 2010 levy. During the period April 1, 2011 through May 31, 2011, the Town collected an additional \$4,400,655 of the 2010 tax levy. The total collections therefore represent approximately 97.4% of the total 2010 levy. The tax rate of the Town is established by the Town Council.

The Town's fiscal 2010-2011 property taxes were levied on June 23, 2010 on assessed valuation as of December 31, 2009. Upon levy, taxes are billed and are due quarterly on July 1, October 1, January 1, and April 1. Failure to mail payments by due dates result in a lien on the taxpayer's property. Assessed values are established by Tax Assessor's Office and are currently calculated at 50% of assessed value for real estate and 95% of market value for motor vehicles. A full revaluation of all property was completed as of December 31, 2000 and a statistical revaluation was completed as of December 31, 2009. The City of Providence Water Supply Board is the Town's principal taxpayer representing 24% of the Town's net assessed valuation in fiscal 2011.

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2011**

***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, 2011.

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

***I. ACCRUED LIABILITIES AND LONG-TERM DEBT***

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

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

***J. DEBT PREMIUMS AND ISSUANCE COSTS***

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

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2011**

**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, 2011 was as follows:

	<u><i>Beginning Balance</i></u>	<u><i>Additions</i></u>	<u><i>Retirements</i></u>	<u><i>Ending Balance</i></u>
<b><i>Governmental Activities</i></b>				
Nondepreciable assets:				
Land and land rights	\$ 1,982,448	\$ -	\$ -	\$ 1,982,448
Construction in progress	3,978,862	520,844	4,499,706	-
	<u>5,961,310</u>	<u>520,844</u>	<u>4,499,706</u>	<u>1,982,448</u>
Depreciable assets:				
Buildings and improvements	16,271,500	4,551,106	-	20,822,606
Infrastructure	16,650,220	341,635	-	16,991,855
Office furniture and equipment	1,374,351	54,437	23,723	1,405,065
Machinery and equipment	2,683,291	5,352	-	2,688,643
Vehicles	4,810,767	45,061	16,693	4,839,135
<b><i>Total Capital Assets</i></b>	<u>47,751,439</u>	<u>5,518,435</u>	<u>4,540,122</u>	<u>48,729,752</u>
Less accumulated depreciation for:				
Buildings and improvements	7,558,080	374,879	-	7,932,959
Infrastructure	12,399,374	309,074	-	12,708,448
Office furniture and equipment	1,169,803	79,273	23,723	1,225,353
Machinery and equipment	1,906,663	120,048	-	2,026,711
Vehicles	3,432,269	296,640	4,173	3,724,736
<b><i>Total Accumulated Depreciation</i></b>	<u>26,466,189</u>	<u>1,179,914</u>	<u>27,896</u>	<u>27,618,207</u>
<b><i>Governmental Activities Capital Assets, Net</i></b>	<u>\$21,285,250</u>	<u>\$ 4,338,521</u>	<u>\$ 4,512,226</u>	<u>\$ 21,111,545</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2011**

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 936
Public Safety	297,513
Public Works	423,412
Social Services	31,987
Education	426,066
<b>Total Depreciation Expense</b>	<b><u>\$1,179,914</u></b>

**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 \$23,236,266. As of March 31, 2011, the Town's debt, subject to the 3% limit, was \$7,532,500, which is under the debt limit by \$15,703,766.

**DEFICIT FUND BALANCES** – The following nonmajor funds had deficit fund balances at March 31, 2011: Animal Shelter Bond Fund \$(8,450) and 2009 School Loan Fund \$(1,391).

**NOTE 4 – CASH DEPOSITS**

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

	<b><i>Carrying Amount</i></b>
Total Deposits	\$2,907,559
Add: Petty Cash	20
Add: Cash on Hand	37,924
Add: Investments classified as cash equivalents	51,718
<b>Total Cash and Cash Equivalents Reported in the Financial Statements</b>	<b><u>\$2,997,221</u></b>

**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, 2011, \$760,173 of the Town's bank balance of \$2,535,923 was exposed to custodial credit risk as follows:

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2011**

	<b><u>Bank Balance</u></b>
Insured (Federal depository insurance funds)	\$1,775,750
Collateralized with securities held by pledging financial institution's agent in the Town's name	-
Uninsured and uncollateralized	760,173
<b>Total</b>	<b><u>\$2,535,923</u></b>

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, 2011, the Town's uninsured or uncollateralized deposits with institutions were \$760,173. 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. 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. As of March 31, 2011, the Town had the following investments:

<b><u>Investment</u></b>	<b><u>Maturity</u></b>	<b><u>Fair Value</u></b>
MBIA RI Investment Pool	N/A – 2a7 – like pool	\$ 51,718
Bank of America Corp. Commercial Paper	04/07/11	125,000
Bank of America Corp. Commercial Paper	04/11/11	400,000
Bank of America Corp. Commercial Paper	04/14/11	500,000
Bank of America Corp. Commercial Paper	04/14/11	650,000
Federated Gov. Obligations Tax Managed Fund	N/A	11,909
<b>Total</b>		<b><u>1,738,627</u></b>
Less: Investments classified as cash equivalents		<b><u>(51,718)</u></b>
<b>Total Investments Reported in the Financial Statements</b>		<b><u>\$1,686,909</u></b>

**Interest Rate Risk** – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.



**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2011**

**Credit Risk** – The Town does not have a formal investment policy that limits its investment choices. As of March 31, 2011, the investment in the MBIA Rhode Island Investment Pool was not rated. The investment in Bank of America Corporation commercial paper was rated A-1 by Standard & Poor's and P-1 by Moody's. The investment in Federated Government Obligations Tax Managed Fund was rated AAAm by Standard & Poor's and Aaa by Moody's.

**Concentration of Credit Risk** – The Town places no limit on the amount the Town may invest in any one issuer. More than 5% of the Town's investments are in Bank of America Corporation commercial paper. The Bank of America Corporation commercial paper represented 96.34% of the Town's total investments and is reported in the Town's General Fund.

**NOTE 6 – LONG-TERM LIABILITIES**

**A. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended March 31, 2011 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, notes and loans payable:					
Bonds payable	\$ 11,199,500	\$ -	\$ 1,832,000	\$ 9,367,500	\$ 1,742,000
Notes payable	38,000	-	38,000	-	-
Loans payable	4,000,000	50,600	147,650	3,902,950	152,650
	<u>15,237,500</u>	<u>50,600</u>	<u>2,017,650</u>	<u>13,270,450</u>	<u>1,894,650</u>
Plus amortized premium on loans	142,233	-	7,486	134,747	-
Less deferred amount on refunding	<u>(62,420)</u>	<u>-</u>	<u>(6,936)</u>	<u>(55,484)</u>	<u>-</u>
Total bonds, notes and loans	<u>15,317,313</u>	<u>50,600</u>	<u>2,018,200</u>	<u>13,349,713</u>	<u>1,894,650</u>
Other liabilities:					
Compensated absences	427,215	182,666	161,596	448,285	179,594
Net pension obligation	2,454,952	311,763	-	2,766,715	-
Net other postemployment benefits obligation	<u>736,190</u>	<u>278,675</u>	<u>-</u>	<u>1,014,865</u>	<u>-</u>
<b>Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 18,935,670</u>	<u>\$ 823,704</u>	<u>\$ 2,179,796</u>	<u>\$ 17,579,578</u>	<u>\$ 2,074,244</u>

All debt of the governmental activities is general obligation debt. The payments on the bonds, notes and loans are made from the General Fund. The compensated absences from governmental activities are paid from the General Fund and School Unrestricted Fund.

# TOWN OF SCITUATE, RHODE ISLAND

## Notes to Financial Statements

March 31, 2011

### B. GENERAL OBLIGATION BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding April 1, 2010</u>	<u>New Issues</u>	<u>Maturities/ Refundings During Year</u>	<u>Outstanding March 31, 2011</u>
<b>School fund debt</b>								
Refunding bonds	07/15/2002	3.50%	04/01/2014	\$ 4,600,000	\$ 2,255,000	\$ -	\$ 420,000	\$ 1,835,000
				<u>4,600,000</u>	<u>2,255,000</u>	<u>-</u>	<u>420,000</u>	<u>1,835,000</u>
<b>General fund debt</b>								
General Laws - Section 45-12-2:								
General obligation bonds	04/15/2002	3.5%-5%	04/15/2012	870,000	255,000	-	85,000	170,000
General obligation bonds	04/15/2003	2%-3.5%	04/15/2013	1,830,000	810,000	-	190,000	620,000
General obligation bonds	05/12/2005	3.81%	05/12/2012	226,500	106,500	-	35,000	71,500
General obligation bonds	09/30/2005	4.18%	09/30/2015	250,000	150,000	-	25,000	125,000
General obligation bonds	05/15/2006	4.14%-4.58%	05/15/2013	461,000	268,000	-	67,000	201,000
General obligation bonds	04/26/2007	4.23%	04/15/2012	734,750	450,000	-	150,000	300,000
General obligation bonds	06/25/2008	3.97%	04/15/2013	430,000	355,000	-	85,000	270,000
General obligation bonds	04/28/2009	2.79%	08/01/2018	7,035,000	6,550,000	-	775,000	5,775,000
				<u>11,837,250</u>	<u>8,944,500</u>	<u>-</u>	<u>1,412,000</u>	<u>7,532,500</u>
<b>Total</b>				<u>\$ 16,437,250</u>	<u>\$ 11,199,500</u>	<u>\$ -</u>	<u>\$1,832,000</u>	<u>\$ 9,367,500</u>

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

	<b><u>Governmental Activities General</u></b> <b><u>Obligation Bonds</u></b>	
<b><u>Fiscal Year Ending March 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2012	\$ 1,742,000	\$ 275,187
2013	1,778,500	212,906
2014	1,552,000	154,054
2015	1,220,000	107,093
2016	755,000	75,957
2017-2019	2,320,000	98,347
	<u>\$9,367,500</u>	<u>\$923,544</u>

**C. NOTE PAYABLE**

The Town entered into an agreement with the Rhode Island Economic Development Corporation for the purchase of Tasca Field and issued a promissory note in the amount of \$380,000 to Rhode Island Economic Development Corporation. The note is payable in annual installments of \$38,000 over a ten-year period and is non-interest bearing. The note was paid in full as of March 31, 2011.

**D. LOAN PAYABLE**

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

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

	<b><u>Governmental Activities</u></b> <b><u>Loans Payable</u></b>	
<b><u>Fiscal Year Ending March 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2012	\$152,650	\$166,963
2013	157,650	162,687
2014	162,650	158,263
2015	155,000	153,687
2016	160,000	148,563
2017-2021	895,000	634,800
2022-2026	1,125,000	404,356
2027-2030	1,095,000	112,875
	<u>\$3,902,950</u>	<u>\$1,942,194</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
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**NOTE 7 – SHORT-TERM DEBT**

The Town issued the following short-term notes during fiscal year 2011:

**Tax Anticipation Notes** – Tax anticipation notes in the amount of \$2,000,000 were issued on April 13, 2010 and matured on March 16, 2011 with an interest rate of 1.76%. The notes were issued in anticipation of taxes assessed as of December 31, 2009 and due July 1, 2010. The proceeds were deposited into the General Fund.

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

**NOTE 8 – INTERFUND BALANCES**

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

	<u><i>Due From:</i></u>			
	<u><i>General Fund</i></u>	<u><i>School Unrestricted Fund</i></u>	<u><i>Other Governmental Funds</i></u>	<u><i>Total</i></u>
<b>Due To:</b>				
General Fund	\$ -	\$ 106,684	\$ 10,160	\$ 116,844
School Unrestricted Fund	2,909,325	-	52,233	2,961,558
Other Governmental Funds	1,705,648	1,186	-	1,706,834
<b>Total</b>	<u>\$4,614,973</u>	<u>\$ 107,870</u>	<u>\$ 62,393</u>	<u>\$ 4,785,236</u>

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

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**NOTE 9 – INTERFUND TRANSFERS**

	<i>Transfer From:</i>		
	<i>General Fund</i>	<i>Other Governmental Funds</i>	<i>Total</i>
<b><i>Transfer To:</i></b>			
School Unrestricted Fund	\$ 16,499,815	\$ -	\$ 16,499,815
Other Governmental Funds	2,316,252	48,000	2,364,252
<b><i>Total</i></b>	<b><u>\$ 18,816,067</u></b>	<b><u>\$ 48,000</u></b>	<b><u>\$ 18,864,067</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. For example, the \$16,499,815 transfer is the School appropriation that is budgeted in the General Fund as a revenue source to be transferred to the School Unrestricted Fund and expended.

**NOTE 10 – NET ASSETS/FUND BALANCES**

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

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

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

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

In the Governmental Fund Financial Statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. At March 31, 2011, reservations and designations of fund balance are described below:

***Reserved for Cemetery Care*** – To reserve funds earmarked by trust agreements to be used for the maintenance and care of Town cemeteries.

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**Designated for Subsequent Year Budget** – To designate \$160,000 and \$1,152,000 of unreserved fund balance in the General Fund and School Unrestricted Fund, respectively, budgeted in the 2011-2012 fiscal year.

**NOTE 11 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

**A. ACCOUNTS RECEIVABLE**

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables except CDBG loans receivable within the subsequent year. The real estate and personal property tax receivable is net of an allowance for doubtful accounts of \$200,000.

**B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The accounts payable and accrued liabilities at March 31, 2011, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities</b>				
General Fund	\$ 266,828	\$ 107,776	\$ 3,184	\$ 377,788
School Unrestricted Fund	465,956	835,339	-	1,301,295
Other Governmental Funds	203,379	55,986	-	259,365
<b>Total</b>	<u>\$ 936,163</u>	<u>\$ 999,101</u>	<u>\$ 3,184</u>	<u>\$ 1,938,448</u>

**NOTE 12 – POST-EMPLOYMENT BENEFITS**

**Plan Description**

The Town of Scituate administers a single-employer, defined benefit post-employment health insurance plan. This plan does not include the pension benefits discussed in Note 16. The plan provides medical and dental insurance for eligible retirees and their dependents through the Town's group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the Town and the respective unions or as established by the Town's Human Resource Policy Manual for non-union employees. The plan does not issue a publicly available financial report.

**TOWN OF SCITUATE, RHODE ISLAND**  
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***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, 2011, 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, 2011, the Town contributed \$192,360 to the plan.

***Annual OPEB Cost and Net OPEB Obligation***

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

Annual required contribution (ARC)	\$ 483,102
Interest on net OPEB obligation	33,129
Adjustment to annual required contribution	(45,196)
Annual OPEB cost	<u>471,035</u>
Contributions made	(192,360)
Increase in net OPEB obligation	<u>278,675</u>
Net OPEB obligation, beginning of year	736,190
Net OPEB obligation, end of year	<u>\$1,014,865</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:

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Percentage of Annual OPEB Cost Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
3/31/09	\$529,719	26.1%	\$391,244
3/31/10	\$523,306	34.1%	\$736,190
3/31/11	\$471,035	40.8%	\$1,014,865

**TOWN OF SCITUATE, RHODE ISLAND**  
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***Funded Status and Funding Progress***

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

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

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

***Actuarial Methods and Assumptions***

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

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



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

**NOTE 13 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

***A. LITIGATION***

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

***B. FEDERALLY ASSISTED PROGRAMS - COMPLIANCE AUDITS***

The Town participates in a number of federal awards programs. These programs through the year ended March 31, 2011 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 14 – RISK MANAGEMENT**

The Town of Scituate is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Town and the School Department (as of July 27, 2005) participate in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property and liability claims. Upon joining the Trust, the Town and the School Department signed a participation agreement that outlines the rights and responsibilities of the Trust, the Town and the School Department. The agreement states that for premiums paid, the Trust will assume financial responsibility for the losses up to the maximum amount of insurance purchased, minus deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the Town and the School Department are insured for varying amounts depending on the type of coverage provided. Settled claims resulting from these risks have not exceeded Trust coverage in any of the past three fiscal years. The Town and School Department funded workers' compensation claims through their health insurance policies through December 31, 2007 and claims not covered by health insurance

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were paid by the Town or School Department on a pay-as-you-go basis. Effective January 1, 2008, the Town and School Department purchased workers' compensation insurance.

**NOTE 15 – SUBSEQUENT EVENTS**

On April 13, 2011, the Town issued \$2,000,000 in General Obligation Tax Anticipation Notes. The notes have an interest rate of 1.49% and mature on March 15, 2012.

**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 co st-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, 2011 was \$10,594,379, which consisted of \$384,679 for employees charged to federal programs and \$10,209,700 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, 40 Fountain Street, Providence, Rhode Island.

***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.

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(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><u>For Service In:</u></b>	<b><u>Years</u></b>	<b><u>Benefit Percentage Earned</u></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.

(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):

<b><u>For Service In:</u></b>	<b><u>Years</u></b>	<b><u>Benefit Percentage Earned</u></b>
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 14 years of service	31-37	2.50% per year
The next 1 year of service	38	2.25% per year

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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 third anniversary of retirement and the month following their 65<sup>th</sup> 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, 2010 through March 31, 2011 was 19.01%. The Teachers' Plan cost is paid 60% by the School Department and 40% by the State. However, the State will pay the total cost of the contribution deferrals which were .26% for the period April 1, 2010 through March 31, 2011. This results in a contribution requirement for the School Department of 11.25% and a contribution requirement for the State of 7.76% for the period April 1, 2010 through March 31, 2011.

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The State contribution for the cut off year ended March 31, 20 11 was \$792,273 which represented 7.48% 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, 2011 was \$2,227,879, which consisted of \$1,221,509 from the School Department (\$72,917 for federally funded employees and \$1,148,592 for other employees), and \$1,006,370 from employees. These contributions represented 11.53% and 9.5% of covered payroll respectively. The annual required contribution was determined as part of the June 30, 2007 and June 30, 2008 actuarial valuations, respectively.

The School Department does not have any investments or related party investments with the State Plan. The School Department's contribution represented 1.02% of total contributions required of all participating entities.

***Three-Year Trend Information***

<b><i>Fiscal Year</i></b>	<b><i>Annual Required Contributions</i></b>	<b><i>Percentage Contributed</i></b>
2009	\$1,328,090	100%
2010	\$1,244,983	100%
2011	\$1,221,509	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, 2011 was \$2,585,602.

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, 40 Fountain Street, Providence, Rhode Island.

***Plan Description***

The following eligibility and benefit provisions are established by Rhode Island General Laws, Title 45, Chapters 19, 19.1, 21, 21.1, 21.2, and 21.3 and may be amended by State Statute. The MERS generally provides retirement benefits equal to 2% of a member's final average compensation (FAC) multiplied by the number of years of service up to 37.5 years, up to a maximum benefit of 75% of FAC. Final average compensation is the average of the three highest consecutive years of earned salary exclusive of overtime, bonuses or severance pay. Such benefits are available to members on

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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 the period April 1, 2010 through June 30, 2010 was 12.16% of covered payroll. The Town's rate for the period July 1, 2010 through June 30, 2011 is 11.11% of covered payroll.

***Annual Pension Cost***

For 2011, the Town's annual pension cost of \$294,154 for the MERS was equal to the Town's required and actual contributions.

***Three-Year Trend Information***

<b><i>Fiscal Year</i></b>	<b><i>Annual Pension Cost (APC)</i></b>	<b><i>Percentage of APC Contributed</i></b>	<b><i>Net Pension Obligation</i></b>
2009	\$320,416	100%	\$ -0-
2010	\$312,476	100%	\$ -0-
2011	\$294,154	100%	\$ -0-

The required contribution was determined as part of the June 30, 2007 and June 30, 2008 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, 2007 and June 30, 2008 valuations include the following:

- 1) Investment return – 8.25% per year, compounded annually, composed of an assumed 3% inflation rate and a 5.25% net real rate of return.
- 2) Projected salary increases – a service related component, plus a 4.5% wage inflation assumption (composed of a 3% price inflation assumption and a 1.5% additional general increase).

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3) Cost of living adjustment – 3%, not compounded.

The actuarial value of assets is based on market value of assets with a five year phase-in of actual investment return in excess of (less than) expected investment income. The MERS' unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of payroll on a closed basis. The remaining amortization period at June 30, 2008 was 21 years.

***Funded Status and Funding Progress***

As of June 30, 2010, the most recent actuarial valuation date, the plan was 68.4% funded. The actuarial accrued liability for benefits was \$13,666,849, and the actuarial value of assets was \$9,342,641, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,324,208. The covered payroll (annual payroll of active employees covered by the plan) was \$2,773,328, and the ratio of the UAAL to the covered payroll was 155.9%. The June 30, 2010 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 and projected salary increase was changed to 4%.

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. The Pension Plan is being administered by Wilmington Trust Company. 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, 2011 was \$1,052,588.

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

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

***Benefit Provisions***

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2011**

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

***Funding Policy***

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

***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, 2011, based on the latest actuarial report completed as of April 1, 2011.

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

Actuarially Required Contribution (ARC)	\$ 738,709
Interest on NPO	184,121
Adjustments to ARC	(146,784)
Annual pension cost	<u>776,046</u>
Contributions made	(464,283)
Increase in net pension obligation	<u>311,763</u>
Net pension obligation beginning of year	<u>2,454,952</u>
Net pension obligation end of year	<u><u>\$2,766,715</u></u>



**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Financial Statements**  
**March 31, 2011**

**Three-Year Trend Information**

<b><i>Fiscal Year</i></b>	<b><i>Annual Pension Cost (APC)</i></b>	<b><i>Percentage of APC Contributed</i></b>	<b><i>Net Pension Obligation</i></b>
3/31/2009	\$522,852	86.10%	\$2,189,275
3/31/2010	\$723,021	63.25%	\$2,454,952
3/31/2011	\$776,046	59.83%	\$2,766,715

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

***Funded Status and Fund Progress***

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

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:**

*Schedule of Funding Progress – Pension Plan and Other Postemployment Benefit Plan*

*Schedule of Annual Required Contributions – Pension Plan*

*Budgetary Comparison Schedules – General Fund and School Unrestricted Fund*

**In addition, the notes to the required supplementary information are included to provide information that is essential to a user's understanding of the required supplementary information.**

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

	<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL) -Entry Age</i>	<i>Unfunded Liability/ (Funding Excess)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>Unfunded Liability/ (Funding Excess) as a Percentage of Covered Payroll</i>
<b>Municipal Employees Retirement System</b>							
	06/30/2008	\$ 9,340,824	\$ 11,375,726	\$ 2,034,902	82.1%	\$ 2,846,882	71.5%
	06/30/2009	9,338,334	12,103,315	2,764,981	77.2%	2,691,498	102.7%
	06/30/2010	9,342,641	13,666,849	4,324,208	68.4%	2,773,328	155.9%
<b>Police Pension Plan (2)</b>							
	04/01/2001	\$ 1,903,828	\$ 5,415,026	\$ 3,511,198	35.2%	\$ 611,402	574.3%
	04/01/2003	1,675,040	5,978,449	4,303,409	28.0%	756,930	568.5%
	04/01/2005	2,510,044	6,778,751	4,268,707	37.0%	727,658	586.6%
	04/01/2007	3,264,495	7,779,343	4,514,848	42.0%	857,060	526.8%
	04/01/2009	2,286,905	9,768,342	7,481,437	23.4%	898,737	832.4%
	04/01/2011	3,122,375	11,348,767	8,226,392	27.5%	917,936	896.2%
<b>Postemployment Health Insurance Plan</b>							
	04/01/2008	\$ -	\$ 4,713,768	\$ 4,713,768	0.0%	\$ 14,863,696	31.7%
	04/01/2010	\$ -	\$ 4,385,028	\$ 4,385,028	0.0%	\$ 15,355,605	28.6%

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

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

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

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<b><u>Year Ended March 31</u></b>	<b><u>Annual Required Contribution</u></b>	<b><u>Percentage Contributed</u></b>
2006	410,834	101%
2007	410,834	101%
2008	472,897	94%
2009	472,897	95%
2010	683,831	67%
2011	738,709	63%

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended March 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>General Property Taxes</b>	\$ 24,797,360	\$ 24,797,360	\$ 24,698,174	\$ (99,186)
<b>Federal and State Aid and Grants</b>				
Police grants	-	-	11,420	11,420
Emergency management grants	-	-	193,630	193,630
Recycling grants	-	-	9,522	9,522
Town properties grants	-	-	6,424	6,424
Telephone tax	105,000	105,000	111,780	6,780
Motor vehicle phase out	729,659	729,659	687,250	(42,409)
Hotel and meal tax	50,179	50,179	56,408	6,229
<b>Total federal and state aid and grants</b>	<b>884,838</b>	<b>884,838</b>	<b>1,076,434</b>	<b>191,596</b>
<b>Charges for Services</b>				
Town clerk	150,301	150,301	199,922	49,621
Dog licenses	23,750	23,750	33,877	10,127
Tax collector	7,796	7,796	9,433	1,637
Building inspector	41,750	41,750	48,696	6,946
Town properties	8,500	8,500	9,850	1,350
Planning and zoning	10,350	10,350	5,045	(5,305)
Recreation	30,000	30,000	41,993	11,993
Emergency medical services	100,000	100,000	277,918	177,918
Police	15,000	15,000	9,867	(5,133)
Highway	-	-	7,500	7,500
Communications tower rental	71,880	71,880	104,802	32,922
<b>Total charges for services</b>	<b>459,327</b>	<b>459,327</b>	<b>748,903</b>	<b>289,576</b>
<b>Fines and Penalties</b>	<b>51,250</b>	<b>51,250</b>	<b>49,698</b>	<b>(1,552)</b>
<b>Investment and Interest Income</b>				
Interest on taxes	93,000	93,000	69,943	(23,057)
Interest on investments	45,000	45,000	6,692	(38,308)
<b>Total investment and interest income</b>	<b>138,000</b>	<b>138,000</b>	<b>76,635</b>	<b>(61,365)</b>
<b>Miscellaneous Revenue</b>	<b>81,192</b>	<b>81,192</b>	<b>62,787</b>	<b>(18,405)</b>
<b>Prior Year Budgeted Surplus</b>	<b>522,888</b>	<b>522,888</b>	<b>522,888</b>	<b>-</b>
<b>Total revenues</b>	<b>26,934,855</b>	<b>26,934,855</b>	<b>27,235,519</b>	<b>300,664</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>General Government</b>				
Town council	14,500	14,500	13,000	1,500
Town treasurer	158,921	158,921	146,883	12,038
Town clerk	171,682	171,682	158,606	13,076
Town solicitor	242,398	242,398	291,098	(48,700)
Probate judge	3,650	3,650	2,921	729
Tax collection and assessment	215,033	215,033	201,694	13,339
Board of canvassers	14,805	14,805	14,910	(105)
Building and zoning	221,534	221,534	192,340	29,194
<b>Total general government</b>	<b>1,042,523</b>	<b>1,042,523</b>	<b>1,021,452</b>	<b>21,071</b>

(Continued)

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Revenues and Expenditures - Budget and Actual (Continued)**  
**General Fund**  
**For the Fiscal Year Ended March 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Public Safety</b>				
Fire department	765,316	765,316	721,639	43,677
Animal control	72,630	72,630	70,637	1,993
Street lights	55,000	55,000	149,956	(94,956)
Emergency management	3,960	3,960	120,689	(116,729)
Police department	1,774,955	1,774,955	1,682,288	92,667
<b>Total public safety</b>	<b>2,671,861</b>	<b>2,671,861</b>	<b>2,745,209</b>	<b>(73,348)</b>
<b>Public Works</b>				
Town properties	315,508	315,508	288,670	26,838
Highway	1,035,132	1,035,132	929,842	105,290
Solid waste disposal	597,590	597,590	523,817	73,773
Care of trees	8,500	8,500	8,550	(50)
Pawtuxet River Authority	2,800	2,800	2,800	-
Cemetery care	7,740	7,740	7,740	-
<b>Total public works</b>	<b>1,967,270</b>	<b>1,967,270</b>	<b>1,761,419</b>	<b>205,851</b>
<b>Social Services</b>				
Recreation department	171,727	171,727	128,694	43,033
Libraries	422,707	422,707	422,707	-
Human services	9,566	9,566	6,665	2,901
Memorial and Veterans' Day	1,000	1,000	1,000	-
Senior services	123,920	123,920	123,442	478
<b>Total social services</b>	<b>728,920</b>	<b>728,920</b>	<b>682,508</b>	<b>46,412</b>
<b>Fixed Charges and Other</b>				
Audit	29,300	29,300	19,728	9,572
Officers' bonds	1,660	1,660	1,239	421
Employee benefits	1,362,454	1,362,454	1,245,209	117,245
R.I. League of Cities and Towns	4,110	4,110	4,110	-
Police supplemental pension contribution	250,000	250,000	250,000	-
Short-term interest and fiscal charges	191,000	191,000	41,825	149,175
<b>Total fixed charges and other</b>	<b>1,838,524</b>	<b>1,838,524</b>	<b>1,562,111</b>	<b>276,413</b>
<b>Total expenditures</b>	<b>8,249,098</b>	<b>8,249,098</b>	<b>7,772,699</b>	<b>476,399</b>
<b>Excess of revenues over expenditures before other financing uses</b>	<b>18,685,757</b>	<b>18,685,757</b>	<b>19,462,820</b>	<b>777,063</b>

(Continued)

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Revenues and Expenditures - Budget and Actual (Continued)**  
**General Fund**  
**For the Fiscal Year Ended March 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Uses</b>				
<b>Transfers to other funds:</b>				
School unrestricted fund	(16,499,815)	(16,499,815)	(16,499,815)	-
Special revenue funds	(2,000)	(2,000)	(22,609)	(20,609)
Debt service fund	(2,175,942)	(2,175,942)	(2,228,643)	(52,701)
Capital project funds	(8,000)	(8,000)	(65,000)	(57,000)
<b>Total other financing uses</b>	<u>(18,685,757)</u>	<u>(18,685,757)</u>	<u>(18,816,067)</u>	<u>(130,310)</u>
<b>Net change in fund balance - budgetary basis</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646,753</u>	<u>\$ 646,753</u>

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**School Unrestricted Fund**  
**For the Fiscal Year Ended March 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Federal and state aid and grants	\$ 2,981,446	\$ 2,981,446	\$ 2,367,795	\$ (613,651)
Charges for services	122,500	122,500	185,007	62,507
Other revenues	1,152,000	1,152,000	1,152,100	100
<b>Total revenues</b>	<u>4,255,946</u>	<u>4,255,946</u>	<u>3,704,902</u>	<u>(551,044)</u>
<b>Expenditures</b>				
Education	20,755,761	20,755,761	18,901,009	1,854,752
<b>Total expenditures</b>	<u>20,755,761</u>	<u>20,755,761</u>	<u>18,901,009</u>	<u>1,854,752</u>
<b>Deficiency of revenues under expenditures before other financing sources</b>	<u>(16,499,815)</u>	<u>(16,499,815)</u>	<u>(15,196,107)</u>	<u>1,303,708</u>
<b>Other financing sources</b>				
Transfers from other funds	16,499,815	16,499,815	16,499,815	-
<b>Total other financing sources</b>	<u>16,499,815</u>	<u>16,499,815</u>	<u>16,499,815</u>	<u>-</u>
<b>Excess of revenues and other sources over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	1,303,708	<u>\$ 1,303,708</u>
<b>Prior year budgeted surplus</b>			<u>(1,152,000)</u>	
<b>Net change in fund balance</b>			151,708	
<b>Fund balance, beginning of year</b>			<u>1,390,101</u>	
<b>Fund balance, end of year</b>			<u>\$ 1,541,809</u>	

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



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

**NOTE 1 - SCHEDULE OF FUNDING PROGRESS**

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

	<i>Municipal Employees Retirement System</i>	<i>Police Pension Plan</i>	<i>Other Postemployment Health Insurance Benefit Plan</i>
Valuation date	June 30, 2010	April 1, 2011	April 1, 2010
Actuarial cost method	Entry Age	Entry Age Normal	Projected Unit Credit
Amortization method	Level percent of payroll over a closed period	Level percent of payroll over an open period	Level dollar over an open period
Amortization period	30 years from June 30, 1999 or 19 years as of the valuation date	25 years	30 years
Asset valuation method	Market value of assets with a five year phase-in of actual investment return in excess of (less than) expected investment income	Current market value	Not applicable
Actuarial assumptions:			
Investment rate of return	7.5%, compounded annually, composed of an assumed 2.75% inflation rate and a 4.75% net real rate of return	7.5% per annum	4.5%
Projected salary increases	An annual service related component, plus a 4% wage inflation assumption (composed of a 2.75% price inflation assumption and a 1.25% additional general increase)	4% per annum	Not applicable
Cost-of-living adjustments	3%, not compounded	2% per annum	Not applicable
Healthcare cost trend rates	Not applicable	Not applicable	Medical - 7.5% per year graded off 0.5% per year to ultimate rate of 4.5% Dental - 5 % per year graded off 0.25% per year to ultimate rate of 4.5%
Participant information	Active employees 90 Retirees and beneficiaries 57 <u>147</u>	Retired 12 Vested disabled 4 Active 17 <u>33</u>	Active 410 Retired 50 <u>460</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**March 31, 2011**

**NOTE 2 - BUDGETARY DATA AND BUDGETARY COMPLIANCE**

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 of 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. The budget approved and adopted at the Annual Financial Town Meeting reports the amount budgeted for each department, including the School Department. Therefore, the legal level of control for the General Fund is at the departmental level and for the School Unrestricted Fund is at the fund 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 2011. Appropriations which are not expended or encumbered lapse at year end.

The General Fund and School Unrestricted Fund budgets are in conformity with the legally enacted budgetary basis, which is not in conformity with generally accepted accounting principles. The budget to actual presentations in the required supplementary information for these funds are 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***

	<b><i>General Fund</i></b>	<b><i>School Unrestricted Fund</i></b>
<b><u>Revenues and Other Financing Sources</u></b>		
Actual amounts (budgetary basis)	\$27,235,519	\$20,204,717
Differences – budget to GAAP:		
The appropriated fund balance is a budgetary revenue, but is not a current year revenue for financial reporting purposes.	(522,888)	(1,152,000)
The pension contributions made to the Employees' Retirement System by the State on behalf of the Town of Scituate is not reported as a budgetary revenue, but is a current year revenue for financial reporting purposes.	-	792,273

**TOWN OF SCITUATE, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**March 31, 2011**

	<u><b>General Fund</b></u>	<u><b>School Unrestricted Fund</b></u>
<b><u>Revenues and Other Financing Sources (continued)</u></b>		
Motor vehicle excise tax phase out revenue budgeted in the current year, but not received in fiscal year 2011 is reported as a budgetary revenue and is not a current year revenue for financial reporting purposes.	(400,312)	-
<b><i>Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds</i></b>	<u><u>\$26,312,319</u></u>	<u><u>\$19,844,990</u></u>

	<u><b>General Fund</b></u>	<u><b>School Unrestricted Fund</b></u>
<b><u>Expenditures and Other Financing Uses</u></b>		
Actual amounts (budgetary basis)	\$26,588,766	\$18,901,009
Differences – budget to GAAP:		
The pension contributions made to the Employees’ Retirement System by the State on behalf of the Town of Scituate is not reported as a budgetary expenditure, but is a current year expenditure for financial reporting purposes.	-	792,273
<b><i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i></b>	<u><u>\$26,588,766</u></u>	<u><u>\$19,693,282</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

### **THIS SECTION CONTAINS THE FOLLOWING:**

*Combining Fund Financial Statements for Nonmajor Governmental Funds*

*Combining Statement of Net Assets for Agency Funds*

*Other Supplementary Information*

# COMBINING FUND FINANCIAL STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

***School Construction Rebate Fund*** – was established by the School Department to account for energy efficient measures used in School construction projects.

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

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

***Revaluation Fund*** – was established to account for the expenditures associated with property valuation.

***Master Plan/Codification Fund*** – was established to comply with State's enabling legislation regarding land use and development.

***Civil Defense Fund*** – was established as an emergency management contingency fund.

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

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

***Revenue Sharing Fund*** – was established to account for the State's revenue sharing program.

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

***Health Insurance Fund*** – was established to provide funds for escalating health costs.

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

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

***Fire Department Insurance/Training*** – was established to benefit the Town's four volunteer fire departments and rescue.

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

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

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

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

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

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

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

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

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

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

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

***Municipal Retirement Fund*** – was established to account for Town's future contributions to the Municipal Retirement System.

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

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

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

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

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

***Homeland Security Grant*** – was established to account for Federal grants received by the Town for homeland security.

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

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

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

***Tax Certificate Fund*** – was established to account for revenues generated from tax sales.

***Unfunded Cemetery Fund*** – was established to account for the expenditures to care for Town cemeteries without perpetual care.

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

***Inspection Fee Fund*** – was established to account for the inspection fees required of developers of new subdivision construction.

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

***Municipal Unemployment Fund*** – was established to account for the Town's self insured unemployment benefits.

***Recreation Fund*** – was established to account for the Recreation Department's special activities.

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

***RI Advanced Motor Vehicle Excise Tax Payments*** – was established to account for State payments for the motor vehicle excise tax phase out program.

***Spay Neuter Fund*** – was established to account for spay/neuter fees.

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

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

***School Special Projects Fund*** – was established to account for special projects of the School Department.

***State Fiscal Year Transition Fund*** – was established to accumulate the funds necessary to enable the Town to change its fiscal year to June 30.

**The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

**TOWN OF SCITUATE, RHODE ISLAND**

*Combining Balance Sheet  
Nonmajor Governmental Funds  
March 31, 2011*

	<i>Special Revenue Funds</i>						
	<i>School Restricted Fund</i>	<i>Food Service Fund</i>	<i>School Construction Rebate Fund</i>	<i>Community Development Block Grant</i>	<i>Substance Abuse Fund</i>	<i>Revaluation Fund</i>	<i>Master Plan/ Codification Fund</i>
<b>ASSETS</b>							
Cash	\$ 90,478	\$ 51,617	\$ 19	\$ 128,947	\$ 185	\$ 7,319	\$ 39,425
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	25,358	-	-	-
Due from federal and state governments	358,647	28,111	-	-	-	-	-
Due from other funds	1,186	-	-	-	30,027	-	-
<b>Total assets</b>	<b>\$ 450,311</b>	<b>\$ 79,728</b>	<b>\$ 19</b>	<b>\$ 154,305</b>	<b>\$ 30,212</b>	<b>\$ 7,319</b>	<b>\$ 39,425</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ 167,318	\$ 74,734	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	52,237	-	-	-	-	-	-
Deferred revenue	-	-	-	25,358	17,338	-	-
<b>Total liabilities</b>	<b>219,555</b>	<b>74,734</b>	<b>-</b>	<b>25,358</b>	<b>17,338</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficits)</b>							
Reserved for cemetery care	-	-	-	-	-	-	-
Unreserved - undesignated	230,756	4,994	19	128,947	12,874	7,319	39,425
<b>Total fund balances (deficits)</b>	<b>230,756</b>	<b>4,994</b>	<b>19</b>	<b>128,947</b>	<b>12,874</b>	<b>7,319</b>	<b>39,425</b>
<b>Total liabilities and fund balances</b>	<b>\$ 450,311</b>	<b>\$ 79,728</b>	<b>\$ 19</b>	<b>\$ 154,305</b>	<b>\$ 30,212</b>	<b>\$ 7,319</b>	<b>\$ 39,425</b>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND**

*Combining Balance Sheet (Continued)*

*Nonmajor Governmental Funds*

*March 31, 2011*

<i>Special Revenue Funds</i>								
	<i>Civil Defense Fund</i>	<i>Senior Citizens Van Fund</i>	<i>State Asset Forfeiture Fund</i>	<i>Revenue Sharing Fund</i>	<i>Vital Statistics Surcharge</i>	<i>Health Insurance Fund</i>	<i>Historical Land Records</i>	<i>Recreation Camperships Fund</i>
<b>ASSETS</b>								
Cash	\$ 177	\$ 1,349	\$ 487	\$ 6,623	\$ 672	\$ 65,335	\$ 10,482	\$ 729
Investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 177</u>	<u>\$ 1,349</u>	<u>\$ 487</u>	<u>\$ 6,623</u>	<u>\$ 672</u>	<u>\$ 65,335</u>	<u>\$ 10,482</u>	<u>\$ 729</u>
 <b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balances (deficits)</b>								
Reserved for cemetery care	-	-	-	-	-	-	-	-
Unreserved - undesignated	177	1,349	487	6,623	672	65,335	10,482	729
<b>Total fund balances (deficits)</b>	<u>177</u>	<u>1,349</u>	<u>487</u>	<u>6,623</u>	<u>672</u>	<u>65,335</u>	<u>10,482</u>	<u>729</u>
 <b>Total liabilities and fund balances</b>	<u>\$ 177</u>	<u>\$ 1,349</u>	<u>\$ 487</u>	<u>\$ 6,623</u>	<u>\$ 672</u>	<u>\$ 65,335</u>	<u>\$ 10,482</u>	<u>\$ 729</u>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND**

*Combining Balance Sheet (Continued)*

*Nonmajor Governmental Funds*

*March 31, 2011*

<b>Special Revenue Funds</b>								
	<i>Fire Department Insurance/ Training</i>	<i>Probate Filing Records</i>	<i>Computer Upgrade</i>	<i>Capital Assets Fund</i>	<i>Federal Asset Drug Forfeiture Fund</i>	<i>Recreation Capital Fund</i>	<i>Animal Health Fund</i>	<i>K-9 Truck Capital Fund</i>
<b>ASSETS</b>								
Cash	\$ 161,649	\$ 1,414	\$ 20,199	\$ 11,617	\$ 26,090	\$ 11,539	\$ 10,864	\$ 124
Investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	17,186	8,400	-	18,500	-	-
<b>Total assets</b>	<u>\$ 161,649</u>	<u>\$ 1,414</u>	<u>\$ 37,385</u>	<u>\$ 20,017</u>	<u>\$ 26,090</u>	<u>\$ 30,039</u>	<u>\$ 10,864</u>	<u>\$ 124</u>
 <b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balances (deficits)</b>								
Reserved for cemetery care	-	-	-	-	-	-	-	-
Unreserved - undesignated	161,649	1,414	37,385	20,017	26,090	30,039	10,864	124
<b>Total fund balances (deficits)</b>	<u>161,649</u>	<u>1,414</u>	<u>37,385</u>	<u>20,017</u>	<u>26,090</u>	<u>30,039</u>	<u>10,864</u>	<u>124</u>
 <b>Total liabilities and fund balances</b>	<u>\$ 161,649</u>	<u>\$ 1,414</u>	<u>\$ 37,385</u>	<u>\$ 20,017</u>	<u>\$ 26,090</u>	<u>\$ 30,039</u>	<u>\$ 10,864</u>	<u>\$ 124</u>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND**

*Combining Balance Sheet (Continued)*

*Nonmajor Governmental Funds*

*March 31, 2011*

	<i>Special Revenue Funds</i>							
	<i>State Police Computer Grant</i>	<i>Police Substance Abuse Fund</i>	<i>Police Vehicle Escrow</i>	<i>Explorers Account Post 1</i>	<i>Municipal Retirement Fund</i>	<i>Senior Center Donations</i>	<i>Human Services Legislative Grant</i>	<i>Food Pantry Donations</i>
<b>ASSETS</b>								
Cash	\$ 4,205	\$ 4,763	\$ 113	\$ 3,017	\$133,624	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	67	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-	-
Due from other funds	2,195	-	-	-	-	8,367	2,040	7,437
<b>Total assets</b>	<u>\$ 6,400</u>	<u>\$ 4,763</u>	<u>\$ 113</u>	<u>\$ 3,084</u>	<u>\$133,624</u>	<u>\$ 8,367</u>	<u>\$ 2,040</u>	<u>\$ 7,437</u>
 <b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	162	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits)</b>								
Reserved for cemetery care	-	-	-	-	-	-	-	-
Unreserved - undesignated	6,400	4,763	113	2,922	133,624	8,367	2,040	7,437
<b>Total fund balances (deficits)</b>	<u>6,400</u>	<u>4,763</u>	<u>113</u>	<u>2,922</u>	<u>133,624</u>	<u>8,367</u>	<u>2,040</u>	<u>7,437</u>
<b>Total liabilities and fund balances</b>	<u>\$ 6,400</u>	<u>\$ 4,763</u>	<u>\$ 113</u>	<u>\$ 3,084</u>	<u>\$133,624</u>	<u>\$ 8,367</u>	<u>\$ 2,040</u>	<u>\$ 7,437</u>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND**

*Combining Balance Sheet (Continued)*

*Nonmajor Governmental Funds*

*March 31, 2011*

<b>Special Revenue Funds</b>							
	<i>Senior Center Grants</i>	<i>Emergency Management Grants</i>	<i>Homeland Security Grant</i>	<i>Congregational Church Restoration</i>	<i>Land Dedication Recreation Fund</i>	<i>Green Area Beautification</i>	<i>Tax Certificate Fund</i>
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ -	\$ 5,297	\$ 1,103	\$ 550	\$ 61,323
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	24,084	22,436	1,544	-	133,767	-	-
<b>Total assets</b>	<u>\$ 24,084</u>	<u>\$ 22,436</u>	<u>\$ 1,544</u>	<u>\$ 5,297</u>	<u>\$ 134,870</u>	<u>\$ 550</u>	<u>\$ 61,323</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,544	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>1,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits)</b>							
Reserved for cemetery care	-	-	-	-	-	-	-
Unreserved - undesignated	24,084	22,436	-	5,297	134,870	550	61,323
<b>Total fund balances (deficits)</b>	<u>24,084</u>	<u>22,436</u>	<u>-</u>	<u>5,297</u>	<u>134,870</u>	<u>550</u>	<u>61,323</u>
<b>Total liabilities and fund balances</b>	<u>\$ 24,084</u>	<u>\$ 22,436</u>	<u>\$ 1,544</u>	<u>\$ 5,297</u>	<u>\$ 134,870</u>	<u>\$ 550</u>	<u>\$ 61,323</u>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND***Combining Balance Sheet (Continued)**Nonmajor Governmental Funds**March 31, 2011*

<b>Special Revenue Funds</b>							
	<i>Unfunded Cemetery Fund</i>	<i>Main Street Project</i>	<i>Inspection Fee Fund</i>	<i>Cemetery Capital Fee Fund</i>	<i>Municipal Unemployment Fund</i>	<i>Recreation Fund</i>	<i>Proposed Police Station</i>
<b>ASSETS</b>							
Cash	\$ 11,652	\$ -	\$ 10,338	\$ 7,348	\$ 96,697	\$ 1,087	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	1,567	17,878	-	-	-	-	22,367
<b>Total assets</b>	<u>\$ 13,219</u>	<u>\$ 17,878</u>	<u>\$ 10,338</u>	<u>\$ 7,348</u>	<u>\$ 96,697</u>	<u>\$ 1,087</u>	<u>\$ 22,367</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits)</b>							
Reserved for cemetery care	-	-	-	-	-	-	-
Unreserved - undesignated	13,219	17,878	10,338	7,348	96,697	1,087	22,367
<b>Total fund balances (deficits)</b>	<u>13,219</u>	<u>17,878</u>	<u>10,338</u>	<u>7,348</u>	<u>96,697</u>	<u>1,087</u>	<u>22,367</u>
<b>Total liabilities and fund balances</b>	<u>\$ 13,219</u>	<u>\$ 17,878</u>	<u>\$ 10,338</u>	<u>\$ 7,348</u>	<u>\$ 96,697</u>	<u>\$ 1,087</u>	<u>\$ 22,367</u>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND**

*Combining Balance Sheet (Continued)*

*Nonmajor Governmental Funds*

*March 31, 2011*

	<i>Special Revenue Funds</i>						
	<i>RI Advanced Motor Vehicle Excise Tax Payments</i>	<i>Spay Neuter Fund</i>	<i>Recording Tech. Scanning Fund</i>	<i>Citizens Police Academy Fund</i>	<i>School Special Projects Fund</i>	<i>State Fiscal Year Transition Fund</i>	<i>Total Special Revenue Funds</i>
<b>ASSETS</b>							
Cash	\$ 19	\$ 2,558	\$ 60,156	\$ -	\$ -	\$ -	\$ 1,051,190
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	25,425
Due from federal and state governments	-	-	-	-	-	-	386,758
Due from other funds	-	-	-	206	384,011	300,000	1,003,198
<b>Total assets</b>	<u>\$ 19</u>	<u>\$ 2,558</u>	<u>\$ 60,156</u>	<u>\$ 206</u>	<u>\$ 384,011</u>	<u>\$ 300,000</u>	<u>\$ 2,466,571</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,052
Due to other funds	-	-	-	-	-	-	53,943
Deferred revenue	-	-	-	-	-	-	42,696
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,691</u>
<b>Fund balances (deficits)</b>							
Reserved for cemetery care	-	-	-	-	-	-	-
Unreserved - undesignated	19	2,558	60,156	206	384,011	300,000	2,127,880
<b>Total fund balances (deficits)</b>	<u>19</u>	<u>2,558</u>	<u>60,156</u>	<u>206</u>	<u>384,011</u>	<u>300,000</u>	<u>2,127,880</u>
<b>Total liabilities and fund balances</b>	<u>\$ 19</u>	<u>\$ 2,558</u>	<u>\$ 60,156</u>	<u>\$ 206</u>	<u>\$ 384,011</u>	<u>\$ 300,000</u>	<u>\$ 2,466,571</u>

*(Continued)*



**TOWN OF SCITUATE, RHODE ISLAND**

*Combining Balance Sheet (Continued)*

*Nonmajor Governmental Funds*

*March 31, 2011*

	<b>Capital Project Funds</b>						
	<i>Debt Service Fund</i>	<i>Highway Department Capital Escrow</i>	<i>School Ball Field Fund</i>	<i>School Capital Construction Fund</i>	<i>Highway Bridges Special Projects</i>	<i>Police Vehicles Capital Fund</i>	<i>Open Space</i>
<b>ASSETS</b>							
Cash	\$ -	\$ 44,614	\$ 635	\$ 305	\$ 12,147	\$ -	\$ 71,607
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	116,887	-	-	53,422	492	20,263
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 161,501</u>	<u>\$ 635</u>	<u>\$ 305</u>	<u>\$ 65,569</u>	<u>\$ 492</u>	<u>\$ 91,870</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits)</b>							
Reserved for cemetery care	-	-	-	-	-	-	-
Unreserved - undesignated	-	161,501	635	305	65,569	492	91,870
<b>Total fund balances (deficits)</b>	<u>-</u>	<u>161,501</u>	<u>635</u>	<u>305</u>	<u>65,569</u>	<u>492</u>	<u>91,870</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 161,501</u>	<u>\$ 635</u>	<u>\$ 305</u>	<u>\$ 65,569</u>	<u>\$ 492</u>	<u>\$ 91,870</u>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND**

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

March 31, 2011

	<b>Capital Project Funds</b>						
	<i>Chopmist Hill Renovation Fund</i>	<i>Animal Shelter Bond Fund</i>	<i>Public Works/ Safety Bond Fund</i>	<i>School Bond Fund</i>	<i>School Land Fund</i>	<i>School 2008 Capital Fund</i>	<i>School 2009 Capital Fund</i>
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	22	-	105,398	2,462	-	5,829	12,665
<b>Total assets</b>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 105,398</u>	<u>\$ 2,462</u>	<u>\$ -</u>	<u>\$ 5,829</u>	<u>\$ 12,665</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,013
Due to other funds	-	8,450	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>8,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,013</u>
<b>Fund balances (deficits)</b>							
Reserved for cemetery care	-	-	-	-	-	-	-
Unreserved - undesignated	22	(8,450)	105,398	2,462	-	5,829	8,652
<b>Total fund balances (deficits)</b>	<u>22</u>	<u>(8,450)</u>	<u>105,398</u>	<u>2,462</u>	<u>-</u>	<u>5,829</u>	<u>8,652</u>
<b>Total liabilities and fund balances</b>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 105,398</u>	<u>\$ 2,462</u>	<u>\$ -</u>	<u>\$ 5,829</u>	<u>\$ 12,665</u>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND***Combining Balance Sheet (Continued)**Nonmajor Governmental Funds**March 31, 2011*

	<b>Capital Project Funds</b>				
	<i>School 2010 Capital Fund</i>	<i>2009 School Loan Fund</i>	<i>Town Properties Building Fund</i>	<i>Fire Department Capital Fund</i>	<i>Total Capital Project Funds</i>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ 893	\$ 130,201
Investments	-	11,909	-	-	11,909
Accounts receivable	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-
Due from other funds	357,774	-	16,607	11,815	703,636
<b>Total assets</b>	<u>\$ 357,774</u>	<u>\$ 11,909</u>	<u>\$ 16,607</u>	<u>\$ 12,708</u>	<u>\$ 845,746</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenditures	\$ -	\$ 13,300	\$ -	\$ -	\$ 17,313
Due to other funds	-	-	-	-	8,450
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>13,300</u>	<u>-</u>	<u>-</u>	<u>25,763</u>
<b>Fund balances (deficits)</b>					
Reserved for cemetery care	-	-	-	-	-
Unreserved - undesignated	357,774	(1,391)	16,607	12,708	819,983
<b>Total fund balances (deficits)</b>	<u>357,774</u>	<u>(1,391)</u>	<u>16,607</u>	<u>12,708</u>	<u>819,983</u>
<b>Total liabilities and fund balances</b>	<u>\$ 357,774</u>	<u>\$ 11,909</u>	<u>\$ 16,607</u>	<u>\$ 12,708</u>	<u>\$ 845,746</u>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND**

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

March 31, 2011

	<i>Permanent Funds</i>					
	<i>Sam Tourtellot &amp; Leslie Davis Fund</i>	<i>Elsie Gleason Fund</i>	<i>Glenford Cemetery Fund</i>	<i>Cemetery Fund</i>	<i>Total Permanent Funds</i>	<i>Total All Nonmajor Governmental Funds</i>
<b>ASSETS</b>						
Cash	\$ 7,256	\$ 2,578	\$ 26,753	\$ 93,856	\$ 130,443	\$ 1,311,834
Investments	-	-	-	-	-	11,909
Accounts receivable	-	-	-	-	-	25,425
Due from federal and state governments	-	-	-	-	-	386,758
Due from other funds	-	-	-	-	-	1,706,834
<b>Total assets</b>	<u>\$ 7,256</u>	<u>\$ 2,578</u>	<u>\$ 26,753</u>	<u>\$ 93,856</u>	<u>\$ 130,443</u>	<u>\$ 3,442,760</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,365
Due to other funds	-	-	-	-	-	62,393
Deferred revenue	-	-	-	-	-	42,696
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,454</u>
<b>Fund balances (deficits)</b>						
Reserved for cemetery care	7,256	2,578	26,753	93,856	130,443	130,443
Unreserved - undesignated	-	-	-	-	-	2,947,863
<b>Total fund balances (deficits)</b>	<u>7,256</u>	<u>2,578</u>	<u>26,753</u>	<u>93,856</u>	<u>130,443</u>	<u>3,078,306</u>
<b>Total liabilities and fund balances</b>	<u>\$ 7,256</u>	<u>\$ 2,578</u>	<u>\$ 26,753</u>	<u>\$ 93,856</u>	<u>\$ 130,443</u>	<u>\$ 3,442,760</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	<b>Special Revenue Funds</b>						
	<i>School Restricted Fund</i>	<i>Food Service Fund</i>	<i>School Construction Rebate Fund</i>	<i>Community Development Block Grant</i>	<i>Substance Abuse Fund</i>	<i>Revaluation Fund</i>	<i>Master Plan/ Codification Fund</i>
<b>Revenues</b>							
State aid and grants	\$ 1,522,190	\$ 105,886	\$ -	\$ 141,800	\$ 21,938	\$ -	\$ -
Charges for services	-	259,458	-	-	-	-	-
Investment and interest income	-	-	-	44	-	1	60
Contributions and private grants	6,812	-	-	-	-	-	-
Other income	-	-	-	2,883	-	-	-
<b>Total revenues</b>	<u>1,529,002</u>	<u>365,344</u>	<u>-</u>	<u>144,727</u>	<u>21,938</u>	<u>1</u>	<u>60</u>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Social services	-	-	-	85,933	16,911	-	-
Education	1,518,393	353,838	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>1,518,393</u>	<u>353,838</u>	<u>-</u>	<u>85,933</u>	<u>16,911</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>10,609</u>	<u>11,506</u>	<u>-</u>	<u>58,794</u>	<u>5,027</u>	<u>1</u>	<u>60</u>
<b>Other financing sources (uses)</b>							
Issuance of debt	-	50,600	-	-	-	-	-
Transfers from other funds	-	-	-	2,000	-	6,609	-
Transfers to other funds	-	-	-	(3,000)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>50,600</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>6,609</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>10,609</u>	<u>62,106</u>	<u>-</u>	<u>57,794</u>	<u>5,027</u>	<u>6,610</u>	<u>60</u>
<b>Fund balances (deficits), beginning of year</b>	<u>220,147</u>	<u>(57,112)</u>	<u>19</u>	<u>71,153</u>	<u>7,847</u>	<u>709</u>	<u>39,365</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 230,756</u>	<u>\$ 4,994</u>	<u>\$ 19</u>	<u>\$ 128,947</u>	<u>\$ 12,874</u>	<u>\$ 7,319</u>	<u>\$ 39,425</u>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	Special Revenue Funds							
	Civil Defense Fund	Senior Citizens Van Fund	State Asset Forfeiture Fund	Revenue Sharing Fund	Vital Statistics Surcharge	Health Insurance Fund	Historical Land Records	Recreation Camperships Fund
Revenues								
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	2,002	-
Investment and interest income	-	2	-	10	1	99	18	1
Contributions and private grants	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Total revenues	-	2	-	10	1	99	2,020	1
Expenditures								
Current:								
General government	-	-	-	-	-	-	4,650	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	4,650	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	2	-	10	1	99	(2,630)	1
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	2	-	10	1	99	(2,630)	1
Fund balances (deficits), beginning of year	177	1,347	487	6,613	671	65,236	13,112	728
Fund balances (deficits), end of year	\$ 177	\$ 1,349	\$ 487	\$ 6,623	\$ 672	\$ 65,335	\$ 10,482	\$ 729

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	Special Revenue Funds							
	Fire Department Insurance/ Training	Probate Filing Records	Computer Upgrade	Capital Assets Fund	Federal Asset Drug Forfeiture Fund	Recreation Capital Fund	Animal Health Fund	K-9 Truck Capital Fund
Revenues								
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	57	-	-	-	-	907	-
Investment and interest income	246	3	30	17	-	18	21	-
Contributions and private grants	-	-	-	-	-	-	3,000	-
Other income	-	-	-	-	-	-	-	-
Total revenues	246	60	30	17	-	18	3,928	-
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	7,902	-
Education	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	7,902	-
Excess (deficiency) of revenues over (under)								
expenditures before other financing sources (uses)	246	60	30	17	-	18	(3,974)	-
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	246	60	30	17	-	18	(3,974)	-
Fund balances (deficits), beginning of year	161,403	1,354	37,355	20,000	26,090	30,021	14,838	124
Fund balances (deficits), end of year	\$ 161,649	\$ 1,414	\$ 37,385	\$ 20,017	\$ 26,090	\$ 30,039	\$ 10,864	\$ 124

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	Special Revenue Funds							
	State Police Computer Grant	Police Substance Abuse Fund	Police Vehicle Escrow	Explorers Account Post 1	Municipal Retirement Fund	Senior Center Donations	Human Services Legislative Grant	Food Pantry Donations
Revenues								
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 1,000	\$ -
Charges for services	-	-	-	2,440	-	-	-	-
Investment and interest income	6	7	-	-	203	-	-	-
Contributions and private grants	-	-	-	3,060	-	6,021	-	4,227
Other income	-	-	-	-	-	-	-	-
Total revenues	6	7	-	5,500	203	9,021	1,000	4,227
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	8,779	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	2,562	769	5,736
Education	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	8,779	-	2,562	769	5,736
Excess (deficiency) of revenues over (under)								
expenditures before other financing sources (uses)	6	7	-	(3,279)	203	6,459	231	(1,509)
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	3,000
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	3,000
Net change in fund balance	6	7	-	(3,279)	203	6,459	231	1,491
Fund balances (deficits), beginning of year	6,394	4,756	113	6,201	133,421	1,908	1,809	5,946
Fund balances (deficits), end of year	\$ 6,400	\$ 4,763	\$ 113	\$ 2,922	\$ 133,624	\$ 8,367	\$ 2,040	\$ 7,437

(Continued)



**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	<i>Special Revenue Funds</i>						
	<i>Senior Center Grants</i>	<i>Emergency Management Grants</i>	<i>Homeland Security Grant</i>	<i>Congregational Church Restoration</i>	<i>Land Dedication Recreation Fund</i>	<i>Green Area Beautification</i>	<i>Tax Certificate Fund</i>
<b>Revenues</b>							
State aid and grants	\$ 2,289	\$ 15,540	\$ -	\$ -	\$ 147,925	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Investment and interest income	-	-	-	8	19	-	93
Contributions and private grants	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>2,289</u>	<u>15,540</u>	<u>-</u>	<u>8</u>	<u>147,944</u>	<u>-</u>	<u>93</u>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	1,737	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Social services	8,448	-	-	-	35,563	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>8,448</u>	<u>1,737</u>	<u>-</u>	<u>-</u>	<u>35,563</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(6,159)</u>	<u>13,803</u>	<u>-</u>	<u>8</u>	<u>112,381</u>	<u>-</u>	<u>93</u>
<b>Other financing sources (uses)</b>							
Issuance of debt	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-
Transfers 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>Net change in fund balance</b>	<u>(6,159)</u>	<u>13,803</u>	<u>-</u>	<u>8</u>	<u>112,381</u>	<u>-</u>	<u>93</u>
<b>Fund balances (deficits), beginning of year</b>	<u>30,243</u>	<u>8,633</u>	<u>-</u>	<u>5,289</u>	<u>22,489</u>	<u>550</u>	<u>61,230</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 24,084</u>	<u>\$ 22,436</u>	<u>\$ -</u>	<u>\$ 5,297</u>	<u>\$ 134,870</u>	<u>\$ 550</u>	<u>\$ 61,323</u>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	<b>Special Revenue Funds</b>					
	<i>Unfunded Cemetery Fund</i>	<i>Main Street Project</i>	<i>Inspection Fee Fund</i>	<i>Cemetery Capital Fee Fund</i>	<i>Municipal Unemployment Fund</i>	<i>Proposed Police Station</i>
<b>Revenues</b>						
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	10,000	-	-	-
Investment and interest income	18	-	7	11	147	-
Contributions and private grants	-	-	-	-	-	-
Other income	-	-	-	-	-	-
<b>Total revenues</b>	<u>18</u>	<u>-</u>	<u>10,007</u>	<u>11</u>	<u>147</u>	<u>-</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	3,870	-	-	-	-	-
Social services	-	-	-	-	-	16,024
Education	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total expenditures</b>	<u>3,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,024</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(3,852)</u>	<u>-</u>	<u>10,007</u>	<u>11</u>	<u>147</u>	<u>(16,024)</u>
<b>Other financing sources (uses)</b>						
Issuance of debt	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	14,000
Transfers to other funds	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(3,852)</u>	<u>-</u>	<u>10,007</u>	<u>11</u>	<u>147</u>	<u>(2,024)</u>
<b>Fund balances (deficits), beginning of year</b>	<u>17,071</u>	<u>17,878</u>	<u>331</u>	<u>7,337</u>	<u>96,550</u>	<u>3,111</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 13,219</u>	<u>\$ 17,878</u>	<u>\$ 10,338</u>	<u>\$ 7,348</u>	<u>\$ 96,697</u>	<u>\$ 1,087</u>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	<b>Special Revenue Funds</b>						
	<i>RI Advanced Motor Vehicle Excise Tax Payments</i>	<i>Spay Neuter Fund</i>	<i>Recording Tech. Scanning Fund</i>	<i>Citizens Police Academy Fund</i>	<i>School Special Projects Fund</i>	<i>State Fiscal Year Transition Fund</i>	<i>Total Special Revenue Funds</i>
<b>Revenues</b>							
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,961,568
Charges for services	-	599	11,419	-	-	-	286,882
Investment and interest income	-	4	82	-	-	-	1,176
Contributions and private grants	-	-	-	246	-	-	23,366
Other income	-	-	-	-	-	-	2,883
<b>Total revenues</b>	<u>-</u>	<u>603</u>	<u>11,501</u>	<u>246</u>	<u>-</u>	<u>-</u>	<u>2,275,875</u>
<b>Expenditures</b>							
Current:							
General government	-	-	5,475	-	-	-	10,125
Public safety	-	-	-	361	-	-	10,877
Public works	-	-	-	-	-	-	3,870
Social services	-	-	-	-	-	-	179,848
Education	-	-	-	-	-	-	1,872,231
Debt service	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>5,475</u>	<u>361</u>	<u>-</u>	<u>-</u>	<u>2,076,951</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>-</u>	<u>603</u>	<u>6,026</u>	<u>(115)</u>	<u>-</u>	<u>-</u>	<u>198,924</u>
<b>Other financing sources (uses)</b>							
Issuance of debt	-	-	-	-	-	-	50,600
Transfers from other funds	-	-	-	-	-	-	25,609
Transfers to other funds	-	-	-	-	-	-	(3,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,209</u>
<b>Net change in fund balance</b>	-	603	6,026	(115)	-	-	272,133
<b>Fund balances (deficits), beginning of year</b>	<u>19</u>	<u>1,955</u>	<u>54,130</u>	<u>321</u>	<u>384,011</u>	<u>300,000</u>	<u>1,855,747</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 19</u>	<u>\$ 2,558</u>	<u>\$ 60,156</u>	<u>\$ 206</u>	<u>\$ 384,011</u>	<u>\$ 300,000</u>	<u>\$ 2,127,880</u>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	Capital Project Funds						
	Debt Service Fund	Highway Department Capital Escrow	School Ball Field Fund	School Capital Construction Fund	Highway Bridges Special Projects	Police Vehicles Capital Fund	Open Space
Revenues							
State aid and grants	\$ 284,605	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Investment and interest income	-	67	1	1	19	-	97
Contributions and private grants	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenues	284,605	250,067	1	1	19	-	97
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	291,939	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	2,513,248	-	-	-	-	-	-
Total expenditures	2,513,248	291,939	-	-	-	-	-
Excess (deficiency) of revenues over (under)							
expenditures before other financing sources (uses)	(2,228,643)	(41,872)	1	1	19	-	97
Other financing sources (uses)							
Issuance of debt	-	-	-	-	-	-	-
Transfers from other funds	2,228,643	57,000	-	-	-	-	8,000
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	2,228,643	57,000	-	-	-	-	8,000
Net change in fund balance	-	15,128	1	1	19	-	8,097
Fund balances (deficits), beginning of year	-	146,373	634	304	65,550	492	83,773
Fund balances (deficits), end of year	\$ -	\$ 161,501	\$ 635	\$ 305	\$ 65,569	\$ 492	\$ 91,870

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	Capital Project Funds						
	Chopmist Hill Renovation Fund	Animal Shelter Bond Fund	Public Works/ Safety Bond Fund	School Bond Fund	School Land Fund	School 2008 Capital Fund	School 2009 Capital Fund
Revenues							
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Investment and interest income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	1,876	-	-	-	-
Social services	-	-	-	-	-	-	-
Education	-	-	-	-	5,904	474	133,287
Debt service	-	-	-	-	-	-	-
Total expenditures	-	-	1,876	-	5,904	474	133,287
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	-	(1,876)	-	(5,904)	(474)	(133,287)
Other financing sources (uses)							
Issuance of debt	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	-	-	(1,876)	-	(5,904)	(474)	(133,287)
Fund balances (deficits), beginning of year	22	(8,450)	107,274	2,462	5,904	6,303	141,939
Fund balances (deficits), end of year	\$ 22	\$ (8,450)	\$ 105,398	\$ 2,462	\$ -	\$ 5,829	\$ 8,652

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	<b>Capital Project Funds</b>				
	<i>School 2010 Capital Fund</i>	<i>2009 School Loan Fund</i>	<i>Town Properties Building Fund</i>	<i>Fire Department Capital Fund</i>	<i>Total Capital Project Funds</i>
<b>Revenues</b>					
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Charges for services	-	-	-	-	-
Investment and interest income	-	46	-	1	232
Contributions and private grants	-	-	-	-	-
Other income	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>46</u>	<u>-</u>	<u>1</u>	<u>250,232</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	293,815
Social services	-	-	-	-	-
Education	47,226	498,444	-	-	685,335
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<u>47,226</u>	<u>498,444</u>	<u>-</u>	<u>-</u>	<u>979,150</u>
<b>Excess (deficiency) of revenues over (under)</b>					
<b>expenditures before other financing sources (uses)</b>	<u>(47,226)</u>	<u>(498,398)</u>	<u>-</u>	<u>1</u>	<u>(728,918)</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers from other funds	-	45,000	-	-	110,000
Transfers to other funds	(45,000)	-	-	-	(45,000)
<b>Total other financing sources (uses)</b>	<u>(45,000)</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
<b>Net change in fund balance</b>	(92,226)	(453,398)	-	1	(663,918)
<b>Fund balances (deficits), beginning of year</b>	<u>450,000</u>	<u>452,007</u>	<u>16,607</u>	<u>12,707</u>	<u>1,483,901</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 357,774</u>	<u>\$ (1,391)</u>	<u>\$ 16,607</u>	<u>\$ 12,708</u>	<u>\$ 819,983</u>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended March 31, 2011

	<b>Permanent Funds</b>					
	<i>Sam Tourtellot &amp; Leslie Davis Fund</i>	<i>Elsie Gleason Fund</i>	<i>Glenford Cemetery Fund</i>	<i>Cemetery Fund</i>	<i>Total Permanent Funds</i>	<i>Total All Nonmajor Governmental Funds</i>
<b>Revenues</b>						
State aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,496,173
Charges for services	-	-	-	-	-	286,882
Investment and interest income	11	4	41	143	199	1,607
Contributions and private grants	-	-	-	-	-	23,366
Other income	-	-	-	-	-	2,883
<b>Total revenues</b>	<u>11</u>	<u>4</u>	<u>41</u>	<u>143</u>	<u>199</u>	<u>2,810,911</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	10,125
Public safety	-	-	-	-	-	10,877
Public works	-	-	-	-	-	297,685
Social services	-	-	-	-	-	179,848
Education	-	-	-	-	-	2,557,566
Debt service	-	-	-	-	-	2,513,248
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,569,349</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>11</u>	<u>4</u>	<u>41</u>	<u>143</u>	<u>199</u>	<u>(2,758,438)</u>
<b>Other financing sources (uses)</b>						
Issuance of debt	-	-	-	-	-	50,600
Transfers from other funds	-	-	-	-	-	2,364,252
Transfers to other funds	-	-	-	-	-	(48,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,366,852</u>
<b>Net change in fund balance</b>	<u>11</u>	<u>4</u>	<u>41</u>	<u>143</u>	<u>199</u>	<u>(391,586)</u>
<b>Fund balances (deficits), beginning of year</b>	<u>7,245</u>	<u>2,574</u>	<u>26,712</u>	<u>93,713</u>	<u>130,244</u>	<u>3,469,892</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 7,256</u>	<u>\$ 2,578</u>	<u>\$ 26,753</u>	<u>\$ 93,856</u>	<u>\$ 130,443</u>	<u>\$ 3,078,306</u>

**TOWN OF SCITUATE, RHODE ISLAND***Special Revenue Funds - School Restricted Fund**Combining Balance Sheet**March 31, 2011*


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	<i>Literacy</i>	<i>IDEA ARRA</i>	<i>Preschool ARRA</i>	<i>Professional Development</i>	<i>Early Childhood</i>	<i>Technology</i>	<i>Art Festival</i>
<b>ASSETS</b>							
Cash	\$ 45,380	\$ -	\$ -	\$ 23,774	\$ 15,786	\$ 19,774	\$ 250
Due from federal and state governments	-	112,883	9,280	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 45,380</u>	<u>\$ 112,883</u>	<u>\$ 9,280</u>	<u>\$ 23,774</u>	<u>\$ 15,786</u>	<u>\$ 19,774</u>	<u>\$ 250</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Cash overdraft	\$ -	\$ 32,497	\$ 4,889	\$ -	\$ -	\$ -	\$ -
Account payable and accrued expenditures	6,317	80,377	4,391	-	3,070	3,598	-
Due to other funds	-	9	-	-	-	-	-
<b>Total liabilities</b>	<u>6,317</u>	<u>112,883</u>	<u>9,280</u>	<u>-</u>	<u>3,070</u>	<u>3,598</u>	<u>-</u>
<b>Fund balances</b>	<u>39,063</u>	<u>-</u>	<u>-</u>	<u>23,774</u>	<u>12,716</u>	<u>16,176</u>	<u>250</u>
<b>Total liabilities and fund balances</b>	<u>\$ 45,380</u>	<u>\$ 112,883</u>	<u>\$ 9,280</u>	<u>\$ 23,774</u>	<u>\$ 15,786</u>	<u>\$ 19,774</u>	<u>\$ 250</u>

*(Continued)*



**TOWN OF SCITUATE, RHODE ISLAND**

*Special Revenue Funds - School Restricted Fund*

*Combining Balance Sheet (Continued)*

*March 31, 2011*

	<i>Volunteers</i>	<i>Title I ARRA</i>	<i>Student Equity</i>	<i>School Support System</i>	<i>Preschool</i>	<i>IDEA Part B</i>	<i>Title I</i>	<i>Title II</i>
<b>ASSETS</b>								
Cash	\$ -	\$ -	\$ 96,433	\$ -	\$ -	\$ -	\$ -	\$ -
Due from federal and state governments	-	16,281	-	5,374	9,025	104,015	5,993	4,078
Due from other funds	-	-	-	-	-	1,186	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 16,281</u>	<u>\$ 96,433</u>	<u>\$ 5,374</u>	<u>\$ 9,025</u>	<u>\$ 105,201</u>	<u>\$ 5,993</u>	<u>\$ 4,078</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Cash overdraft	\$ -	\$ 10,228	\$ -	\$ 1,668	\$ 3,384	\$ 55,731	\$ 3,819	\$ 3,493
Account payable and accrued expenditures	-	6,053	9,547	3,706	5,510	41,742	2,174	585
Due to other funds	-	-	-	-	131	3,476	-	-
<b>Total liabilities</b>	<u>-</u>	<u>16,281</u>	<u>9,547</u>	<u>5,374</u>	<u>9,025</u>	<u>100,949</u>	<u>5,993</u>	<u>4,078</u>
<b>Fund balances</b>	<u>-</u>	<u>-</u>	<u>86,886</u>	<u>-</u>	<u>-</u>	<u>4,252</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 16,281</u>	<u>\$ 96,433</u>	<u>\$ 5,374</u>	<u>\$ 9,025</u>	<u>\$ 105,201</u>	<u>\$ 5,993</u>	<u>\$ 4,078</u>

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND***Special Revenue Funds - School Restricted Fund**Combining Balance Sheet (Continued)**March 31, 2011*


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	<i>Title IV</i>	<i>Education Jobs</i>	<i>State Fiscal Stabilization</i>	<i>Language Assistance</i>	<i>RI Foundation</i>	<i>Verizon</i>	<i>Total</i>
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ -	\$ 42,887	\$ -	\$ 5,000	\$ 249,284
Due from federal and state governments	-	34,930	56,788	-	-	-	358,647
Due from other funds	-	-	-	-	-	-	1,186
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,186</u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 34,930</u>	<u>\$ 56,788</u>	<u>\$ 42,887</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 609,117</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Cash overdraft	\$ -	\$ 15,924	\$ 27,173	\$ -	\$ -	\$ -	\$ 158,806
Account payable and accrued expenditures	-	-	-	248	-	-	167,318
Due to other funds	-	19,006	29,615	-	-	-	52,237
	<u>-</u>	<u>19,006</u>	<u>29,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,237</u>
<b>Total liabilities</b>	<u>-</u>	<u>34,930</u>	<u>56,788</u>	<u>248</u>	<u>-</u>	<u>-</u>	<u>378,361</u>
<b>Fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,639</u>	<u>-</u>	<u>5,000</u>	<u>230,756</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 34,930</u>	<u>\$ 56,788</u>	<u>\$ 42,887</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 609,117</u>

**TOWN OF SCITUATE, RHODE ISLAND**  
*Special Revenue Funds - School Restricted Fund*  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended March 31, 2011

	<u>Literacy</u>	<u>IDEA ARRA</u>	<u>Preschool ARRA</u>	<u>Professional Development</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Art Festival</u>
<b>Revenues</b>							
Federal and state aid and grants	\$ 81,590	\$ 168,874	\$ 6,222	\$ -	\$ 73,211	\$ 39,556	\$ -
Contributions and private grants	-	-	-	-	-	-	250
<b>Total revenues</b>	<u>81,590</u>	<u>168,874</u>	<u>6,222</u>	<u>-</u>	<u>73,211</u>	<u>39,556</u>	<u>250</u>
<b>Expenditures</b>							
Education	<u>89,957</u>	<u>168,874</u>	<u>6,222</u>	<u>7,852</u>	<u>68,495</u>	<u>44,211</u>	<u>250</u>
<b>Total expenditures</b>	<u>89,957</u>	<u>168,874</u>	<u>6,222</u>	<u>7,852</u>	<u>68,495</u>	<u>44,211</u>	<u>250</u>
<b>Net change in fund balance</b>	<u>(8,367)</u>	<u>-</u>	<u>-</u>	<u>(7,852)</u>	<u>4,716</u>	<u>(4,655)</u>	<u>-</u>
<b>Fund balances - beginning of year</b>	<u>47,430</u>	<u>-</u>	<u>-</u>	<u>31,626</u>	<u>8,000</u>	<u>20,831</u>	<u>250</u>
<b>Fund balances - end of year</b>	<u>\$ 39,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,774</u>	<u>\$ 12,716</u>	<u>\$ 16,176</u>	<u>\$ 250</u>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
*Special Revenue Funds - School Restricted Fund*  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
For the Fiscal Year Ended March 31, 2011

	<i>Volunteers</i>	<i>Title I ARRA</i>	<i>Student Equity</i>	<i>School Support System</i>	<i>Preschool</i>	<i>IDEA Part B</i>	<i>Title I</i>	<i>Title II</i>
<b>Revenues</b>								
Federal and state aid and grants	\$ -	\$ 60,777	\$ 132,854	\$ 10,450	\$ 10,176	\$ 460,467	\$ 132,413	\$ 58,068
Contributions and private grants	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>60,777</u>	<u>132,854</u>	<u>10,450</u>	<u>10,176</u>	<u>460,467</u>	<u>132,413</u>	<u>58,068</u>
<b>Expenditures</b>								
Education	<u>2,560</u>	<u>60,777</u>	<u>127,643</u>	<u>10,450</u>	<u>10,176</u>	<u>456,215</u>	<u>132,413</u>	<u>58,068</u>
<b>Total expenditures</b>	<u>2,560</u>	<u>60,777</u>	<u>127,643</u>	<u>10,450</u>	<u>10,176</u>	<u>456,215</u>	<u>132,413</u>	<u>58,068</u>
<b>Net change in fund balance</b>	<u>(2,560)</u>	<u>-</u>	<u>5,211</u>	<u>-</u>	<u>-</u>	<u>4,252</u>	<u>-</u>	<u>-</u>
<b>Fund balances - beginning of year</b>	<u>2,560</u>	<u>-</u>	<u>81,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,252</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
*Special Revenue Funds - School Restricted Fund*  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
For the Fiscal Year Ended March 31, 2011

	<i>Title IV</i>	<i>Education Jobs</i>	<i>State Fiscal Stabilization</i>	<i>Language Assistance</i>	<i>RI Foundation</i>	<i>Verizon</i>	<i>Total</i>
<b>Revenues</b>							
Federal and state aid and grants	\$ 102	\$ 83,439	\$ 188,334	\$ 15,657	\$ -	\$ -	\$ 1,522,190
Contributions and private grants	-	-	-	-	1,562	5,000	6,812
<b>Total revenues</b>	<u>102</u>	<u>83,439</u>	<u>188,334</u>	<u>15,657</u>	<u>1,562</u>	<u>5,000</u>	<u>1,529,002</u>
<b>Expenditures</b>							
Education	102	83,439	188,334	793	1,562	-	1,518,393
<b>Total expenditures</b>	<u>102</u>	<u>83,439</u>	<u>188,334</u>	<u>793</u>	<u>1,562</u>	<u>-</u>	<u>1,518,393</u>
 <b>Net change in fund balance</b>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>14,864</u>	 <u>-</u>	 <u>5,000</u>	 <u>10,609</u>
 <b>Fund balances - beginning of year</b>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>27,775</u>	 <u>-</u>	 <u>-</u>	 <u>220,147</u>
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,639</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 230,756</u>

## **A G E N C Y   F U N D S**

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

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

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

**TOWN OF SCITUATE, RHODE ISLAND**  
**Combining Statement of Net Assets**  
**Agency Funds**  
**March 31, 2011**

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	<u><i>Student Activities Fund</i></u>	<u><i>Town Council Sunshine Fund</i></u>	<u><i>Total Agency Funds</i></u>
<b><i>Assets</i></b>			
Cash	<u>\$ 151,731</u>	<u>\$ 63</u>	<u>\$ 151,794</u>
<b><i>Total assets</i></b>	<u><u>\$ 151,731</u></u>	<u><u>\$ 63</u></u>	<u><u>\$ 151,794</u></u>
 <b><i>Liabilities</i></b>			
Deposits held in custody for others	<u>\$ 151,731</u>	<u>\$ 63</u>	<u>\$ 151,794</u>
<b><i>Total liabilities</i></b>	<u><u>\$ 151,731</u></u>	<u><u>\$ 63</u></u>	<u><u>\$ 151,794</u></u>

**TOWN OF SCITUATE, RHODE ISLAND**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended March 31, 2011**

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	<u>Balance</u> <u>March 31, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2011</u>
<b>STUDENT ACTIVITY FUND</b>				
<i>Assets</i>				
Cash	\$ 158,648	\$ 247,344	\$ 254,261	\$ 151,731
<b>Total assets</b>	<u>\$ 158,648</u>	<u>\$ 247,344</u>	<u>\$ 254,261</u>	<u>\$ 151,731</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 158,648	\$ 247,344	\$ 254,261	\$ 151,731
<b>Total liabilities</b>	<u>\$ 158,648</u>	<u>\$ 247,344</u>	<u>\$ 254,261</u>	<u>\$ 151,731</u>
 <b>TOWN COUNCIL SUNSHINE FUND</b>				
<i>Assets</i>				
Cash	\$ 63	\$ -	\$ -	\$ 63
<b>Total assets</b>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 63	\$ -	\$ -	\$ 63
<b>Total liabilities</b>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63</u>
 <b>TOTAL AGENCY FUNDS</b>				
<i>Assets</i>				
Cash	\$ 158,711	\$ 247,344	\$ 254,261	\$ 151,794
<b>Total assets</b>	<u>\$ 158,711</u>	<u>\$ 247,344</u>	<u>\$ 254,261</u>	<u>\$ 151,794</u>
<i>Liabilities</i>				
Deposits held in custody for others	\$ 158,711	\$ 247,344	\$ 254,261	\$ 151,794
<b>Total liabilities</b>	<u>\$ 158,711</u>	<u>\$ 247,344</u>	<u>\$ 254,261</u>	<u>\$ 151,794</u>



# TOWN OF SCITUATE, RHODE ISLAND

## Schedule of Tax Collections

For the Fiscal Year Ended March 31, 2011

### Real Estate and Personal Property Taxes

<u>Year</u>	<u>Balance March 31, 2010</u>	<u>Current Year Assessment</u>	<u>Additions</u>	<u>Abatements and Adjustments</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance March 31, 2011</u>
2010	\$ -	\$ 24,841,929	\$ 23,449	\$ (13,474)	\$ 24,851,904	\$ 19,801,247	\$ 5,050,657
2009	4,371,200	-	2,464	1,538	4,375,202	4,207,062	168,140
2008	168,471	-	1,288	(251)	169,508	76,557	92,951
2007	81,730	-	75	(194)	81,611	11,748	69,863
2006	18,809	-	-	(227)	18,582	3,761	14,821
2005	13,836	-	-	(145)	13,691	724	12,967
2004	6,559	-	-	(56)	6,503	46	6,457
2003	6,192	-	-	-	6,192	-	6,192
2002	4,257	-	-	-	4,257	-	4,257
2001	2,074	-	-	(2,074)	-	-	-
2000	2,637	-	-	(2,637)	-	-	-
1999	301	-	-	(301)	-	-	-
1998	301	-	-	(301)	-	-	-
1997	161	-	-	(161)	-	-	-
	<u>\$ 4,676,528</u>	<u>\$ 24,841,929</u>	<u>\$ 27,276</u>	<u>\$ (18,283)</u>	<u>\$ 29,527,450</u>	<u>\$ 24,101,145</u>	<u>\$ 5,426,305</u>

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

<u>Description of Property</u>	<u>Net Assessed Valuations</u>	<u>Net Levy</u>
Real property	\$ 702,482,305	\$22,487,332
Motor vehicles	49,865,197	1,505,659
Tangible personal property	22,194,685	848,938
<b>Total</b>	<u>\$ 774,542,187</u>	<u>\$24,841,929</u>

### Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 24,101,145
Payment adjustments and transfers	(12,415)
Revenue received 60 days subsequent to fiscal year ending March 31, 2011	4,467,722
	<u>28,556,452</u>
Prior year revenue received in current year	(3,858,278)
<b>Current year property tax revenue</b>	<u>\$ 24,698,174</u>

## **S T A T I S T I C A L   S E C T I O N**

**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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Town's financial position has changed over time.	<b>86-89</b>
<b>Revenue Capacity</b> 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.	<b>90-94</b>
<b>Debt Capacity</b> 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.	<b>95-99</b>
<b>Economic and Demographic Information</b> 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.	<b>100-101</b>
<b>Operating Information</b> 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.	<b>102-104</b>

**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 Assets by Component**Last Eight Fiscal Years**(accrual basis of accounting)**"Unaudited"*

	<i>Fiscal Year</i>							
	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
<b><i>Governmental Activities:</i></b>								
Invested in Capital Assets, Net of Related Debt	\$ 2,927,420	\$ 3,819,077	\$ 4,327,936	\$ 4,804,205	\$ 10,256,196	\$10,676,154	\$11,598,150	\$12,104,545
Restricted	347,149	435,721	665,002	848,235	790,480	831,917	585,995	681,967
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>
<b><i>Total Governmental Activities Net Assets</i></b>	<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>

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

**Source:** Town of Scituate's Comprehensive Annual Financial Report

Table 2

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

	<i>Fiscal Year</i>							
	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
<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
Public Safety	3,136,327	3,346,730	3,645,144	3,721,954	3,894,316	4,028,697	4,116,636	4,286,342
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
Social Services	764,402	778,083	1,127,796	882,715	973,438	950,922	866,246	891,122
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
Debt Service	504,214	450,610	434,520	436,920	427,637	363,291	562,399	529,887
<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>31,782,304</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
Public Safety	165,393	151,842	181,887	218,481	172,696	178,825	321,970	373,800
Public Works	19,050	26,525	26,960	16,300	18,490	17,505	17,775	17,350
Social Services	29,226	23,894	27,739	193,225	37,905	42,367	34,908	43,499
Education	431,214	439,173	589,963	663,221	565,627	487,357	472,530	444,565
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
Capital Grants and Contributions	10,000	114,295	99,041	6,000	-	10,000	88,145	250,000
<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>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>(24,548,324)</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
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
Investment Earnings	90,091	60,949	105,421	167,126	185,515	69,729	7,608	8,299
Miscellaneous	-	-	-	140,813	-	-	11,521	13,486
<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>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>\$ 762,634</b>

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

**Source:** Town of Scituate's Comprehensive Annual Financial  
Report

Table 3

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund								
Reserved	\$ -	\$26,035	\$448,054	\$171,664	\$58,894	\$ -	\$ -	\$ -
Unreserved	<u>1,565,536</u>	<u>1,481,449</u>	<u>935,681</u>	<u>1,316,007</u>	<u>1,502,327</u>	<u>1,854,152</u>	<u>2,941,930</u>	<u>2,665,483</u>
<b>Total General Fund</b>	<u><u>\$1,565,536</u></u>	<u><u>\$1,507,484</u></u>	<u><u>\$1,383,735</u></u>	<u><u>\$1,487,671</u></u>	<u><u>\$1,561,221</u></u>	<u><u>\$1,854,152</u></u>	<u><u>\$2,941,930</u></u>	<u><u>\$2,665,483</u></u>
All Other Governmental Funds								
Reserved	\$1,292,980	\$177,046	\$117,803	\$122,802	\$127,805	\$342,855	\$130,244	\$130,443
Unreserved								
Reported in:								
Special Revenue Funds	3,281,390	3,190,342	3,821,032	4,271,969	4,070,033	4,113,032	3,245,848	3,669,689
Capital Projects Funds	<u>1,041,034</u>	<u>485,842</u>	<u>342,622</u>	<u>611,986</u>	<u>817,467</u>	<u>987,716</u>	<u>1,483,901</u>	<u>819,983</u>
<b>Total All Other Governmental Funds</b>	<u><u>\$ 5,615,404</u></u>	<u><u>\$ 3,853,230</u></u>	<u><u>\$ 4,281,457</u></u>	<u><u>\$ 5,006,757</u></u>	<u><u>\$ 5,015,305</u></u>	<u><u>\$ 5,443,603</u></u>	<u><u>\$ 4,859,993</u></u>	<u><u>\$4,620,115</u></u>
<b>Total Governmental Funds</b>	<u><u>\$7,180,940</u></u>	<u><u>\$5,360,714</u></u>	<u><u>\$5,665,192</u></u>	<u><u>\$6,494,428</u></u>	<u><u>\$6,576,526</u></u>	<u><u>\$7,297,755</u></u>	<u><u>\$7,801,923</u></u>	<u><u>\$7,285,598</u></u>

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

**Source: Town of Scituate's Comprehensive Annual Financial Report**

Table 4

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
General Property Taxes	\$ 15,597,760	\$ 15,877,800	\$ 17,512,173	\$18,683,454	\$20,014,679	\$ 21,202,702	\$22,253,861	\$ 23,425,236	\$24,478,480	\$ 24,698,174
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
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
Fines and Penalties	-	-	104,542	73,552	68,881	80,011	52,044	45,335	52,198	49,698
Investment and Interest Income	128,532	125,090	177,845	134,539	197,356	294,371	294,804	189,690	90,575	78,242
Contributions and Private Grants	-	-	140,356	104,282	68,648	39,065	23,032	33,669	55,012	23,366
Intergovernmental Revenues	6,041,033	6,710,545	-	-	-	-	-	-	-	-
Town Clerk Revenue	167,985	204,525	-	-	-	-	-	-	-	-
Other Revenues	582,455	595,067	-	668	6,000	153,702	66,043	144,339	203,319	65,770
<b>Total Revenues</b>	<b>22,517,765</b>	<b>23,513,027</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>Expenditures</b>										
Current:										
General Government	823,272	852,074	886,014	906,809	936,694	1,142,136	1,034,386	1,065,681	1,142,803	1,031,577
Public Safety	1,799,145	1,748,144	2,180,646	3,795,382	2,724,448	2,806,773	2,963,325	2,751,355	2,724,479	2,756,086
Public Works	1,563,071	1,570,769	1,636,559	1,899,450	1,888,870	1,842,956	2,188,927	2,107,206	1,834,311	2,059,104
Social Services	948,160	654,148	928,509	1,081,219	1,132,594	828,604	904,695	853,382	1,068,654	862,356
Fixed Charges	931,082	1,065,828	1,158,295	1,290,768	1,381,725	1,521,628	1,620,889	1,558,859	6,618,690	1,562,111
Education	14,641,534	15,492,672	17,524,046	18,616,852	19,540,910	20,740,580	21,908,212	22,131,374	25,850,794	22,250,848
Other	360,684	412,855	-	-	-	-	-	-	-	-
Debt Service:										
Principal	823,000	936,457	736,459	1,086,459	1,041,459	1,071,459	1,112,715	1,295,465	1,545,000	2,005,000
Interest	504,036	373,380	470,285	421,588	379,679	359,006	347,400	339,293	459,801	508,248
Capital Outlay	530,556	807,792	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>22,924,540</b>	<b>23,914,119</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>Excess of Revenues Over (Under) Expenditures</b>										
<b>Before Other Financing Sources (Uses)</b>	<b>(406,775)</b>	<b>(401,092)</b>	<b>(292,253)</b>	<b>(1,820,226)</b>	<b>(175,370)</b>	<b>368,236</b>	<b>(652,652)</b>	<b>291,229</b>	<b>(8,666,196)</b>	<b>(566,925)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from Issuance of Debt	893,723	5,470,574	1,830,000	-	476,500	461,000	734,750	430,000	11,035,000	50,600
Premium on Debt	-	-	31,035	-	-	-	-	-	149,719	-
Payment -Bond Refunding Agent	-	(4,710,574)	-	-	-	-	-	-	(2,014,355)	-
Transfers In	11,865,496	12,260,771	13,708,845	15,181,624	16,465,288	17,326,261	18,366,062	19,429,671	19,509,317	18,864,067
Transfers Out	(11,935,305)	(12,345,171)	(13,708,845)	(15,181,624)	(16,465,288)	(17,326,261)	(18,366,062)	(19,429,671)	(19,509,317)	(18,864,067)
<b>Total Other Financing Sources (Uses)</b>	<b>823,914</b>	<b>675,600</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>Net Change in Fund Balances</b>	<b>\$ 417,139</b>	<b>\$ 274,508</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>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.93%</b>	<b>5.67%</b>	<b>4.78%</b>	<b>5.50%</b>	<b>5.02%</b>	<b>4.78%</b>	<b>4.66%</b>	<b>5.19%</b>	<b>5.45%</b>	<b>7.85%</b>

Source: Town of Scituate Comprehensive Annual Financial Report

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

Table 5

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

	<i>Real Property</i>						<i>Personal Property</i>	
							<i>Tangible</i>	
<i>Fiscal Year</i>	<i>Residential</i>	<i>Commercial</i>	<i>Less Tax-Exempt Property</i>	<i>Total Taxable Assessed Value</i>	<i>Direct Tax Rate</i>	<i>Estimated Actual Value</i>	<i>Tangible Personal Property</i>	<i>Tax Rate Personal Property</i>
2002	\$ 338,527,380	\$ 158,082,110	\$ 3,530,524	\$ 493,078,966	\$27.75	\$ 993,218,980	\$ 24,002,560	\$27.75
2003	342,898,960	158,226,300	3,431,449	497,693,811	28.45	1,002,250,520	24,315,160	28.45
2004	347,719,380	158,554,740	3,447,948	502,826,172	31.33	1,012,548,240	24,529,920	31.33
2005	551,737,090	180,025,470	3,510,150	728,252,410	22.08	1,463,525,120	26,426,300	33.05
2006	560,248,530	180,222,570	3,516,500	736,954,600	23.29	1,480,942,200	27,638,350	34.87
2007	567,514,290	180,135,970	3,436,500	744,213,760	24.57	1,495,300,520	29,502,240	36.79
2008	694,016,310	213,839,710	3,576,000	904,280,020	21.42	1,815,712,040	23,775,070	32.13
2009	699,609,930	213,222,350	3,680,000	909,152,280	22.395	1,825,664,560	23,216,950	33.592
2010	703,054,600	212,770,070	24,603,155	891,221,515	24.400	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

\*\*

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.



Table 5

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

	<i>Personal Property</i>					<i>Total</i>		
	<i>Motor Vehicle</i>							
<i>Fiscal Year</i>	<i>Motor Vehicles</i>	<i>Less Tax-Exempt Property</i>	<i>Total Motor Vehicle Taxable Assessed Value</i>	<i>Tax Rate Motor Vehicles</i>	<i>Personal Property Estimates Actual Value</i>	<i>Total Assessed Value</i>	<i>Estimated Actual Value</i>	<i>Ratio</i>
2002	\$ 69,595,669	\$ 22,997,739	\$ 46,597,930	\$30.20	\$ 97,261,159	\$ 590,207,719	\$ 1,090,480,139	54.12%
2003	71,937,248	29,885,967	42,051,281	30.20	100,038,579	597,377,668	1,102,289,099	54.19%
2004	77,181,920	31,189,919	45,992,001	30.20	105,774,046	607,985,960	1,118,322,286	54.37%
2005	79,324,634	32,710,998	46,613,636	30.20	109,925,915	837,513,494	1,573,451,035	53.23%
2006	86,423,570	33,358,221	53,065,349	30.20	118,610,528	854,533,020	1,599,552,728	53.42%
2007	96,029,792	46,685,699	49,344,093	30.20	N/A	873,182,292	N/A	N/A
2008	96,975,747	47,715,845	49,259,902	30.20	N/A	1,028,606,837	N/A	N/A
2009	101,335,447	48,259,725	53,075,722	30.20	N/A	1,037,384,677	N/A	N/A
2010	90,579,741	47,373,231	43,206,510	30.20	N/A	1,029,957,641	N/A	N/A
2011	107,763,886	57,898,689	49,865,197	30.20	N/A	896,401,646	N/A	N/A

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

**Source: Tax Assessor's Office**

*Table 6*

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

<i>Town Direct Rates</i>				
<i>Fiscal Year</i>	<i>Basic Rate</i>	<i>MV</i>	<i>PP</i>	<i>Comm Mixed Use</i>
2002	\$27.750	\$30.200	\$27.750	
2003	28.450	30.200	28.450	
2004	31.330	30.200	31.330	
2005	22.080	30.200	33.050	\$27.75
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

Notes:

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

Table 7

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

<i><b>Taxpayer</b></i>	<i><b>2011</b></i>			<i><b>Taxpayer</b></i>	<i><b>2002</b></i>		
	<i><b>Taxable Assessed Value</b></i>	<i><b>Percentage of Total Taxable Assessed Value</b></i>	<i><b>Type of Business</b></i>		<i><b>Taxable Assessed Value</b></i>	<i><b>Percentage of Total Taxable Assessed Value</b></i>	<i><b>Type of Business</b></i>
Providence Water Supply Board	\$187,456,340	24.20%	Utility/Watershed	Providence Water Supply Board	\$151,537,780	27.69%	Utility/Watershed
Narragansett Electric, Co.	8,958,760	1.16%	Utility/Electric	Narragansett Electric, Co.	7,288,450	1.33%	Utility/Electric
Providence Public Build Auth	4,678,450	0.60%	Utility/Watershed	Providence Public Build Auth	3,012,930	0.55%	Utility/Watershed
Cox Communications	3,740,340	0.48%	Utility/Cable	Cox Communications	2,093,130	0.38%	Utility/Cable
Scituate Village Shopping Cntr.	1,815,550	0.23%	Retail Shopping	General Motors Acceptance Co.	1,524,746	0.28%	Motor Vehicle Leasing
Cavanagh, Peter A., et ux Theresa	1,155,400	0.15%	Residential	Scituate Village Shopping Cntr.	1,363,200	0.25%	Retail Shopping
New England Development RI LLC	1,032,250	0.13%	Industrial mill	Ford Motor Credit Company	1,342,831	0.25%	Motor Vehicle Leasing
CAB East LLC	929,247	0.12%	Motor Vehicle Leasing	Cavanagh, Peter A et ux Theresa A	966,600	0.18%	Residential
Honda Lease Trust	918,676	0.12%	Motor Vehicle Leasing	Ciunci, Vincent R. ET UX Mary	856,050	0.16%	Residential
Scituate Commons	830,660	0.11%	Residential Apartments	Chase Manhattan Auto	745,348	0.14%	Motor Vehicle Leasing
Totals	<u>\$211,515,673</u>	<u>27.31%</u>			<u>\$170,731,065</u>	<u>31.19%</u>	

Sources: Town of Scituate Tax Assessor

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

(2) 2010 and 2001 Tax Rolls

Table 8

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

<i><b>Fiscal Year</b></i>	<i><b>Net Adjusted Tax Levy</b></i>	<i><b>Current Tax Collections</b></i>	<i><b>Percent of Current Taxes Collected</b></i>	<i><b>Delinquent Tax Collections</b></i>	<i><b>Total Tax Collections</b></i>	<i><b>Ratio of Total Tax Collections to Net Tax Levy</b></i>	<i><b>Net Outstanding Delinquent Taxes</b></i>	<i><b>Ratio of Delinquent Taxes to Net Tax Levy</b></i>
2002	\$ 15,379,065	\$ 14,937,180	97.1%	\$ 554,342	\$ 15,491,522	100.7%	\$ 646,891	4.2%
2003	15,777,922	15,335,099	97.2%	443,564	15,778,663	100.0%	614,425	3.9%
2004	17,466,182	17,051,554	97.6%	460,619	17,512,173	100.3%	539,726	3.1%
2005	18,721,904	18,284,018	97.7%	399,436	18,683,454	99.8%	579,683	3.1%
2006	20,034,099	19,559,113	97.6%	455,566	20,014,679	99.9%	582,116	2.9%
2007	21,261,328	20,784,484	97.8%	418,218	21,202,702	99.7%	641,043	2.7%
2008	22,358,402	21,827,825	97.6%	426,036	22,253,861	99.5%	739,978	3.3%
2009	23,485,820	22,927,741	97.6%	497,495	23,425,236	99.7%	766,572	3.3%
2010	24,574,623	23,986,227	97.6%	492,253	24,478,480	99.6%	818,250	3.3%
2011	24,851,904	24,191,282	97.3%	506,892	24,698,174	99.4%	958,583	3.9%

Notes:

(1) Collection data has been adjusted to reflect accruals for "60 day rule" collections received subsequent to year-end.

(2) Source: Treasurer's records

Table 9

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

<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>			
2002	\$ 9,553,723	\$ 342,000	\$ -	\$ 120,000	\$ 10,015,723	3.45% (a)	\$ 970.14
2003	9,800,266	304,000	-	-	10,104,266	3.48% (a)	978.72
2004	10,931,807	266,000	-	-	11,197,807	3.86% (a)	1,084.64
2005	9,883,348	228,000	-	-	10,111,348	3.49% (a)	979.40
2006	9,356,389	190,000	-	-	9,546,389	3.29% (a)	924.68
2007	8,783,930	152,000	-	-	8,935,930	3.08% (a)	865.55
2008	8,443,965	114,000	-	-	8,557,965	2.95% (a)	828.94
2009	7,616,500	76,000	-	-	7,692,500	2.65% (a)	745.11
2010	11,199,500	38,000	4,000,000	-	15,237,500	5.01% (a)	1,408.66
2011	9,367,500	-	3,902,950	-	13,270,450	4.57% (a)	1,284.78

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

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

**Table 10**

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

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>		<b>Percentage of Actual Taxable Value (a) of Property</b>	<b>Per Capita (b)</b>
	<b>General Obligation Bonds</b>	<b>Total</b>		
2002	\$ 9,553,723	\$ 9,553,723	1.75%	\$ 925.39
2003	9,800,266	9,800,266	1.79%	949.27
2004	10,931,807	10,931,807	1.95%	1,058.87
2005	9,883,348	9,883,348	1.23%	957.32
2006	9,356,389	9,356,389	1.14%	906.28
2007	8,783,930	8,783,930	1.07%	850.83
2008	8,443,965	8,443,965	0.86%	817.90
2009	7,616,500	7,616,500	0.77%	737.75
2010	11,199,500	11,199,500	1.17%	1,035.36
2011	9,367,500	9,367,500	1.21%	906.91

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.

***Table 11***

***TOWN OF SCITUATE, RHODE ISLAND  
Direct and Overlapping Governmental Activities Debt  
As of March 31, 2011  
"Unaudited"***

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

Table 12

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$ 16,420,089	\$ 16,467,710	\$ 16,789,620	\$ 24,038,770	\$ 24,529,749	\$ 26,195,469	\$29,319,450	\$29,563,349	\$28,729,449	\$23,236,266
Total net debt applicable to limit	<u>768,723</u>	<u>1,435,266</u>	<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>
Legal debt margin	<u>\$ 15,651,366</u>	<u>\$ 15,032,444</u>	<u>\$ 13,747,813</u>	<u>\$ 21,375,422</u>	<u>\$ 21,778,360</u>	<u>\$ 23,381,539</u>	<u>\$26,180,485</u>	<u>\$26,551,849</u>	<u>\$19,784,949</u>	<u>\$15,703,766</u>
Total net debt margin as a percentage of debt limit	95.32%	91.28%	81.88%	88.92%	88.78%	89.26%	89.29%	89.81%	68.87%	67.58%

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



*Table 13*

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

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

**Table 14**

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

<b><i>Fiscal Year Ended March</i></b>	<b><i>Population (1)</i></b>	<b><i>Median Family Income (1)</i></b>	<b><i>Per Capita Personal Income (1)</i></b>	<b><i>Median Age(1)</i></b>	<b><i>School Enrollment (2)</i></b>	<b><i>Unemployment Rate (3)</i></b>
2002	10,324	\$ 67,593	\$ 28,092	39.7	1,772	5.40%
2003	10,324	67,593	28,092	39.7	1,782	5.80%
2004	10,324	67,593	28,092	39.7	1,793	4.60%
2005	10,324	67,593	28,092	39.7	1,814	5.01%
2006	10,324	67,593	28,092	39.7	1,792	5.50%
2007	10,324	67,593	28,092	39.7	1,873	4.70%
2008	10,324	67,593	28,092	39.7	1,806	7.00%
2009	10,324	67,593	28,092	39.7	1,700	12.5%
2010	10,817	67,593	28,092	39.7	1,660	11.9%
2011	10,329	60,788	28,092	39.7	1,660	11.1%

Sources:

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

Table 15

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

<i><b>Employer</b></i>	<i><b>2011</b></i>		
	<i><b>Employees</b></i>	<i><b>Rank</b></i>	<i><b>Percentage of Total Town Employment</b></i>
Town of Scituate Municipal /School	419	1	6.65%
Totrama Supermarkets DBA The Village IGA	73	2	1.16%
Providence Water Supply Board	52	3	0.83%
Atlas Insulation Co.	48	4	0.76%
Maxi Drug South Lp DBA Rite - Aid	30	5	0.48%
102 Scituate Corp DBA Dunkin Donuts	21	6	0.33%
McDonald's	20	7	0.32%
Scituate Lumber	17	8	0.27%
Charming Treasurers	12	9	0.19%
Corner Bristo LLL	10	10	0.16%
Total	<u>702</u>		<u>11.15%</u>

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

**Note: Data is unavailable for 2002**

Table 16

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

<b><u>Function/Program</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
Central Administration										
Town Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Town Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	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	4.0	4.0	4.5	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	8.0	8.0	7.0	7.0	7.0	7.0
Land Trust	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Historic District										
Town Sergeant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Financial Administration										
Treasurer	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Treasurer's Office	3.0	3.0	3.0	3.0	3.0	3.0	2.5	2.0	2.0	2.0
Tax Collection	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0
Tax Assessor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety										
Police										
Officers	18.0	18.0	18.0	18.0	17.0	17.0	16.0	17.0	17.0	16.0
Civilians	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
Animal Control										
Animal Control Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1	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	0.3	0.3	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5
Public Works Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Asst. Director	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5
Highway										
Driver/Laborer/ Building/Grounds	7.3	7.4	7.4	6.4	6.4	6.4	5.0	6.0	6.0	6.0
Forman Driver/Laborer	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Maintenance										
Custodial	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Vehicles & Equipment	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Recreation Department										
Director	1.0	1.0	1.0	1.0	1.3	1.3	0.0	*0.4	*0.4	*0.4
Summer Programs	68.0	74.0	69.0	75.0	75.0	75.0	82.0	93.0	93.0	93.0
Human Services Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Meal site	0.5	1.3	1.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Senior Van Driver	0.5	0.8	0.8	0.8	0.8	0.1	0.8	0.8	0.8	0.8

Source: Comprehensive Annual Financial Report/ Miscellaneous Statistics Unaudited  
 \*Seasonal

*Table 17*

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

<b><i>Function/Program</i></b>	<b><i>2002</i></b>	<b><i>2003</i></b>	<b><i>2004</i></b>	<b><i>2005</i></b>	<b><i>2006</i></b>	<b><i>2007</i></b>	<b><i>2008</i></b>	<b><i>2009</i></b>	<b><i>2010</i></b>	<b><i>2011</i></b>
Public Safety (1)										
Police										
Calls	8,053	8,937	8,572	8,396	7,720	9,144	7,904	10,202	12,000	18,010
Physical Arrests	343	303	239	243	245	280	164	176	189	41
Citations	1,042	1,566	1,733	1,601	1,339	1,888	1,056	1,086	853	594
Accidents	305	350	316	353	362	273	284	300	195	388
Animal Control										
Dog Licenses Issued	701	700	648	658	659	408	408	576	576	576
Building/Zoning (1)										
Commercial Construction Permits	-	1	-	-	1	-	-	3	6	-
Residential Construction Permits	46	51	40	10	22	2	2	9	6	20
2 -Family	-	-	-	-	-	-	-	1	-	-

Sources: Various Town departments.

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

Table 18

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

<b>Function/Program</b>	<b>2002</b>	<b>2003</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>
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
								1	1	1
Public Works										
Stations/Garage	1	1	1	1	1	1	1		1	1
Streets and Highways										
Street (miles - state paved)	56.70	56.70	56.70	56.70	56.70	56.70	56.70	56.70	56.7	56.7
Street (miles - local paved)	83.0	83.0	83.0	83.0	83.0	83.0	83.0	86.7	86.7	86.7
Parks and Recreation										
Playgrounds	4	4	4	4	4	4	4	4	4	4
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Beaches	1	1	1	1	1	1	1	1	1	1
Baseball/Softball diamonds	1	1	1	1	1	1	1	5	5	5
Baseball/Hardball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/Football fields	7	7	7	7	7	7	7	6	6	6
Basketball Courts/Outdoor	2	2	2	2	2	2	2	2	2	2
Basketball Courts/ Indoor	4	4	4	4	4	4	4	4	4	4
Undeveloped Sites	2	2	2	2	2	2	2	2	2	2
Human Services										
Transit mini-bus	2	2	2	2	2	2	2	3	3	3
Senior Center	1	1	1	1	1	1	1	1	1	1
Buildings										
Town Hall	1	1	1	1	1	1	1	1	1	1
Community House	1	1	1	1	1	1	1	1	1	1
Congregational Church	1	1	1	1	1	1	1	1	1	1
Potterville School House	1	1	1	1	1	1	1	1	1	1
Clayville School House	1	1	1	1	1	1	1	1	1	1
Old Towne House	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments  
Financial Report Miscellaneous Statistics

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

**This section contains information  
regarding grant activity for the year ended  
March 31, 2011 which was audited under the guidelines  
of the Single Audit Act of 1996 and the United States  
Office of Management and Budget's Circular A-133, "Audits  
of States, Local Governments, and Non-Profit Organizations".**

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island as of and for the year ended March 31, 2011, which collectively comprise the Town of Scituate, Rhode Island's basic financial statements and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

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

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



*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 11-1 to be a material weakness.

### **Compliance and Other Matters**

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

We noted certain matters that we reported to the management of the Town of Scituate, Rhode Island in a separate letter dated September 29, 2011.

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

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

A handwritten signature in black ink that reads "Bacon & Company, LLC". The signature is written in a cursive, flowing style.

Warwick, Rhode Island  
September 29, 2011

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

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

**Compliance**

We have audited the Town of Scituate, Rhode Island's compliance with types of compliance requirements described in the ***OMB Circular A-133 Compliance Supplement*** that could have a direct and material effect on each of the Town of Scituate, Rhode Island's major federal programs for the year ended March 31, 2011. The Town of Scituate, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Scituate, Rhode Island's management. Our responsibility is to express an opinion on the Town of Scituate, Rhode Island's compliance based on our audit.

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

In our opinion, the Town of Scituate, Rhode Island complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2011.

### **Internal Control Over Compliance**

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

*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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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

A handwritten signature in black ink that reads "Bacon & Company, LLC". The signature is written in a cursive, flowing style.

Warwick, Rhode Island  
September 29, 2011

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended March 31, 2011**

**SECTION I – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified?        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 Circular A-133?        yes   X   no

**Identification of major programs:**

**CFDA Number**

**Name of Federal Program or Cluster**

84.027A	IDEA – Special Education Cluster
84.173A	Preschool – Special Education Cluster
84.391	IDEA-ARRA-Special Education Cluster
84.392	Preschool-ARRA- Special Education Cluster
84.394	State Fiscal Stabilization Funds

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

Auditee qualified as low-risk auditee?        yes   X   no

*(Continued)*

**TOWN OF SCITUATE, RHODE ISLAND**  
***Schedule of Findings and Questioned Costs (Continued)***  
***For the Fiscal Year Ended March 31, 2011***

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**11-1 Criteria** – In order to properly safeguard and account for capital assets, the Town and School Department must have a system in place that provides an accurate list of capital assets and depreciation expense.

**Material Weakness** – Although the Town and School Department have policies and procedures in place to maintain the list of capital assets and depreciation expense on a perpetual basis, the list of capital assets prepared as of March 31, 2011, was incomplete. Several material audit adjustments were proposed to correct the list of capital assets. In addition, the software utilized to maintain the list of capital assets and depreciation schedule has programming deficiencies which resulted in additional errors in the list of capital assets and depreciation schedule as of March 31, 2011.

**Recommendation** – We recommend that the Town and School Department take more care when preparing the list of capital asset additions. A ctivity in all funds, including special revenue and capital project funds, must be reviewed throughout the year, to identify all capital asset additions to ensure the list of capital assets is complete. We also recommend that the current software utilized for capital asset accounting be reviewed and corrected as necessary. This will ensure proper recording and safeguarding of capital assets.

**Management's Response – Town** – Management will review annual expenditures by vendor that exceed the capital asset threshold. **School Department** – The School Department will take more care when preparing the list of capital asset additions and will review the list throughout the year to ensure proper recording and safeguarding of capital assets.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended March 31, 2011**

<b><i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i></b>	<b><i>Federal CFDA Number</i></b>	<b><i>Pass-Through Entity Identifying Number</i></b>	<b><i>Federal Expenditures</i></b>
<b><i>U.S. Department of Housing and Urban Development</i></b>			
Passed through R.I. Division of Planning, Office of Housing and Community Development:			
<i>CDBG State-Administered CDBG Cluster:</i>			
Community development block grant	14.228	08/30/22	\$ 14,499
Community development block grant	14.228	09/30/23	61,615
Community development block grant	14.228	10/30/24	12,819
<b><i>Total U.S. Department of Housing and Urban Development</i></b>			<b>88,933</b>
<b><i>U.S. Department of Education</i></b>			
Passed through R.I. Department of Education:			
<i>Special Education Cluster (IDEA):</i>			
IDEA	84.027A	2725-13202-001/101	456,215
IDEA - ARRA	84.391	4572-10202-001/101	168,874
Preschool Sec. 619	84.173A	2725-13502-001/101	10,176
Preschool Sec. 619 - ARRA	84.392	4572-10802-001/101	6,222
School Support System	84.027A	2725-13202-110	10,450
<i>Title I, Part A Cluster:</i>			
Title I	84.010A	2725-11702-001/101	132,413
Title I -ARRA	84.389	4572-10102-001/101	60,777
Title II	84.367A	2725-16402-001/101	58,068
Title IV	84.186A	2725-12602-001/101	102
Education Jobs - ARRA	84.410	4572-13102-101	83,439
<i>State Fiscal Stabilization Fund Cluster:</i>			
State Fiscal Stabilization Funds - ARRA	84.394	4572-10502-001/101	188,334
<b><i>Total U.S. Department of Education</i></b>			<b>1,175,070</b>
<b><i>U.S. Department of Agriculture</i></b>			
Passed through R.I. Department of Education:			
<i>Child Nutrition Cluster:</i>			
National School Lunch Program	10.555	N/A	101,302
Federal commodities	10.550	N/A	18,072
<b><i>Total U.S. Department of Agriculture</i></b>			<b>119,374</b>

(Continued)

**TOWN OF SCITUATE, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Fiscal Year Ended March 31, 2011**

<b><i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i></b>	<b><i>Federal CFDA Number</i></b>	<b><i>Pass-Through Entity Identifying Number</i></b>	<b><i>Federal Expenditures</i></b>
<b><i>U.S. Department of Homeland Security</i></b>			
Passed through R.I. Emergency Management Agency: Disaster Grants	97.036	1894	<u>193,630</u>
<b><i>Total U.S. Department of Homeland Security</i></b>			<u>193,630</u>
<b><i>U.S. Department of Energy</i></b>			
Passed through R.I. Office of Energy Resources: Energy Efficiency Conservation Block Grant - ARRA	81.128	N/A	<u>6,424</u>
<b><i>Total U.S. Department of Energy</i></b>			<u>6,424</u>
<b><i>U.S. Department of Health and Human Services</i></b>			
Passed through R.I. Department of Health: MEDS	93.069	N/A	<u>1,737</u>
<b><i>Total U.S. Department of Health and Human Services</i></b>			<u>1,737</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<u><u>\$ 1,585,168</u></u>

***TOWN OF SCITUATE, RHODE ISLAND***  
***Notes to Schedule of Expenditures of Federal Awards***  
***March 31, 2011***

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