
TOWN OF SCITUATE

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED
MARCH 31, 2018***

***THEODORE J. PRZYBYLA
TREASURER***

Prepared by: Town Treasurer's Office

SCITUATE, RHODE ISLAND

TOWN OF SCITUATE, RHODE ISLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2018

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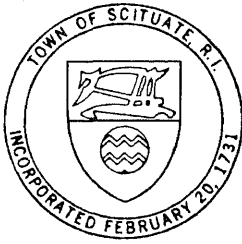
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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

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



Town of Scituate

Rhode Island

THEODORE J. PRZYBYLA
TOWN TREASURER

December 4, 2018

P.O. BOX 127
NORTH SCITUATE, RI 02857
(401) 647-2547

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

The Comprehensive Annual Financial Report of the Town of Scituate, for the fiscal year ended March 31, 2018, is submitted herewith as mandated by state statutes. State laws require that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) within six months of the close of each fiscal year. 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 streams 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 21.3% 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 12/31/2012 revaluation. The Town of Scituate and the City of Providence had negotiated a new agreement establishing the annual tax payment through December 31, 2017. Since then, the Town and Providence Water agreed to extend the existing agreement for two years, during which time the property can be reassessed and a new agreement established.

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, after a series of public hearings held by the Budget Committee. During public meetings, the Budget Committee will review the proposed annual budgets prepared by each department and will compile a recommended annual budget to the Town Council.

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 terms 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 budget of expenditures and revenues to the Budget Committee and ultimately 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, 2018 is 1,287. The cost per student was \$17,405 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, 2018 was \$22,400,386 and \$23,530,587 has been budgeted for fiscal year ending March 31, 2019.

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

| Fiscal Year | |
|----------------------|--------------------------|
| <u>Ending</u> | <u>Enrollment</u> |
| <i>Actual</i> | |
| 2008 | 1,806 |
| 2009 | 1,700 |
| 2010 | 1,660 |
| 2011 | 1,652 |
| 2012 | 1,538 |
| 2013 | 1,503 |
| 2014 | 1,448 |
| 2015 | 1,422 |
| 2016 | 1,367 |
| 2017 | 1,305 |
| 2018 | 1,287 |

Projected

| | |
|------|-------|
| 2019 | 1,232 |
| 2020 | 1,237 |
| 2021 | 1,265 |

Projections revised NESDC and Scituate School Department

Municipal Services

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

Rubbish and Garbage Collection

Curbside rubbish and garbage collection are made weekly by the Town. Recycling is picked up on a bi-weekly basis. Residents have been issued 64 gallon rolling recycling containers to encourage maximum recycling efforts. The recycling contractor is diligent about only accepting items eligible for recycling.

Police Department

The Scituate Police Department has a force of 17 full-time sworn officers and 8 civilians, for a total complement of 25 employees. Over the last several years, the Scituate Police department has shifted its emphasis from a traditional law enforcement role to a more proactive, community-oriented policing style to better serve the community. We will continue to be partners with the community, for it is by working together that we will solve community problems, increase operational effectiveness, and maintain a high quality of life for all residents of the Town of Scituate. The Scituate Police Department will continue in the direction to maintain a high level of professionalism. We build on the success of the past and continue to grow as a transparent, responsive, and people oriented police department.

In addition to the sworn officers and civilian staff, there are 2 Animal Control Officers. The Animal Control Department operates the Scituate Animal Shelter, which is open five days per week. The Animal Control officers enforce the animal ordinances of the Town of Scituate and Foster. In fiscal 2018 the Police Department expended \$2,166,157 and Animal Control spent \$103,273. The Police Department's fiscal 2019 budget is \$2,187,384 for Police and \$112,676 for Animal Control.

Fire Protection

The Scituate Fire Department is comprised from four separate independent fire districts each with one station. With their volunteer and on-call staff, they provide the Town with 24/7 coverage for all hazards and fire suppression. The stations are located on Danielson Pike in North Scituate; Main Street, Hope; Route 102, Chopmist; and Old Plainfield Pike in Potterville. Apparatus and equipment include pumpers, tankers, a ladder truck, heavy rescues, brush trucks and rescues. The Department expended \$1,209,463 in fiscal 2018 and \$1,273,478 is budgeted for fiscal 2019.

Emergency Management Services

The Town has an Emergency Management Office located at 195 Danielson Pike, North Scituate. A contracted, part-time EMA Director staffs this office. Responsibilities include maintaining and updating the Town's Emergency Operation Plan, Hazard Mitigation Plan and the Town's Emergency Operations Center.

The office initiates vulnerability assessments, resource allocations and provides the coordination of assets during natural disasters or large-scale incidents. The EMA Director will act as the liaison with State and Federal agencies to acquire specialized equipment or obtain funding for prevention or to mitigate hazards following disasters.

Emergency Medical Services

The Town's School Department services the School Health Program. The Emergency Medical Services are provided by the fire departments at the Advance Life Support level. The Hope-Jackson and North Scituate stations maintain the paid rescue system and the Potterville station maintains an all-volunteer rescue.

Senior Services Center

The Town has a full time Senior Service Director, who oversees all senior programs with part-time staff. The Senior Center is located at 1315 Chopmist Hill Road, North Scituate. Today this is a fully functional facility including the senior meal site, which operates three days per week. Programs and activities are provided for seniors on the same three days the meal site is open. Transportation services are provided for doctor visits the other two days each week. In fiscal 2018 the Senior Services Department expended \$102,539 and \$123,218 is budgeted for fiscal 2019.

Public Works, Sewers and Water

The Town's Public Works Department maintains the Town's property including highways, public buildings and recreational facilities. The Department expended \$2,340,074 in fiscal 2018 and the fiscal 2019 budget is \$2,140,256. This budget includes payments for care of trees, cemetery care, rubbish and recycling pickup. There are no sanitary sewers in the Town. The Department also maintains an extensive storm-water drain system on municipally owned roadways. 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 two public libraries in the Town of Scituate; North Scituate Library and Hope Library, primarily supported by the Town. The libraries' fiscal 2018 appropriation was \$583,324 and the fiscal 2019 budget is \$594,399.

Recreation / Social Services

The Town supports a Recreation Department with a part-time Director who oversees seasonal recreation programs, including a summer program which runs for eight weeks. The Recreation Department also supports local youth sports organizations and after school programs. The Recreation Department expended \$211,440 in FY 2018 and \$212,581 is budgeted for FY 2019.

The Town supports various social service and community health organizations. The Town has appropriated \$47,465 in FY 2018 and \$47,465 in FY 2019.

Employee Relations

As of March 31, 2018 the Town had 24 full-time and approximately 66 part-time and seasonal employees exclusive of the School and Police Departments. The Police Department employed 17 uniformed officers, 6 full-time and 2 part-time civilian employees and 1 full-time and 1 part-time animal control officers. The School Department as of such date had 150 full and part-time professionals, as well as 80 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 Town and Union have negotiated a contract through June 30, 2021. The Town's professional school employees are members of the National Education Association of Rhode Island (NEARI) with a contract that expires August 31, 2019. The School Department custodians are members of the (NEARI) with a contract that expires June 30, 2020. The School Departments Paraprofessionals are members of the (NEAR) with a contract that expires June 30, 2018. 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, 2021. Lastly, the Town recently negotiated a new contract with the Police Dispatchers, who are members of Scituate Dispatchers Local R1-42. The dispatchers' contract expires June 30, 2019.

ECONOMIC CONDITIONS AND OUTLOOK

Population

In 2000, Scituate was ranked 29th in population among the thirty-nine cities and towns in Rhode Island and the Town experienced a 4.8% increase in population from 1990 to 2000. Set forth below is a table of the population in the Town for various years from 1930 to 2016. The estimated population for 2016 was 10,566.

| <u>Year</u> | <u>Population</u> |
|--------------------|--------------------------|
| 1930..... | 2,292 |
| 1940..... | 2,838 |
| 1950..... | 3,905 |
| 1960..... | 5,210 |
| 1970..... | 7,489 |
| 1980..... | 8,405 |
| 1990..... | 9,796 |
| 2000..... | 10,324 |
| 2010..... | 10,329 |
| 2011..... | 10,324 |
| 2012..... | 10,324 |
| 2013..... | 10,324 |
| 2014..... | 10,324 |
| 2015..... | 10,414 |
| 2016 | 10,566 |
| 2017 | 10,611 |

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

Unemployment

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

| | ANNUALIZED | | | | | | | | | |
|-----------------------|------------|-------|-------|------|-------|-------|-------|-------|-------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Town of Scituate | 5.1% | 5.8 % | 5.0 % | 5.3% | 7.0% | 12.5% | 11.9% | 10.5% | 9.8% | 8.8% |
| State of Rhode Island | 4.6% | 5.5% | 5.1% | 5.2% | 7.5% | 12.4% | 12.9% | 11.5% | 10.4% | 9.3% |
| United States | 5.4% | 5.4% | 4.3% | 5.0% | 5.5 % | 9.5% | 10.2% | 8.9% | 8.1% | 7.4% |
| | 2014 | 2015 | 2016 | 2017 | 2018 | | | | | |
| Town of Scituate | 7.0% | 5.7% | 5.0% | 5.6% | 5.6% | | | | | |
| State of Rhode Island | 7.7% | 6.0% | 5.6% | 5.3% | 4.5% | | | | | |
| United States | 6.2% | 5.3% | 5.1% | 4.9% | 5.7% | | | | | |
| | | | | | | | | | | |

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

Employment

In 2016 the Town had 247 private business and industrial firms subject to the payment of employment security taxes. During that period, the payrolls for those firms totaled \$7,901,795 and the average number of persons employed were 1,016. 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, 2016.

Year Ended December 31, 2016

| Industry | Average No. of Units | | Annual Payroll | Average No. of Employees |
|----------------------------|----------------------------|----|-------------------|--------------------------------|
| Agr., Fish., Mining | 10 | \$ | 1,454,789 | 64 |
| Construction | 64 | | 9,122,837 | 211 |
| All Manufacturing | 11 | | 863,836 | 20 |
| Transportation/Warehousing | 14 | | 2,902,368 | 48 |
| Wholesale Trade | 9 | | 924,781 | 22 |
| Retail Trade | 21 | | 5,567,286 | 202 |
| Fin., Ins., Real Estate | 19 | | 1,088,756 | 25 |
| Service Industries | 105 | | 13,712,931 | 479 |
| Information | 4 | | 861,203 | 27 |
| Totals | <u>257</u> | | <u>36,498,787</u> | <u>1,098</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 US Census Bureau's five-year 2012-2016 American Survey estimates, the median family income of the Town of Scituate was \$103,460 in 2016 compared to \$75,655 for the State of Rhode Island. Median family income in the Town increased from \$67,593 in 2012, an increase of 48.4%. The Town of Scituate's 2012-2016 median family income ranked 7th among Rhode Island cities and towns.

The per capita income of the Town was \$44,590 compared to \$31,904 for the State. Per capita income in the Town increased from \$28,092 in 2010, an increase of 51.9%. The Town of Scituate's year 2016 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.

| | Permits Issued | Value |
|------|---------------------------|--------------|
| 1995 | 581 | 9,557,407 |
| 1996 | 586 | 9,809,563 |
| 1997 | 525 | 8,478,798 |
| 1998 | 504 | 7,182,210 |
| 1999 | 608 | 9,131,092 |
| 2000 | 563 | 9,828,962 |
| 2001 | 647 | 9,270,187 |
| 2002 | 645 | 12,542,473 |
| 2003 | 833 | 15,369,548 |
| 2004 | *759 | 13,779,607 |
| 2005 | 750 | 12,445,315 |
| 2006 | 644 | 13,531,309 |
| 2007 | 557 | 9,990,825 |
| 2008 | 590 | 8,229,435 |
| 2009 | 489 | 7,194,349 |
| 2010 | 519 | 6,498,604 |
| 2011 | 521 | 6,689,490 |
| 2012 | 572 | 7,031,052 |
| 2013 | 547 | 5,036,771 |
| 2014 | 538 | 7,406,272 |
| 2015 | 710 | 9,690,142 |
| 2016 | 674 | 9,604,001 |
| 2017 | 583 | 9,363,928 |

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

Housing

At March 31, 2018, the sale price for a single family home in Scituate ranged from \$85,000 to \$730,000. The median sales price for a house in Scituate was \$280,000 and the average sales price was \$294,636.

Source: Tax Assessor's data base

Economic Development

Within the past year, a few projects have been underway and some projects are still on the drawing board.

- Two houses have been built in a 13-lot subdivision "Carriage Hill Crossing"
- There were eleven new home starts in 2017 and eight to date in 2018
- Phases II & III of Scituate Highlands received final approval from the Plan Commission
- A 6-lot subdivision received final approval from the Plan Commission
- A 4-lot subdivision received final approval from the Plan Commission
- Hope Mill is before the Plan Commission
- Season's Gas Station is before the Plan Commission

Long – Term Financial Planning

As part of the budget process, the Town established a five-year capital plan beginning in fiscal year 2016. The capital plan was created to prioritize and manage capital needs of the various town departments, and is reviewed annually. The Town has adopted a written policy on the use of these capital funds. Most recently, the Town Council also established an ordinance to create a restricted budget reserve account to be maintained at 10% of the average of last five years' total appropriations (municipal and school).

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. A bond was approved by the voters in 2018 for:

- New practice field surface and irrigation at Middle/High school complex.
- Storm water improvements at Town Hall parking lot.

Source: Town of Scituate, Building Official

FINANCIAL INFORMATION

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

Internal Controls

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

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

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

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

Budgetary Control

The Town has formally established budgetary accounting control for its General Fund. It is the responsibility of the Town Budget Committee to submit to the Town Council and make available to the general public a proposed General Fund budget, including the School Departments transfer for the fiscal year. The Town Council may then revise and adopt a recommended General Fund budget including changes to the School Departments 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 Departments annual operating budget amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary.

Independent Audit

In accordance with the RI General Laws an audit of the financial statements has been completed by the Town's independent auditors, Baxter, Dansereau & Associates, LLP and their opinion is included herein.

Reporting Achievement

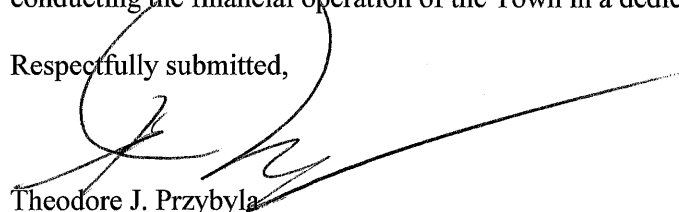
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Scituate for its comprehensive annual financial report for the fiscal year ended March 31, 2016. In order to be awarded a Certificate 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 2017.

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. A special note of appreciation is extended to the many diligent employees who gave their time and efforts to the production of this CAFR. 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 submitted,



Theodore J. Przybyla
Town Treasurer



Government Finance Officers Association

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

Presented to

**Town of Scituate
Rhode Island**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2017

Christopher P. Morill

Executive Director/CEO

TOWN OF SCITUATE, RHODE ISLAND

As of March 31, 2018

TOWN TREASURER

Theodore J. Przybyla

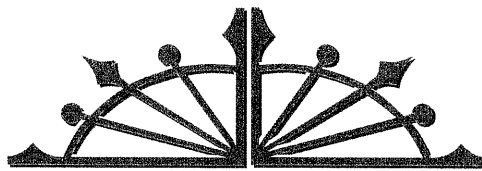
TOWN COUNCIL

John F. Mahoney, President
Michael J. Payette, Vice President
Scott Amaral
Brenda Frederickson
Charles A. Collins Jr.
David A. D'Agostino
Nick Izzi

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island (Town) as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Scituate, Rhode Island as of March 31, 2018, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-14 and 81-83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scituate, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, schedules, the Annual Supplemental Transparency Report (MTP2) and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, other supplementary information, the Annual Supplementary Transparency Report (MTP2) and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, other supplementary information, the Annual Supplementary Transparency Report, MTP2 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2018 on our consideration of the Town of Scituate, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Scituate, Rhode Island's internal control over financial reporting and compliance.

A handwritten signature in dark ink, appearing to read "Baxter Dansereau", is written over the printed name of the firm.

Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

December 4, 2018

Management's Discussion and Analysis

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

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, 2018. 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

- ❖ The Town's net position increased by \$661,922 as a result of this year's current operations. The primary reason for the current year increase was due to expenses being lower than projected. On a government-wide basis the liabilities and deferred inflows of resources of the Town of Scituate exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$5,521,344.
- ❖ The Town's Government-wide operating expenses were \$37,341,718 a 6.8% increase from the prior year, while revenues collected were \$38,003,640 a 4.6% decrease. The increase in operating expenses was mainly due to an increases in pension related cost charged to various functional activity. The decrease in revenue was from charges for services, state revenue sharing, and tax collections.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,462,019. 32% of this amount, \$4,594,559 is unassigned and available for use within the Town's designation and fiscal policies.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$4,639,727 or 13% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year revenues and transfers exceeded expenditures and transfers by \$1,193,086. On a budgetary basis revenues and transfers exceeded expenditures and transfers by \$374,789.
- ❖ The Town's total bonded debt declined by \$3,380,454 during the current fiscal year. The key factor in this decline was the retirement of \$2,415,000 in bonds. The Town did issue \$2,346,000 in RIHEBC Public School Revenue Refunding Bonds on April 11, 2017, with an interest rate of 3.00-5.00% and a Net PV savings of approximately, \$164,524.

OVERVIEW OF THE FINANCIAL STATEMENTS

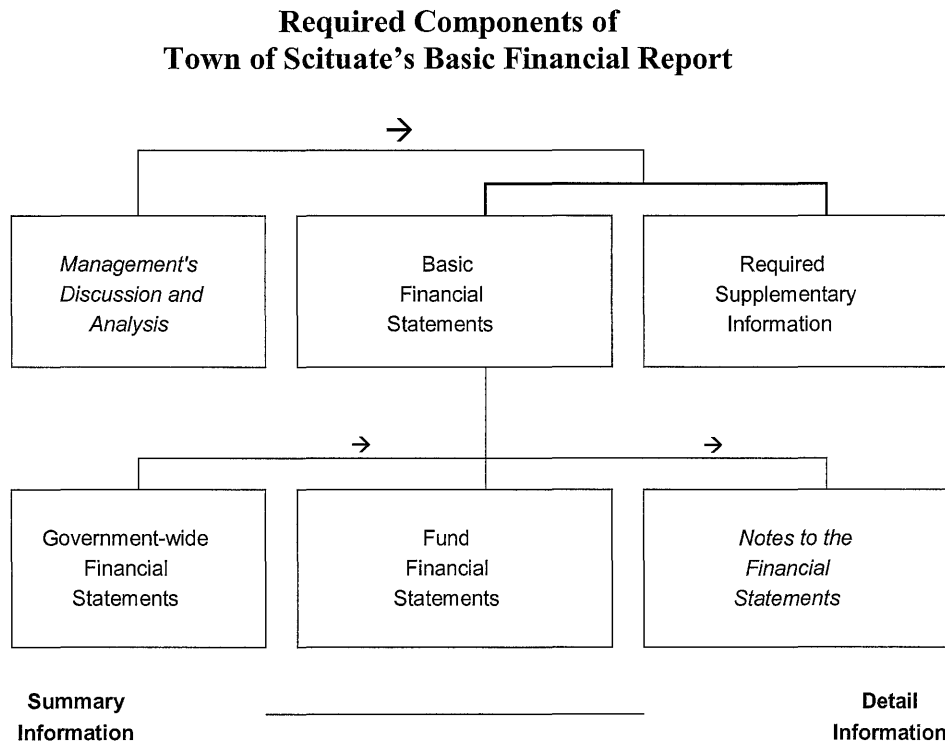
This discussion and analysis is intended to serve as an introduction to the Town's annual audit report. The financial section of this report consists of **four** parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other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

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

- 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



TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

Figure A- 2

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

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

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

Government-Wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, deferred inflows 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.

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

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

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

The government-wide financial statements of the Town are made up of one activity.

- *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.

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.

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

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

The basic governmental fund financial statements can be found beginning on page 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 (RSI)*. This section includes budgetary comparison schedules, which include a reconciliation between the statutory revenue and expenditures for budgetary purposes and the revenues and expenditures for the General Fund as presented in the governmental fund financial statements along with pension disclosures. Required supplementary information follows the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's net position presented a deficit \$5,521,344 at the close of the most recent fiscal year. The net position increased by \$661,922 as a result of this year's current operations. The primary reason for the current year increase was due to an increase due to the results of the Town's pension plans activity and lower medical cost.

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

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

TOWN OF SCITUATE, RHODE ISLAND
Net Position

| | Governmental Activities | |
|---|------------------------------|------------------------------|
| | 2018 | 2017 |
| ASSETS | | |
| Current and other assets | \$ 19,849,286 | \$ 16,314,941 |
| Capital assets | 18,129,145 | 18,111,282 |
| Total assets | <u>37,978,431</u> | <u>34,426,223</u> |
| Deferred Outflows of Resources | 8,645,648 | 6,610,614 |
| LIABILITIES | | |
| Current Liabilities | 3,707,680 | 3,393,149 |
| Long-term liabilities | 42,409,051 | 42,661,666 |
| Total liabilities | <u>46,116,731</u> | <u>46,054,815</u> |
| Deferred Inflows of Resources | 6,028,692 | 4,265,839 |
| NET POSITION | | |
| Net invested in capital assets | 16,424,842 | 9,855,778 |
| Restricted | 2,565,810 | 2,637,576 |
| Unrestricted | (24,511,996) | (21,777,171) |
| Total net position | <u><u>\$ (5,521,344)</u></u> | <u><u>\$ (9,283,817)</u></u> |

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

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

Changes in Net Position

Governmental activities. Governmental activities for the current year increased the Town's current year's Net Position by \$661,922.

TOWN OF SCITUATE, RHODE ISLAND
Changes in Net Position

| | Governmental Activities | |
|---|------------------------------|------------------------------|
| | 2018 | 2017 |
| Revenues | | |
| Program revenues | | |
| Charges for services | \$ 2,066,443 | \$ 1,413,583 |
| Operating grants and contributions | 6,536,720 | 6,613,040 |
| Total program revenues | <u>8,603,163</u> | <u>8,026,623</u> |
| General revenues | | |
| Property taxes, levied for general purposes | 28,964,152 | 28,021,310 |
| State revenue sharing | 403,462 | 255,886 |
| Investment earnings and miscellaneous | 32,863 | 36,906 |
| Total general revenues | <u>29,400,477</u> | <u>28,314,102</u> |
| Total revenues | <u>38,003,640</u> | <u>36,340,725</u> |
| Expenses | | |
| General government | 1,962,014 | 1,205,684 |
| Public safety | 6,247,493 | 6,155,268 |
| Public works | 2,638,699 | 2,399,976 |
| Social services | 1,182,328 | 1,083,511 |
| Education | 25,125,342 | 23,806,492 |
| Interest expense | 185,842 | 301,095 |
| Total expenses | <u>37,341,718</u> | <u>34,952,026</u> |
| Increase (decrease) in net position | 661,922 | 1,388,699 |
| Net position - beginning (restated) | (6,183,266) | (10,672,516) |
| Net position - end of year | <u><u>\$ (5,521,344)</u></u> | <u><u>\$ (9,283,817)</u></u> |

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

Financial Analysis of the Government's Funds

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

Governmental funds: The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,462,019 which is an overall increase of \$703,268 for the current year. Of this total amount \$4,594,559 or 32% represents unassigned fund balance, which is available for spending at the government's discretion.

TOWN OF SCITUATE, RHODE ISLAND
Fund Balance Categories

| | General Fund | \$2.8M Bond Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|------------------------------------|--------------------------------|
| <i>Nonspendable:</i> | | | | |
| Cemetery perpetual care | - | - | 42,109 | 42,109 |
| Deposits held for Health and Dental Benefits | 3,480,650 | - | - | 3,480,650 |
| Prepays | 193,097 | - | - | 193,097 |
| <i>Restricted for:</i> | | | | |
| Educational programs | 1,702,324 | - | 262,526 | 1,964,850 |
| Public safety programs | - | - | 87,104 | 87,104 |
| Social service programs | - | - | 117,044 | 117,044 |
| Records preservation | - | - | 114,424 | 114,424 |
| Other programs | 14,417 | 1,821,987 | 113,209 | 1,949,613 |
| <i>Committed for:</i> | | | | |
| Open space, park & recreational facilities | - | - | 71,540 | 71,540 |
| Other programs | - | - | 7,359 | 7,359 |
| <i>Assigned for:</i> | | | | |
| 2019 budget -Town & School | 739,858 | - | - | 739,858 |
| Educational programs | 139,761 | - | - | 139,761 |
| Capital outlay | - | - | 960,051 | 960,051 |
| <i>Unassigned:</i> | 4,639,727 | - | (45,168) | 4,594,559 |
| Total fund balances | \$ 10,909,834 | \$ 1,821,987 | \$ 1,730,198 | \$ 14,462,019 |

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,639,727. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 13% of total general fund expenditures.

General Fund Budgetary Highlights

The budget was passed at the annual Financial Town Meeting held on April 4, 2017. Favorable revenue variances were mainly due to an increase in hotel and meal tax, as well as emergency medical services. The total net variance of expenditures was on target with the budget.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of March 31, 2018 amounted to \$18,129,145 (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, RHODE ISLAND
Capital Assets (Net of Accumulated Depreciation)

| | <u>March 31, 2018</u> | <u>March 31, 2017</u> |
|--------------------------------|------------------------------------|------------------------------------|
| | <u>Governmental Activities</u> | <u>Governmental Activities</u> |
| Land & land rights | \$ 2,282,206 | \$ 2,282,206 |
| Construction in Progress | - | 111,389 |
| Infrastructure | 2,118,678 | 2,117,174 |
| Buildings and improvements | 10,993,740 | 11,190,355 |
| Office furniture and equipment | 89,246 | 125,741 |
| Motor vehicles | 1,659,062 | 1,576,234 |
| Machinery and equipment | 986,213 | 708,183 |
| | <u>\$ 18,129,145</u> | <u>\$ 18,111,282</u> |

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

Additional information on the Town's capital assets can be found in Note 2 – Capital Assets on page 28 of this report.

Long-term debt. At the end of the fiscal year, the Town had total bonded debt outstanding of \$3,621,000. General obligation bonds are backed by the full faith and credit of the Town, including the Town's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens.

TOWN OF SCITUATE, RHODE ISLAND
General Obligation Bonds and Notes Payable

| | <u>March 31, 2018</u> | <u>March 31, 2017</u> |
|--------------------------|------------------------------------|------------------------------------|
| | <u>Governmental Activities</u> | <u>Governmental Activities</u> |
| General Obligation Bonds | \$ 3,621,000 | \$ 4,416,545 |
| Notes Payable | <u>2,711,000</u> | <u>2,950,000</u> |
| | <u><u>\$ 6,332,000</u></u> | <u><u>\$ 7,366,545</u></u> |

The Town has an Aa2 rating from Moody's Investors Service.

State statute limits the amount of bonds a governmental entity can issue to 3% of its total net assessed value, which approximates \$44,523,195. As of March 31, 2018 the Town's debt, subject to the 3% limit, was \$3,621,000 which is under the debt limit by \$40,902,195.

Additional information on the Town's long-term debt can be found in Note 6 – Long-Term Liabilities on pages 31 – 34 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the Town of Scituate is 3.9% as of July 2018. This compares to the State's unemployment rate of 4.1% and the national average of 4.1%. Median Family Income ranks 7th and Per Capita Income ranks 7th among Rhode Island's 39 Cities and Towns.

TOWN OF SCITUATE, RHODE ISLAND
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2018
(Un-Audited)

The following factors were considered in preparing the Town's budget for the 2018/2019 fiscal year.

- The Town continues to budget the full ARC for Police Pension plus an additional \$100,000 and continued to fund the OPEB Trust Fund in the amount of \$100,000 in FY 2019
- Contributions for municipal retirement system decreased from 14.73% to 14.57%
- The Town expects a 5% increase in health care costs in FY 2019 and 2% increase in dental costs
- The FY 2019 budget provides for a 3% increase to base salaries for non-union employees. It also anticipates a 3% base salary increase for public works/highway union employees, dispatcher union employees, and police union employees.
- Most appropriations remain level funded at the prior year's budgeted amounts
- The Town continues to redirect the significant drop-off in town debt toward capital expenditures. The 5-year capital plan budget in FY 2019 totals \$789,548

The Town has reduced the amounts of fund balance appropriated for spending within the FY 2018/2019 Budget as follows: \$613,608 of the School Department's accumulated surplus, and \$126,250 of the Town's unreserved fund balance. The FY 2019 budget was presented to voters at the annual financial town meeting with a 3% effective tax rate increase. The town tax rates will be \$19.387 per thousand for residential real property and \$23.267 per thousand for commercial/industrial/mixed use real property for the fiscal year ending March 31, 2019.

The Town of Scituate (Town) and the Providence Water Supply Board (PWSB) have negotiated a two year extension to the ten year tax treaty, which began with taxes assessed as of December 31, 2007. The Town and PWSB tax treaty will expire with taxes assessed as of December 31, 2019.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF SCITUATE, RHODE ISLAND
Statement of Net Position
March 31, 2018

| | <u>Governmental Activities</u> |
|---|---|
| ASSETS | |
| Cash and cash equivalents | \$ 8,115,165 |
| Real estate and personal property tax receivable (net) | 5,219,422 |
| Due from federal and state government | 306,410 |
| Other assets | 4,009,121 |
| Prepaid expenses | 193,097 |
| Capital assets: | |
| Land, land rights and construction in progress | 2,282,206 |
| Depreciation buildings, property, equipment, and infrastructure (net) | 15,846,939 |
| Net pension asset | 2,006,071 |
| TOTAL ASSETS | <u>37,978,431</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charge on refunding of debt | 147,418 |
| Deferred charges on pension assets/liabilities | 8,498,230 |
| TOTAL DEFERRED OUTFLOW OF RESOURCES | <u>8,645,648</u> |
| LIABILITIES | |
| <i>Current liabilities:</i> | |
| Accounts payable and accrued liabilities | 2,068,316 |
| Accrued interest payable | 71,658 |
| Unearned revenue | 169,900 |
| Other liabilities | 7,806 |
| Long-term liabilities | |
| Due within one year | 1,390,000 |
| Due in more than one year | 8,347,334 |
| Net pension liability | 34,061,717 |
| TOTAL LIABILITIES | <u>46,116,731</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Inflows on pension assets/liabilities | <u>6,028,692</u> |
| NET POSITION | |
| Net investment in capital assets | 16,424,842 |
| <i>Restricted for:</i> | |
| Educational programs | 1,964,850 |
| Public safety programs | 87,104 |
| Social service programs | 117,044 |
| Records preservation | 114,424 |
| Other programs | 127,626 |
| Permanent: | |
| Expendable | 112,653 |
| Nonexpendable | 42,109 |
| Unrestricted | (24,511,996) |
| Total Net Position | <u>\$ (5,521,344)</u> |

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

TOWN OF SCITUATE, RHODE ISLAND
Statement of Activities
For the Fiscal Year Ended March 31, 2018

| | | Program Revenues | | Net (Expense) |
|---|----------------------|---------------------|---------------------|-----------------------|
| | | Charges for | Operating | Revenue |
| | Expenses | Services | Grants and | and Changes |
| | | | Contributions | in Net Position |
| | | | | Total |
| | | | | Governmental |
| | | | | Activities |
| Functions/Programs | | | | |
| Governmental activities: | | | | |
| General government | \$ 1,962,014 | \$ 1,361,327 | \$ 15,808 | \$ (584,879) |
| Public safety | 6,247,493 | 490,352 | 189,073 | (5,568,068) |
| Public works | 2,638,699 | 7,500 | 15,582 | (2,615,617) |
| Social services | 1,182,328 | - | 106,132 | (1,076,196) |
| Education | 25,125,342 | 207,264 | 6,210,125 | (18,707,953) |
| Interest expense | 185,842 | - | - | (185,842) |
| Total governmental activities | \$ 37,341,718 | \$ 2,066,443 | \$ 6,536,720 | (28,738,555) |
| General revenues: | | | | |
| General property tax | | | | 28,964,152 |
| State revenue sharing | | | | 403,462 |
| Unrestricted investment earnings | | | | 32,863 |
| Total general revenues | | | | 29,400,477 |
| Change in net position | | | | 661,922 |
| Net position - beginning of year - restated | | | | (6,183,266) |
| Net position - end of year | | | | \$ (5,521,344) |

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

TOWN OF SCITUATE, RHODE ISLAND
Balance Sheet
Governmental Funds
March 31, 2018

| | <u>General Fund</u> | <u>\$2.8M Bond Fund</u> | <u>Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-----------------------------|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 7,447,380 | \$ - | \$ 667,785 | \$ 8,115,165 |
| Real estate and personal property tax receivable | 5,514,422 | - | - | 5,514,422 |
| Due from federal & state governments | 44,333 | - | 262,077 | 306,410 |
| Other assets | 3,744,098 | - | 169,900 | 3,913,998 |
| Internal balances | 38,277 | 1,824,694 | 1,052,540 | 2,915,511 |
| Prepaid expenditures | 193,097 | - | - | 193,097 |
| TOTAL ASSETS | <u>\$ 16,981,607</u> | <u>\$ 1,824,694</u> | <u>\$ 2,152,302</u> | <u>\$ 20,958,603</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 1,727,735 | \$ 2,707 | \$ 82,214 | \$ 1,812,656 |
| Internal balances | 2,745,521 | - | 169,990 | 2,915,511 |
| Unearned revenue | - | - | 169,900 | 169,900 |
| Other liabilities | 7,806 | - | - | 7,806 |
| Total liabilities | <u>4,481,062</u> | <u>2,707</u> | <u>422,104</u> | <u>4,905,873</u> |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Unavailable tax revenue | <u>1,590,711</u> | <u>-</u> | <u>-</u> | <u>1,590,711</u> |
| Fund balances: | | | | |
| <i>Nonspendable:</i> | | | | |
| Prepaid expenditures | 193,097 | - | - | 193,097 |
| Deposits held for Health and Dental Benefits | 3,480,650 | - | - | 3,480,650 |
| Cemetery perpetual care | - | - | 42,109 | 42,109 |
| <i>Restricted for:</i> | | | | |
| Educational programs | 1,702,324 | - | 262,526 | 1,964,850 |
| Public safety programs | - | - | 87,104 | 87,104 |
| Social service programs | - | - | 117,044 | 117,044 |
| Records preservation | - | - | 114,424 | 114,424 |
| Other programs | 14,417 | - | 113,209 | 127,626 |
| <i>Committed for:</i> | | | | |
| Open space, park & recreational facilities | - | - | 71,540 | 71,540 |
| Other programs | - | 1,821,987 | 7,359 | 1,829,346 |
| <i>Assigned for:</i> | | | | |
| 2019 budget -Town & School | 739,858 | - | - | 739,858 |
| Revaluation | 139,761 | - | - | 139,761 |
| Capital projects | - | - | 960,051 | 960,051 |
| <i>Unassigned:</i> | <u>4,639,727</u> | <u>-</u> | <u>(45,168)</u> | <u>4,594,559</u> |
| Total fund balances | <u>10,909,834</u> | <u>1,821,987</u> | <u>1,730,198</u> | <u>14,462,019</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 16,981,607</u> | <u>\$ 1,824,694</u> | <u>\$ 2,152,302</u> | |

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

| | |
|--|-----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 9) | 18,129,145 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 9) | 1,063,516 |
| Some liabilities, including bonds payable, pension liabilities and deferred inflows and outflows of resources, are not due and payable in the current period and therefore are not reported in the funds. (Note 9) | <u>(39,176,024)</u> |
| Net position of governmental activities | <u>\$ (5,521,344)</u> |

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

TOWN OF SCITUATE, RHODE ISLAND
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | General Fund | \$2.8M Bond Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|-------------------------|-----------------------------|---|---|
| Revenues | | | | |
| General property tax | \$ 28,949,367 | \$ - | \$ - | \$ 28,949,367 |
| Federal and state aid grants | 5,365,396 | - | 988,717 | 6,354,113 |
| Charges for service | 1,448,810 | - | 234,258 | 1,683,068 |
| Fines and penalties | 109,864 | - | - | 109,864 |
| Investment and interest income | 167,722 | - | 76 | 167,798 |
| Contributions and private grants | - | - | 52,824 | 52,824 |
| Miscellaneous | 447,074 | - | 214,542 | 661,616 |
| Total revenues | <u>36,488,233</u> | <u>-</u> | <u>1,490,417</u> | <u>37,978,650</u> |
| Expenditures | | | | |
| General government | 1,025,336 | - | 21,572 | 1,046,908 |
| Public safety | 3,574,668 | - | 46,271 | 3,620,939 |
| Public works | 2,340,071 | 34,961 | - | 2,375,032 |
| Social services | 972,022 | - | 174,880 | 1,146,902 |
| Education | 23,230,160 | - | 1,165,409 | 24,395,569 |
| Fixed charges and other | 2,583,022 | - | - | 2,583,022 |
| Debt service | | | | |
| Principal | 1,066,545 | - | - | 1,066,545 |
| Interest | 287,212 | - | - | 287,212 |
| Capital projects | 128,111 | 605,574 | 19,568 | 753,253 |
| Total expenditures | <u>35,207,147</u> | <u>640,535</u> | <u>1,427,700</u> | <u>37,275,382</u> |
| Excess of revenues over (under) expenditures before other financing sources (uses) | <u>1,281,086</u> | <u>(640,535)</u> | <u>62,717</u> | <u>703,268</u> |
| Other financing sources (uses) | | | | |
| Issuance of refunding bonds | 2,346,000 | - | - | 2,346,000 |
| Premium on refunding bonds | 276,965 | - | - | 276,965 |
| Payment to refunding bond escrow agent | (2,574,703) | - | - | (2,574,703) |
| Cost of issuance | (48,262) | - | - | (48,262) |
| Transfers from other funds | - | - | 468,300 | 468,300 |
| Transfers to other funds | (88,000) | - | (380,300) | (468,300) |
| Total other financing sources (uses) | <u>(88,000)</u> | <u>-</u> | <u>88,000</u> | <u>-</u> |
| Net changes in fund balances | <u>1,193,086</u> | <u>(640,535)</u> | <u>150,717</u> | <u>703,268</u> |
| Fund balances - beginning restated | <u>9,716,748</u> | <u>2,462,522</u> | <u>1,579,481</u> | <u>13,758,751</u> |
| Fund balances - ending | <u>\$ 10,909,834</u> | <u>\$ 1,821,987</u> | <u>\$ 1,730,198</u> | <u>\$ 14,462,019</u> |

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

TOWN OF SCITUATE, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended March 31, 2018

Net change in fund balances - total governmental funds \$ 703,268

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

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

| | | |
|----------------------|--------------------|--------|
| Capital outlay | 1,191,766 | |
| Depreciation expense | <u>(1,170,660)</u> | 21,106 |

| | | |
|---|--|--------|
| Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statements, however they are recognized as revenues in the statement of activities. | | 14,785 |
|---|--|--------|

| | | |
|--|--|--------|
| Amortization of bond premiums and refunding's in the current period do not represent current financial resources, however they are recognized as expenditures and revenues in the statement of activities. | | 84,977 |
|--|--|--------|

| | | |
|---|--|--------|
| Some expenditures and revenues reported in the governmental funds that require the use of current financial resources are not reported as revenue or expenditures in the statement of activities. | | 23,355 |
|---|--|--------|

Changes in the Town's Net Pension Assets, Deferred Outflows of Resources related to pension plans or Net Pension Liability and Deferred Inflows of Resources related to pension plans result in an increase or decrease to the pension expense reported in the Statement of Activities. The effect of these adjustments resulted in a decrease in pension expense reported in the Statement of Activities.

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

| | | |
|---|--------------------|-----------|
| Principal payments made on long-term debt | 1,018,283 | |
| Net (increase)decrease in compensated absences | (115,048) | |
| Net (increase) decrease in the other post employment benefit obligation | (267,240) | |
| Net (increase) decrease in the net pension liability | (529,081) | |
| Net increase (decrease) in the net pension asset | (431,120) | |
| Net increase (decrease) in deferred outflows | 1,901,490 | |
| Net (increase) decrease in deferred inflows | <u>(1,762,853)</u> | (185,569) |

| | | |
|---|--|-------------------|
| Change in net position of governmental activities | | <u>\$ 661,922</u> |
|---|--|-------------------|

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

TOWN OF SCITUATE, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
March 31, 2018

| | <u>Trust Funds</u> | <u>Private Purpose Trust Fund</u> | <u>Agency Funds</u> |
|---|------------------------|---------------------------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 14,770 | \$ 51,791 | \$ 225,390 |
| Investments: | | | |
| Collective funds - equity | 4,084,339 | - | - |
| Collective funds - fixed income | 2,096,968 | - | - |
| Collective funds - real estate investment trust | 349,334 | - | - |
| Total Investments: | <u>6,530,641</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>6,545,411</u> | <u>51,791</u> | <u>225,390</u> |
| LIABILITIES | | | |
| Deposits held in custody for others | <u>-</u> | <u>-</u> | 225,390 |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>\$ 225,390</u> |
| NET POSITION | | | |
| Restricted for: | | | |
| Employees' pension benefits | 5,839,818 | - | |
| Employees' OPEB benefits | 705,593 | - | |
| Held in trust for other purposes | | 51,791 | |
| TOTAL NET POSITION | <u>\$ 6,545,411</u> | <u>\$ 51,791</u> | |

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

TOWN OF SCITUATE, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended March 31, 2018

| | <u>Trust Funds</u> | <u>Private Purpose Trust Fund</u> |
|---|------------------------|---------------------------------------|
| Additions: | | |
| Contributions: | | |
| Employer | \$ 1,129,082 | \$ - |
| Plan member | 171,345 | - |
| Total contributions; | <u>1,300,427</u> | <u>-</u> |
| Investment income: | | |
| Interest and dividend income | 1,543 | 5 |
| Net appreciation (depreciation) in fair value of investments | 560,055 | - |
| Less: investment expense | <u>(53,038)</u> | <u>-</u> |
| Net investment income | <u>508,560</u> | <u>5</u> |
| Total Additions | <u>1,808,987</u> | <u>5</u> |
| Deductions | | |
| Benefits Paid | (1,043,501) | - |
| Administrative fees | <u>(58,220)</u> | <u>-</u> |
| Total Deductions: | <u>(1,101,721)</u> | <u>-</u> |
| Change in net assets | 707,266 | 5 |
| Net position - beginning of year | <u>5,838,145</u> | <u>51,786</u> |
| Net position - end of year | <u>\$ 6,545,411</u> | <u>\$ 51,791</u> |

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

Notes to Financial Statements

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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, deferred outflows, liabilities, deferred inflows, fund equity, net position, 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.

B. BASIS OF PRESENTATION AND ACCOUNTING

Recently Issued Accounting Standards

The Town implemented the following accounting pronouncements for the year ended March 31, 2018:

- GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans
- GASB Statement No. 82 – Pension Issues – an amendment of GASB Statements No. 67, 68, and 73.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- GASB Statement No. 75 - Accounting for Postemployment Benefit Plans Other than Pension Plans - effective for the Town's fiscal year ending March 31, 2019.
- GASB Statement No. 80 – Blending Requirements for Certain Component Units, and Amendment of GASB Statement No. 14 – effective for the Town's fiscal year ending March 31, 2019.
- GASB Statement No. 85 – Omnibus 2017 – effective for the Town's fiscal year ending March 31, 2020.

The impact of these pronouncements on the Town's financial statements has not been determined.

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, deferred inflows of resources 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.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION AND ACCOUNTING

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.

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.

Bond Fund \$2.8M - is used to account for financial resources to be used for the acquisition or construction of major capital assets and maintenance of those assets.

Fiduciary Fund Financial Statements

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

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

OPEB Trust Fund – This fund accounts for Other Post-Employment Benefits provided to Town eligible employees. The principal revenue source for this fund is employer contributions.

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

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

C. INVESTMENTS

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

E. CAPITAL ASSETS AND DEPRECIATION

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

All capital assets are capitalized at historical or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The Town follows the policy of not capitalizing assets with a cost of less than \$5,000 and a useful life of less than 1 year.

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

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

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

F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town also reports as a deferred outflow of resources which are deferred amounts recognized in the development of its annual pension expense in the Statement of Activities and the Statement of Net Position.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable property tax revenue, which arises only under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available. The Town also reports as a deferred inflows of resources which are deferred amounts recognized in the development of its annual pension expense in the Statement of Activities and the Statement of Net Position.

G. PROPERTY TAXES

The Town is permitted by State Law to levy property taxes. Current fiscal year tax collections for the Town were approximately 83.8% of the total 2017 levy. During the period April 1, 2017 through May 31, 2018, the Town collected an additional \$3,902,025 of the 2017 tax levy. The total collections therefore represent approximately 97.2% of the total 2017 levy. The tax rate of the Town is established by the Town Council.

The Town's fiscal 2017-2018 property taxes were levied on June 7, 2017 on assessed valuation as of December 31, 2016. 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 date results in a lien on the taxpayer's property. Assessed values are established by Tax Assessor's Office and are currently calculated at 100% 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, 2015. The City of Providence Water Supply Board is the Town's principal taxpayer representing 18.39% of the Town's net assessed valuation in fiscal 2018.

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, 2018.

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).

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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.

L. PENSIONS

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Scituate, Rhode Island's various pension plans (described in more detail in Note 16) and additions to/deductions from the pension plans fiduciary net position have been determined on the same basis as they have been reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended March 31, 2018 was as follows:

| | Primary Government | | | |
|---|----------------------|------------|------------|-------------------|
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land & land rights | \$ 2,282,206 | \$ - | \$ - | \$ 2,282,206 |
| Construction in progress | 111,389 | - | (111,389) | - |
| Total capital assets not being depreciated | 2,393,595 | - | (111,389) | 2,282,206 |
| Other capital assets: | | | | |
| Infrastructure | 16,688,240 | 314,974 | - | 17,003,214 |
| Buildings and improvements | 21,905,158 | 248,978 | - | 22,154,136 |
| Office furniture and equipment | 1,665,172 | 15,375 | (59,966) | 1,620,581 |
| Motor vehicles | 6,359,425 | 336,392 | (166,068) | 6,529,749 |
| Machinery and equipment | 3,153,827 | 387,436 | (47,935) | 3,493,328 |
| Total other capital assets at historical cost | 49,771,822 | 1,303,155 | (273,969) | 50,801,008 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 14,571,066 | 313,470 | - | 14,884,536 |
| Buildings and improvements | 10,714,803 | 445,593 | - | 11,160,396 |
| Office furniture and equipment | 1,539,431 | 51,870 | (59,966) | 1,531,335 |
| Motor vehicles | 4,783,191 | 252,362 | (164,866) | 4,870,687 |
| Machinery and equipment | 2,445,644 | 107,365 | (45,894) | 2,507,115 |
| Total accumulated depreciation | 34,054,135 | 1,170,660 | (270,726) | 34,954,069 |
| Governmental activities capital assets, net | \$ 18,111,282 | \$ 132,495 | \$ (3,243) | \$ 18,129,145 |

Depreciation expense was charged to functions as follows:

| | |
|--|--------------|
| Governmental activities: | |
| General government | \$ 5,021 |
| Public safety | 203,801 |
| Public works | 474,193 |
| Social services | 35,426 |
| Education | 452,219 |
| Total governmental activities depreciation expense | \$ 1,170,660 |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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 \$44,523,195. As of March 31, 2018, the Town's debt, subject to the 3% limit, was \$3,621,000, which is under the debt limit by \$40,902,195.

DEFICIT FUND BALANCES – The following non-major fund Special Revenue Funds had a deficit fund balance at March 31, 2018: Citizens Police Academy Fund \$(402), Hazard Mitigation Grant (\$11,117), Police Homeland Security (\$18,308), IDEA Pre School (\$10), Title II (\$22), School Support System (\$6,170), Capital Project Fund Animal Shelter Bond Fund \$(8,450), and Congregational Church Restoration Fund (\$689).

NOTE 4 – CASH DEPOSITS

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

Cash and investments of the Town consist of the following at March 31, 2018:

Cash and cash equivalents

| | |
|--------------------------------------|----------------------------|
| Deposits with financial institutions | \$ 8,407,116 |
| <i>Total cash</i> | <u>\$ 8,407,116</u> |

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

Statement of net position

| | |
|---------------------------|---------------------|
| Cash and cash equivalents | \$ 8,115,165 |
| | <u>\$ 8,115,165</u> |

Fiduciary funds

| | |
|--|----------------------------|
| Cash and cash equivalents | 291,951 |
| | <u>291,951</u> |
| <i>Total cash and investments</i> | <u>\$ 8,407,116</u> |

CUSTODIAL CREDIT RISK – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. As of March 31, 2018, \$0- of the Town's bank balance of \$8,783,396 was exposed to custodial credit risk.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 4 – CASH DEPOSITS (continued)

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, 2018, the Town's uninsured or uncollateralized deposits with institutions were \$-0-. These deposits are held by institutions that meet the minimum capital standards prescribed by the federal regulators.

NOTE 5 – INVESTMENTS

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

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

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a formal policy which addresses custodial credit risk. The Town had no investments subject to custodial credit risk as of March 31, 2018.

Concentration of Credit Risk – The Town places no limit on the amount the Town may invest in any one issuer. The Town had no investments subject to concentration of credit risk as of March 31, 2018.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 6 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES

Long-term liability activity for the year ended March 31, 2018 was as follows:

| | <i>Beginning Balance</i> | <i>Additions</i> | <i>Retirements</i> | <i>Ending Balance</i> | <i>Amounts Due Within One Year</i> |
|--|------------------------------|---------------------|---------------------|---------------------------|--|
| Governmental Activities | | | | | |
| Bonds and loans payable: | | | | | |
| Bonds payable | \$ 4,416,545 | \$ - | \$ 795,545 | \$ 3,621,000 | \$ 815,000 |
| Loans payable | 2,950,000 | 2,346,000 | 2,585,000 | 2,711,000 | 180,000 |
| Capital Lease | 151,500 | - | 101,000 | 50,500 | 50,500 |
| | <u>7,518,045</u> | <u>2,346,000</u> | <u>3,481,545</u> | <u>6,382,500</u> | <u>1,045,500</u> |
| Plus amortized premium on loans | <u>89,831</u> | <u>276,965</u> | <u>111,136</u> | <u>255,660</u> | <u>21,305</u> |
| Total bonds and loans | <u>7,607,876</u> | <u>2,622,965</u> | <u>3,592,681</u> | <u>6,638,160</u> | <u>1,066,805</u> |
| Other liabilities: | | | | | |
| Compensated absences | 927,517 | 165,381 | 50,333 | 1,042,565 | 323,195 |
| Net pension liability | 33,532,636 | 529,081 | - | 34,061,717 | - |
| Net other post-employment benefits obligation | <u>2,045,029</u> | <u>267,240</u> | <u>-</u> | <u>2,312,269</u> | <u>-</u> |
| Total other liabilities | <u>36,505,182</u> | <u>961,702</u> | <u>50,333</u> | <u>37,416,551</u> | <u>323,195</u> |
| Governmental Activities | | | | | |
| Long-Term Liabilities | <u>\$ 44,113,058</u> | <u>\$ 3,584,667</u> | <u>\$ 3,643,014</u> | <u>\$ 44,054,711</u> | <u>\$ 1,390,000</u> |

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 6 - LONG TERM LIABILITIES (CONTINUED)

Long-term liability activity for the fiscal year ended March 31, 2018 was as follows:

| | Date of Issuance | Interest Rate | Date of Maturity | Authorized | Outstanding April 1, 2017 | Additions | Maturities During Year | Issues Refunded | Outstanding March 31, 2018 | Amounts due within one year | Interest Paid |
|--|-----------------------------|--------------------------|-----------------------------|-------------------|--------------------------------------|---------------------|-----------------------------------|----------------------------|---------------------------------------|--|--------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | | |
| General Obligation Bonds Payable | | | | | | | | | | | |
| General obligation bonds | 4/28/2009 | 2.79% | 8/1/2018 | 7,035,000 | 1,570,000 | - | 775,000 | - | 795,000 | 795,000 | 32,991 |
| General obligation bonds | 7/28/2016 | 1.79% | 7/15/2026 | 2,846,545 | 2,846,545 | - | 20,545 | - | 2,826,000 | 20,000 | 50,911 |
| Total general obligation bonds payable | | | | <u>9,881,545</u> | <u>4,416,545</u> | <u>-</u> | <u>795,545</u> | <u>-</u> | <u>3,621,000</u> | <u>815,000</u> | <u>83,902</u> |
| Loans payable | | | | | | | | | | | |
| RIHEBC Loan | 4/30/2009 | 3.0-5.0% | 5/15/2029 | 4,000,000 | 2,950,000 | - | 170,000 | 2,415,000 | 365,000 | 180,000 | 17,250 |
| RIHEBC Refunding Loan 2017 Series B | 4/11/2017 | 3.0-5.0% | 4/1/2029 | 2,346,000 | - | 2,346,000 | - | - | 2,346,000 | - | 57,879 |
| Total loans payable | | | | <u>6,346,000</u> | <u>2,950,000</u> | <u>2,346,000</u> | <u>170,000</u> | <u>2,415,000</u> | <u>2,711,000</u> | <u>180,000</u> | <u>75,129</u> |
| Amortized premium on loans | | | | | 89,831 | 276,965 | 111,136 | - | 255,660 | 21,305 | - |
| Total governmental activities bonds and loans | | | | | <u>7,456,376</u> | <u>2,622,965</u> | <u>1,076,681</u> | <u>2,415,000</u> | <u>6,587,660</u> | <u>1,016,305</u> | <u>159,031</u> |
| Capital Leases | | | | | | | | | | | |
| US Bank - Fire Truck | 11/21/2013 | | 5/21/2018 | 505,000 | 151,500 | - | 101,000 | - | 50,500 | 50,500 | 1,630 |
| | | | | <u>505,000</u> | <u>151,500</u> | <u>-</u> | <u>101,000</u> | <u>-</u> | <u>50,500</u> | <u>50,500</u> | <u>1,630</u> |
| Accrued expenses | | | | | | | | | | | |
| Compensated absences - Town | | | | | 433,572 | 127,873 | 35,027 | - | 526,418 | 163,190 | - |
| Compensated absences - School Department | | | | | 493,945 | 37,508 | 15,306 | - | 516,147 | 160,006 | - |
| Net pension liability | | | | | 33,532,636 | 529,081 | - | - | 34,061,717 | - | - |
| Net other post employment benefit obligation | | | | | 2,045,029 | 267,240 | - | - | 2,312,269 | - | - |
| Total accrued expenses | | | | | <u>36,505,182</u> | <u>961,702</u> | <u>50,333</u> | <u>-</u> | <u>37,416,551</u> | <u>323,195</u> | <u>-</u> |
| Total long-term liabilities - governmental activities | | | | | <u>\$ 44,113,058</u> | <u>\$ 3,584,667</u> | <u>\$ 1,228,014</u> | <u>\$ 4,830,000</u> | <u>\$ 44,054,711</u> | <u>\$ 1,390,000</u> | <u>\$ 160,661</u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 6 – LONG-TERM LIABILITIES (Continued)

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

GOVERNMENTAL ACTIVITIES - GENERAL OBLIGATION BONDS

| Fiscal Year Ended March 31, | Percentage of Maturity | Principal | Interest | Total Debt Service |
|--|-----------------------------------|---------------------|-------------------|-------------------------------|
| 2019 | 22.51% | 815,000 | 81,496 | 896,496 |
| 2020 | 32.20% | 351,000 | 47,086 | 398,086 |
| 2021 | 41.89% | 351,000 | 40,803 | 391,803 |
| 2022 | 51.59% | 351,000 | 34,520 | 385,520 |
| 2023 | 61.28% | 351,000 | 28,237 | 379,237 |
| 2024 | 70.97% | 351,000 | 21,954 | 372,954 |
| 2025 | 80.67% | 351,000 | 15,671 | 366,671 |
| 2026 | 90.33% | 350,000 | 9,397 | 359,397 |
| 2027 | 100.00% | 350,000 | 3,133 | 353,133 |
| | | \$ 3,621,000 | \$ 282,297 | \$ 3,903,297 |

C. LOANS PAYABLE

On April 11, 2017, the Town partial refunded its April 30, 2009, \$4,000,000 loan agreement with Rhode Island Health and Educational Building Corp. which was for School Department capital improvements. The Town issued \$2,346,000 in RIHEBC Public School Revenue Refunding Bonds with an interest rate of 3.00-5.00% and a Net PV savings of approximately, \$164,524 and leaving a balance of \$365,000 on the previous bond because those maturities did not meet the 10 year refunding rules.

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 6 – LONG-TERM LIABILITIES (Continued)

GOVERNMENTAL ACTIVITIES - LOANS PAYABLE

| Fiscal Year Ended March 31, | Percentage of Maturity | Principal | Interest | Total Debt Service |
|--|-----------------------------------|---------------------|-------------------|-------------------------------|
| 2019 | 6.64% | 180,000 | 110,243 | 290,243 |
| 2020 | 13.46% | 185,000 | 101,618 | 286,618 |
| 2021 | 20.51% | 191,000 | 94,503 | 285,503 |
| 2022 | 27.89% | 200,000 | 87,638 | 287,638 |
| 2023 | 35.63% | 210,000 | 79,688 | 289,688 |
| 2024 | 43.75% | 220,000 | 71,357 | 291,357 |
| 2025-2030 | 100.00% | 1,525,000 | 204,090 | 1,729,090 |
| | | \$ 2,711,000 | \$ 749,137 | \$ 3,460,137 |

D. LEASES PAYABLE

The Town capital leases consist of a fire truck purchase. The future minimum lease payments are as follows:

| <u>ENDED MARCH 31,</u> | <u>FISCAL YEAR PAYMENTS</u> |
|---|--|
| 2019 | \$ 50,500 |
| <i>Future Minimum Rental Payments</i> | 50,500 |
| <i>Interest Portion of Payments</i> | 325 |
| <i>Obligation Under Capital Leases</i> | \$ 50,825 |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 7 – SHORT-TERM DEBT

The Town issued the following short-term notes during fiscal year 2017:

Tax Anticipation Notes – Tax anticipation notes in the amount of \$1,500,000 were issued on May 23, 2017 and matured on February 15, 2018 with an interest rate of 1.23%. The notes were issued in anticipation of taxes assessed as of December 31, 2016 and due July 1, 2017. The proceeds were deposited into the General Fund.

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|--------------------------------|------------------------------|---------------------|---------------------|---------------------------|
| Governmental Activities | | | | |
| Tax Anticipation Notes | \$ - | \$ 1,500,000 | \$ 1,500,000 | \$ - |
| Governmental Activities | | | | |
| Short-Term Debt | <u>\$ -</u> | <u>\$ 1,500,000</u> | <u>\$ 1,500,000</u> | <u>\$ -</u> |

NOTE 8 – INTERFUND BALANCES AND TRANSFERS

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

| | <u>Due from / other funds</u> | <u>Due to/ other funds</u> |
|-------------------------------|-----------------------------------|--------------------------------|
| General Fund | \$ 38,277 | \$ 2,745,521 |
| Special Revenue Funds: | | |
| Town Special Revenue | 215,967 | 29,827 |
| School Special Revenue | 98,613 | 131,024 |
| Capital Project Funds | | |
| Capital Projects Funds | 2,562,654 | 9,139 |
| Totals | <u><u>\$ 2,915,511</u></u> | <u><u>\$ 2,915,511</u></u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 8 – INTERFUND BALANCES AND TRANSFERS

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

| <u>Fund / Department</u> | Transfers from other funds | Transfers to other funds |
|----------------------------|---------------------------------------|-------------------------------------|
| General Fund | \$ - | \$ 88,000 |
| Town Special Revenue Funds | - | 5,300 |
| Capital Projects | 468,300 | 375,000 |
| Totals | <u>\$ 468,300</u> | <u>\$ 468,300</u> |

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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

"Total fund balances" of the Towns' governmental funds \$14,462,019 differs from "net position" of governmental activities \$(5,521,344) reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

Balance Sheet/Statement of Net Position

| | Total Governmental Funds | Long-term Assets/ Liabilities (1) | Reclassifications and Eliminations | Statement Net Position Totals |
|--|---|--|---|--|
| Assets | | | | |
| Cash and cash equivalents | \$ 8,115,165 | \$ - | \$ - | \$ 8,115,165 |
| Receivables: | | | | |
| Property taxes, net | 5,514,422 | (295,000) | - | 5,219,422 |
| Intergovernmental | 306,410 | - | - | 306,410 |
| Other assets | 3,913,998 | 95,123 | - | 4,009,121 |
| Internal balances | 2,915,511 | - | (2,915,511) | - |
| Prepaid expenses | 193,097 | - | - | 193,097 |
| Property, plant and equipment - net | - | 15,846,939 | - | 15,846,939 |
| Assets not being depreciated | - | 2,282,206 | - | 2,282,206 |
| Net pension asset | - | 2,006,071 | - | 2,006,071 |
| Total assets | <u>20,958,603</u> | <u>19,935,339</u> | <u>(2,915,511)</u> | <u>37,978,431</u> |
| Deferred Outflows of Resources | - | 8,645,648 | - | 8,645,648 |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | 1,812,656 | 255,660 | - | 2,068,316 |
| Accrued interest payable | - | 71,658 | - | 71,658 |
| Internal balances | 2,915,511 | - | (2,915,511) | - |
| Unearned revenue | 169,900 | - | - | 169,900 |
| Other liabilities | 7,806 | - | - | 7,806 |
| Long-term liabilities | | | | |
| Due within one year | - | 1,390,000 | - | 1,390,000 |
| Due in more than one year | - | 8,347,334 | - | 8,347,334 |
| Net pension liability | - | 34,061,717 | - | 34,061,717 |
| Total liabilities | <u>4,905,873</u> | <u>44,126,369</u> | <u>(2,915,511)</u> | <u>46,116,731</u> |
| Deferred Inflows of Resources | 1,590,711 | 4,437,981 | - | 6,028,692 |
| Fund Balances/Net Position | | | | |
| Total fund balances/net position | 14,462,019 | (19,983,363) | - | (5,521,344) |
| Total liabilities and fund balances/net position | <u>\$ 20,958,603</u> | <u>\$ 28,580,987</u> | <u>\$ (2,915,511)</u> | <u>\$ 46,624,079</u> |

(continued)

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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

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

| | |
|--------------------------|----------------------|
| Cost of capital assets | \$ 53,083,214 |
| Accumulated depreciation | (34,954,069) |
| | <u>\$ 18,129,145</u> |

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

| | |
|---------------------------------|---------------------|
| Adjustment of unearned revenue | \$ 1,590,711 |
| Accrued interest receivable | 95,123 |
| Accrued interest payable | (71,658) |
| Allowance for doubtful accounts | (295,000) |
| Bond premiums | (255,660) |
| | <u>\$ 1,063,516</u> |

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

| | |
|--|----------------------|
| Bonds payable | \$ 3,621,000 |
| Loans payable | 2,711,000 |
| Capital leases payable | 50,500 |
| Accrued compensated absences | 1,042,565 |
| Net pension liability | 34,061,717 |
| Net other post employment benefit obligation | 2,312,269 |
| | <u>\$ 43,799,051</u> |

Town pension plans with a net pension asset balance at the end of the year.

| | |
|---|-----------------------|
| Net pension asset - TSB | \$ (1,800,018) |
| Net pension asset - MERS Police COLA | (5,238) |
| Net pension asset - MERS Police employees | (200,815) |
| | <u>\$ (2,006,071)</u> |

Deferred inflows and outflows of resources are amounts used under GASB 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; such as changes of assumptions or differences in expected and actual investment returns. These amounts will be recognized in future periods.

| | |
|---|---------------------|
| Deferred inflows of resources - pensions | \$ (6,028,692) |
| Deferred outflows of resources - pensions | 8,498,230 |
| Deferred outflow on refunding of debt | 147,418 |
| | <u>\$ 2,616,956</u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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

The "net change in the fund balances" for governmental funds \$703,268 differs from the "change in net position" for governmental activities \$661,922 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

| | Total Governmental Funds | Long-term Revenues/ Expenses (1) | Capital- related Items (2) | Long-term Debt Transactions (3) | Statement of Activities Totals |
|---|--------------------------------|--|----------------------------------|---------------------------------------|--------------------------------------|
| Revenues | | | | | |
| General property tax | \$ 28,949,367 | \$ 14,785 | \$ - | \$ - | \$ 28,964,152 |
| Intergovernmental and departmental revenues | 6,354,113 | - | - | - | 6,354,113 |
| License and permits | 1,683,068 | - | - | - | 1,683,068 |
| Fines and penalties | 109,864 | - | - | - | 109,864 |
| Interest on investments | 167,798 | 10,205 | - | - | 178,003 |
| Tuitions | 52,824 | - | - | - | 52,824 |
| Other revenues | 661,616 | - | - | - | 661,616 |
| Total revenues | <u>37,978,650</u> | <u>24,990</u> | <u>-</u> | <u>-</u> | <u>38,003,640</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 1,046,908 | (14,328) | 5,021 | 876,151 | 1,913,752 |
| Public safety | 3,620,939 | - | (20,943) | 64,475 | 3,664,471 |
| Public works | 2,375,032 | - | 263,667 | - | 2,638,699 |
| Social services | 1,146,902 | - | 35,426 | - | 1,182,328 |
| Education | 24,395,569 | 257,979 | 452,219 | 19,575 | 25,125,342 |
| Fixed charges and other | 2,583,022 | - | - | - | 2,583,022 |
| Debt Service | | | | | |
| Principal | 1,066,545 | - | - | (1,066,545) | - |
| Interest | 287,212 | (101,370) | - | - | 185,842 |
| Capital | 753,253 | - | (753,253) | - | - |
| Total expenditures | <u>37,275,382</u> | <u>142,281</u> | <u>(17,863)</u> | <u>(106,344)</u> | <u>37,293,456</u> |
| Other financing sources (uses) | | | | | |
| Issuance of refunding bonds | 2,346,000 | - | - | (2,346,000) | - |
| Premium on refunding bonds | 276,965 | - | - | (276,965) | - |
| Payment to refunding bond escrow agent | (2,574,703) | - | - | 2,574,703 | - |
| Cost of issuance | (48,262) | - | - | - | (48,262) |
| Transfers from other funds | 468,300 | - | - | - | 468,300 |
| Transfers to other funds | (468,300) | - | - | - | (468,300) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(48,262)</u> | <u>(48,262)</u> |
| Loss on disposal of capital asset | - | - | - | - | - |
| Net change for the year | <u>\$ 703,268</u> | <u>\$ (117,291)</u> | <u>\$ 17,863</u> | <u>\$ 58,082</u> | <u>\$ 661,922</u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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

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

| | | |
|-------------------------------|----|--------|
| Unearned revenue property tax | \$ | 14,785 |
| | | |

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

| | | |
|---------------------------------|----|----------|
| Accrued interest payable | \$ | 16,393 |
| Accrued interest receivable | | 10,205 |
| Deferred amount of refunding | | (26,159) |
| Amortization bond premium costs | | 111,136 |
| Total expenditure adjustment | \$ | 111,575 |

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

| | | |
|----------------------|----|-------------|
| Capital outlay | \$ | 1,191,766 |
| Depreciation expense | | (1,170,660) |
| Difference | \$ | 21,106 |

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

| | | |
|-------------------------------|----|---------|
| Loss on disposal of equipment | \$ | (3,243) |
|-------------------------------|----|---------|

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

| | | |
|--------------------------------------|----|-------------|
| Capital lease payments | \$ | 101,000 |
| Principal payments made | | 795,545 |
| New bond premium | | (276,965) |
| New bond proceeds | | (2,346,000) |
| Deferred loss on refunding | | 159,703 |
| Principal payments made on refunding | | 2,415,000 |
| Loan payments made | | 170,000 |
| Difference | \$ | 1,018,283 |

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

| | | |
|--|----|-------------|
| Net (increase) decrease in the OPEB | \$ | (267,240) |
| Net (increase) in compensated absences | | (115,048) |
| Net (increase) decrease in the net pension liability | | (529,081) |
| Net increase (decrease) in the net pension asset | | (431,120) |
| Net increase (decrease) in deferred outflows | | 1,901,490 |
| Net (increase) decrease in deferred inflows | | (1,762,853) |
| Change | \$ | (1,203,852) |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 11 – NET POSITIONS/FUND BALANCES

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

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

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

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

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

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

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

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

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

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 11 – NET POSITION/FUND BALANCES (Continued)

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

- a) For committed fund balances: the Financial Town Meeting is the highest level of decision making authority by a proposed resolution adopted and approved by the voters is required to establish, modify or rescind a fund balance commitment.
- b) For assigned fund balance: The financial town meeting empowers and authorizes the Town's Treasurer to assign amounts to a purpose and is also authorized to remove such assignment.
- c) The Town considers amounts that are committed, assigned or unassigned to have been spent when an expenditure is incurred for the purpose of which any amounts in any of the unassigned fund balance classifications could be used.
- d) The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and considers committed amounts to have been spent when an expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

NOTE 12 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables except CDBG loans receivable within the subsequent year.

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at March 31, 2018, were as follows:

| | <i>Vendors</i> | <i>Salaries and Benefits</i> | <i>Other</i> | <i>Total</i> |
|--------------------------------|---------------------|----------------------------------|-------------------|---------------------|
| Governmental Activities | | | | |
| General Fund | \$ 1,316,889 | \$ 410,846 | \$ 327,318 | \$ 2,055,053 |
| Other Governmental Funds | 84,921 | - | - | 84,921 |
| | <u>\$ 1,401,810</u> | <u>\$ 410,846</u> | <u>\$ 327,318</u> | <u>\$ 2,139,974</u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS

Plan Description

The Town of Scituate has established an irrevocable exclusive benefit trust solely to fund retiree health care benefits. The OPEB trust fund has been established in accordance with Section 115 of the Internal Revenue Code. Eligible employees are town clerks, town police, and town non-contract employees. The benefit provisions and further eligibility conditions are as listed on subsequent sections to this note.

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

The plan provides the following benefits based on employee group:

- *Certified Teachers:* Upon retirement, certified teachers are eligible to purchase medical and dental insurance (single or family) up to age 65 and pay 100% of the premium.
- *Non-Certified School Employees:* Upon retirement, non-certified school employees are eligible to purchase medical and dental insurance (single or family) for 18 months under COBRA. The COBRA benefits do not constitute a benefit to be included in determination of OPEB liabilities. Therefore, we note this provision exists but is not included in liabilities or cost valued in this report.
- *Police Department:* Police officers that retire after July 1, 2000 with 25 years of service are eligible for medical and dental insurance (single or family). The police officer contributes 50% of the premium towards his/her coverage. Town police officers pay 100% of their dental coverage should they elect to use that benefit.
- *DPW and Non-Union Town Employees:* DPW and non-union town employees upon retirement are eligible for individual medical insurance coverage. Retired members must contribute the following towards their premium coverage:

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

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS (continued)

Plan Description

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, 2018, the plan operated on a pay as you go basis. During fiscal year 2016 the Town created a new OPEB Trust fund with the understanding that the trust fund will eventually be used to fund future benefits to be provided to plan members. For the fiscal year ended March 31, 2018, the Town contributed \$273,226 to the plan.

Classes of Employees Covered

As of April 1, 2017, membership data was as follows:

| | |
|--------------------|-----------|
| Active employees | 240 |
| Retirees | <u>51</u> |
| Total Plan Members | 291 |

Annual OPEB Funded Status and Net OPEB Obligation

The following chart projects the Actuarial Required Contribution (ARC), Pay-as-you-go, Annual OPEB cost and Net OPEB Obligation which reflect additional funding paid to a trust.

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | UAAL as a Covered Payroll (c) | Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--------------------------------------|------------------------------------|--------------------------|--|--|
| 4/1/2012 | \$ - | \$ 3,977,363 | \$ 3,977,363 | 0.0% | \$ 15,672,979 | 25.38% |
| 4/1/2014 | \$ - | \$ 4,321,044 | \$ 4,321,044 | 0.0% | \$ 16,250,162 | 26.59% |
| 4/1/2016 | \$ 401,145 | \$ 5,591,860 | \$ 5,190,715 | 7.2% | \$ 16,457,772 | 31.54% |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and OPEB Obligation: Below are the required pension obligation presentations per GASB 45 for the period ending March 31, 2018.

| | |
|---|----------------------------|
| Annual required contribution | \$ 573,986 |
| Interest on net OPEB obligation | 92,026 |
| Adjustment to annual required contribution | <u>(125,546)</u> |
| Annual OPEB cost | 540,466 |
| Allocations for implicit Rate Subsidy | (54,226) |
| Contributions made | <u>(219,000)</u> |
| Increase (decrease) in net OPEB obligation | <u>267,240</u> |
| Net OPEB beginning of year | <u>2,045,029</u> |
| Net OPEB obligation end of year | <u><u>\$ 2,312,269</u></u> |
| | |
| Percentage of the annual postemployment benefit cost contributed | <u><u>50.55%</u></u> |

Benefit Provisions and Contributions

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:

Other Post Employment Benefits
Three-Year Trend Information

| Fiscal Year | Annual OPEB Cost | Percentage of OPEB Cost Contributed | Net OPEB Obligation | Plan Contributions |
|-------------|---------------------|---|------------------------|-----------------------|
| 3/31/2016 | 418,382 | 121.79% | 1,782,424 | 509,533 |
| 3/31/2017 | 544,770 | 40.67% | 2,045,029 | 221,575 |
| 3/31/2018 | 540,466 | 40.52% | 2,312,269 | 219,000 |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

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, participation rates 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. Below are the actuarial assumptions used to project future costs of the plan.

| Summary of Actuarial Assumptions Used in the Valuations to determine the Net OPEB Liability at the April 1, 2017 measurement date (April 1, 2017 valuation rolled forward to March 31, 2018) | |
|---|---|
| Actuarial Cost Method | Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used. |
| Amortization Method | Level Percent of Payroll – Closed |
| Actuarial Assumptions | |
| Long term rate of return | 7.50% |
| Discount rate | 3.61% as of 6/30/2017; 3.56% as of 6/30/2018 |
| Index rate | 3.13% as of 6/30/2017; 3.51% as of 6/30/2018 |
| Health Care Cost Trend Rates | Health: 5.7% per year graded down by the Getzen model to an ultimate rate of 3.94% per year. |
| | Dental: 4.00% per year |
| Inflation | 2.50% annually |
| Participation Rate | Police & Town: 80% of eligible future retirees are assumed to participate. School: 45% of eligible future retirees are assumed to participate. |
| Mortality | RP-2014 Employee and Healthy Annuitant with Scale MP-2017 generational improvements from 2006 (male/female) |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

Investments

Investment policy: The Board's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Board's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of March 31, 2018:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|--------------|-------------------|--|
| Equity | 69% | 8.5% |
| Fixed Income | 23% | 4.5% |
| Real Estate | 8% | 7.0% |
| | <u>100%</u> | |

Rate of Return: For the year ended March 31, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 9.33%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested

Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at March 31, 2018, were as follows:

| | |
|------------------------------|---------------------|
| Total OPEB liability | \$ 8,130,491 |
| Plan fiduciary net positiong | <u>(705,592)</u> |
| Town's net OPEB liability | <u>\$ 7,424,899</u> |

Plan fiduciary net positiong as a percentage
of the total OPEB liability 8.68%

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13%) or 1 percentage point higher (4.13%) that the current discount rate:

| Net OPEB Liability | | |
|---------------------------|----------------------------------|---------------------------|
| 1.00% Decrease (2.56%) | Current Discount Rate (3.56%) | 1.00% Increase (4.56%) |
| \$ 8,716,158 | \$ 7,424,899 | \$ 6,386,606 |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (8.0% decreasing to 4.0%) or 1 percentage point higher (10.0% decreasing to 6.0%) than the current healthcare trend rates:

| Health Care Cost | | |
|---|---|---|
| 1% Decrease (4.70% decreasing to 2.94%) | Current Trend Rate (5.70% decreasing to 3.94%) | 1% Increase (6.70% decreasing to 4.94%) |
| \$ 6,210,623 | \$ 7,424,899 | \$ 8,976,729 |

Changes in Net OPEB Liability (Asset)

| | Increase (Decrease) | | |
|---|-----------------------------|------------------------------------|------------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balances as of April 1, 2017 | \$ 7,733,478 | \$ 549,642 | \$ 7,183,836 |
| Changes for the Year | | | |
| Service Cost | 275,269 | - | 275,269 |
| Interest on the total OPEB liability | 239,646 | - | 239,646 |
| Difference between expected and actual experience | (309,232) | - | (309,232) |
| Changes in assumptions discount rate | (198,952) | - | (198,952) |
| Employer contributions | - | 273,226 | (273,226) |
| Employee contributions | 54,967 | 54,967 | - |
| Net investment income | - | 55,950 | (55,950) |
| Benefit payments, including employee refunds | (228,193) | (228,193) | - |
| Other changes | 563,508 | - | 563,508 |
| Net changes | <u>397,013</u> | <u>155,950</u> | <u>241,063</u> |
| Balances as of March 31, 2018 | <u>\$ 8,130,491</u> | <u>\$ 705,592</u> | <u>\$ 7,424,899</u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 14 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

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

B. FEDERALLY ASSISTED PROGRAMS – COMPLIANCE AUDITS

The Town participates in a number of federal awards programs. These programs through the year ended March 31, 2018 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditors' reports thereon are presented in the Single Audit Section of this report. The amount, if any, of expenditures that may be disallowed will not be material to the financial position of the Town.

NOTE 15 – RISK MANAGEMENT

The Town of Scituate is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Town and the School Department (as of July 27, 2005) participate in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property and liability claims. Upon joining the Trust, the Town and the School Department signed a participation agreement that outlines the rights and responsibilities of the Trust, the Town and the School Department. The agreement states that for premiums paid, the Trust will assume financial responsibility for the losses up to the maximum amount of insurance purchased, minus deductible amounts.

The Trust provides this insurance coverage through a pooled, self- insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the Town and the School Department are insured for varying amounts depending on the type of coverage provided. Settled claims resulting from these risks have not exceeded Trust coverage in any of the past three fiscal years. And it is not anticipated that the risks will exceed the trust coverage in the current year. There were no reductions in the insurance coverage during the fiscal year up and through the report date.

Self-insurance:

Both the Town and the School Department participate in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by WB Community Health (WBCH). The Town & School pay WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs. As of March 31, 2018, the reported expenditures exceeded premiums on deposit by \$17,636 for the Town and deposits exceeded expenditures by \$397,735 for the School Department. Additionally, there was a cash deposit balance of \$699,896 on the Town side and \$2,780,754 with the School Department.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 15 – RISK MANAGEMENT (continued)

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, including retroactive assessments for hospital costs and other settlements occurring after the end of the fiscal year and not determinable at the end of the fiscal year. An excess coverage insurance policy covers individual claims exceeding \$150,000.

| | Town Year ended March 31, 2018 | School Year ended March 31, 2018 |
|--|--------------------------------------|--|
| Beginning cumulative surplus (deficit) | \$ 717,532 | \$ 2,383,019 |
| Premium deposits | 894,988 | 2,505,952 |
| Incurred claims (excluding IBNR) | (874,981) | (2,037,089) |
| Administrative fees | (23,621) | - |
| Ending cash deposit balance | 713,918 | 2,851,882 |
| Estimated IBNR (three month estimate) | (14,022) | (71,128) |
| Net adjusted reserve | <u>\$ 699,896</u> | <u>\$ 2,780,754</u> |

NOTE 16 – PENSION PLANS

Substantially all full-time employees of the Town of Scituate are covered by one of four separate pension plans, each one of which are discussed below.

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

Plan description - Certain employees of the Scituate School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Benefit provisions – The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

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

outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2018, Scituate School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Scituate School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Scituate School Department; the rates were 9.89% and 13.24% of annual covered payroll for the fiscal year ended March 31, 2018 for the state and Scituate School Department, respectively. The Scituate School Department contributed \$1,479,064 \$1,491,891 and \$1,551,729 for the fiscal years ended March 31, 2018, 2017 and 2016, respectively, equal to 100% of the required contributions for each year.

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

At March 31, 2018, the Scituate School Department reported a liability of \$19,876,617 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Scituate School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with Scituate School Department were as follows:

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

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

| | |
|---|-----------------------------|
| Scituate School Dept's proportionate share of the net pension liability | \$ 19,876,617 |
| State's proportionate share of the net pension liability associated with the Scituate School Dept. | <u>15,021,947</u> |
| Total net pension liability | <u><u>\$ 34,898,564</u></u> |

The net pension liability was measured as of June 30, 2017, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The Scituate School Department's proportion of the net pension liability was based on a projection of the Scituate School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2017 the Scituate School Department proportion was 0.63018617%.

For the year ended March 31, 2018 the Scituate School Department recognized gross pension expense of \$3,099,606 and revenue of \$1,334,213 for support provided by the State. At March 31, 2018 the Scituate School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

| | |
|--|------------------|
| Contributions made subsequent to the measurement date | \$ 1,479,064 |
| Changes in assumptions | 1,735,936 |
| Net difference between projected and actual earnings on pension plan investments | <u>1,537,949</u> |

Deferred inflows of resources:

| | |
|---|----------------------------|
| Difference between expected and actual experience | \$ 471,228 |
| Change of Assumptions | 313,224 |
| Difference between projected and actual investment earnings | 1,035,852 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | <u>2,466,959</u> |
| Total | <u><u>\$ 1,013,378</u></u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

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

\$1,479,064 reported as deferred outflows of resources related to pensions resulting from the Scituate School Department's contributions in fiscal 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | Net Deferred (outflows)/inflows of resources |
|---------------------|--|
| 2019 | \$ (253,632) |
| 2020 | 77,289 |
| 2021 | (167,622) |
| 2022 | (516,998) |
| 2023 | (200,038) |
| thereafter | 47,623 |
| | <u>\$ (1,013,378)</u> |

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

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

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

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

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

| Asset Class | Long-Term Target Asset Allocation | Long-Term Expected Arithmetic Real Rate of Return |
|--------------------------------|---|---|
| Global Equity | | |
| US Equity | 20.60% | 6.85% |
| International Developed Equity | 15.90% | 6.71% |
| Emerging Markets Equity | 3.50% | 8.91% |
| Private Growth | | |
| Private Equity | 11.30% | 9.62% |
| Non-Core RE | 2.20% | 5.17% |
| OPP Private Credit | 1.50% | 9.62% |
| Income | | |
| High Yield Infrastructure | 1.00% | 4.26% |
| REITS | 1.00% | 5.17% |
| Liquid Credit | 2.80% | 4.26% |
| Private Credit | 3.20% | 4.26% |
| Crisis Protection Class | | |
| Treasury Duration | 4.00% | 0.83% |
| Systematic Trend | 4.00% | 3.81% |
| Inflation Protection | | |
| Core Real Estate | 3.60% | 5.17% |
| Private Infrastructure | 2.40% | 5.57% |
| TIPs | 1.00% | 1.72% |
| Natural Resources | 1.00% | 3.98% |
| Volatility Protection | | |
| IG Fixed Income | 11.50% | 2.12% |
| Absolute Return | 6.50% | 3.81% |
| Cash | 3.00% | 0.83% |

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

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

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

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

| 1.00% Decrease (6.0%) | Current Discount Rate (7.0%) | 1.00% Increase (8.0%) |
|--------------------------|---------------------------------|--------------------------|
| \$ 24,980,158 | \$ 19,876,617 | \$ 16,075,291 |

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

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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

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

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

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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

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

Subsequent to June 30, 2015, litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, which have been included in the determination of the total pension liability at the June 30, 2015 measurement date and are reflected in the summary of benefit provisions described below.

General employees

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

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

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

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

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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

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

Police and Fire employees

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

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

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

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

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

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

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

Other benefit provisions

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

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

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

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (i) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

Employees covered by benefit terms

At the June 30, 2016 valuation date, the following employees were covered by the benefit terms:

| | Town General Employees | Police Employees | Police COLA |
|------------------------------|------------------------------|---------------------|----------------|
| Retirees and Beneficiaries | 59 | 1 | 0 |
| Inactive, Nonretired Members | 109 | 0 | 0 |
| Active Members | 84 | 0 | 5 |
| Total | 252 | 1 | 5 |

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% (2% if the employer opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (10% if employer opted to provide a COLA) of their salaries. The Town of Scituate contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Scituate contributed \$422,438 in the year ended March 31, 2018 which averaged out to 14.59% of the annual payroll for the MERS Town employees plan and \$23,624 for the MERS Police COLA Plan which was 8.50% of its annual payroll. No contributions were required for the Police Plan.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2016 and rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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

The actuarial assumptions used in the June 30, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

| Asset Class | Long-Term Target Asset Allocation | Long-Term Expected Arithmetic Real Rate of Return |
|--------------------------------|---|---|
| Global Equity | | |
| US Equity | 20.60% | 6.85% |
| International Developed Equity | 15.90% | 6.71% |
| Emerging Markets Equity | 3.50% | 8.91% |
| Private Growth | | |
| Private Equity | 11.30% | 9.62% |
| Non-Core RE | 2.20% | 5.17% |
| OPP Private Credit | 1.50% | 9.62% |
| Income | | |
| High Yield Infrastructure | 1.00% | 4.26% |
| REITS | 1.00% | 5.17% |
| Liquid Credit | 2.80% | 4.26% |
| Private Credit | 3.20% | 4.26% |
| Crisis Protection Class | | |
| Treasury Duration | 4.00% | 0.83% |
| Systematic Trend | 4.00% | 3.81% |
| Inflation Protection | | |
| Core Real Estate | 3.60% | 5.17% |
| Private Infrastructure | 2.40% | 5.57% |
| TIPs | 1.00% | 1.72% |
| Natural Resources | 1.00% | 3.98% |
| Volatility Protection | | |
| IG Fixed Income | 11.50% | 2.12% |
| Absolute Return | 6.50% | 3.81% |
| Cash | 3.00% | 0.83% |

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

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

The Town of Scituate has three separate reporting units within its MERS plan. The units are for Town Employees, Police Employees and Police Employees COLA. The following schedules present the changes in the Net Pension Liability (Asset) for the year.

Changes in Net Pension Liability - Town Employees

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances as of June 30, 2016 | <u>\$ 13,349,190</u> | <u>\$ 9,742,480</u> | <u>\$ 3,606,710</u> |
| Changes for the year: | | | |
| Service cost | 249,689 | | 249,689 |
| Interest on total pension liability | 976,275 | | 976,275 |
| Effect of benefit changes | - | | - |
| Difference between expected and actual experience | 45,331 | | 45,331 |
| Effect of assumptions changes or inputs | 823,012 | | 823,012 |
| Benefit payments | (914,069) | (914,069) | - |
| Employer contributions | | 418,948 | (418,948) |
| Member contributions | | 87,512 | (87,512) |
| Net investment income | | 1,066,911 | (1,066,911) |
| Administrative expenses | | (10,080) | 10,080 |
| Other charges | | (345,135) | 345,135 |
| Net changes | <u>1,180,238</u> | <u>304,087</u> | <u>876,151</u> |
| Balance as of June 30, 2017 | <u><u>\$ 14,529,428</u></u> | <u><u>\$ 10,046,567</u></u> | <u><u>\$ 4,482,861</u></u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

Changes in Net Pension Liability (Asset) - Police Employees

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances as of June 30, 2016 | \$ 18,717 | \$ 199,809 | \$ (181,092) |
| Changes for the year: | | | |
| Service cost | - | - | - |
| Interest on total pension liability | 1,250 | - | 1,250 |
| Difference between expected and actual experience | 876 | - | 876 |
| Effect of assumptions changes or inputs | 1,155 | - | 1,155 |
| Benefit payments | (4,109) | (4,109) | - |
| Employer contributions | - | - | - |
| Member contributions | - | - | - |
| Net investment income | - | 23,226 | (23,226) |
| Administrative expenses | - | (219) | 219 |
| Other charges | - | (3) | 3 |
| Net changes | <u>(828)</u> | <u>18,895</u> | <u>(19,723)</u> |
| Balance as of June 30, 2017 | <u>\$ 17,889</u> | <u>\$ 218,704</u> | <u>\$ (200,815)</u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

Changes in Net Pension Liability (Asset) - Police COLA Employees

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances as of June 30, 2016 | \$ - | \$ - | \$ - |
| Changes for the year: | | | |
| Service cost | 27,635 | | 27,635 |
| Interest on total pension liability | 1,036 | | 1,036 |
| Effect of plan changes | - | | - |
| Difference between expected and actual experience | - | | - |
| Effect of assumptions changes or inputs | - | | - |
| Benefit payments | - | - | - |
| Employer contributions | | 13,941 | (13,941) |
| Member contributions | | 16,401 | (16,401) |
| Net investment income | | 3,601 | (3,601) |
| Administrative expenses | | (34) | 34 |
| Other charges | | - | - |
| Net changes | <u>28,671</u> | <u>33,909</u> | <u>(5,238)</u> |
| Balance as of June 30, 2017 | <u>\$ 28,671</u> | <u>\$ 33,909</u> | <u>\$ (5,238)</u> |

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

| | Sensitivity Summary for Net Pension Liability/(Asset) | | |
|------------------|---|-------------------------------|-----------------------------|
| | 1.00% Decrease (6.0%) | Current Discount (7.0%) | 1.00% Increase (8.0%) |
| Plan: | | | |
| Town Employees | 6,183,888 | 4,482,861 | 3,215,986 |
| Police Employees | (198,370) | (200,815) | (202,640) |
| Police COLA | (1,953) | (5,238) | (7,693) |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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

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

For the year ended March 31, 2018 the employer recognized pension expense of \$971,722 for Town Employees, a credit of \$10,637 for Police Employees and expense of \$10,674 for Police COLA employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | General Town Employees MERS Plan | Police Employees MERS Plan | Police COLA Employees MERS Plan |
|--|---|----------------------------------|---------------------------------------|
| Deferred Outflows of Resources: | | | |
| Contributions subsequent to measurement date | \$ 422,438 | \$ - | \$ 23,624 |
| Difference between projected and actual earnings | 657,279 | 13,259 | - |
| Changes in assumptions | 594,258 | - | - |
| Difference between expected and actual experience | 32,731 | | |
| Total Deferred Outflows of Resources: | \$ 1,706,706 | \$ 13,259 | \$ 23,624 |
| Deferred Inflows of Resources: | | | |
| Difference between actual and expected experience | 44,802 | - | - |
| Difference between projected and actual earnings | 430,456 | 9,466 | 1,971 |
| Changes in assumptions | - | - | - |
| Total Deferred Inflows of Resources: | \$ 475,258 | \$ 9,466 | \$ 1,971 |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

B. MUNICIPAL EMPLOYEES RETIREMENT PLAN

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized over time in pension expense as follows:

| Town Employees | | Police Employees | | Police COLA Employees | |
|----------------|--------------------|------------------|--------------------|-----------------------|--------------------|
| Year Ending | Net Deferred | Year Ending | Net Deferred | Year Ending June | Net Deferred |
| June 30 | (outflows)/inflows | June 30 | (outflows)/inflows | 30 | (outflows)/inflows |
| | of resources | | of resources | | of resources |
| 2019 | \$ 241,560 | 2019 | \$ 681 | 2019 | \$ (493) |
| 2020 | 420,024 | 2020 | 3,427 | 2020 | (493) |
| 2021 | 220,393 | 2021 | 1,364 | 2021 | (493) |
| 2022 | (72,967) | 2022 | (1,679) | 2022 | (492) |
| 2023 | - | 2023 | - | 2023 | - |
| Thereafter | - | Thereafter | - | Thereafter | - |
| Total | <u>\$ 809,010</u> | Total | <u>\$ 3,793</u> | Total | <u>\$ (1,971)</u> |

C. POLICE PENSION PLAN

Plan Description

The Town of Scituate participates in a single-employer defined benefit pension plan established by the Town to provide pension benefits for its police officers as of October 1, 1981. The Pension Plan is being administered by Wilmington Trust Company. For financial reporting purposes, the plan is included as a pension trust fund in the Town's financial statements. A separate, audited pension plan report is not available for the Police Pension Plan. The Town's payroll for employees covered by the Plan for the year ended March 31, 2018 was \$935,534.

At April 1, 2017, employee membership related to the plan was as follows:

| | |
|-----------------|-----------|
| Retired | 20 |
| Vested Disabled | 4 |
| Active | <u>12</u> |
| Total | <u>36</u> |

Benefits and contributions are established by contract and may be amended by union negotiation. The Police Pension Plan provides retirement, death and disability benefits. Under the plan, all regular or permanent police hired by the Town of Scituate before July 1, 2014 are eligible to participate in the plan, following the completion of a six-month waiting period. A participant hired on or prior to June 30, 2000

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

C. POLICE PENSION PLAN

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. All police employees hired after July 1, 2014 will be part of the State of Rhode Island Municipal Employees Retirement System and not in the single-employer defined benefit Police plan.

Funding Policy

Effective July 1, 2015, the members of the plan shall each contribute 12% of Compensation and the Town of Scituate shall contribute 10% of Compensation earned by each member. The Town has an actuarial calculation to determine the actuarially required contribution, but does not fund the plan based on the calculation. The Town contribution for the year ended March 31, 2018 was \$855,856.

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

Investments

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that emphasizes long-term appreciation as a primary source of

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

C. POLICE PENSION PLAN

return with current income as a secondary objective. The plan implies a willingness to risk significant principal loss so long as the Portfolio is position to earn a significantly greater rate of return than the market over the long-term. The following was the Board's adopted asset allocation policy as of March 31, 2018:

| <u>Asset Class</u> | <u>March 31, 2018 Asset Allocation</u> | <u>Target Asset Allocation</u> | <u>Long-Term Expeted Real Rate of Return</u> |
|---------------------------|--|------------------------------------|--|
| Domestic Large Cap Equity | 27.40% | 27.00% | 7.11% |
| Dom Smid Cap Value Equity | 10.60% | 5.00% | 7.67% |
| International Equity | 18.20% | 18.00% | 8.98% |
| Emerging Markets | 5.40% | 5.00% | 8.76% |
| Investment Grade Bonds | 33.10% | 34.00% | 2.84% |
| Real Estate | 5.00% | 5.00% | 9.80% |
| Cash & Equivalents | 0.30% | 6.00% | 2.09% |
| Total allocation | <u>100.00%</u> | <u>100.00%</u> | |

Projected Rate of Return 5.94%

Rate of return: For the year ended March 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net position liability of the Police Pension Plan at March 31, 2018 were as follows:

Net Pension Liability of the Police Pension Plan

| | |
|------------------------------|-----------------------|
| | <u>March 31, 2018</u> |
| Total pension liability | \$ 15,542,056 |
| Plan fiduciary net position | <u>5,839,817</u> |
| Town's net pension liability | <u>\$ 9,702,239</u> |

Plan fiduciary net position as a percentage of
the total pension liability 37.57%

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

C. POLICE PENSION PLAN

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current 7.50%.

| | 1% Decrease 6.50% | Current Discount Rate 7.50% | 1% Increase 8.50% |
|--|-------------------------|-----------------------------------|-------------------------|
| Plan's Net Pension Liability as of March 31, 2018 | <u>\$ 11,775,558</u> | <u>\$ 9,702,239</u> | <u>\$ 8,007,944</u> |

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

C. POLICE PENSION PLAN

Actuarial Assumptions

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuation follows:

| Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the March 31, 2018 measurement date (April 1, 2017 valuation date) | |
|---|---|
| Actuarial Cost Method | Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used. |
| Amortization Method | Level Percent of Payroll – Closed |
| Equivalent Single Remaining Amortization Period | 19 years at April 1, 2018 |
| Actuarial Assumptions | |
| Amortized Growth Rate | 3.50% |
| Investment Rate of Return | 7.50% |
| Projected Salary Increases | Based on service with an ultimate rate of 3.50% |
| Inflation | 3.00% |
| Mortality | RP-2014 Blue Collar Employees/Annuitant with MP2017 Generational Improvements from 2006 (M/F) |
| Cost of Living Adjustments | A 3% non-compounded COLA for active members who retire on or after July 1, 2003. For members who retired before July 1, 2003, 30% of the negotiated salary increase, compounded annually. For retirees on or after July 1, 2003, who were hired on or before July 1, 2012, the COLA is equal to 3% of the initial retirement benefit (non-compounded). This COLA is deferred for 3 years for any member who retires after June 30, 2015. |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

C. POLICE PENSION PLAN

Summary of Significant Accounting Policies

Discount rate: The discount rate used to measure the total pension liability was 7.50%.

Changes in Net Pension Liability
Scituate Police Plan

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances as of March 31, 2017 | <u>\$ 14,901,307</u> | <u>\$ 5,288,504</u> | <u>\$ 9,612,803</u> |
| Changes for the year: | | | |
| Service cost | 183,866 | - | 183,866 |
| Interest on total pension liability | 1,092,957 | - | 1,092,957 |
| Difference between expected & actual experience | 432,238 | - | 432,238 |
| Effect of assumptions changes or inputs | (199,966) | - | (199,966) |
| Benefit payments | (868,346) | (868,346) | - |
| Employer contributions | - | 856,215 | (856,215) |
| Member contributions | - | 116,018 | (116,018) |
| Net investment income | - | 477,960 | (477,960) |
| Administrative expenses | - | (30,534) | 30,534 |
| Net changes | <u>640,749</u> | <u>551,313</u> | <u>89,436</u> |
| Balance as of March 31, 2018 | <u><u>\$ 15,542,056</u></u> | <u><u>\$ 5,839,817</u></u> | <u><u>\$ 9,702,239</u></u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

C. POLICE PENSION PLAN

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to the Scituate Police Employees Retirement Plan

For the year ended March 31, 2018 the Town recognized pension expense of \$902,976. At March 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Police Pension Plan | |
|--|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Deferred Inflows/Outflows | | |
| Differences between expected and actual experience | \$ 596,863 | \$ (185,422) |
| Changes of assumptions | - | (236,641) |
| Net difference between projected and actual earnings | 215,192 | (112,151) |
| Total | <u>\$ 812,055</u> | <u>\$ (534,214)</u> |

Amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

| | Net Deferred Inflows/Outflows of Resources |
|----------------------|---|
| Year ended March 31: | |
| 2019 | \$ 113,197 |
| 2020 | 113,199 |
| 2021 | 41,605 |
| 2022 | 9,840 |
| 2023 | - |
| Net Total | <u>\$ 277,841</u> |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

D. DEFINED BENEFIT PENSION PLAN (SURVIVOR'S BENEFIT)

Plan description - Certain employees of the Scituate School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security. The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

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

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

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

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

| <u>Highest Annual Salary</u> | <u>Basic Monthly Spouses' Benefit</u> |
|------------------------------|---|
| \$17,000 or less | \$ 750 |
| \$17,001 to \$25,000 | \$ 875 |
| \$25,000 to \$33,000 | \$ 1,000 |
| \$33,001 to \$40,000 | \$ 1,125 |
| \$40,001 and over | \$ 1,250 |

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

D. DEFINED BENEFIT PENSION PLAN (SURVIVOR'S BENEFIT)

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

| Parent and 1 child | Parent and 2 or more children | One child alone | Two children alone | Three or more children alone | Dependent parent |
|--------------------|-------------------------------|-----------------|--------------------|------------------------------|------------------|
| 150% | 175% | 75% | 150% | 175% | 100% |

Contributions - The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Scituate School Department contributed \$16,637, \$12,835 and \$14,553 for the fiscal years ended March 31, 2018, 2017 and 2016, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2018 the Scituate School Department reported an asset of \$1,800,018 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2017, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2016. The Scituate School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2016 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2016 the Scituate School Department's proportion was 2.17586888%.

For the year ended June 30, 2018 the Scituate School Department recognized pension expense of \$377,931 – a decrease in the net pension asset. At June 30, 2018 the Scituate School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

D. DEFINED BENEFIT PENSION PLAN (SURVIVOR'S BENEFIT)

Deferred Outflows of resources

| | |
|---|----------------------------|
| Contributions subsequent to the measurement date | \$ 16,637 |
| Difference between expected and actual experience | 355,247 |
| Changes in assumptions | 296,537 |
| Difference between projected and actual investment earnings | 413,841 |
| Changes in Proportion and differences between employer contributions and proportionate share of contributions | 107,345 |
| Total deferred outflows | <u><u>\$ 1,189,607</u></u> |

Deferred inflows of resources

| | |
|---|--------------------------|
| Difference between expected and actual experience | \$ 378,253 |
| Difference between projected and actual earnings on pension plan investments | 298,836 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 43,431 |
| Total deferred inflows | <u><u>\$ 720,520</u></u> |

\$16,462 reported as deferred outflows of resources related to pensions resulting from the Scituate School Department's contributions in fiscal year 2018 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended March 31, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

D. DEFINED BENEFIT PENSION PLAN (SURVIVOR'S BENEFIT)

| Year ended June 30: | |
|---------------------|----------------|
| 2019 | 72,907 |
| 2020 | 161,411 |
| 2021 | 96,884 |
| 2022 | 1,955 |
| 2023 | 54,538 |
| thereafter | 64,755 |
| | <u>452,450</u> |

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

| | |
|---------------------------|----------------|
| Inflation | 2.5% |
| Salary increases | 3.0% to 13.50% |
| Investment rate of return | 7.0% |

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

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.75% cost of living adjustment is assumed.

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

D. DEFINED BENEFIT PENSION PLAN (SURVIVOR'S BENEFIT)

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2017 expected arithmetic returns over the long-term (20 years) by asset class, are summarized in the following table:

| Asset Class | Long-Term Target Asset Allocation | Long-Term Expected Arithmetic Real Rate of Return |
|--------------------------------|---|---|
| Global Equity | | |
| US Equity | 20.60% | 6.85% |
| International Developed Equity | 15.90% | 6.71% |
| Emerging Markets Equity | 3.50% | 8.91% |
| Private Growth | | |
| Private Equity | 11.30% | 9.62% |
| Non-Core RE | 2.20% | 5.17% |
| OPP Private Credit | 1.50% | 9.62% |
| Income | | |
| High Yield Infrastructure | 1.00% | 4.26% |
| REITS | 1.00% | 5.17% |
| Liquid Credit | 2.80% | 4.26% |
| Private Credit | 3.20% | 4.26% |
| Crisis Protection Class | | |
| Treasury Duration | 4.00% | 0.83% |
| Systematic Trend | 4.00% | 3.81% |
| Inflation Protection | | |
| Core Real Estate | 3.60% | 5.17% |
| Private Infrastructure | 2.40% | 5.57% |
| TIPs | 1.00% | 1.72% |
| Natural Resources | 1.00% | 3.98% |
| Volatility Protection | | |
| IG Fixed Income | 11.50% | 2.12% |
| Absolute Return | 6.50% | 3.81% |
| Cash | 3.00% | 0.83% |

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

D. DEFINED BENEFIT PENSION PLAN (SURVIVOR'S BENEFIT)

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

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

| 1.00% Decrease (6.0%) | Current Discount Rate (7.0%) | 1.00% Increase (8.0%) |
|--------------------------|---------------------------------|--------------------------|
| \$ (1,231,162) | \$ (1,800,018) | \$ (2,223,517) |

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

E. DEFINED CONTRIBUTION PLAN

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 16 – PENSION PLANS (continued)

E. DEFINED CONTRIBUTION PLAN

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

| | EE contribution | ER contribution |
|---|---|--|
| ERS members | | |
| ERS - Teachers - contribute to Social Security - less than 20 years of service at 7/1/2012 | 5% | 1% to 1.5% depending on years of service |
| ERS - Teachers - do not contribute to Social Security - less than 20 years of service at 7/1/2012 | 7% | 3% to 3.5% depending on years of service |
| ERS - Teachers - more than 20 years of service at 7/1/2012 | NO DC plan contributions (ee and er) after July 1, 2015 | |

The Scituate School Department recognized pension expense of \$315,345 for the fiscal year ended March 31, 2018.

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

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 4, 2018 the date the financial statements were available to be issued. As a result of this review material items are noted below.

In May of 2018, the Town issued \$3,060,000 in general obligation bonds. The bonds mature on August 15, 2037 with interest rates ranging from 2.0% to 4.0%. The purpose of the issuance is to finance the construction of a new police station and other various capital projects. Also in May of 2018 the Town issued \$4,740,000 in revenue bonds through the Rhode Island Health and Educational Building Corporation to finance various school building improvements. The bonds mature in May of 2028 with interest rates ranging from 2.0% to 5.0%.

Note 18 – PRIOR PERIOD RESTAEMENT

Fund Financial Statements – General Fund

Government – Wide Financial Statements – Net Position

For the fiscal year ended March 31, 2018 the Town has recognized its excess balance on deposit with WB Community Health which they participate in through a multi-employer cost reimbursement healthcare self-insurance risk pool managed by WB Community Health (see note 15). Due to this change the Town and School Department restated its March 31, 2017 fund balances in the general fund and it's Net Position by \$3,100,551. The current years increase in this total asset of \$380,099 to \$3,480,650 is recognized as a reduction in Health and Dental cost and an increase in other assets on the balance sheet and is also recognized as a non-spendable reservation of its fund balance as of March 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SCITUATE, RHODE ISLAND
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended March 31, 2018

| | Original Budget Revenues | Revised Budget Revenues | Actual Revenues | Variance |
|--|---|--|----------------------------|---------------------|
| General property tax | | | | |
| Property Taxes | \$ 29,472,007 | \$ 29,472,007 | \$ 28,949,367 | \$ (522,640) |
| Total general property taxes | <u>29,472,007</u> | <u>29,472,007</u> | <u>28,949,367</u> | <u>(522,640)</u> |
| Federal and State Aid and Grants | | | | |
| Police Grants | 18,000 | 18,000 | 9,000 | (9,000) |
| Telephone tax | 134,071 | 134,071 | 130,554 | (3,517) |
| Motor vehicle phase out | 68,633 | 68,633 | 197,685 | 129,052 |
| Hotel and meal tax | 79,966 | 79,966 | 75,223 | (4,743) |
| School housing | 139,789 | 139,789 | 121,495 | (18,294) |
| State library aid | 104,815 | 104,815 | 104,741 | (74) |
| State incentive aid | - | - | 1,391 | 1,391 |
| Total federal and state aid grants | <u>545,274</u> | <u>545,274</u> | <u>640,089</u> | <u>94,815</u> |
| Charges for service | | | | |
| Town clerk | 242,686 | 242,686 | 231,621 | (11,065) |
| Dog licenses | 16,800 | 16,800 | 12,744 | (4,056) |
| Tax collector | 9,000 | 9,000 | 7,326 | (1,674) |
| Building inspector | 70,000 | 70,000 | 63,883 | (6,117) |
| Town properties | 20,000 | 20,000 | 7,275 | (12,725) |
| Planning and zoning | 6,700 | 6,700 | 5,685 | (1,015) |
| Recreation | 35,000 | 35,000 | 37,858 | 2,858 |
| Emergency medical services | 400,000 | 400,000 | 457,600 | 57,600 |
| Police | 55,000 | 55,000 | 32,287 | (22,713) |
| Highway | 7,500 | 7,500 | 7,500 | - |
| Communications tower rental | 93,735 | 93,735 | 584,566 | 490,831 |
| Total charges for service | <u>956,421</u> | <u>956,421</u> | <u>1,448,345</u> | <u>491,924</u> |
| Fines and Penalties | <u>35,000</u> | <u>35,000</u> | <u>109,864</u> | <u>74,864</u> |
| Investment and interest income | | | | |
| Interest on taxes | 125,000 | 125,000 | 134,954 | 9,954 |
| Interest on investments | 1,200 | 1,200 | 32,750 | 31,550 |
| Total investment and interest income | <u>126,200</u> | <u>126,200</u> | <u>167,704</u> | <u>41,504</u> |
| Miscellaneous Revenue | 103,400 | 103,400 | 128,352 | 24,952 |
| Prior Year Budgeted Surplus | 255,044 | 255,044 | 255,044 | - |
| Total revenues | <u>\$ 31,493,346</u> | <u>\$ 31,493,346</u> | <u>\$ 31,698,765</u> | <u>\$ 205,419</u> |
| Other financing sources | | | | |
| Issuance of refunding bonds | - | - | 2,346,000 | 2,346,000 |
| Premium on refunding | - | - | 276,965 | 276,965 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>2,622,965</u> | <u>2,622,965</u> |
| Total revenue and other financing sources | <u>\$ 31,493,346</u> | <u>\$ 31,493,346</u> | <u>\$ 34,321,730</u> | <u>\$ 2,828,384</u> |

TOWN OF SCITUATE, RHODE ISLAND
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended March 31, 2018

| | <u>Original Budgeted Expenditures</u> | <u>Revised Budgeted Expenditures</u> | <u>Actual Expenditures</u> | <u>Variance</u> |
|---|---|--|--------------------------------|-----------------------|
| General Government | | | | |
| Town council | \$ 14,500 | \$ 13,600 | \$ 9,417 | \$ 4,183 |
| Town treasurer | 177,436 | 176,036 | 165,114 | 10,922 |
| Town clerk | 200,787 | 199,401 | 195,859 | 3,542 |
| Town solicitor | 267,000 | 276,250 | 260,521 | 15,729 |
| Probate judge | 3,750 | 3,750 | 1,858 | 1,892 |
| Tax assessor | 159,236 | 157,936 | 158,834 | (898) |
| Tax collector | 124,501 | 123,651 | 118,252 | 5,399 |
| Board of canvassers | 10,650 | 10,550 | 15,076 | (4,526) |
| Building and zoning | 196,180 | 195,040 | 134,208 | 60,832 |
| Total general government | <u>1,154,040</u> | <u>1,156,214</u> | <u>1,059,139</u> | <u>97,075</u> |
| Public Safety | | | | |
| Fire department | 1,173,478 | 1,297,841 | 1,209,463 | 88,378 |
| Animal control | 97,676 | 96,912 | 103,273 | (6,361) |
| Street lights | 43,000 | 43,000 | 50,478 | (7,478) |
| Emergency management | 44,500 | 44,500 | 44,500 | - |
| Police department | 2,077,384 | 2,096,236 | 2,166,157 | (69,921) |
| Total public safety | <u>3,436,038</u> | <u>3,578,489</u> | <u>3,573,871</u> | <u>4,618</u> |
| Public works | | | | |
| Town properties | 358,904 | 438,487 | 760,021 | (321,534) |
| Highway | 993,187 | 1,155,964 | 1,088,457 | 67,507 |
| Solid waste disposal | 673,665 | 673,665 | 622,721 | 50,944 |
| Care of trees | 11,500 | 11,500 | 10,180 | 1,320 |
| Pawtuxet River Authority | 5,000 | 5,000 | 5,000 | - |
| Cemetery care | 13,000 | 13,000 | 12,040 | 960 |
| Total public works | <u>2,055,256</u> | <u>2,297,616</u> | <u>2,498,419</u> | <u>(200,803)</u> |
| Social services | | | | |
| Recreation department | 212,581 | 211,981 | 203,441 | 8,540 |
| Libraries | 583,399 | 583,399 | 583,324 | 75 |
| Human service | 13,066 | 13,066 | 9,355 | 3,711 |
| Memorial and Veterans' Day | 1,000 | 1,000 | 1,000 | - |
| Senior services | 160,866 | 158,366 | 150,004 | 8,362 |
| Municipal telephone | - | 16,040 | 24,898 | (8,858) |
| Total social services | <u>970,912</u> | <u>983,852</u> | <u>972,022</u> | <u>11,830</u> |
| Fixed charges and other | | | | |
| Audit | 40,000 | 40,000 | 32,595 | 7,405 |
| Officers' bonds | 1,660 | 1,660 | 923 | 737 |
| Employee benefits | 1,776,200 | 1,891,408 | 1,801,296 | 90,112 |
| RI League of Cities & Towns | 4,110 | 4,110 | 4,110 | - |
| Police supplemental pension contribution | 744,097 | 744,097 | 744,098 | (1) |
| Total fixed charges and other | <u>2,566,067</u> | <u>2,681,275</u> | <u>2,583,022</u> | <u>98,253</u> |
| Debt service | | | | |
| Principal | 1,068,175 | 1,068,175 | 1,066,545 | 1,630 |
| Interest | 385,675 | 375,675 | 287,212 | 88,463 |
| Total debt service | <u>1,453,850</u> | <u>1,443,850</u> | <u>1,353,757</u> | <u>90,093</u> |
| Capital projects | 789,548 | 284,415 | 128,111 | 156,304 |
| School Appropriation | <u>19,067,635</u> | <u>19,067,635</u> | <u>19,067,635</u> | <u>-</u> |
| Total Expenditures | <u>31,493,346</u> | <u>31,493,346</u> | <u>31,235,976</u> | <u>101,066</u> |
| Excess of revenues over expenditures before other financing sources/uses | <u>-</u> | <u>-</u> | <u>462,789</u> | <u>462,789</u> |
| Other Financing Uses | | | | |
| Payment to refunding bond escrow agent | - | - | 2,574,703 | (2,574,703) |
| Cost of issuance | - | - | 48,262 | (48,262) |
| Transfers to other funds | - | - | 88,000 | (88,000) |
| Total Other Financing Uses | <u>-</u> | <u>-</u> | <u>2,710,965</u> | <u>(2,710,965)</u> |
| Total Expenditures | <u>\$ 31,493,346</u> | <u>\$ 31,493,346</u> | <u>\$ 33,946,941</u> | <u>\$ (2,453,595)</u> |
| Net change in fund balance - budgetary basis | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 374,789</u> | <u>\$ 374,789</u> |

TOWN OF SCITUATE, RHODE ISLAND
Notes to Required Supplementary Information
March 31, 2018

NOTE 1- BUDGETARY DATA AND BUDGETARY COMPLIANCE

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

The budget approved and adopted at the Annual Financial Town Meeting reports the amount budgeted for each department. Therefore, the legal level of control for the General Fund is at the departmental level. Transfers between departments must be approved by the Town Council. Amendments that would change the total appropriation must be approved by the voters and Town Council at a Financial Town Meeting. There were no supplemental budgetary appropriations in fiscal year 2018. Appropriations which are not expended or encumbered lapse at year end.

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

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

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

| | Revenues and Transfers | Expenditures and Transfers |
|--|---------------------------|-------------------------------|
| General Fund: | | |
| Schedule of Revenues, Expenditures and Other Financing Sources | | |
| (Non-GAAP Budgetary Basis) Budget and Actual | \$ 34,321,730 | \$ 33,946,941 |
| Adjustment for pension contribution made by State of Rhode Island on behalf of employees | 1,103,933 | 1,103,933 |
| Appropriation of Fund Balance Non-GAAP | (255,044) | - |
| Encumbrances | - | (158,348) |
| Unbudgeted Items | 3,940,579 | 3,025,586 |
| | <hr/> | <hr/> |
| Statement of Revenues, Expenditures and Changes in Fund | | |
| Balances | \$ 39,111,198 | \$ 37,918,112 |
| | <hr/> | <hr/> |

TOWN OF SCITUATE, RHODE ISLAND
Notes to Required Supplementary Information
March 31, 2018

NOTE 2- PENSION PLAN ASSUMPTION CHANGES AS OF JUNE 30, 2017 MEASUREMENT DATE

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Town of Scituate, Rhode Island Municipal Employee's Retirement System - Town Employees
Schedule of Changes in Town of Scituate Employees Net Pension Liability and Related Ratios
Last 10 Fiscal Years

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|---------------|---------------|---------------|-------|-------|-------|-------|-------|-------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| A. Total Pension Liability | | | | | | | | | | |
| 1. Service Cost | \$ 249,689 | \$ 249,344 | \$ 234,254 | \$ 251,017 | - | - | - | - | - | - |
| 2. Interest on Total Pension Liability | 976,275 | 956,309 | 940,351 | 922,096 | - | - | - | - | - | - |
| 3. Effect of Benefit Changes | - | - | 245,831 | - | - | - | - | - | - | - |
| 4. Difference Between Expected and Actual Experience | 45,331 | (24,977) | (315,663) | - | - | - | - | - | - | - |
| 5. Effect of Assumption Changes or Inputs | 823,012 | - | - | (54,007) | - | - | - | - | - | - |
| 6. Benefit Payments | (914,069) | (915,212) | (883,872) | (850,773) | - | - | - | - | - | - |
| 7. Net Change in Total Pension Liability | 1,180,238 | 265,464 | 220,901 | 268,333 | - | - | - | - | - | - |
| 8. Total Pension Liability, beginning | 13,349,190 | 13,083,726 | 12,862,825 | 12,594,492 | - | - | - | - | - | - |
| 9. Total Pension Liability, ending (a) | \$ 14,529,428 | \$ 13,349,190 | \$ 13,083,726 | \$ 12,862,825 | - | - | - | - | - | - |
| B. Fiduciary Net Position | | | | | | | | | | |
| 1. Employer Contributions | \$ 418,948 | \$ 406,352 | \$ 393,072 | \$ 382,765 | - | - | - | - | - | - |
| 2. Member Contributions | 87,512 | 82,476 | 53,708 | 53,046 | - | - | - | - | - | - |
| 3. Investment Income Net of Investment Expenses | 1,066,911 | 1,691 | 238,599 | 1,388,236 | - | - | - | - | - | - |
| 4. Benefit Expenses | (914,069) | (915,212) | (883,872) | (850,773) | - | - | - | - | - | - |
| 5. Administrative Expenses | (10,080) | (14,170) | (9,685) | (8,693) | - | - | - | - | - | - |
| 6. Other Changes | (345,135) | 87 | (33,631) | (47,727) | - | - | - | - | - | - |
| 7. Net Change in Fiduciary net Position | 304,087 | (438,776) | (241,809) | 916,854 | - | - | - | - | - | - |
| 8. Fiduciary Net Position, beginning | 9,742,480 | 10,181,256 | 10,423,065 | 9,506,211 | - | - | - | - | - | - |
| 9. Fiduciary net Position, ending (b) | \$ 10,046,567 | \$ 9,742,480 | \$ 10,181,256 | \$ 10,423,065 | - | - | - | - | - | - |
| C. Net Pension Liability, ending - (a) - (b) | 4,482,861 | 3,606,710 | 2,902,470 | 2,439,760 | - | - | - | - | - | - |
| D. Fiduciary Net Position as a % of Total Pension Liability | 69.15% | 72.98% | 77.82% | 81.03% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| E. Covered Payroll | 2,808,654 | 2,758,231 | \$ 2,629,117 | \$ 2,601,216 | - | - | - | - | - | - |
| F. Net Pension Liability as a % of Covered Payroll | 159.61% | 130.76% | 110.40% | 93.79% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Schedule of Changes in Town of Scituate Employees Contributions Multiyear
Last 10 Fiscal Years

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|------------|------------|------------|------------|-------|-------|-------|-------|-------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Actuarially determined contribution | \$ 422,438 | \$ 418,948 | \$ 406,352 | \$ 393,072 | \$ 382,765 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the actuarially determined contribution | 422,438 | 418,948 | 406,352 | 393,072 | 382,765 | - | - | - | - | - |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| Covered employee payroll | 2,895,015 | 2,808,654 | 2,758,231 | 2,629,117 | 2,601,216 | - | - | - | - | - |
| Contributions as a percentage of covered employee payroll | 14.59% | 14.92% | 14.73% | 14.95% | 14.71% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Notes:

- 1) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 2) These schedules are intended to show information for 10 years - additional years will be displayed as they become available.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Town of Scituate, Rhode Island Municipal Employee's Retirement System - Police Employees
Schedule of Changes in Town of Scituate Employees Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|------------|------------|------------|-------|-------|-------|-------|-------|-------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| A. Total Pension Liability | | | | | | | | | | |
| 1. Service Cost | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Interest on Total Pension Liability | 1,250 | 1,253 | 1,349 | 1,507 | - | - | - | - | - | - |
| 3. Effect of Benefit Changes | - | - | - | - | - | - | - | - | - | - |
| 4. Difference Between Expected and Actual Experience | 876 | 2,809 | 1,236 | - | - | - | - | - | - | - |
| 5. Effect of Assumption Changes or Inputs | 1,155 | - | - | - | - | - | - | - | - | - |
| 6. Benefit Payments | (4,109) | (4,109) | (3,609) | (3,615) | - | - | - | - | - | - |
| 7. Net Change in Total Pension Liability | (828) | (47) | (1,024) | (2,108) | - | - | - | - | - | - |
| 8. Total Pension Liability, beginning | 18,717 | 18,764 | 19,788 | 21,896 | - | - | - | - | - | - |
| 9. Total Pension Liability, ending (a) | \$ 17,889 | \$ 18,717 | \$ 18,764 | \$ 19,788 | - | - | - | - | - | - |
| B. Fiduciary Net Position | | | | | | | | | | |
| 1. Employer Contributions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Member Contributions | - | - | - | - | - | - | - | - | - | - |
| 3. Investment Income Net of Investment Expenses | 23,226 | (69) | 4,785 | 27,063 | - | - | - | - | - | - |
| 4. Benefit Expenses | (4,109) | (4,109) | (3,609) | (3,615) | - | - | - | - | - | - |
| 5. Administrative Expenses | (222) | (186) | (192) | (170) | - | - | - | - | - | - |
| 6. Net Change in Fiduciary net Position | 18,895 | (4,364) | 984 | 23,278 | - | - | - | - | - | - |
| 7. Fiduciary Net Position, beginning | 199,809 | 204,173 | 203,189 | 179,911 | - | - | - | - | - | - |
| 8. Fiduciary net Position, ending (b) | \$ 218,704 | \$ 199,809 | \$ 204,173 | \$ 203,189 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| C. Net Pension Liability, (Asset) ending = (a) - (b) | (200,815) | (181,092) | (185,409) | (183,401) | - | - | - | - | - | - |
| D. Fiduciary Net Position as a % of Total Pension Liability | 1222.56% | 1067.53% | 1088.11% | 1026.83% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| E. Covered Payroll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| F. Net Pension Liability as a % of Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Schedule of Changes in Town of Scituate Employees Contributions Multiyear
Last 10 Fiscal Years

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Actuarially determined contribution | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the actuarially determined contribution | - | - | - | - | - | - | - | - | - | - |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| Covered employee payroll | - | - | - | - | - | - | - | - | - | - |
| Contributions as a percentage of covered employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Notes:

- 1) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 2) These schedules are intended to show information for 10 years - additional years will be displayed as they become available.
- 3) The Town was not required to contribute to the Plan in prior years.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Town of Scituate, Rhode Island Municipal Employee's Retirement System - Police COLA Employees
Schedule of Changes in Town of Scituate Employees Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| A. Total Pension Liability | | | | | | | | | | |
| 1. Service Cost | \$ 27,635 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Interest on Total Pension Liability | 1,036 | - | - | - | - | - | - | - | - | - |
| 3. Effect of Benefit Changes | - | - | - | - | - | - | - | - | - | - |
| 4. Difference Between Expected and Actual Experience | - | - | - | - | - | - | - | - | - | - |
| 5. Effect of Assumption Changes or Inputs | - | - | - | - | - | - | - | - | - | - |
| 6. Benefit Payments | - | - | - | - | - | - | - | - | - | - |
| 7. Net Change in Total Pension Liability | 28,671 | - | - | - | - | - | - | - | - | - |
| 8. Total Pension Liability, beginning | - | - | - | - | - | - | - | - | - | - |
| 9. Total Pension Liability, ending (a) | \$ 28,671 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| B. Fiduciary Net Position | | | | | | | | | | |
| 1. Employer Contributions | \$ 13,941 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Member Contributions | 16,401 | - | - | - | - | - | - | - | - | - |
| 3. Investment Income Net of Investment Expenses | 3,601 | - | - | - | - | - | - | - | - | - |
| 4. Benefit Expenses | - | - | - | - | - | - | - | - | - | - |
| 5. Administrative Expenses | (34) | - | - | - | - | - | - | - | - | - |
| 6. Net Change in Fiduciary net Position | 33,909 | - | - | - | - | - | - | - | - | - |
| 7. Fiduciary Net Position, beginning | - | - | - | - | - | - | - | - | - | - |
| 8. Fiduciary net Position, ending (b) | \$ 33,909 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| C. Net Pension Liability, (Asset) ending = (a) - (b) | (5,238) | - | - | - | - | - | - | - | - | - |
| D. Fiduciary Net Position as a % of Total Pension Liability | 118.27% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| E. Covered Payroll | \$ 164,006.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| F. Net Pension Liability as a % of Covered Payroll | -3.19% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Schedule of Changes in Town of Scituate Employees Contributions Multiyear
Last 10 Fiscal Years

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Actuarially determined contribution | \$ 23,624 | \$ 13,941 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the actuarially determined contribution | 23,624 | 13,941 | - | - | - | - | - | - | - | - |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| Covered employee payroll | 277,925 | 164,006 | - | - | - | - | - | - | - | - |
| Contributions as a percentage of covered employee payroll | 8.50% | 8.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Notes:

- 1) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 2) These schedules are intended to show information for 10 years - additional years will be displayed as they become available.
- 3) The Town was not required to contribute to the Plan in prior years.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Schedule of Changes in Net Pension Liability and Related Ratios
Scituate Police Officers Retirement Plan

| | Fiscal Year Ending March 31, | | | | | | | | | |
|--|------------------------------|----------------------|----------------------|----------------------|------|------|------|------|------|------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| A. Total Pension Liability | | | | | | | | | | |
| 1. Service Cost | \$ 183,866 | \$ 203,864 | \$ 203,864 | \$ 191,506 | - | - | - | - | - | - |
| 2. Interest on Total Pension Liability | 1,092,957 | 1,029,716 | 970,057 | 899,460 | - | - | - | - | - | - |
| 3. Differences between exp and actual experience | 432,238 | 448,363 | (409,813) | 392,571 | - | - | - | - | - | - |
| 4. Changes of assumptions | (199,966) | - | (179,601) | 152,290 | - | - | - | - | - | - |
| 5. Changes in benefit terms | - | - | 923,914 | - | - | - | - | - | - | - |
| 6. Benefit Payments | (868,346) | (796,428) | (712,962) | (671,686) | - | - | - | - | - | - |
| 7. Net Change in Total Pension Liability | 640,749 | 885,515 | 795,459 | 964,141 | - | - | - | - | - | - |
| 8. Total Pension Liability, beginning | 14,901,307 | 14,015,792 | 13,220,333 | 12,256,192 | - | - | - | - | - | - |
| 9. Total Pension Liability, ending (a) | <u>\$ 15,542,056</u> | <u>\$ 14,901,307</u> | <u>\$ 14,015,792</u> | <u>\$ 13,220,333</u> | - | - | - | - | - | - |
| B. Fiduciary Net Position | | | | | | | | | | |
| 1. Employer Contributions | \$ 856,215 | \$ 750,786 | \$ 791,829 | \$ 728,868 | - | - | - | - | - | - |
| 2. Member Contributions | 116,018 | 117,991 | 144,719 | 111,747 | - | - | - | - | - | - |
| 3. Investment Income Net of Investment Expenses | 477,960 | 448,169 | (174,131) | 344,110 | - | - | - | - | - | - |
| 4. Benefit Expenses | (868,346) | (796,428) | (712,962) | (671,686) | - | - | - | - | - | - |
| 5. Administrative Expenses | (30,534) | (27,345) | (25,311) | (24,170) | - | - | - | - | - | - |
| 6. Net Change in Fiduciary net Position | 551,313 | 493,173 | 24,144 | 488,869 | - | - | - | - | - | - |
| 7. Fiduciary Net Position, beginning | 5,288,504 | 4,795,331 | 4,771,187 | 4,282,318 | - | - | - | - | - | - |
| 8. Fiduciary net Position, ending (b) | <u>\$ 5,839,817</u> | <u>\$ 5,288,504</u> | <u>\$ 4,795,331</u> | <u>\$ 4,771,187</u> | - | - | - | - | - | - |
| C. Net Pension Liability, ending - (a) - (b) | 9,702,239 | 9,612,803 | 9,220,461 | 8,449,146 | - | - | - | - | - | - |
| D. Fiduciary Net Position as a % of Total Pension Liability | 37.57% | 35.49% | 34.21% | 36.09% | - | - | - | - | - | - |
| E. Covered Payroll | \$ 935,534 | \$ 934,546 | \$ 1,111,367 | \$ 821,754 | - | - | - | - | - | - |
| F. Net Pension Liability as a % of Covered Payroll | 1037.1% | 1028.6% | 829.7% | 1028.2% | - | - | - | - | - | - |

Notes:

1.) This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Schedule of Town Contributions
Last 10 Fiscal Years
Scituate Police Officers Retirement Plan

| | Fiscal Year Ending March 31, | | | | | | | | | |
|--|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Actuarially determined contribution | \$ 821,810 | \$ 767,944 | \$ 716,189 | \$ 637,901 | \$ 638,018 | \$ 629,958 | \$ 632,116 | \$ 576,686 | \$ 580,159 | \$ 372,804 |
| Contributions in relation to the actuarially determined contribution | 856,215 | 750,786 | 791,829 | 728,868 | 758,709 | 637,460 | 356,593 | 357,144 | 353,672 | 350,092 |
| Contribution deficiency/(excess) | (34,405) | 17,158 | (75,640) | (90,967) | (120,691) | (7,502) | 275,523 | 219,542 | 226,487 | 22,712 |
| Covered payroll | 935,534 | 934,546 | 1,111,367 | 821,754 | 916,057 | N/A | 917,936 | N/A | 898,737 | N/A |
| Contributions as a percentage of covered-employee payroll | 91.52% | 80.34% | 71.25% | 88.70% | 82.82% | N/A | 38.85% | N/A | 39.35% | N/A |

Notes:

1.) This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

Schedule of Investment Returns
Last 10 Fiscal Years
Scituate Police Officers Retirement Plan

| | Fiscal Year Ending March 31, | | | | | | | | | |
|---|------------------------------|-------|--------|-------|------|------|------|------|------|------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Annual money-weighted rate of return, net of investment expense | 8.92% | 9.23% | -3.57% | 7.80% | N/A | N/A | N/A | N/A | N/A | N/A |

Notes:

1.) The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

2.) This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Schedule of Town Contributions
Last 10 Fiscal Years
State of Rhode Island Employees Retirement System

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|--------------|------------|------|------|------|------|------|------|------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Actuarially determined contribution | \$ 1,479,064 | \$ 1,491,891 | 1,551,729 | - | - | - | - | - | - | - |
| Contributions in relation to the actuarially determined contribution | 1,479,064 | 1,491,891 | 1,551,729 | - | - | - | - | - | - | - |
| Contribution deficiency/(excess) | - | - | - | - | - | - | - | - | - | - |
| Covered employee payroll | 11,171,174 | 11,615,927 | 10,057,492 | - | - | - | - | - | - | - |
| Contributions as a percentage of covered-employee payroll | 13.24% | 12.84% | 15.43% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Notes:

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
- 2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

Schedule of Scituate's Proportionate Share of Net Pension Liability
Last 10 Fiscal Years
State of Rhode Island Employees Retirement System

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------------|-------------|------|------|------|------|------|------|------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Scituate proportion of the net pension liability | 0.63018617% | 0.68083108% | 0.71801611% | - | - | - | - | - | - | - |
| Scituate proportionate share of the net pension liability | 19,876,617 | 20,313,123 | 19,767,003 | - | - | - | - | - | - | - |
| State's proportionate share of the net pension liability associated with the school district | 15,021,947 | 13,911,507 | 13,504,196 | - | - | - | - | - | - | - |
| Scituate covered payroll | 11,171,174 | 11,615,927 | 10,057,492 | - | - | - | - | - | - | - |
| Scituate proportionate share of the net pension liability as a percentage of it's covered employee payroll | 177.93% | 174.87% | 196.54% | - | - | - | - | - | - | - |
| Plan fiduciary net position as a % of the total pension liability | 54.0% | 54.1% | 57.6% | - | - | - | - | - | - | - |

Notes:

- 1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.
- 2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Schedule of Scituate Contributions
Last 10 Fiscal Years
Teachers Survivor Benefit Plan

| | Fiscal Year Ending March 31, | | | | | | | | | |
|--|------------------------------|------------|------------|-------|-------|-------|-------|-------|-------|-------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Statutorily determined contribution | \$ 16,637 | \$ 12,835 | 14,553 | - | - | - | - | - | - | - |
| Contributions in relation to the actuarially determined contribution | 16,637 | 12,835 | 14,553 | - | - | - | - | - | - | - |
| Contribution deficiency/(excess) | - | - | - | - | - | - | - | - | - | - |
| Covered employee payroll | 11,171,174 | 11,615,927 | 10,057,492 | - | - | - | - | - | - | - |
| Contributions as a percentage of covered-employee payroll | 0.15% | 0.11% | 0.14% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Notes:

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

Schedule of Scituate's Proportionate Share of Net Pension Liability (Asset)
Last 10 Fiscal Years
Teachers Survivor Benefit Plan

| | Fiscal Year Ending March 31, | | | | | | | | | |
|--|------------------------------|-------------|-------------|-------|-------|-------|-------|-------|-------|-------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Scituate proportion of the net pension asset | 2.17586888% | 2.26579953% | 2.21739025% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Scituate proportionate share of the net pension asset | 1,800,018 | 2,256,099 | 2,070,058 | - | - | - | - | - | - | - |
| Scituate covered payroll | 11,171,174 | 11,615,927 | 10,057,492 | - | - | - | - | - | - | - |
| Scituate proportionate share of the net pension liability as a percentage of it's covered employee payroll | 16.11% | 19.42% | 20.58% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a % of the total pension liability | 136.1% | 153.3% | 146.6% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Notes:

- 1.) Employers participating in the Teachers' Survivor's Benefit Plan contribute at a rate established by the RI General Laws, Section 16-16-35.
2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Town of Scituate, Rhode Island
Schedule of Changes in the Town of Scituate's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years

| | | Fiscal Year Ending March 31, | | | | | | | | | |
|---|----|------------------------------|------|------|------|------|------|------|------|------|------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| A. Total OPEB liability | | | | | | | | | | | |
| 1. Service Cost | \$ | 275,269 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Interest on the Total OPEB Liability | | 239,646 | - | - | - | - | - | - | - | - | - |
| 3. Changes of benefit terms | | 563,508 | - | - | - | - | - | - | - | - | - |
| 4. Difference between expected and actual experience of the Total OPEB Liability | | (309,232) | - | - | - | - | - | - | - | - | - |
| 5. Changes of assumptions | | (198,952) | - | - | - | - | - | - | - | - | - |
| 6. Benefit payments, including refunds of employee contributions | | (173,226) | - | - | - | - | - | - | - | - | - |
| 7. Net change in total OPEB liability | | 397,013 | - | - | - | - | - | - | - | - | - |
| 8. Total OPEB liability – beginning | | 7,733,478 | - | - | - | - | - | - | - | - | - |
| 9. Total OPEB liability – ending (a) | \$ | 8,130,491 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| B. Plan fiduciary net position | | | | | | | | | | | |
| 1. Contributions – employer | \$ | 273,226 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Contributions -- employee | | 54,967 | - | - | - | - | - | - | - | - | - |
| 3. Net investment income | | 55,950 | - | - | - | - | - | - | - | - | - |
| 4. Benefit payments, including refunds of employee contributions | | (228,193) | - | - | - | - | - | - | - | - | - |
| 5. OPEB Plan Administrative Expense | | - | - | - | - | - | - | - | - | - | - |
| 6. Other | | - | - | - | - | - | - | - | - | - | - |
| 7. Net change in plan fiduciary net position | | 155,950 | - | - | - | - | - | - | - | - | - |
| 8. Plan fiduciary net position – beginning | | 549,642 | - | - | - | - | - | - | - | - | - |
| 9. Plan fiduciary net position – ending (b) | \$ | 705,592 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| C. Net OPEB liability - ending (a) - (b) | | 7,424,899 | - | - | - | - | - | - | - | - | - |
| D. Plan fiduciary net position as a percentage of the total OPEB liability | | 8.68% | - | - | - | - | - | - | - | - | - |
| E. Covered employee payroll | \$ | 13,596,099 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| F. Net OPEB liability as a percentage of covered payroll | | 54.61% | - | - | - | - | - | - | - | - | - |

Notes:

1.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

TOWN OF SCITUATE, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2018

Schedule of Plan Contributions
Last 10 Fiscal Years
Scituate OPEB Plan

| | Fiscal Year Ending March 31, | | | | | | | | | |
|--|------------------------------|------|------|------|------|------|------|------|------|------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Actuarially determined contribution | \$ 649,403 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the actuarially determined contribution | 273,226 | - | - | - | - | - | - | - | - | - |
| Contribution deficiency/(excess) | 376,177 | - | - | - | - | - | - | - | - | - |
| Covered payroll | 13,596,099 | - | - | - | - | - | - | - | - | - |
| Contributions as a percentage of covered-employee payroll | 2.01% | - | - | - | - | - | - | - | - | - |

Notes:

1.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

Notes to Schedule:

| | |
|-------------------------------|--|
| Measurement date: | April 1, 2017 |
| Actuarial valuation date: | March 31, 2018 |
| Actuarial Cost Method: | Entry Age Normal - individual entry age actuarial cost method |
| Asset valuation: | Market value |
| Discount rate: | 3.61% as of 6/30/2017; 3.56% as of 6/30/2018 |
| Health care cost trend rates: | 5.70% per year graded down by the Getzen model to an ultimate rate of 3.94% |
| Asset valuation method: | Market value of assets |
| Long-term rate of return: | 7.50% |
| Participation rate | Police & Town: it is assumed 80% of eligible retirees will participate. School: it is assumed 45% of eligible retirees will participate. |
| Mortality: | RP-2014 Employee and Healthy Annuitant with Scale MP-2017 generational improvements from 2006 (male/female) |

Schedule of Investment Returns
Last 10 Fiscal Years
Scituate OPEB Plan

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|------|------|------|------|------|------|------|------|------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Annual money-weighted rate of return, net of investment expense | 9.33% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of OPEB plan investments by the proportion of time they are available to earn a return during that period.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended March 31, 2018

| | <u>Original Budget</u> | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------------------|---------------------------|-------------------|-------------------|
| Revenues | | | | |
| General property tax | \$ 29,472,007 | \$ 29,472,007 | \$ 28,949,367 | \$ (522,640) |
| Federal and state aid grants | 545,274 | 545,274 | 640,089 | 94,815 |
| Charges for services | 956,421 | 956,421 | 1,448,345 | 491,924 |
| Fines and penalties | 35,000 | 35,000 | 109,864 | 74,864 |
| Investment and interest income | 126,200 | 126,200 | 167,704 | 41,504 |
| Miscellaneous revenue | 103,400 | 103,400 | 128,352 | 24,952 |
| Total Revenues | <u>31,238,302</u> | <u>31,238,302</u> | <u>31,443,721</u> | <u>205,419</u> |
| Expenditures | | | | |
| General government | 1,154,040 | 1,156,214 | 1,059,139 | 97,075 |
| Public Safety | 3,436,038 | 3,578,489 | 3,573,871 | 4,618 |
| Public works | 2,055,256 | 2,297,616 | 2,498,419 | (200,803) |
| Social services | 970,912 | 983,852 | 972,022 | 11,830 |
| Fixed charges and other | 2,566,067 | 2,681,275 | 2,583,022 | 98,253 |
| Debt service: | | | | |
| Principal | 1,068,175 | 1,068,175 | 1,066,545 | 1,630 |
| Interest | 385,675 | 375,675 | 287,212 | 88,463 |
| School appropriation | 19,067,635 | 19,067,635 | 19,067,635 | - |
| Capital | 789,548 | 284,415 | 128,111 | 156,304 |
| Total expenditures | <u>31,493,346</u> | <u>31,493,346</u> | <u>31,235,976</u> | <u>257,370</u> |
| Excess of revenues over expenditures before operating transfers | <u>(255,044)</u> | <u>(255,044)</u> | <u>207,745</u> | <u>462,789</u> |
| Other financing sources and uses | | | | |
| Issuance of refunding bonds | - | - | 2,346,000 | 2,346,000 |
| Premium on refunding bonds | - | - | 276,965 | 276,965 |
| Payment to refunding bond escrow agent | - | - | (2,574,703) | (2,574,703) |
| Cost of issuance | - | - | (48,262) | (48,262) |
| Transfers to other funds | - | - | (88,000) | (88,000) |
| Prior year budgeted surplus | 255,044 | 255,044 | 255,044 | - |
| Total operating transfers | <u>255,044</u> | <u>255,044</u> | <u>167,044</u> | <u>(88,000)</u> |
| Excess of revenues over (under) expenditures and operating transfers | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 374,789</u> | <u>\$ 374,789</u> |

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Town Special Revenue Funds | School Special Revenue Funds | Capital Projects Funds | Town Permanent Funds | Total Non-Major Governmental Funds |
|--|---|---|---------------------------------------|-------------------------------------|---|
| ASSETS | | | | | |
| Cash and cash equivalents (overdraft) | \$ 281,983 | \$ 8,949 | \$ 222,091 | \$ 154,762 | \$ 667,785 |
| Internal balances | 215,967 | 98,613 | 737,960 | - | 1,052,540 |
| Due from other governments | 10,148 | 251,929 | - | - | 262,077 |
| Other receivables | 169,900 | - | - | - | 169,900 |
| TOTAL ASSETS | \$ 677,998 | \$ 359,491 | \$ 960,051 | \$ 154,762 | \$ 2,152,302 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | \$ 67,377 | \$ 14,837 | \$ - | \$ - | \$ 82,214 |
| Internal balances | 29,827 | 131,024 | 9,139 | - | 169,990 |
| Unearned revenue | 169,900 | - | - | - | 169,900 |
| Total liabilities | 267,104 | 145,861 | 9,139 | - | 422,104 |
| Fund balances | | | | | |
| <i>Nonspendable:</i> | | | | | |
| Cemetery perpetual care | - | - | - | 42,109 | 42,109 |
| <i>Restricted for:</i> | | | | | |
| Educational programs | 42,694 | 219,832 | - | - | 262,526 |
| Public safety programs | 87,104 | - | - | - | 87,104 |
| Social service programs | 117,044 | - | - | - | 117,044 |
| Records preservation | 114,424 | - | - | - | 114,424 |
| Other programs | 556 | - | - | 112,653 | 113,209 |
| <i>Committed for:</i> | | | | | |
| Open space, park & recreational facilities | 71,540 | - | - | - | 71,540 |
| Other programs | 7,359 | - | - | - | 7,359 |
| <i>Assigned for:</i> | | | | | |
| Capital projects | - | - | 960,051 | - | 960,051 |
| <i>Unassigned</i> | (29,827) | (6,202) | (9,139) | - | (45,168) |
| Total fund balances (deficits) | 410,894 | 213,630 | 950,912 | 154,762 | 1,730,198 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 677,998 | \$ 359,491 | \$ 960,051 | \$ 154,762 | \$ 2,152,302 |

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | Town Special Revenue Funds | School Special Revenue Funds | Capital Projects Funds | Town Permanent Funds | Total Non-Major Governmental Funds |
|--|---|---|---------------------------------------|-------------------------------------|---|
| Revenues | | | | | |
| Intergovernmental revenue | \$ 273,853 | \$ 714,864 | \$ - | \$ - | \$ 988,717 |
| Charges for service | 234,258 | - | - | - | 234,258 |
| Investment income | 46 | - | 29 | 1 | 76 |
| Contributions and private grants | 12,068 | - | 40,737 | 19 | 52,824 |
| Other income | 3,740 | 210,802 | - | - | 214,542 |
| Total revenues | <u>523,965</u> | <u>925,666</u> | <u>40,766</u> | <u>20</u> | <u>1,490,417</u> |
| Expenditures | | | | | |
| General government | - | - | 21,572 | - | 21,572 |
| Public safety | 46,271 | - | - | - | 46,271 |
| Social services | 174,880 | - | - | - | 174,880 |
| Education | 339,098 | 826,311 | - | - | 1,165,409 |
| Capital | 19,568 | - | - | - | 19,568 |
| Total expenditures | <u>579,817</u> | <u>826,311</u> | <u>21,572</u> | <u>-</u> | <u>1,427,700</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses) | (55,852) | 99,355 | 19,194 | 20 | 62,717 |
| Other financing sources (uses) | | | | | |
| Transfers from other funds | - | - | 468,300 | - | 468,300 |
| Transfers to other funds | (5,300) | - | (375,000) | - | (380,300) |
| Total other financing sources (uses) | <u>(5,300)</u> | <u>-</u> | <u>93,300</u> | <u>-</u> | <u>88,000</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses) | (61,152) | 99,355 | 112,494 | 20 | 150,717 |
| Fund balances - beginning | 472,046 | 114,275 | 838,418 | 154,742 | 1,579,481 |
| Fund balances - ending | <u>\$ 410,894</u> | <u>\$ 213,630</u> | <u>\$ 950,912</u> | <u>\$ 154,762</u> | <u>\$ 1,730,198</u> |

COMBINING FUND FINANCIAL STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

Animal Adoption Fund – accounts to provide assistance for animal adoptions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hazard Mitigation Grant – established to mitigate internal and external environmental threats to the Town.

Partnership for Success – established to account for State grant received for the prevention of substance abuse.

Miscellaneous Police Grants - established to account for miscellaneous police grants for alcohol and traffic safety.

Police Homeland Security – established to provide for the purchase of emergency equipment.

Town Hall Parking Lot – established to provide funding for the upgrade of the Town Hall parking lot.

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | <u>Vital Statistics Surcharge Fund</u> | <u>Food Service Fund</u> | <u>Community Development Block Grant</u> | <u>Sub. Abuse Fund</u> | <u>Senior Citizens Van Fund</u> | <u>State Asset Forfeiture Fund</u> | <u>Animal Adoption Fund</u> |
|--|--|------------------------------|--|----------------------------|---|--|---------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 674 | \$ 99,761 | \$ 20 | \$ 185 | \$ 1,351 | \$ 4,014 | \$ 5,283 |
| Due from other governments | - | 10,148 | - | - | - | - | - |
| Internal balances | - | - | 54,099 | 22,961 | - | - | - |
| Other receivables | - | - | 169,900 | - | - | - | - |
| TOTAL ASSETS | <u>\$ 674</u> | <u>\$ 109,909</u> | <u>\$ 224,019</u> | <u>\$ 23,146</u> | <u>\$ 1,351</u> | <u>\$ 4,014</u> | <u>\$ 5,283</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ 67,215 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | - | - | - | - |
| Unearned revenue | - | - | 169,900 | - | - | - | - |
| Total liabilities | <u>-</u> | <u>67,215</u> | <u>169,900</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | | | | |
| <i>Restricted for:</i> | | | | | | | |
| Educational programs | - | 42,694 | - | - | - | - | - |
| Public safety programs | - | - | - | - | - | 4,014 | 5,283 |
| Social service programs | - | - | 54,119 | 23,146 | 1,351 | - | - |
| Records preservation | 674 | - | - | - | - | - | - |
| Other programs | - | - | - | - | - | - | - |
| <i>Committed for:</i> | | | | | | | |
| Open space, park & recreational facilities | - | - | - | - | - | - | - |
| Other programs | - | - | - | - | - | - | - |
| <i>Assigned for:</i> | | | | | | | |
| Capital projects | - | - | - | - | - | - | - |
| <i>Unassigned</i> | - | - | - | - | - | - | - |
| Total fund balances (deficits) | <u>674</u> | <u>42,694</u> | <u>54,119</u> | <u>23,146</u> | <u>1,351</u> | <u>4,014</u> | <u>5,283</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 674</u> | <u>\$ 109,909</u> | <u>\$ 224,019</u> | <u>\$ 23,146</u> | <u>\$ 1,351</u> | <u>\$ 4,014</u> | <u>\$ 5,283</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Historical Land Records | Recreation Camperships Fund | Probate Filing Records | Federal Asset Drug Forfeiture Fund | Animal Health Fund | State Police Computer Grant | Police Substance Abuse Fund |
|--|----------------------------|-----------------------------------|---------------------------|--|-----------------------|-----------------------------------|-----------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 9,722 | \$ 731 | \$ 1,887 | \$ 16,447 | \$ 11,977 | \$ 4,211 | \$ 4,771 |
| Due from other governments | - | - | - | - | - | - | - |
| Internal balances | - | 1,000 | - | - | - | 2,195 | - |
| Other receivables | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 9,722</u> | <u>\$ 1,731</u> | <u>\$ 1,887</u> | <u>\$ 16,447</u> | <u>\$ 11,977</u> | <u>\$ 6,406</u> | <u>\$ 4,771</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | | | | |
| <i>Restricted for:</i> | | | | | | | |
| Educational programs | - | - | - | - | - | - | - |
| Public safety programs | - | - | - | 16,447 | 11,977 | 6,406 | 4,771 |
| Social service programs | - | 1,731 | - | - | - | - | - |
| Records preservation | 9,722 | - | 1,887 | - | - | - | - |
| Other programs | - | - | - | - | - | - | - |
| <i>Committed for:</i> | | | | | | | |
| Open space, park & recreational facilities | - | - | - | - | - | - | - |
| Other programs | - | - | - | - | - | - | - |
| <i>Assigned for:</i> | | | | | | | |
| Capital projects | - | - | - | - | - | - | - |
| <i>Unassigned</i> | - | - | - | - | - | - | - |
| Total fund balances (deficits) | <u>9,722</u> | <u>1,731</u> | <u>1,887</u> | <u>16,447</u> | <u>11,977</u> | <u>6,406</u> | <u>4,771</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 9,722</u> | <u>\$ 1,731</u> | <u>\$ 1,887</u> | <u>\$ 16,447</u> | <u>\$ 11,977</u> | <u>\$ 6,406</u> | <u>\$ 4,771</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | <u>Explorers Account Post 1</u> | <u>Senior Center Donations</u> | <u>Human Service Legislative Grant</u> | <u>Food Pantry Donations</u> | <u>Senior Center Grants</u> | <u>Emergency Management Grants</u> | <u>Congregational Church Restoration</u> |
|--|-------------------------------------|------------------------------------|--|----------------------------------|---------------------------------|--|--|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 10,389 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5 |
| Due from other governments | - | - | - | - | - | - | - |
| Internal balances | - | 3,531 | 2,810 | 3,327 | 27,029 | 8,819 | - |
| Other receivables | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 10,389</u> | <u>\$ 3,531</u> | <u>\$ 2,810</u> | <u>\$ 3,327</u> | <u>\$ 27,029</u> | <u>\$ 8,819</u> | <u>\$ 5</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable and accrued expenses | \$ 162 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - | - |
| Total liabilities | <u>162</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | | | | |
| <i>Restricted for:</i> | | | | | | | |
| Educational programs | - | - | - | - | - | - | - |
| Public safety programs | 10,227 | - | - | - | - | 8,819 | - |
| Social service programs | - | 3,531 | 2,810 | 3,327 | 27,029 | - | - |
| Records preservation | - | - | - | - | - | - | - |
| Other programs | - | - | - | - | - | - | 5 |
| <i>Committed for:</i> | | | | | | | |
| Open space, park & recreational facilities | - | - | - | - | - | - | - |
| Other programs | - | - | - | - | - | - | - |
| <i>Assigned for:</i> | | | | | | | |
| Capital projects | - | - | - | - | - | - | - |
| <i>Unassigned</i> | - | - | - | - | - | - | - |
| Total fund balances (deficits) | <u>10,227</u> | <u>3,531</u> | <u>2,810</u> | <u>3,327</u> | <u>27,029</u> | <u>8,819</u> | <u>5</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 10,389</u> | <u>\$ 3,531</u> | <u>\$ 2,810</u> | <u>\$ 3,327</u> | <u>\$ 27,029</u> | <u>\$ 8,819</u> | <u>\$ 5</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Land Dedication Recreation Fund | Green Area Beautification | Main Street Project | Cemetery Capital Fee Fund | Recording Technical Scanning Fund | Citizens Police Academy Fund | Hazard Mitigation Grant |
|--|--|------------------------------|------------------------|---------------------------------|---|---------------------------------------|-------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 504 | \$ 551 | \$ - | \$ 7,359 | \$ 102,141 | \$ - | \$ - |
| Due from other governments | - | - | - | - | - | - | - |
| Internal balances | 53,759 | - | 17,277 | - | - | - | - |
| Other receivables | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 54,263</u> | <u>\$ 551</u> | <u>\$ 17,277</u> | <u>\$ 7,359</u> | <u>\$ 102,141</u> | <u>\$ -</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | - | - | 402 | 11,117 |
| Unearned revenue | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>402</u> | <u>11,117</u> |
| Fund balances | | | | | | | |
| <i>Restricted for:</i> | | | | | | | |
| Educational programs | - | - | - | - | - | - | - |
| Public safety programs | - | - | - | - | - | - | - |
| Social service programs | - | - | - | - | - | - | - |
| Records preservation | - | - | - | - | 102,141 | - | - |
| Other programs | - | 551 | - | - | - | - | - |
| <i>Committed for:</i> | | | | | | | |
| Open space, park & recreational facilities | 54,263 | - | 17,277 | - | - | - | - |
| Other programs | - | - | - | 7,359 | - | - | - |
| <i>Unassigned</i> | - | - | - | - | - | (402) | (11,117) |
| Total fund balances (deficits) | <u>54,263</u> | <u>551</u> | <u>17,277</u> | <u>7,359</u> | <u>102,141</u> | <u>(402)</u> | <u>(11,117)</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 54,263</u> | <u>\$ 551</u> | <u>\$ 17,277</u> | <u>\$ 7,359</u> | <u>\$ 102,141</u> | <u>\$ -</u> | <u>\$ -</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Partnership for Success | Misc. Police Grants | Police Homeland Security | Town Hall Parking Lot | Totals |
|--|----------------------------|------------------------|-----------------------------|--------------------------|-------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ 281,983 |
| Due from other governments | - | - | - | - | 10,148 |
| Internal balances | 949 | 18,211 | - | - | 215,967 |
| Other receivables | - | - | - | - | 169,900 |
| TOTAL ASSETS | <u>\$ 949</u> | <u>\$ 18,211</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 677,998</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ - | \$ 67,377 |
| Internal balances | - | - | 18,308 | - | 29,827 |
| Unearned revenue | - | - | - | - | 169,900 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>18,308</u> | <u>-</u> | <u>267,104</u> |
| Fund balances | | | | | |
| <i>Restricted for:</i> | | | | | |
| Educational programs | - | - | - | - | 42,694 |
| Public safety programs | 949 | 18,211 | - | - | 87,104 |
| Social service programs | - | - | - | - | 117,044 |
| Records preservation | - | - | - | - | 114,424 |
| Other programs | - | - | - | - | 556 |
| <i>Committed for:</i> | | | | | |
| Open space, park & recreational facilities | - | - | - | - | 71,540 |
| Other programs | - | - | - | - | 7,359 |
| <i>Unassigned</i> | - | - | (18,308) | - | (29,827) |
| Total fund balances (deficits) | <u>949</u> | <u>18,211</u> | <u>(18,308)</u> | <u>-</u> | <u>410,894</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 949</u> | <u>\$ 18,211</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 677,998</u> |

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | Vital Statistics Surcharge Fund | Food Service Fund | Community Development Block Grant | Sub. Abuse Fund | Senior Citizens Van Fund | State Asset Forfeiture Fund | Animal Adoption Fund |
|--|--|------------------------------|--|----------------------------|---|--|---------------------------------|
| Revenues | | | | | | | |
| Intergovernmental revenue | \$ - | \$ 118,935 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for service | - | 207,264 | - | - | - | - | 8,735 |
| Investment income | - | - | - | - | - | - | - |
| Contributions and private grants | - | - | - | - | - | - | - |
| Other income | - | - | - | - | - | 3,670 | - |
| Total revenues | - | 326,199 | - | - | - | 3,670 | 8,735 |
| Expenditures | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | 176 | 10,379 |
| Social services | - | - | - | 1,338 | - | - | - |
| Education | - | 339,098 | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - |
| Total expenditures | - | 339,098 | - | 1,338 | - | 176 | 10,379 |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses) | - | (12,899) | - | (1,338) | - | 3,494 | (1,644) |
| Other financing sources (uses) | | | | | | | |
| Transfers from (to) other funds | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess of revenues and other sources over (under) expenditures | - | (12,899) | - | (1,338) | - | 3,494 | (1,644) |
| Fund balances - beginning | 674 | 55,593 | 54,119 | 24,484 | 1,351 | 520 | 6,927 |
| Fund balances - ending | \$ 674 | \$ 42,694 | \$ 54,119 | \$ 23,146 | \$ 1,351 | \$ 4,014 | \$ 5,283 |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | Historical Land Records | Recreation Camperships Fund | Probate Filing Records | Federal Asset Drug Forfeiture Fund | Animal Health Fund | State Police Computer Grant | Police Substance Abuse Fund |
|--|----------------------------|-----------------------------------|---------------------------|--|-----------------------|-----------------------------------|-----------------------------------|
| Revenues | | | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for service | 2,735 | - | - | - | 3,480 | - | - |
| Investment income | 1 | 1 | - | 33 | 1 | - | - |
| Contributions and private grants | - | - | - | - | - | - | - |
| Other income | - | - | 70 | - | - | - | - |
| Total revenues | <u>2,736</u> | <u>1</u> | <u>70</u> | <u>33</u> | <u>3,481</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | 2,558 | 2,135 | - | - |
| Social services | - | - | - | - | - | - | - |
| Education | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,558</u> | <u>2,135</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses) | 2,736 | 1 | 70 | (2,525) | 1,346 | - | - |
| Other financing sources (uses) | | | | | | | |
| Transfers from (to) other funds | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues and other sources over (under) expenditures | 2,736 | 1 | 70 | (2,525) | 1,346 | - | - |
| Fund balances - beginning | 6,986 | 1,730 | 1,817 | 18,972 | 10,631 | 6,406 | 4,771 |
| Fund balances - ending | <u>\$ 9,722</u> | <u>\$ 1,731</u> | <u>\$ 1,887</u> | <u>\$ 16,447</u> | <u>\$ 11,977</u> | <u>\$ 6,406</u> | <u>\$ 4,771</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | Explorers Account Post 1 | Senior Center Donations | Human Service Legislative Grant | Food Pantry Donations | Senior Center Grants | Emergency Management Grants | Congregational Church Restoration |
|--|-------------------------------------|------------------------------------|--|----------------------------------|---------------------------------|--|--|
| Revenues | | | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ 3,000 | \$ - | \$ - | \$ 5,900 | \$ - |
| Charges for service | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - |
| Contributions and private grants | - | 4,218 | - | 2,750 | 5,100 | - | - |
| Other income | - | - | - | - | - | - | - |
| Total revenues | <u>-</u> | <u>4,218</u> | <u>3,000</u> | <u>2,750</u> | <u>5,100</u> | <u>5,900</u> | <u>-</u> |
| Expenditures | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | 26,642 | - |
| Social services | - | 3,100 | 3,295 | 5,725 | 6,559 | - | - |
| Education | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>3,100</u> | <u>3,295</u> | <u>5,725</u> | <u>6,559</u> | <u>26,642</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses) | - | 1,118 | (295) | (2,975) | (1,459) | (20,742) | - |
| Other financing sources (uses) | | | | | | | |
| Transfers from (to) other funds | - | - | - | - | - | - | (5,300) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5,300)</u> |
| Excess of revenues and other sources over (under) expenditures | - | 1,118 | (295) | (2,975) | (1,459) | (20,742) | (5,300) |
| Fund balances - beginning | <u>10,227</u> | <u>2,413</u> | <u>3,105</u> | <u>6,302</u> | <u>28,488</u> | <u>29,561</u> | <u>5,305</u> |
| Fund balances - ending | <u>\$ 10,227</u> | <u>\$ 3,531</u> | <u>\$ 2,810</u> | <u>\$ 3,327</u> | <u>\$ 27,029</u> | <u>\$ 8,819</u> | <u>\$ 5</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | Land Dedication Recreation Fund | Green Area Beautification | Main Street Project | Cemetery Capital Fee Fund | Recording Technical Scanning Fund | Citizens Police Academy Fund | Hazard Mitigation Grant |
|---|--|------------------------------|------------------------|---------------------------------|---|---------------------------------------|-------------------------------|
| Revenues | | | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for service | - | - | - | - | 12,044 | - | - |
| Investment income | - | - | - | - | 10 | - | - |
| Contributions and private grants | - | - | - | - | - | - | - |
| Other income | - | - | - | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,054</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | 4,015 |
| Social services | 24,025 | - | - | - | - | - | - |
| Education | - | - | - | - | - | - | - |
| Capital | 19,568 | - | - | - | - | - | - |
| Total expenditures | <u>43,593</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,015</u> |
| Excess (deficiency) of revenues over (under) | | | | | | | |
| expenditures before other financing sources (uses) | (43,593) | - | - | - | 12,054 | - | (4,015) |
| Other financing sources (uses) | | | | | | | |
| Transfers from (to) other funds | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues and other sources | | | | | | | |
| over (under) expenditures | (43,593) | - | - | - | 12,054 | - | (4,015) |
| Fund balances - beginning | 97,856 | 551 | 17,277 | 7,359 | 90,087 | (402) | (7,102) |
| Fund balances - ending | <u>\$ 54,263</u> | <u>\$ 551</u> | <u>\$ 17,277</u> | <u>\$ 7,359</u> | <u>\$ 102,141</u> | <u>\$ (402)</u> | <u>\$ (11,117)</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | Partnership for Success | Misc. Police Grants | Police Homeland Security | Town Hall Parking Lot | Totals |
|--|------------------------------------|--------------------------------|-------------------------------------|----------------------------------|-------------------|
| Revenues | | | | | |
| Intergovernmental revenue | \$ 121,043 | \$ - | \$ - | \$ 24,975 | \$ 273,853 |
| Charges for service | - | - | - | - | 234,258 |
| Investment income | - | - | - | - | 46 |
| Contributions and private grants | - | - | - | - | 12,068 |
| Other income | - | - | - | - | 3,740 |
| Total revenues | <u>121,043</u> | <u>-</u> | <u>-</u> | <u>24,975</u> | <u>523,965</u> |
| Expenditures | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | 366 | - | - | 46,271 |
| Social services | 130,838 | - | - | - | 174,880 |
| Education | - | - | - | - | 339,098 |
| Capital | - | - | - | - | 19,568 |
| Total expenditures | <u>130,838</u> | <u>366</u> | <u>-</u> | <u>-</u> | <u>579,817</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses) | (9,795) | (366) | - | 24,975 | (55,852) |
| Other financing sources (uses) | | | | | |
| Transfers from (to) other funds | - | - | - | - | (5,300) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5,300)</u> |
| Excess of revenues and other sources over (under) expenditures | (9,795) | (366) | - | 24,975 | (61,152) |
| Fund balances - beginning | <u>10,744</u> | <u>18,577</u> | <u>(18,308)</u> | <u>(24,975)</u> | <u>472,046</u> |
| Fund balances - ending | <u>\$ 949</u> | <u>\$ 18,211</u> | <u>\$ (18,308)</u> | <u>\$ -</u> | <u>\$ 410,894</u> |

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Civics Grant | Professional Development | Early Childhood | Technology | Art Festival | Spark Grant | Language Assistance | FAA Gentian |
|--|-----------------|-----------------------------|--------------------|-----------------|-----------------|-----------------|------------------------|-----------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents (overdraft) | \$ 14 | \$ 243 | \$ 2,040 | \$ 2,751 | \$ 1,006 | \$ 1,150 | \$ 3,075 | \$ 1,000 |
| Due from other governments | - | - | - | - | - | - | - | - |
| Internal balances | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 14</u> | <u>\$ 243</u> | <u>\$ 2,040</u> | <u>\$ 2,751</u> | <u>\$ 1,006</u> | <u>\$ 1,150</u> | <u>\$ 3,075</u> | <u>\$ 1,000</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | | | | | |
| <i>Restricted for:</i> | | | | | | | | |
| Educational programs | 14 | 243 | 2,040 | 2,751 | 1,006 | 1,150 | 3,075 | 1,000 |
| <i>Unassigned</i> | - | - | - | - | - | - | - | - |
| Total fund balances (deficit) | <u>14</u> | <u>243</u> | <u>2,040</u> | <u>2,751</u> | <u>1,006</u> | <u>1,150</u> | <u>3,075</u> | <u>1,000</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 14</u> | <u>\$ 243</u> | <u>\$ 2,040</u> | <u>\$ 2,751</u> | <u>\$ 1,006</u> | <u>\$ 1,150</u> | <u>\$ 3,075</u> | <u>\$ 1,000</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | IDEA Preschool | IDEA Part B | Title I | Title II | Amica | Verizon | RI Foundation Scholarship | School Support System |
|--|-------------------|------------------|------------------|-------------|-----------------|--------------|---------------------------------|-----------------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents (overdraft) | \$ (2,566) | \$ (127,327) | \$ (26,467) | \$ - | \$ 1,960 | \$ 87 | \$ - | \$ (5,995) |
| Due from other governments | 4,025 | 195,529 | 52,375 | - | - | - | - | - |
| Internal balances | - | - | - | - | - | - | 98,613 | - |
| TOTAL ASSETS | <u>\$ 1,459</u> | <u>\$ 68,202</u> | <u>\$ 25,908</u> | <u>\$ -</u> | <u>\$ 1,960</u> | <u>\$ 87</u> | <u>\$ 98,613</u> | <u>\$ (5,995)</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable and accrued expenses | \$ 556 | \$ 13,581 | \$ 700 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | 913 | 54,621 | 25,208 | 22 | - | - | - | 175 |
| Total liabilities | <u>1,469</u> | <u>68,202</u> | <u>25,908</u> | <u>22</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>175</u> |
| Fund balances | | | | | | | | |
| <i>Restricted for:</i> | | | | | | | | |
| Educational programs | - | - | - | - | 1,960 | 87 | 98,613 | - |
| <i>Unassigned</i> | (10) | - | - | (22) | - | - | - | (6,170) |
| Total fund balances (deficit) | <u>(10)</u> | <u>-</u> | <u>-</u> | <u>(22)</u> | <u>1,960</u> | <u>87</u> | <u>98,613</u> | <u>(6,170)</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,459</u> | <u>\$ 68,202</u> | <u>\$ 25,908</u> | <u>\$ -</u> | <u>\$ 1,960</u> | <u>\$ 87</u> | <u>\$ 98,613</u> | <u>\$ (5,995)</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | RTT Teachers Res. Summit | Prevention Partnership | CTE Grant Fund | Champlin Grant | Totals |
|--|-----------------------------|---------------------------|-------------------|-------------------|-------------------|
| ASSETS | | | | | |
| Cash and cash equivalents (overdraft) | \$ 64 | \$ 8,654 | \$ 50,000 | \$ 99,260 | \$ 8,949 |
| Due from other governments | - | - | - | - | 251,929 |
| Internal balances | - | - | - | - | 98,613 |
| TOTAL ASSETS | <u>\$ 64</u> | <u>\$ 8,654</u> | <u>\$ 50,000</u> | <u>\$ 99,260</u> | <u>\$ 359,491</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ - | 14,837 |
| Internal balances | - | 85 | 50,000 | - | 131,024 |
| Total liabilities | <u>-</u> | <u>85</u> | <u>50,000</u> | <u>-</u> | <u>145,861</u> |
| Fund balances | | | | | |
| <i>Restricted for:</i> | | | | | |
| Educational programs | 64 | 8,569 | - | 99,260 | 219,832 |
| <i>Unassigned</i> | - | - | - | - | (6,202) |
| Total fund balances (deficit) | <u>64</u> | <u>8,569</u> | <u>-</u> | <u>99,260</u> | <u>213,630</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 64</u> | <u>\$ 8,654</u> | <u>\$ 50,000</u> | <u>\$ 99,260</u> | <u>\$ 359,491</u> |

(Concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018**

| | <u>Civics Grant</u> | <u>Professional Development</u> | <u>Early Childhood</u> | <u>Technology</u> | <u>Art Festival</u> | <u>Spark Grant</u> | <u>Language Assistance</u> | <u>FAA Gentian</u> |
|--|-------------------------|-------------------------------------|----------------------------|-------------------|-------------------------|------------------------|--------------------------------|------------------------|
| Revenues | | | | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,000 | \$ - | \$ - |
| Other | - | - | - | - | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,000</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | | | | |
| Education | - | - | - | - | 2,194 | 4,720 | 78 | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,194</u> | <u>4,720</u> | <u>78</u> | <u>-</u> |
| Excess revenues over (under) expenditures | - | - | - | - | (2,194) | (1,720) | (78) | - |
| Fund balances - beginning | <u>14</u> | <u>243</u> | <u>2,040</u> | <u>2,751</u> | <u>3,200</u> | <u>2,870</u> | <u>3,153</u> | <u>1,000</u> |
| Fund balances - ending | <u>\$ 14</u> | <u>\$ 243</u> | <u>\$ 2,040</u> | <u>\$ 2,751</u> | <u>\$ 1,006</u> | <u>\$ 1,150</u> | <u>\$ 3,075</u> | <u>\$ 1,000</u> |

(Continued)

**SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018**

| | IDEA Preschool | IDEA Part B | Title I | Title II | Amica | Verizon | RI Foundation Scholarship | School Support System |
|--|---------------------------|------------------------|----------------|-----------------|-----------------|----------------|--|--------------------------------------|
| Revenues | | | | | | | | |
| Intergovernmental revenue | \$ 13,175 | \$ 381,252 | \$ 254,875 | \$ 59,387 | \$ - | \$ - | \$ - | \$ 3,175 |
| Other | - | - | - | - | - | - | 51,760 | - |
| Total revenues | <u>13,175</u> | <u>381,252</u> | <u>254,875</u> | <u>59,387</u> | <u>-</u> | <u>-</u> | <u>51,760</u> | <u>3,175</u> |
| Expenditures | | | | | | | | |
| Education | 13,185 | 381,252 | 254,875 | 59,409 | 103 | - | 50,092 | 7,570 |
| Total expenditures | <u>13,185</u> | <u>381,252</u> | <u>254,875</u> | <u>59,409</u> | <u>103</u> | <u>-</u> | <u>50,092</u> | <u>7,570</u> |
| Excess revenues over (under) expenditures | (10) | - | - | (22) | (103) | - | 1,668 | (4,395) |
| Fund balances - beginning | - | - | - | - | 2,063 | 87 | 96,945 | (1,775) |
| Fund balances - ending | <u>\$ (10)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (22)</u> | <u>\$ 1,960</u> | <u>\$ 87</u> | <u>\$ 98,613</u> | <u>\$ (6,170)</u> |

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | <u>RTT Teachers Res. Summit</u> | <u>Prevention Partnership</u> | <u>CTE Grant Fund</u> | <u>Champlin Grant</u> | <u>Totals</u> |
|--|-------------------------------------|-----------------------------------|---------------------------|---------------------------|-------------------|
| Revenues | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ - | \$ - | \$ 714,864 |
| Other | - | 9,782 | 50,000 | 99,260 | 210,802 |
| Total revenues | <u>-</u> | <u>9,782</u> | <u>50,000</u> | <u>99,260</u> | <u>925,666</u> |
| Expenditures | | | | | |
| Education | - | 2,833 | 50,000 | - | 826,311 |
| Total expenditures | <u>-</u> | <u>2,833</u> | <u>50,000</u> | <u>-</u> | <u>826,311</u> |
| Excess revenues over (under) expenditures | - | 6,949 | - | 99,260 | 99,355 |
| Fund balances - beginning | <u>64</u> | <u>1,620</u> | <u>-</u> | <u>-</u> | <u>114,275</u> |
| Fund balances - ending | <u>\$ 64</u> | <u>\$ 8,569</u> | <u>\$ -</u> | <u>\$ 99,260</u> | <u>\$ 213,630</u> |

(Concluded)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Congregational Church Restoration Fund – established to collect funding for church restoration.

Fire Department Communication Equipment Fund – established to reserve future funding for fire department equipment.

Town Hall IT Fund – established to reserve future funding for the town hall technology upgrades.

Police Vehicle Capital Fund – established to reserve funding for purchase of future police vehicles.

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Highway Department Capital Escrow | School Ball Field Fund | School Capital Construction Fund | Highway Bridges Special Projects Fund | Police Vehicles Capital Fund | Open Space | Chopmist Hill Renovation Fund | Animal Shelter Bond Fund |
|--|--|------------------------------|---|---|---------------------------------------|-------------------|--|-----------------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 44,686 | \$ 636 | \$ 305 | \$ 12,166 | \$ - | \$ 119,741 | \$ - | \$ - |
| Internal balances | 41,140 | - | - | - | 5,872 | 28,263 | 22 | - |
| TOTAL ASSETS | <u>\$ 85,826</u> | <u>\$ 636</u> | <u>\$ 305</u> | <u>\$ 12,166</u> | <u>\$ 5,872</u> | <u>\$ 148,004</u> | <u>\$ 22</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | - | - | - | - | 8,450 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,450</u> |
| Fund balances | | | | | | | | |
| Assigned for: | | | | | | | | |
| Capital projects | 85,826 | 636 | 305 | 12,166 | 5,872 | 148,004 | 22 | - |
| Unassigned for: | - | - | - | - | - | - | - | (8,450) |
| Total fund balances (deficit) | <u>85,826</u> | <u>636</u> | <u>305</u> | <u>12,166</u> | <u>5,872</u> | <u>148,004</u> | <u>22</u> | <u>(8,450)</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 85,826</u> | <u>\$ 636</u> | <u>\$ 305</u> | <u>\$ 12,166</u> | <u>\$ 5,872</u> | <u>\$ 148,004</u> | <u>\$ 22</u> | <u>\$ -</u> |

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Public Works / Safety Bond Fund | School Bond Fund | School Land Fund | School 2008 Capital Fund | School 2009 Capital Fund | School 2010 Capital Fund | 2009 School Loan Fund | Town Properties Building Fund |
|--|---------------------------------------|---------------------|---------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------|--|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | 1,049 | 2,462 | 3,787 | 1,298 | 5,709 | 20,734 | 55,000 | 46,746 |
| TOTAL ASSETS | <u>\$ 1,049</u> | <u>\$ 2,462</u> | <u>\$ 3,787</u> | <u>\$ 1,298</u> | <u>\$ 5,709</u> | <u>\$ 20,734</u> | <u>\$ 55,000</u> | <u>\$ 46,746</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | | | | | |
| Assigned for: | | | | | | | | |
| Capital projects | 1,049 | 2,462 | 3,787 | 1,298 | 5,709 | 20,734 | 55,000 | 46,746 |
| Unassigned for: | - | - | - | - | - | - | - | - |
| Total fund balances (deficit) | <u>1,049</u> | <u>2,462</u> | <u>3,787</u> | <u>1,298</u> | <u>5,709</u> | <u>20,734</u> | <u>55,000</u> | <u>46,746</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,049</u> | <u>\$ 2,462</u> | <u>\$ 3,787</u> | <u>\$ 1,298</u> | <u>\$ 5,709</u> | <u>\$ 20,734</u> | <u>\$ 55,000</u> | <u>\$ 46,746</u> |

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Computer Upgrade Fund | Recreation Capital Fund | K-9 Capital Fund | Police Vehicle Fund | Capital Assets Fund | Proposed Police Station Fund | Fire Department Capital Fund | Congregational Church Restoration Fund |
|--|-----------------------------|-------------------------------|---------------------|------------------------|------------------------|---------------------------------------|---------------------------------------|---|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 20,232 | \$ 11,557 | \$ 124 | \$ 113 | \$ 11,636 | \$ - | \$ 895 | \$ - |
| Internal balances | 1,020 | 18,500 | - | - | 8,400 | 17,853 | 80,000 | - |
| TOTAL ASSETS | <u>\$ 21,252</u> | <u>\$ 30,057</u> | <u>\$ 124</u> | <u>\$ 113</u> | <u>\$ 20,036</u> | <u>\$ 17,853</u> | <u>\$ 80,895</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | - | - | - | - | 689 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>689</u> |
| Fund balances | | | | | | | | |
| Assigned for: | | | | | | | | |
| Capital projects | 21,252 | 30,057 | 124 | 113 | 20,036 | 17,853 | 80,895 | - |
| Unassigned for: | - | - | - | - | - | - | - | (689) |
| Total fund balances (deficit) | <u>21,252</u> | <u>30,057</u> | <u>124</u> | <u>113</u> | <u>20,036</u> | <u>17,853</u> | <u>80,895</u> | <u>(689)</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 21,252</u> | <u>\$ 30,057</u> | <u>\$ 124</u> | <u>\$ 113</u> | <u>\$ 20,036</u> | <u>\$ 17,853</u> | <u>\$ 80,895</u> | <u>\$ -</u> |

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Fire Department Communication Equipment Fund | Town Hall IT Fund | Police Vehicle Capital Fund | Total Capital Projects Funds |
|--|---|----------------------------|-----------------------------------|------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 222,091 |
| Internal balances | 175,000 | 200,000 | 25,105 | 737,960 |
| TOTAL ASSETS | <u>\$ 175,000</u> | <u>\$ 200,000</u> | <u>\$ 25,105</u> | <u>\$ 960,051</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Internal balances | - | - | - | 9,139 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,139</u> |
| Fund balances | | | | |
| Assigned for: | | | | |
| Capital projects | 175,000 | 200,000 | 25,105 | 960,051 |
| Unassigned for: | - | - | - | (9,139) |
| Total fund balances (deficit) | <u>175,000</u> | <u>200,000</u> | <u>25,105</u> | <u>950,912</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 175,000</u> | <u>\$ 200,000</u> | <u>\$ 25,105</u> | <u>\$ 960,051</u> |

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
March 31, 2018

| | Highway Department Capital Escrow | School Ball Field Fund | School Capital Construction Fund | Highway Bridges Special Projects Fund | Police Vehicles Capital Fund | Open Space | Chopmist Hill Renovation Fund | Animal Shelter Bond Fund |
|---|--|------------------------------|---|---|---------------------------------------|-------------------|--|-----------------------------|
| Revenues | | | | | | | | |
| State aid and grants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment income | 7 | - | - | 1 | - | 12 | - | - |
| Contributions and private grants | - | - | - | - | 50 | - | - | - |
| TOTAL REVENUES | <u>\$ 7</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ 50</u> | <u>\$ 12</u> | <u>\$ -</u> | <u>\$ -</u> |
| Expenditures | | | | | | | | |
| General government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources | 7 | - | - | 1 | 50 | 12 | - | - |
| Other financing sources (uses) | | | | | | | | |
| Transfers from other funds | - | - | - | - | - | 8,000 | - | - |
| Transfers to other funds | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,000</u> | <u>-</u> | <u>-</u> |
| Excess of revenues and other sources over (under) expenditures | 7 | - | - | 1 | 50 | 8,012 | - | - |
| Fund balances - beginning | 85,819 | 636 | 305 | 12,165 | 5,822 | 139,992 | 22 | (8,450) |
| Fund balances - ending | <u>\$ 85,826</u> | <u>\$ 636</u> | <u>\$ 305</u> | <u>\$ 12,166</u> | <u>\$ 5,872</u> | <u>\$ 148,004</u> | <u>\$ 22</u> | <u>\$ (8,450)</u> |

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
March 31, 2018

| | <u>Public Works / Safety Bond Fund</u> | <u>School Bond Fund</u> | <u>School Land Fund</u> | <u>School 2008 Capital Fund</u> | <u>School 2009 Capital Fund</u> | <u>School 2010 Capital Fund</u> | <u>2009 School Loan Fund</u> | <u>Town Properties Building Fund</u> |
|--|--|-----------------------------|-----------------------------|---|---|---|--------------------------------------|--|
| Revenues | | | | | | | | |
| State aid and grants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment income | 1 | 1 | 1 | 1 | 1 | - | - | - |
| Contributions and private grants | - | - | - | - | - | - | - | - |
| TOTAL REVENUES | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Expenditures | | | | | | | | |
| General government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1 | \$ - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources: | 1 | 1 | 1 | 1 | 1 | - | (1) | - |
| Other financing sources (uses) | | | | | | | | |
| Transfers from other funds | - | - | - | - | - | - | - | - |
| Transfers to other funds | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues and other sources over (under) expenditures | 1 | 1 | 1 | 1 | 1 | - | (1) | - |
| Fund balances - beginning | <u>1,048</u> | <u>2,461</u> | <u>3,786</u> | <u>1,297</u> | <u>5,708</u> | <u>20,734</u> | <u>55,001</u> | <u>46,746</u> |
| Fund balances - ending | <u>\$ 1,049</u> | <u>\$ 2,462</u> | <u>\$ 3,787</u> | <u>\$ 1,298</u> | <u>\$ 5,709</u> | <u>\$ 20,734</u> | <u>\$ 55,000</u> | <u>\$ 46,746</u> |

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
March 31, 2018

| | Computer Upgrade Fund | Recreation Capital Fund | K-9 Capital Fund | Police Vehicle Fund | Capital Assets Fund | Proposed Police Station Fund | Fire Department Capital Fund | Congregational Church Restoration Fund |
|---|-----------------------------|-------------------------------|---------------------|------------------------|------------------------|---------------------------------------|---------------------------------------|---|
| Revenues | | | | | | | | |
| State aid and grants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment income | 2 | 1 | - | - | 1 | - | - | - |
| Contributions and private grants | - | - | - | - | - | - | - | 15,582 |
| TOTAL REVENUES | <u>\$ 2</u> | <u>\$ 1</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,582</u> |
| Expenditures | | | | | | | | |
| General government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,571 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,571</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources | 2 | 1 | - | - | 1 | - | - | (5,989) |
| Other financing sources (uses) | | | | | | | | |
| Transfers from other funds | - | - | - | - | - | - | 80,000 | 5,300 |
| Transfers to other funds | - | - | - | - | - | (375,000) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(375,000)</u> | <u>80,000</u> | <u>5,300</u> |
| Excess of revenues and other sources over (under) expenditures | 2 | 1 | - | - | 1 | (375,000) | 80,000 | (689) |
| Fund balances - beginning | 21,250 | 30,056 | 124 | 113 | 20,035 | 392,853 | 895 | - |
| Fund balances - ending | <u>\$ 21,252</u> | <u>\$ 30,057</u> | <u>\$ 124</u> | <u>\$ 113</u> | <u>\$ 20,036</u> | <u>\$ 17,853</u> | <u>\$ 80,895</u> | <u>\$ (689)</u> |

(continued)

TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
March 31, 2018

| | <u>Fire Department Communication Equipment Fund</u> | <u>Town Hall IT Fund</u> | <u>Police Vehicle Capital Fund</u> | <u>Total Capital Projects Funds</u> |
|---|---|--------------------------------------|--|---|
| Revenues | | | | |
| State aid and grants | \$ - | \$ - | \$ - | \$ - |
| Investment income | - | - | - | 29 |
| Contributions and private grants | - | - | 25,105 | 40,737 |
| TOTAL REVENUES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 25,105</u> | <u>\$ 40,766</u> |
| Expenditures | | | | |
| General government | \$ - | \$ - | \$ - | \$ 21,572 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,572</u> |
| Excess (deficiency) of revenues over (under) expenditures before other financing sources | - | - | 25,105 | 19,194 |
| Other financing sources (uses) | | | | |
| Transfers from other funds | 175,000 | 200,000 | - | 468,300 |
| Transfers to other funds | - | - | - | (375,000) |
| Total other financing sources (uses) | <u>175,000</u> | <u>200,000</u> | <u>-</u> | <u>93,300</u> |
| Excess of revenues and other sources over (under) expenditures | <u>175,000</u> | <u>200,000</u> | <u>25,105</u> | <u>112,494</u> |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>838,418</u> |
| Fund balances - ending | <u><u>\$ 175,000</u></u> | <u><u>\$ 200,000</u></u> | <u><u>\$ 25,105</u></u> | <u><u>\$ 950,912</u></u> |

(concluded)

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Permanent Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2018

| | Sam Tourtellot & Leslie Davis Fund | Elsie Gleason Fund | Glenford Cemetery Fund | Smithfield Cemetery Fund | Cemetery Fund | Totals |
|--|--|--------------------------|------------------------------|--------------------------------|------------------|-------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 7,268 | \$ 2,582 | \$ 26,799 | \$ 24,105 | \$ 94,008 | \$ 154,762 |
| TOTAL ASSETS | <u>\$ 7,268</u> | <u>\$ 2,582</u> | <u>\$ 26,799</u> | <u>\$ 24,105</u> | <u>\$ 94,008</u> | <u>\$ 154,762</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Other liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | | | |
| Nonspendable | - | - | 13,043 | - | 29,066 | 42,109 |
| Restricted | 7,268 | 2,582 | 13,756 | 24,105 | 64,942 | 112,653 |
| Total fund balances (deficit) | <u>7,268</u> | <u>2,582</u> | <u>26,799</u> | <u>24,105</u> | <u>94,008</u> | <u>154,762</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 7,268</u> | <u>\$ 2,582</u> | <u>\$ 26,799</u> | <u>\$ 24,105</u> | <u>\$ 94,008</u> | <u>\$ 154,762</u> |

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Permanent Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended March 31, 2018

| | Sam Tourtellot & Leslie Davis Fund | Elsie Gleason Fund | Glenford Cemetery Fund | Smithfield Cemetery Fund | Cemetery Fund | Totals |
|---|---|-----------------------------------|---------------------------------------|---|--------------------------|-------------------|
| Revenues | | | | | | |
| Earnings on investments | \$ 1 | \$ - | \$ - | \$ - | \$ - | \$ 1 |
| Donations | - | - | 3 | 6 | 10 | 19 |
| Total revenues | <u>1</u> | <u>-</u> | <u>3</u> | <u>6</u> | <u>10</u> | <u>20</u> |
| Expenditures | | | | | | |
| Net decrease in FMV of investment | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) | | | | | | |
| expenditures before other financing sources | <u>1</u> | <u>-</u> | <u>3</u> | <u>6</u> | <u>10</u> | <u>20</u> |
| Fund balances - beginning | <u>7,267</u> | <u>2,582</u> | <u>26,796</u> | <u>24,099</u> | <u>93,998</u> | <u>154,742</u> |
| Fund balances - ending | <u>\$ 7,268</u> | <u>\$ 2,582</u> | <u>\$ 26,799</u> | <u>\$ 24,105</u> | <u>\$ 94,008</u> | <u>\$ 154,762</u> |

**SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Net Position
Trust Funds
March 31, 2018**

| | <u>Pension Trust Fund</u> | <u>OPEB Trust Fund</u> | <u>Total</u> |
|---|-------------------------------|----------------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 14,770 | \$ - | \$ 14,770 |
| Investments: | | | |
| Collective funds - equity | 3,597,480 | 486,859 | 4,084,339 |
| Collective funds - fixed income | 1,934,682 | 162,286 | 2,096,968 |
| Collective funds - real estate investment trust | 292,886 | 56,448 | 349,334 |
| Total Investments: | <u>5,825,048</u> | <u>705,593</u> | <u>6,530,641</u> |
| Total Assets | <u>5,839,818</u> | <u>705,593</u> | <u>6,545,411</u> |
| NET POSITION | | | |
| Restricted for: | | | |
| Employees' pension benefits | 5,839,818 | - | 5,839,818 |
| Employees' OPEB benefits | - | 705,593 | 705,593 |
| TOTAL NET POSITION | <u>\$ 5,839,818</u> | <u>\$ 705,593</u> | <u>\$ 6,545,411</u> |

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Combining Statement of Revenues, Expenses and Changes in Net Position
Trust Funds
For the Fiscal Year Ended March 31, 2018

| | <u>Pension Trust Fund</u> | <u>OPEB Trust Fund</u> | <u>Total</u> |
|---|-------------------------------|----------------------------|---------------------|
| Additions: | | | |
| Contributions: | | | |
| Employer | \$ 855,856 | \$ 273,226 | \$ 1,129,082 |
| Plan member | 116,378 | 54,967 | 171,345 |
| Total contributions; | <u>972,234</u> | <u>328,193</u> | <u>1,300,427</u> |
| Investment income: | | | |
| Interest and dividend income | 1,543 | - | 1,543 |
| Net appreciation (depreciation) in fair value of investments | 502,661 | 57,394 | 560,055 |
| Less: investment expense | (53,038) | - | (53,038) |
| Net investment income | <u>451,166</u> | <u>57,394</u> | <u>508,560</u> |
| Total Additions | <u>1,423,400</u> | <u>385,587</u> | <u>1,808,987</u> |
| Deductions | | | |
| Benefits Paid | (815,308) | (228,193) | (1,043,501) |
| Administrative fees | (56,777) | (1,443) | (58,220) |
| Total Deductions: | <u>(872,085)</u> | <u>(229,636)</u> | <u>(1,101,721)</u> |
| Change in net assets | 551,315 | 155,951 | 707,266 |
| Net position - beginning of year | <u>5,288,503</u> | <u>549,642</u> | <u>5,838,145</u> |
| Net position - end of year | <u>\$ 5,839,818</u> | <u>\$ 705,593</u> | <u>\$ 6,545,411</u> |

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended March 31, 2018

| | <u>Balance</u> <u>April 1, 2017</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>March 31, 2018</u> |
|-------------------------------------|--|-------------------|-------------------|---|
| STUDENT ACTIVITY FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 184,967 | \$ 299,480 | \$ 267,399 | \$ 217,048 |
| TOTAL ASSETS | <u>\$ 184,967</u> | <u>\$ 299,480</u> | <u>\$ 267,399</u> | <u>\$ 217,048</u> |
| LIABILITIES | | | | |
| Deposits held in custody for others | \$ 184,967 | \$ 299,480 | \$ 267,399 | \$ 217,048 |
| TOTAL LIABILITIES | <u>\$ 184,967</u> | <u>\$ 299,480</u> | <u>\$ 267,399</u> | <u>\$ 217,048</u> |
| TOWN COUNCIL SUNSHINE FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 63 | \$ - | \$ - | \$ 63 |
| TOTAL ASSETS | <u>\$ 63</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 63</u> |
| LIABILITIES | | | | |
| Deposits held in custody for others | \$ 63 | \$ - | \$ - | \$ 63 |
| TOTAL LIABILITIES | <u>\$ 63</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 63</u> |
| PROBATE FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 8,279 | \$ - | \$ - | \$ 8,279 |
| TOTAL ASSETS | <u>\$ 8,279</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,279</u> |
| LIABILITIES | | | | |
| Deposits held in custody for others | \$ 8,279 | \$ - | \$ - | \$ 8,279 |
| TOTAL LIABILITIES | <u>\$ 8,279</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,279</u> |
| TOTAL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 193,309 | \$ 299,480 | \$ 267,399 | \$ 225,390 |
| TOTAL ASSETS | <u>\$ 193,309</u> | <u>\$ 299,480</u> | <u>\$ 267,399</u> | <u>\$ 225,390</u> |
| LIABILITIES | | | | |
| Deposits held in custody for others | \$ 193,309 | \$ 299,480 | \$ 267,399 | \$ 225,390 |
| TOTAL LIABILITIES | <u>\$ 193,309</u> | <u>\$ 299,480</u> | <u>\$ 267,399</u> | <u>\$ 225,390</u> |

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Fiduciary Funds - Student Activity Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended March 31, 2018

| | <u>Cash Balance April 1, 2017</u> | <u>Cash Receipts</u> | <u>Cash Disbursements</u> | <u>Cash Balance March 31, 2018</u> |
|----------------------------------|---|--------------------------|-------------------------------|--|
| STUDENT ACTIVITY FUNDS | | | | |
| Hope Elementary School | \$ 15,664 | \$ 13,974 | \$ 10,427 | \$ 19,211 |
| North Scituate Elementary School | 12,499 | 11,246 | 11,752 | 11,993 |
| Clayville Elementary School | 12,974 | 36,916 | 29,190 | 20,700 |
| Scituate Middle/High School | 143,830 | 237,344 | 216,030 | 165,144 |
| TOTALS | <u>\$ 184,967</u> | <u>\$ 299,480</u> | <u>\$ 267,399</u> | <u>\$ 217,048</u> |

Funds Combined for GASB 54 Reporting Purposes

General Fund

School Department Operations

Other Fund Activities

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2018

| | General Fund | School Unrestricted Fund | TB202 Revaluation Fund | TB 203 Master Plan Fund | TB 204 Civil Defense Fund | TB 206 Revenue Sharing | TB 210 Fire Dept Insurance | TB 223 Health Ins Reserve | TB 225 Muni Retire. Reserve | TB 234 Spay/Neuter Fund |
|--|----------------------|--------------------------|------------------------|-------------------------|---------------------------|------------------------|----------------------------|---------------------------|-----------------------------|-------------------------|
| ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ 7,269,001 | \$ (29,922) | \$ 127,761 | \$ - | \$ - | \$ - | \$ 2 | \$ 1 | \$ 1 | \$ 6,897 |
| Real estate and personal property tax receivable | 5,514,422 | - | - | - | - | - | - | - | - | - |
| Due from federal and state governments | - | 44,333 | - | - | - | - | - | - | - | - |
| Other assets | 837,426 | 2,906,672 | - | - | - | - | - | - | - | - |
| Internal balances | 38,277 | - | - | - | - | - | - | - | - | - |
| Prepaid expenditures | - | 193,097 | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 13,659,126 | \$ 3,114,180 | \$ 127,761 | \$ - | \$ - | \$ - | \$ 2 | \$ 1 | \$ 1 | \$ 6,897 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 562,171 | \$ 1,165,564 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Internal balances | 6,131,194 | (3,341,167) | - | (12,000) | - | - | - | - | - | - |
| Other liabilities | 7,806 | - | - | - | - | - | - | - | - | - |
| Total liabilities | 6,701,171 | (2,175,603) | - | (12,000) | - | - | - | - | - | - |
| DEFERRED INFLOW OF RESOURCES | | | | | | | | | | |
| Unavailable tax revenue | 1,590,711 | - | - | - | - | - | - | - | - | - |
| Fund balances: | | | | | | | | | | |
| <i>Nonspendable:</i> | | | | | | | | | | |
| Prepaid expenditures | - | 193,097 | - | - | - | - | - | - | - | - |
| Deposits held for Health and Dental Benefits | 699,896 | 2,780,754 | - | - | - | - | - | - | - | - |
| <i>Restricted for:</i> | | | | | | | | | | |
| Educational programs | - | 1,702,324 | - | - | - | - | - | - | - | - |
| Other programs | - | - | - | - | - | - | - | - | - | - |
| <i>Assigned for:</i> | | | | | | | | | | |
| 2019 budget | 126,250 | 613,608 | - | - | - | - | - | - | - | - |
| Revaluation | - | - | 127,761 | 12,000 | - | - | - | - | - | - |
| <i>Unassigned:</i> | 4,541,098 | - | - | - | - | - | 2 | 1 | 1 | 6,897 |
| Total fund balances | 5,367,244 | 5,289,783 | 127,761 | 12,000 | - | - | 2 | 1 | 1 | 6,897 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 13,659,126 | \$ 3,114,180 | \$ 127,761 | \$ - | \$ - | \$ - | \$ 2 | \$ 1 | \$ 1 | \$ 6,897 |

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2018

| | TB 314 Hope Sewer Project | TB 320 Highway Donation | TB 330 Recycling Initiative | TB 406 Tax Cert Fund | TB 407 Unfunded Cemetery | TB 410 Muni. Unemploy Escrow | TB 415 Recreation Fund | Total Governmental Funds |
|--|--|--|--|-------------------------------------|---|---|---------------------------------------|---|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 61,422 | \$ 11,671 | \$ 1 | \$ 545 | \$ 7,447,380 |
| Real estate and personal property tax receivable | - | - | - | - | - | - | - | 5,514,422 |
| Due from federal and state governments | - | - | - | - | - | - | - | 44,333 |
| Other assets | - | - | - | - | - | - | - | 3,744,098 |
| Internal balances | - | - | - | - | - | - | - | 38,277 |
| Prepaid expenditures | - | - | - | - | - | - | - | 193,097 |
| TOTAL ASSETS | \$ - | \$ - | \$ - | \$ 61,422 | \$ 11,671 | \$ 1 | \$ 545 | \$ 16,981,607 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,727,735 |
| Internal balances | (12,500) | (4,022) | (14,417) | - | (1,567) | - | - | 2,745,521 |
| Other liabilities | - | - | - | - | - | - | - | 7,806 |
| Total liabilities | (12,500) | (4,022) | (14,417) | - | (1,567) | - | - | 4,481,062 |
| DEFERRED INFLOW OF RESOURCES | | | | | | | | |
| Unavailable tax revenue | - | - | - | - | - | - | - | 1,590,711 |
| Fund balances: | | | | | | | | |
| <i>Nonspendable:</i> | | | | | | | | |
| Prepaid expenditures | - | - | - | - | - | - | - | 193,097 |
| Deposits held for Health and Dental Benefits | - | - | - | - | - | - | - | 3,480,650 |
| <i>Restricted for:</i> | | | | | | | | |
| Educational programs | - | - | - | - | - | - | - | 1,702,324 |
| Other programs | - | - | 14,417 | - | - | - | - | 14,417 |
| <i>Assigned for:</i> | | | | | | | | |
| 2019 budget | - | - | - | - | - | - | - | 739,858 |
| Revaluation | - | - | - | - | - | - | - | 139,761 |
| <i>Unassigned:</i> | 12,500 | 4,022 | - | 61,422 | 13,238 | 1 | 545 | 4,639,727 |
| Total fund balances | 12,500 | 4,022 | 14,417 | 61,422 | 13,238 | 1 | 545 | 10,909,834 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ - | \$ - | \$ - | \$ 61,422 | \$ 11,671 | \$ 1 | \$ 545 | \$ 16,981,607 |

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2018

| | General Fund | School Unrestricted Fund | TB202 Revaluation Fund | TB 203 Master Plan Fund | TB 204 Civil Defense Fund | TB 206 Revenue Sharing | TB 210 Fire Dept Insurance | TB 223 Health Ins Reserve | TB 225 Muni Retire. Reserve | TB 234 Spay/Neuter Fund |
|---|---------------------|--------------------------|------------------------|-------------------------|---------------------------|------------------------|----------------------------|---------------------------|-----------------------------|-------------------------|
| Revenues | | | | | | | | | | |
| General property tax | \$ 28,949,367 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal and state aid grants | 640,089 | 4,725,307 | - | - | - | - | - | - | - | - |
| Charges for service | 1,448,345 | - | - | - | - | - | - | - | - | 465 |
| Fines and penalties | 109,864 | - | - | - | - | - | - | - | - | - |
| Investment and interest income | 167,704 | - | 8 | - | - | - | - | - | - | 1 |
| Miscellaneous revenue | 128,352 | 318,722 | - | - | - | - | - | - | - | - |
| Total revenues | 31,443,721 | 5,044,029 | 8 | - | - | - | - | - | - | 466 |
| Expenditures | | | | | | | | | | |
| General government | 1,059,139 | - | (33,803) | - | - | - | - | - | - | - |
| Public safety | 3,573,871 | - | - | - | - | - | - | - | - | 156 |
| Public works | 2,340,071 | - | - | - | - | - | - | - | - | - |
| Social services | 972,022 | - | - | - | - | - | - | - | - | - |
| Education | - | 23,230,160 | - | - | - | - | - | - | - | - |
| Fixed charges and other | 2,583,022 | - | - | - | - | - | - | - | - | - |
| Debt service | | | | | | | | | | |
| Principal | 1,066,545 | - | - | - | - | - | - | - | - | - |
| Interest | 287,212 | - | - | - | - | - | - | - | - | - |
| Capital | 128,111 | - | - | - | - | - | - | - | - | - |
| Total expenditures | 12,009,993 | 23,230,160 | (33,803) | - | - | - | - | - | - | 156 |
| Excess of revenues over (under) expenditures before other financing sources (uses) | 19,433,728 | (18,186,131) | 33,811 | - | - | - | - | - | - | 310 |
| Other financing sources (uses) | | | | | | | | | | |
| Issuance of refunding bonds | 2,346,000 | - | - | - | - | - | - | - | - | - |
| Premium on refunding | 276,965 | - | - | - | - | - | - | - | - | - |
| Payment to refunding bond escrow agent | (2,574,703) | - | - | - | - | - | - | - | - | - |
| Cost of issuance | (48,262) | - | - | - | - | - | - | - | - | - |
| Transfers from other funds | - | - | - | - | - | - | - | - | - | - |
| Transfers to other funds | (88,000) | - | - | - | - | - | - | - | - | - |
| School appropriation | (19,067,635) | 19,067,635 | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | (19,155,635) | 19,067,635 | - | - | - | - | - | - | - | - |
| Net changes in fund balances | 278,093 | 881,504 | 33,811 | - | - | - | - | - | - | 310 |
| Fund balances - beginning | 5,089,151 | 4,408,279 | 93,950 | 12,000 | - | - | 2 | 1 | 1 | 6,587 |
| Fund balances - ending | \$ 5,367,244 | \$ 5,289,783 | \$ 127,761 | \$ 12,000 | \$ - | \$ - | 2 \$ | 1 \$ | 1 \$ | 6,897 |

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2018

| | TB 314 | TB 320 | TB 330 | TB 406 | TB 407 | TB 410 | TB 415 | Total |
|---|-------------------|------------------|-------------------|------------------|------------------|-----------------------|-------------------|----------------------|
| | Hope Sewer | Highway | Recycling | Tax Cert | Unfunded | Muni. Unemploy | Recreation | Governmental |
| | Project | Donations | Initiative | Fund | Cemetery | Escrow | Fund | Funds |
| Revenues | | | | | | | | |
| General property tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 28,949,367 |
| Federal and state aid grants | - | - | - | - | - | - | - | 5,365,396 |
| Charges for service | - | - | - | - | - | - | - | 1,448,810 |
| Fines and penalties | - | - | - | - | - | - | - | 109,864 |
| Investment and interest income | - | - | - | 7 | 2 | - | - | 167,722 |
| Miscellaneous revenue | - | - | - | - | - | - | - | 447,074 |
| Total revenues | - | - | - | 7 | 2 | - | - | 36,488,233 |
| Expenditures | | | | | | | | |
| General government | - | - | - | - | - | - | - | 1,025,336 |
| Public safety | - | 641 | - | - | - | - | - | 3,574,668 |
| Public works | - | - | - | - | - | - | - | 2,340,071 |
| Social services | - | - | - | - | - | - | - | 972,022 |
| Education | - | - | - | - | - | - | - | 23,230,160 |
| Fixed charges and other | - | - | - | - | - | - | - | 2,583,022 |
| Debt service | | | | | | | | |
| Principal | - | - | - | - | - | - | - | 1,066,545 |
| Interest | - | - | - | - | - | - | - | 287,212 |
| Capital | - | - | - | - | - | - | - | 128,111 |
| Total expenditures | - | 641 | - | - | - | - | - | 35,207,147 |
| Excess of revenues over (under) expenditures | | | | | | | | |
| before other financing sources (uses) | - | (641) | - | 7 | 2 | - | - | 1,281,086 |
| Other financing sources (uses) | | | | | | | | |
| Issuance of refunding bonds | - | - | - | - | - | - | - | 2,346,000 |
| Premium on refunding | - | - | - | - | - | - | - | 276,965 |
| Payment to refunding bond escrow agent | - | - | - | - | - | - | - | (2,574,703) |
| Cost of issuance | - | - | - | - | - | - | - | (48,262) |
| Transfers from other funds | - | - | - | - | - | - | - | - |
| Transfers to other funds | - | - | - | - | - | - | - | (88,000) |
| School appropriation | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | (88,000) |
| Net changes in fund balances | - | (641) | - | 7 | 2 | - | - | 1,193,086 |
| Fund balances - beginning | 12,500 | 4,663 | 14,417 | 61,415 | 13,236 | 1 | 545 | 9,716,748 |
| Fund balances - ending | \$ 12,500 | \$ 4,022 | \$ 14,417 | \$ 61,422 | \$ 13,238 | \$ 1 | \$ 545 | \$ 10,909,834 |

(concluded)

Scituate School Department Operations

**SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Balance Sheet
School Department Operations
March 31, 2018**

| | School Unrestricted | NWR | Capital Reserve Fund | Jobs Fund | Total Governmental Funds |
|--|--------------------------------|-----------------|-------------------------------------|----------------------|---|
| ASSETS: | | | | | |
| Cash and cash equivalents | \$ 9,742 | \$ (35,362) | \$ - | \$ (4,302) | \$ (29,922) |
| Receivables: | | | | | |
| Due from federal and state governments | - | 36,538 | - | 7,795 | 44,333 |
| Other assets | 2,906,672 | - | - | - | 2,906,672 |
| Prepaid expenditures | 193,097 | - | - | - | 193,097 |
| Due from: | | | | | |
| Other funds | 2,996,459 | 8,663 | 384,011 | 2,261 | 3,391,394 |
| TOTAL ASSETS | <u>\$ 6,105,970</u> | <u>\$ 9,839</u> | <u>\$ 384,011</u> | <u>\$ 5,754</u> | <u>\$ 6,505,574</u> |
| LIABILITIES AND FUND BALANCES: | | | | | |
| LIABILITIES: | | | | | |
| Accounts payable | \$ 828,495 | \$ 651 | \$ - | \$ 95 | \$ 829,241 |
| Accrued payroll and benefits | 336,323 | - | - | - | 336,323 |
| Due to: | | | | | |
| Other funds | 36,197 | 11,031 | - | 2,999 | 50,227 |
| TOTAL LIABILITIES | <u>1,201,015</u> | <u>11,682</u> | <u>-</u> | <u>3,094</u> | <u>1,215,791</u> |
| FUND BALANCE: | | | | | |
| Nonspendable: | | | | | |
| Deposits held for Health and Dental Benefits | 2,780,754 | - | - | - | 2,780,754 |
| Prepaid expenditures | 193,097 | - | - | - | 193,097 |
| Restricted for: | | | | | |
| Education | 1,317,496 | (1,843) | 384,011 | 2,660 | 1,702,324 |
| Assigned for: | | | | | |
| 2019 budget | 613,608 | - | - | - | 613,608 |
| Unassigned: | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL FUND BALANCE | <u>4,904,955</u> | <u>(1,843)</u> | <u>384,011</u> | <u>2,660</u> | <u>5,289,783</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 6,105,970</u> | <u>\$ 9,839</u> | <u>\$ 384,011</u> | <u>\$ 5,754</u> | <u>\$ 6,505,574</u> |

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses)
School Department Operations
March 31, 2018

| | School Unrestricted | NWR | Capital Reserve Fund | Jobs Fund | Total Governmental Funds |
|---|--------------------------------|-------------------|-------------------------------------|----------------------|---|
| REVENUES: | | | | | |
| Intergovernmental revenue | \$ 3,621,374 | \$ - | \$ - | \$ - | \$ 3,621,374 |
| Other revenue | 204,147 | 95,342 | - | 19,233 | 318,722 |
| Intergovernmental - pension contribution | 1,103,933 | - | - | - | 1,103,933 |
| TOTAL REVENUES | <u>4,929,454</u> | <u>95,342</u> | <u>-</u> | <u>19,233</u> | <u>5,044,029</u> |
| EXPENDITURES: | | | | | |
| <i>Current:</i> | | | | | |
| Education | 22,003,223 | 104,668 | - | 18,336 | 22,126,227 |
| Intergovernmental - pension contribution | 1,103,933 | - | - | - | 1,103,933 |
| TOTAL EXPENDITURES | <u>23,107,156</u> | <u>104,668</u> | <u>-</u> | <u>18,336</u> | <u>23,230,160</u> |
| Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses) | <u>(18,177,702)</u> | <u>(9,326)</u> | <u>-</u> | <u>897</u> | <u>(18,186,131)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | 19,067,635 | - | - | - | 19,067,635 |
| NET OTHER FINANCING SOURCES (USES) | <u>19,067,635</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,067,635</u> |
| NET CHANGE IN FUND BALANCE | <u>889,933</u> | <u>(9,326)</u> | <u>-</u> | <u>897</u> | <u>881,504</u> |
| FUND BALANCE BEGINNING OF YEAR -Restated | <u>4,015,022</u> | <u>7,483</u> | <u>384,011</u> | <u>1,763</u> | <u>4,408,279</u> |
| FUND BALANCE END OF YEAR | <u>\$ 4,904,955</u> | <u>\$ (1,843)</u> | <u>\$ 384,011</u> | <u>\$ 2,660</u> | <u>\$ 5,289,783</u> |

TOWN OF SCITUATE
Supplementary Information
School Department Operating Budget
Budgetary Comparison Schedule
For the Fiscal Year Ended March 31, 2018

| | <u>Original Budgeted Amount</u> | <u>Revised Budgeted Amount</u> | <u>Actual</u> | <u>Variance</u> |
|---|---|--|---------------------|---------------------|
| Revenues | | | | |
| Town appropriation | \$ 19,067,635 | \$ 19,067,635 | \$ 19,067,635 | \$ - |
| State aid to education | 3,648,164 | 3,648,164 | 3,621,374 | (26,790) |
| Other school revenues | 156,000 | 156,000 | 204,147 | 48,147 |
| School applied fund balance | 952,000 | 952,000 | 952,000 | - |
| Total revenues | <u>23,823,799</u> | <u>23,823,799</u> | <u>23,845,156</u> | <u>21,357</u> |
| Expenditures | | | | |
| Education | <u>23,823,799</u> | <u>23,823,799</u> | <u>22,003,223</u> | <u>1,820,576</u> |
| Total expenditures | <u>23,823,799</u> | <u>23,823,799</u> | <u>22,003,223</u> | <u>1,820,576</u> |
| Excess of revenues over expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,841,933</u> | <u>\$ 1,841,933</u> |

**TOWN OF SCITUATE, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

REAL ESTATE AND PERSONAL PROPERTY TAXES

| Tax Roll Year | Balance March 31, 2017 | Current Year Assessment | Additions | Abatements | Refunds / Adjustments | Amount to be Collected | Collections | Balance March 31, 2018 |
|------------------------------|-----------------------------------|------------------------------------|------------------|---------------------|----------------------------------|---------------------------------------|----------------------|-----------------------------------|
| 2017 | \$ - | \$ 29,146,651 | \$ 24,093 | \$ (179,899) | \$ 77,259 | \$ 29,068,104 | \$ 24,352,364 | \$ 4,715,740 |
| 2016 | 5,784,333 | - | 1,355 | (3,984) | 8,099 | 5,789,803 | 5,536,165 | 253,638 |
| 2015 | 312,413 | - | - | (3,405) | 3,915 | 312,923 | 244,379 | 68,544 |
| 2014 | 151,325 | - | - | (3,297) | 3,879 | 151,907 | 80,523 | 71,384 |
| 2013 | 95,208 | - | - | (3,172) | 953 | 92,989 | 32,168 | 60,821 |
| 2012 | 67,210 | - | - | (7,235) | - | 59,975 | 7,706 | 52,269 |
| 2011 | 59,100 | - | - | (4,095) | - | 55,005 | 836 | 54,169 |
| 2010 | 56,096 | - | - | (304) | - | 55,792 | 86 | 55,706 |
| 2009 | 69,420 | - | - | (176) | - | 69,244 | - | 69,244 |
| 2008 | 62,373 | - | - | (386) | - | 61,987 | 192 | 61,795 |
| 2007 and prior | 58,846 | - | - | (417) | - | 58,429 | 2,315 | 56,114 |
| Total | \$ 6,716,324 | \$ 29,146,651 | \$ 25,448 | \$ (206,370) | \$ 94,105 | \$ 35,776,158 | \$ 30,256,734 | \$ 5,519,424 |

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

| Description of Property | Valuations | Levy |
|--------------------------------|-------------------------|----------------------|
| Real property | \$ 834,518,040 | \$ 15,702,611 |
| Real property - Commercial | 419,019,540 | 9,465,651 |
| Real property - Frozen | 249,705,380 | 3,440,513 |
| Motor vehicles | 123,232,556 | 3,721,623 |
| Tangible personal | 23,611,800 | 945,237 |
| Total | 1,650,087,316 | 33,275,635 |
| Exemptions: | | |
| Real property | 550,500 | 10,364 |
| Real property - Commercial | 100,734,958 | 2,275,603 |
| Real property - Frozen | 3,892,000 | - |
| Motor vehicles | 60,116,777 | 1,815,527 |
| Tangible personal | 686,574 | 27,490 |
| Total exemptions | 165,980,809 | 4,128,984 |
| Net assessed value | \$ 1,484,106,507 | 29,146,651 |
| Current year assessment | | \$ 29,146,651 |

Reconciliation of Current Year Property Tax Revenue

| | |
|--|----------------------|
| Current year collections | \$ 30,256,734 |
| Refunds/Adjustments | (68,030) |
| April - May 2018 Collections Subject to 60 - day FY 2018 Accrual | 3,902,025 |
| | <u>34,090,729</u> |
| April - May 2017 Collections Subject to 60 - day FY 2017 Accrual | (5,141,362) |
| Current Year Property Taxes | <u>\$ 28,949,367</u> |

OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 –
Municipal

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 –
Education Department

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

TOWN OF SCITUATE, RHODE ISLAND
Notes to Supplementary Information
Annual Supplemental Transparency Report (MTP2)
March 30, 2018

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students

TOWN OF SCITUATE, RHODE ISLAND
Notes to Supplementary Information
Annual Supplemental Transparency Report (MTP2)
March 30, 2018

- For the remaining departments - all employees' compensation and benefits are reported under Group A

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

Town of Scituate
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended March 30, 2018

| <u>REVENUE</u> | <u>Municipal</u> | <u>Education Department</u> |
|--|----------------------|---------------------------------|
| Current Year Levy Tax Collection | \$ 28,088,857 | \$ - |
| Last Year's Levy Tax Collection | 631,364 | - |
| Prior Years Property Tax Collection | 229,143 | - |
| Interest & Penalty | 142,405 | - |
| PILOT & Tax Treaty (excluded from levy) Collection | - | - |
| Other Local Property Taxes | - | - |
| Licenses and Permits | 104,440 | - |
| Fines and Forfeitures | 109,864 | - |
| Investment Income | 32,767 | - |
| Departmental | 991,291 | - |
| Rescue Run Revenue | 457,600 | - |
| Police & Fire Detail | 16,281 | - |
| Other Local Non-Property Tax Revenues | 103 | - |
| Tuition | - | - |
| Impact Aid | - | - |
| Medicaid | - | 162,056 |
| Federal Stabilization Funds | - | - |
| Federal Food Service Reimbursement | - | 322,511 |
| CDBG | - | - |
| COPS Grants | - | - |
| SAFER Grants | 121,043 | - |
| Other Federal Aid Funds | 9,000 | 925,666 |
| MV Excise Tax Reimbursement & Phase-out | 197,685 | - |
| State PILOT Program | - | - |
| Distressed Community Relief Fund | - | - |
| Library Resource Aid | 104,741 | - |
| Library Construction Aid | - | - |
| Public Service Corporation Tax | 130,554 | - |
| Meals & Beverage Tax / Hotel Tax | 75,223 | - |
| LEA Aid | - | 3,621,374 |
| Group Home | - | - |
| Housing Aid Capital Projects | - | - |
| Housing Aid Bonded Debt | 121,495 | - |
| State Food Service Revenue | - | 3,688 |
| Incentive Aid | 1,391 | - |
| Property Revaluation Reimbursement | - | - |
| Other State Revenue | - | - |
| Other Revenue | - | 156,666 |
| Local Appropriation for Education | - | 19,067,635 |
| Regional Appropriation for Education | - | - |
| Supplemental Appropriation for Education | - | - |
| Regional Supplemental Appropriation for Education | - | - |
| Other Education Appropriation | - | - |
| Rounding | - | - |
| Total Revenue | \$ 31,565,247 | \$ 24,259,596 |
| Financing Sources: Transfer from Capital Funds | \$ - | \$ - |
| Financing Sources: Transfer from Other Funds | - | - |
| Financing Sources: Debt Proceeds | 2,622,965 | - |
| Financing Sources: Other | - | - |
| Rounding | - | - |
| Total Other Financing Sources | \$ 2,622,965 | \$ - |

Town of Scituate
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended March 30, 2018

| EXPENDITURES | General Government | Finance | Social Services | Centralized IT | Planning | Libraries | Public Works | Parks and Rec | Police Department |
|---|-----------------------|-------------------|--------------------|-------------------|-------------------|-------------------|---------------------|-------------------|----------------------|
| Compensation- Group A | \$ 185,968 | \$ 316,989 | \$ 96,212 | \$ - | \$ 98,266 | \$ - | \$ 623,174 | \$ 101,776 | \$ 1,339,659 |
| Compensation - Group B | - | - | - | - | - | - | - | - | 257,070 |
| Compensation - Group C | - | - | - | - | - | - | - | - | - |
| Compensation -Volunteer | - | - | - | - | - | - | - | - | - |
| Overtime- Group A | - | - | - | - | - | - | 66,262 | - | 122,966 |
| Overtime - Group B | - | - | - | - | - | - | - | - | 34,385 |
| Overtime - Group C | - | - | - | - | - | - | - | - | - |
| Police & Fire Detail | - | - | - | - | - | - | - | - | 14,600 |
| Active Medical Insurance - Group A | 52,382 | 63,549 | 20,503 | - | 20,503 | - | 201,308 | - | 286,831 |
| Active Medical Insurance- Group B | - | - | - | - | - | - | - | - | 91,061 |
| Active Medical Insurance- Group C | - | - | - | - | - | - | - | - | - |
| Active Dental Insurance- Group A | 1,815 | 3,951 | 907 | - | 907 | - | 8,957 | - | 11,908 |
| Active Dental Insurance- Group B | - | - | - | - | - | - | - | - | 3,951 |
| Active Dental Insurance- Group C | - | - | - | - | - | - | - | - | - |
| Payroll Taxes | 14,079 | 23,998 | 7,284 | - | 7,439 | - | 52,196 | 7,705 | 132,343 |
| Life Insurance | 1,625 | 1,881 | 331 | - | 331 | - | 3,611 | - | 10,331 |
| State Defined Contribution- Group A | 1,633 | 2,895 | 445 | - | 445 | - | 5,790 | - | 21,913 |
| State Defined Contribution - Group B | - | - | - | - | - | - | - | - | 2,895 |
| State Defined Contribution - Group C | - | - | - | - | - | - | - | - | - |
| Other Benefits- Group A | - | - | - | - | - | - | - | - | - |
| Other Benefits- Group B | - | - | - | - | - | - | - | - | - |
| Other Benefits- Group C | - | - | - | - | - | - | - | - | - |
| Local Defined Benefit Pension- Group A | - | - | - | - | - | - | - | - | 844,097 |
| Local Defined Benefit Pension - Group B | - | - | - | - | - | - | - | - | - |
| Local Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - | - |
| State Defined Benefit Pension- Group A | 24,410 | 43,272 | 6,657 | - | 6,657 | - | 86,544 | - | - |
| State Defined Benefit Pension - Group B | - | - | - | - | - | - | - | - | 43,272 |
| State Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - | - |
| Other Defined Benefit / Contribution | - | - | - | - | - | - | - | - | - |
| Purchased Services | 260,521 | 98,588 | - | - | - | - | - | - | 69,114 |
| Materials/Supplies | 33,781 | 48,487 | 8,300 | - | 1,935 | - | 90,056 | 101,664 | 110,027 |
| Software Licenses | - | 23,509 | - | - | - | - | - | - | - |
| Capital Outlays | - | - | - | - | - | - | 616,384 | - | 161,857 |
| Insurance | 121,311 | - | - | - | - | - | - | - | - |
| Maintenance | 16,137 | - | 22,236 | - | 281 | - | 55,573 | 1,400 | 22,800 |
| Vehicle Operations | - | - | 6,881 | - | - | - | - | - | 26,350 |
| Utilities | 24,898 | - | 8,641 | - | - | - | 36,067 | 5,777 | 10,710 |
| Contingency | - | - | - | - | - | - | 187,101 | - | - |
| Street Lighting | - | - | - | - | - | - | 50,478 | - | - |
| Revaluation | - | 16,197 | - | - | - | - | - | - | - |
| Snow Removal-Raw Material & External Contracts | - | - | - | - | - | - | 53,048 | - | - |
| Trash Removal & Recycling | - | - | - | - | - | - | 622,752 | - | - |
| Claims & Settlements | 44,160 | - | - | - | - | - | - | - | - |
| Community Support | 53,465 | - | - | - | - | - | - | - | - |
| Other Operation Expenditures | 133,206 | 3,217 | - | - | 33,726 | 583,325 | 12,681 | - | 40,040 |
| Local Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Regional Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Supplemental Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Regional Supplemental Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Other Education Appropriation | - | - | - | - | - | - | - | - | - |
| Municipal Debt- Principal | - | - | - | - | - | - | - | - | - |
| Municipal Debt- Interest | - | - | - | - | - | - | - | - | - |
| School Debt- Principal | - | - | - | - | - | - | - | - | - |
| School Debt- Interest | - | - | - | - | - | - | - | - | - |
| Retiree Medical Insurance- Total | - | - | - | - | - | - | - | - | - |
| Retiree Dental Insurance- Total | - | - | - | - | - | - | - | - | - |
| OPEB Contribution- Total | - | - | - | - | - | - | - | - | - |
| Non-Qualified OPEB Trust Contribution | - | - | - | - | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 969,391 | \$ 646,533 | \$ 178,398 | \$ - | \$ 170,492 | \$ 583,325 | \$ 2,771,982 | \$ 218,323 | \$ 3,658,179 |

Town of Scituate
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended March 30, 2018

| <u>EXPENDITURES</u> | <u>Fire</u> <u>Department</u> | <u>Centralized</u> <u>Dispatch</u> | <u>Public Safety</u> <u>Other</u> | <u>Education</u> <u>Appropriation</u> | <u>Debt</u> | <u>OPEB</u> | <u>Total</u> <u>Municipal</u> | <u>Education</u> <u>Department</u> |
|---|----------------------------------|---------------------------------------|--------------------------------------|--|---------------------|-------------------|----------------------------------|---------------------------------------|
| Compensation- Group A | \$ - | \$ - | \$ 87,263 | \$ - | \$ - | \$ - | \$ 2,849,306 | \$ 9,662,980 |
| Compensation - Group B | - | - | - | - | - | - | 257,070 | 748,583 |
| Compensation - Group C | - | - | - | - | - | - | - | 3,000,722 |
| Compensation -Volunteer | - | - | - | - | - | - | - | - |
| Overtime- Group A | - | - | - | - | - | - | 189,227 | - |
| Overtime - Group B | - | - | - | - | - | - | 34,385 | - |
| Overtime - Group C | - | - | - | - | - | - | - | 31,266 |
| Police & Fire Detail | - | - | - | - | - | - | 14,600 | - |
| Active Medical Insurance - Group A | - | - | 18,587 | - | - | - | 663,664 | 981,786 |
| Active Medical Insurance- Group B | - | - | - | - | - | - | 91,061 | 39,338 |
| Active Medical Insurance- Group C | - | - | - | - | - | - | - | 241,936 |
| Active Dental Insurance- Group A | - | - | 321 | - | - | - | 28,766 | 105,159 |
| Active Dental Insurance- Group B | - | - | - | - | - | - | 3,951 | 4,221 |
| Active Dental Insurance- Group C | - | - | - | - | - | - | - | 25,963 |
| Payroll Taxes | - | - | 6,607 | - | - | - | 251,651 | 346,074 |
| Life Insurance | - | - | 196 | - | - | - | 18,304 | 27,648 |
| State Defined Contribution- Group A | - | - | 742 | - | - | - | 33,865 | 239,674 |
| State Defined Contribution - Group B | - | - | - | - | - | - | 2,895 | 13,284 |
| State Defined Contribution - Group C | - | - | - | - | - | - | - | 26,578 |
| Other Benefits- Group A | - | - | - | - | - | - | - | 67,543 |
| Other Benefits- Group B | - | - | - | - | - | - | - | 3,671 |
| Other Benefits- Group C | - | - | - | - | - | - | - | 25,241 |
| Local Defined Benefit Pension- Group A | - | - | - | - | - | - | 844,097 | - |
| Local Defined Benefit Pension - Group B | - | - | - | - | - | - | - | - |
| Local Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - |
| State Defined Benefit Pension- Group A | - | - | 11,095 | - | - | - | 178,636 | 1,377,551 |
| State Defined Benefit Pension - Group B | - | - | - | - | - | - | 43,272 | 76,349 |
| State Defined Benefit Pension - Group C | - | - | - | - | - | - | - | 152,761 |
| Other Defined Benefit / Contribution | - | - | - | - | - | - | - | - |
| Purchased Services | - | - | 36,000 | - | - | - | 464,224 | 3,121,198 |
| Materials/Supplies | - | - | 21,040 | - | - | - | 415,290 | 680,980 |
| Software Licenses | - | - | - | - | - | - | 23,509 | 11,918 |
| Capital Outlays | 134,045 | - | - | - | - | - | 912,286 | - |
| Insurance | - | - | - | - | - | - | 121,311 | 125,175 |
| Maintenance | 934 | - | 118 | - | - | - | 119,479 | 366,989 |
| Vehicle Operations | 32,118 | - | 3,469 | - | - | - | 68,819 | 8,189 |
| Utilities | - | - | 2,597 | - | - | - | 88,689 | 421,211 |
| Contingency | - | - | - | - | - | - | 187,101 | - |
| Street Lighting | - | - | - | - | - | - | 50,478 | - |
| Revaluation | - | - | - | - | - | - | 16,197 | - |
| Snow Removal-Raw Material & External Contracts | - | - | - | - | - | - | 53,048 | - |
| Trash Removal & Recycling | - | - | - | - | - | - | 622,752 | - |
| Claims & Settlements | - | - | - | - | - | - | 44,160 | - |
| Community Support | - | - | - | - | - | - | 53,465 | - |
| Other Operation Expenditures | 1,043,300 | - | 155 | - | - | - | 1,849,651 | 1,357,648 |
| Local Appropriation for Education | - | - | - | 19,067,635 | - | - | 19,067,635 | - |
| Regional Appropriation for Education | - | - | - | - | - | - | - | - |
| Supplemental Appropriation for Education | - | - | - | - | - | - | - | - |
| Regional Supplemental Appropriation for Education | - | - | - | - | - | - | - | - |
| Other Education Appropriation | - | - | - | - | - | - | - | - |
| Municipal Debt- Principal | - | - | - | - | 713,144 | - | 713,144 | - |
| Municipal Debt- Interest | - | - | - | - | 75,879 | - | 75,879 | - |
| School Debt- Principal | - | - | - | - | 355,288 | - | 355,288 | - |
| School Debt- Interest | - | - | - | - | 144,376 | - | 144,376 | - |
| Retiree Medical Insurance- Total | - | - | - | - | - | - | - | - |
| Retiree Dental Insurance- Total | - | - | - | - | - | - | - | - |
| OPEB Contribution- Total | - | - | - | - | - | 223,929 | 223,929 | - |
| Non-Qualified OPEB Trust Contribution | - | - | - | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 1,210,397 | \$ - | \$ 188,189 | \$ 19,067,635 | \$ 1,288,687 | \$ 223,929 | \$ 31,175,460 | \$ 23,291,636 |

| | | |
|--|---------------------|---------------------|
| Financing Uses: Transfer to Capital Funds | \$ - | \$ - |
| Financing Uses: Transfer to Other Funds | - | - |
| Financing Uses: Payment to Bond Escrow Agent | 2,710,965 | - |
| Financing Uses: Other | - | - |
| Total Other Financing Uses | \$ 2,710,965 | \$ - |
| Net Change in Fund Balance¹ | 301,787 | 967,960 |
| Fund Balance¹- beginning of year | \$5,319,214 | \$4,578,147 |
| Funds removed from Reportable Government Services (RGS) | - | - |
| Funds added to Reportable Government Services (RGS) | - | - |
| Prior period adjustments | - | - |
| Misc. Adjustment | - | - |
| Fund Balance¹ - beginning of year adjusted | 5,319,214 | 4,578,147 |
| Rounding | - | - |
| Fund Balance¹ - end of year | \$ 5,621,001 | \$ 5,546,107 |

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

Town of Scituate
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended March 30, 2018

| Per Audited Fund Financial Statements Fund Description | Total Revenue | Total Other Financing Sources | Total Expenditures | Total Other Financing Uses | Net Change in Fund Balance ¹ | Beginning Fund Fund Balance ¹ (Deficit) | Prior Period Adjustment | Restated Beginning Fund Balance ¹ (Deficit) | Ending Fund Balance ¹ (Deficit) |
|---|----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| General Fund | \$ 31,444,204 | \$ 2,622,965 | \$ 11,976,987 | \$ 21,778,600 | \$ 311,582 | \$ 4,590,937 | \$ 717,532 | \$ 5,308,469 | \$ 5,620,051 |
| CDBG | - | - | - | - | - | 54,119 | - | 54,119 | 54,119 |
| Scituate Partnership for Success Grant | 121,043 | - | 130,838 | - | (9,795) | 10,745 | - | 10,745 | 950 |
| Totals per audited financial statements | \$ 31,565,247 | \$ 2,622,965 | \$ 12,107,825 | \$ 21,778,600 | \$ 301,787 | \$ 4,655,801 | \$ 717,532 | \$ 5,373,333 | \$ 5,675,120 |
| <u>Reconciliation from financial statements to MTP2</u> | | | | | | | | | |
| Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2 | \$ - | \$ - | \$ 19,067,635.00 | \$ (19,067,635.00) | \$ - | \$ - | \$ - | \$ - | \$ - |
| CDBG fund activity excluded from MTP2 | - | - | - | - | - | (54,119.00) | - | (54,119.00) | (54,119.00) |
| Rounding | - | - | - | - | - | - | - | - | - |
| Totals Per MTP2 | \$ 31,565,247 | \$ 2,622,965 | \$ 31,175,460 | \$ 2,710,965 | \$ 301,787 | \$ 4,601,682 | \$ 717,532 | \$ 5,319,214 | \$ 5,621,001 |

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

Town of Scituate
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended March 30, 2018

| Per Audited Fund Financial Statements | Total | Total Other | Total | Total Other | Net Change | Beginning Fund | Prior Period | Restated Beginning | Ending |
|---|----------------------|----------------------|----------------------|----------------|------------------------------|-------------------------------------|---------------------|-------------------------------------|-------------------------------------|
| Fund Description | Revenue | Financing Sources | Expenditures | Financing Uses | in Fund Balance ¹ | Fund Balance ¹ (Deficit) | Adjustment | Fund Balance ¹ (Deficit) | Fund Balance ¹ (Deficit) |
| School Unrestricted Fund | | | | | | | | | |
| School Unrestricted Fund | \$ 4,929,454 | \$ 19,067,635 | \$ 23,107,156 | \$ - | \$ 889,933 | \$ 1,632,003 | \$ 2,383,019 | \$ 4,015,022 | \$ 4,904,955 |
| NWR | 95,342 | - | 104,668 | - | (9,326) | 7,483 | - | 7,483 | (1,843) |
| School Lunch Fund | 326,199 | - | 339,098 | - | (12,899) | 55,593 | - | 55,593 | 42,694 |
| Capital Reserve | - | - | - | - | - | 384,011 | - | 384,011 | 384,011 |
| Special Revenues | 925,666 | - | 826,311 | - | 99,355 | 114,275 | - | 114,275 | 213,630 |
| Jobs Fund | 19,233 | - | 18,336 | - | 897 | 1,763 | - | 1,763 | 2,660 |
| Totals per audited financial statements | \$ 6,295,894 | \$ 19,067,635 | \$ 24,395,569 | \$ - | \$ 967,960 | \$ 2,195,128 | \$ 2,383,019 | \$ 4,578,147 | \$ 5,546,107 |
| Reconciliation from financial statements to MTP2 | | | | | | | | | |
| Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2 | \$ 19,067,635 | \$ (19,067,635) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only | (1,103,933.00) | - | (1,103,933.00) | - | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - | - |
| Totals Per MTP2 | \$ 24,259,596 | \$ - | \$ 23,291,636 | \$ - | \$ 967,960 | \$ 2,195,128 | \$ 2,383,019 | \$ 4,578,147 | \$ 5,546,107 |
| Reconciliation from MTP2 to UCOA | | | | | | | | | |
| No reconciling items from MTP2 to UCOA | - | - | - | - | - | - | - | - | - |
| Totals per UCOA Validated Totals Report | \$ 24,259,596 | | \$ 23,291,636 | | | | | | |

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

Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the Town's ability to generate its most significant local revenue sources, the real and personal property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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

Table 1

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|----------------|----------------|
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 10,676,154 | \$ 11,598,150 | \$ 12,104,545 | \$ 12,843,119 | \$ 13,263,125 | \$ 14,823,917 | \$ 14,370,296 | \$ 14,462,881 | 9,855,778 | 16,424,842 |
| Restricted | 831,917 | 585,995 | 681,967 | 2,420,821 | 2,380,016 | 2,284,828 | 2,266,817 | 2,448,087 | 2,637,576 | 2,565,810 |
| Unrestricted | 3,841,863 | (1,344,880) | (1,184,613) | (3,352,563) | (2,976,698) | (3,159,137) | (1,641,736) | (27,599,201) | (21,777,171) | (24,511,996) |
| Total Governmental Activities Net Position | \$ 15,349,934 | \$ 10,839,265 | \$ 11,601,899 | \$ 11,911,377 | \$ 12,666,443 | \$ 13,949,608 | \$ 14,995,377 | \$ (10,688,233) | \$ (9,283,817) | \$ (5,521,344) |

Source: Town of Scituate's Comprehensive Annual Financial Report

Table 2

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 1,527,583 | \$ 6,653,132 | \$ 1,485,973 | \$ 1,586,381 | \$ 1,452,706 | \$ 1,211,309 | \$ 1,254,876 | \$ 1,268,366 | \$ 1,205,684 | \$ 1,962,014 |
| Public Safety | 4,028,697 | 4,116,636 | 4,231,458 | 4,162,851 | 4,910,264 | 5,083,824 | 5,207,677 | 6,707,907 | 6,155,268 | 6,247,493 |
| Public Works | 2,639,938 | 2,459,391 | 2,407,004 | 2,251,931 | 2,304,466 | 2,278,216 | 2,592,311 | 2,623,260 | 2,399,976 | 2,638,699 |
| Social Services | 950,922 | 866,246 | 891,122 | 960,148 | 796,773 | 1,015,582 | 1,094,248 | 1,071,119 | 1,083,511 | 1,182,328 |
| Education | 22,305,360 | 22,483,750 | 22,181,976 | 22,749,585 | 22,689,160 | 23,229,463 | 23,851,309 | 25,210,082 | 23,806,492 | 25,125,342 |
| Debt Service | 363,291 | 562,399 | 529,887 | 458,123 | 367,414 | 345,701 | 256,113 | 238,995 | 301,095 | 185,842 |
| <i>Total Governmental Activities Expenses</i> | <u>31,815,791</u> | <u>37,141,554</u> | <u>31,727,420</u> | <u>32,169,019</u> | <u>32,520,783</u> | <u>33,164,095</u> | <u>34,256,534</u> | <u>37,119,729</u> | <u>34,952,026</u> | <u>37,341,718</u> |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General Government | 449,735 | 441,816 | 454,163 | 464,224 | 681,318 | 659,816 | 672,028 | 794,678 | 755,893 | 1,361,327 |
| Public Safety | 178,825 | 321,970 | 373,800 | 399,664 | 396,234 | 347,811 | 351,820 | 461,068 | 441,001 | 490,352 |
| Public Works | 17,505 | 17,775 | 17,350 | 15,481 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Social Services | 42,367 | 34,908 | 43,499 | 41,829 | - | - | - | - | - | - |
| Education | 487,357 | 472,530 | 444,565 | 429,062 | 236,404 | 247,072 | 236,916 | 203,356 | 209,189 | 207,264 |
| Operating Grants and Contributions | 5,706,585 | 4,896,729 | 5,650,603 | 5,556,318 | 5,887,888 | 6,446,317 | 6,725,840 | 6,679,933 | 6,613,040 | 6,536,720 |
| Capital Grants and Contributions | 10,000 | 88,145 | 250,000 | 84,973 | - | - | - | - | - | - |
| <i>Total Governmental Activities Program Revenues</i> | <u>6,892,374</u> | <u>6,273,873</u> | <u>7,233,980</u> | <u>6,991,551</u> | <u>7,209,344</u> | <u>7,708,516</u> | <u>7,994,104</u> | <u>8,146,535</u> | <u>8,026,623</u> | <u>8,603,163</u> |
| <i>Net (Expense) Revenue Governmental Activities</i> | <u>(24,923,417)</u> | <u>(30,867,681)</u> | <u>(24,493,440)</u> | <u>(25,177,468)</u> | <u>(25,311,439)</u> | <u>(25,455,579)</u> | <u>(26,262,430)</u> | <u>(28,973,194)</u> | <u>(26,925,403)</u> | <u>(28,738,555)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes | \$ 23,572,025 | \$ 24,615,000 | \$ 24,834,047 | \$ 25,467,030 | \$ 25,820,373 | \$ 26,311,689 | \$ 27,020,591 | \$ 27,333,095 | \$ 28,021,310 | \$ 28,964,152 |
| State Aid and in lieu of taxes | 1,885,405 | 1,722,883 | 455,126 | 292,411 | 310,851 | 327,960 | 297,446 | 387,610 | 255,886 | 403,462 |
| Investment Earnings | 69,729 | 7,608 | 8,299 | 2,782 | 2,301 | 2,018 | 874 | 446 | 34,429 | 32,863 |
| Miscellaneous | - | 11,521 | 13,486 | 30,798 | 12,469 | - | 17,112 | 7,117 | 2,477 | - |
| Loss on disposal of equipment | - | - | - | - | (30,053) | - | - | - | - | - |
| <i>Total Governmental Activities</i> | <u>25,527,159</u> | <u>26,357,012</u> | <u>25,310,958</u> | <u>25,793,021</u> | <u>26,115,941</u> | <u>26,641,667</u> | <u>27,336,023</u> | <u>27,728,268</u> | <u>28,314,102</u> | <u>29,400,477</u> |
| Current Year | | | | | | | | | | |
| Change in Net Position Governmental Activities | <u>\$ 603,742</u> | <u>\$ (4,510,669)</u> | <u>\$ 817,518</u> | <u>\$ 615,553</u> | <u>\$ 804,502</u> | <u>\$ 1,186,088</u> | <u>\$ 1,073,593</u> | <u>\$ (1,244,926)</u> | <u>\$ 1,388,699</u> | <u>\$ 661,922</u> |

Source: Town of Scituate's Comprehensive Annual Financial Report

Table 3

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 1,854,152 | 2,941,930 | 2,665,483 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 274,481 | 304,753 | 274,525 | 291,862 | 294,401 | 185,880 | 3,673,747 |
| Restricted | - | - | - | 1,719,717 | 1,684,286 | 1,720,724 | 1,707,215 | 1,767,187 | 1,853,797 | 1,716,741 |
| Committed | - | - | - | - | - | 200,000 | 300,000 | 22,225 | - | - |
| Assigned | - | - | - | 755,952 | 289,721 | 286,823 | 1,288,048 | 1,265,112 | 1,310,454 | 879,619 |
| Unassigned | - | - | - | 2,890,714 | 3,210,193 | 3,730,150 | 2,707,133 | 3,071,913 | 3,266,066 | 4,639,727 |
| Total General Fund | \$ 1,854,152 | \$ 2,941,930 | \$ 2,665,483 | \$ 5,640,864 | \$ 5,488,953 | \$ 6,212,222 | \$ 6,294,258 | \$ 6,420,838 | \$ 6,616,197 | \$ 10,909,834 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 342,855 | \$ 130,244 | \$ 130,443 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | | | | | | | | | | |
| Reported in: | | | | | | | | | | |
| Special Revenue Funds | 4,113,032 | 3,245,848 | 3,687,027 | - | - | - | - | - | - | - |
| Capital Projects Funds | 987,716 | 1,483,901 | 819,983 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 42,095 | 42,095 | 120,754 | 120,766 | 120,779 | 42,096 | 42,109 |
| Restricted | - | - | - | 738,328 | 565,146 | 433,504 | 428,989 | 550,273 | 629,037 | 2,516,294 |
| Committed | - | - | - | 108,160 | 108,164 | 104,637 | 105,212 | 105,214 | 2,585,014 | 78,899 |
| Assigned | - | - | - | 637,563 | 722,330 | 571,387 | 677,165 | 446,149 | 846,868 | - |
| Unassigned | - | - | - | (9,842) | (8,450) | (8,943) | (18,568) | (64,318) | (61,012) | 914,883 |
| Total All Other Governmental Funds | 5,443,603 | 4,859,993 | 4,637,453 | 1,516,304 | 1,429,285 | 1,221,339 | 1,313,564 | 1,158,097 | 4,042,003 | 3,552,185 |
| Total Governmental Funds | \$ 7,297,755 | \$ 7,801,923 | \$ 7,302,936 | \$ 7,157,168 | \$ 6,918,238 | \$ 7,433,561 | \$ 7,607,822 | \$ 7,578,935 | \$ 10,658,200 | \$ 14,462,019 |

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

Source: Town of Scituate's Comprehensive Annual Financial Report

Table 4

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------------|--------------------|---------------------|---------------------|---------------------|-------------------|-------------------|--------------------|---------------------|-------------------|
| Revenues | | | | | | | | | | |
| General Property Taxes | \$ 23,425,236 | \$ 24,478,480 | \$ 24,698,174 | \$ 25,348,302 | \$ 25,598,867 | \$ 26,413,957 | \$ 26,764,120 | \$ 27,227,253 | \$ 28,071,452 | \$ 28,949,367 |
| Federal and State Aid and grants | 7,568,321 | 6,652,745 | 6,332,363 | 5,854,361 | 5,982,397 | 6,456,518 | 6,518,418 | 6,719,482 | 6,391,434 | 6,354,113 |
| Charges for Services | 987,254 | 1,046,007 | 1,220,792 | 1,180,529 | 1,071,778 | 1,047,058 | 1,054,033 | 1,157,380 | 1,165,290 | 1,683,068 |
| Fines and penalties | 45,335 | 52,198 | 49,698 | 48,602 | 38,620 | 46,782 | 37,746 | 39,933 | 40,354 | 109,864 |
| Investment and interest income | 189,690 | 90,575 | 78,242 | 67,217 | 86,229 | 93,142 | 64,283 | 87,206 | 109,742 | 167,798 |
| Contributions and private grants | 33,669 | 55,012 | 23,366 | 79,341 | - | - | 470,081 | 462,145 | 548,522 | 52,824 |
| Other Revenues | 144,339 | 203,319 | 65,770 | 146,065 | 361,013 | 418,986 | 150,671 | 72,199 | 57,077 | 661,616 |
| Total Revenues | 32,393,844 | 32,578,336 | 32,468,405 | 32,724,417 | 33,138,904 | 34,476,443 | 35,059,352 | 35,765,598 | 36,383,871 | 37,978,650 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 1,065,681 | 1,142,803 | 1,031,577 | 1,118,115 | 1,167,313 | 1,042,246 | 1,113,149 | 1,211,486 | 1,233,579 | 1,046,908 |
| Public Safety | 2,751,355 | 2,724,479 | 2,756,086 | 2,742,352 | 2,772,947 | 2,920,141 | 2,848,826 | 3,232,451 | 3,238,991 | 3,620,939 |
| Public Works | 2,107,206 | 1,834,311 | 2,059,104 | 1,954,274 | 2,101,606 | 2,062,037 | 2,379,201 | 2,175,980 | 1,938,205 | 2,375,032 |
| Social Services | 853,382 | 1,068,654 | 862,356 | 887,277 | 758,921 | 980,824 | 1,126,867 | 1,077,667 | 1,049,500 | 1,146,902 |
| Fixed Charges | 1,558,859 | 6,618,690 | 1,562,111 | 1,558,546 | 1,956,736 | 2,030,390 | 2,159,735 | 2,565,472 | 2,312,787 | 2,583,022 |
| Education | 22,131,374 | 25,850,794 | 22,250,848 | 22,244,651 | 22,274,192 | 22,909,665 | 23,488,227 | 23,513,150 | 24,134,103 | 24,395,569 |
| Capital Projects | - | - | - | - | - | - | - | 756,719 | 893,755 | 753,253 |
| Debt Service | | | | | | | | | | |
| Principal | 1,295,465 | 1,545,000 | 2,005,000 | 1,882,000 | 1,936,150 | 1,765,150 | 1,476,000 | 1,016,000 | 1,016,000 | 1,066,545 |
| Interest | 339,293 | 459,801 | 508,248 | 482,970 | 409,969 | 350,667 | 293,086 | 245,560 | 279,045 | 287,212 |
| Total Expenditures | 32,102,615 | 41,244,532 | 33,035,330 | 32,870,185 | 33,377,834 | 34,061,120 | 34,885,091 | 35,794,485 | 36,095,965 | 37,275,382 |
| Excess of Revenues Over (Under) Expenditures | 291,229 | (8,666,196) | (566,925) | (145,768) | (238,930) | 415,323 | 174,261 | (28,887) | 287,906 | 703,268 |
| Before other financing sources (uses) | | | | | | | | | | |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from issuance of bonds | 430,000 | 11,035,000 | 50,600 | - | - | - | - | - | 2,846,545 | 2,346,000 |
| Premium on Bonds | - | 149,719 | - | - | - | - | - | - | - | 276,965 |
| Payment -Bond Refunding Agent | - | (2,014,355) | - | - | - | - | - | - | - | (2,574,703) |
| Cost of issuance | - | - | - | - | - | - | - | - | - | (48,262) |
| Transfers In | 19,429,671 | 19,509,317 | 18,864,067 | 10,000 | 21,248 | 28,151 | 118,049 | 219,135 | 461,845 | 468,300 |
| Transfers Out | (19,429,671) | (19,509,317) | (18,864,067) | (10,000) | (21,248) | (28,151) | (118,049) | (219,135) | (461,845) | (468,300) |
| Total Other Financing Sources (Uses) | 430,000 | 9,170,364 | 50,600 | - | - | - | - | - | 2,846,545 | - |
| Net Change in Fund Balances | \$ 721,229 | \$ 504,168 | \$ (516,325) | \$ (145,768) | \$ (238,930) | \$ 415,323 | \$ 174,261 | \$ (28,887) | \$ 3,134,451 | \$ 703,268 |
| Debt Service as a percentage of noncapital expenditures | 5.19% | 5.45% | 7.85% | 7.34% | 7.66% | 6.85% | 5.52% | 3.65% | 3.72% | 3.77% |

Source: Town of Scituate Comprehensive Annual Financial Report

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

Table 5

| | Real Property | | | | | | Personal Property | |
|-------------|---------------|-------------|--------------------------|------------------------------|-----------------|------------------------|----------------------------------|----------------------------|
| | | | | | | | Tangible | |
| Fiscal Year | Residential | Commercial | Less Tax-Exempt Property | Total Taxable Assessed Value | Direct Tax Rate | Estimated Actual Value | Tangible Personal Property (net) | Tax Rate Personal Property |
| 2009 | 699,609,930 | 213,222,350 | 3,680,000 | 909,152,280 | 22.395 | 1,825,664,560 | 23,216,950 | 33.59 |
| 2010 | 703,054,600 | 212,770,070 | 24,603,155 | 891,221,515 | 22.400 | 1,831,649,340 | 23,553,230 | 36.60 |
| 2011 | 555,472,840 | 209,553,800 | 62,544,334 | 702,482,306 | 32.000 | 1,530,053,280 | 23,611,120 | 38.25 |
| 2012 | 556,253,790 | 209,606,950 | 62,601,023 | 703,259,717 | 32.726 | 1,531,721,480 | 24,067,390 | 39.12 |
| 2013 | 558,634,860 | 209,460,780 | 62,616,523 | 705,479,117 | 32.726 | 1,536,191,280 | 23,296,080 | 39.12 |
| 2014 | 491,162,240 | 208,072,490 | 60,031,427 | 639,203,303 | 37.37 | 1,398,469,460 | 22,624,300 | 39.75 |
| 2015 | 984,881,780 | 416,459,480 | 116,298,397 | 1,285,042,863 | 18.98 | 1,401,341,260 | 23,169,390 | 40.38 |
| 2016 | 987,977,280 | 416,615,980 | 116,480,771 | 1,288,112,489 | 19.16 | 1,404,593,260 | 24,515,580 | 40.75 |
| 2017 | 1,080,631,120 | 418,352,140 | 103,906,836 | 1,395,076,424 | 18.04 | 1,498,983,260 | 24,544,100 | 38.37 |
| 2018 | 834,518,040 | 419,019,540 | 249,705,380 | 1,003,832,200 | 18.82 | 1,253,537,580 | 23,611,800 | 40.04 |

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.

FY 2015 Scituate transitioned to 100% assessment ratio for real estate. Previously assessed at 50% of value.

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

Table 5

| Personal Property | | | | | | Total | | |
|-------------------|----------------|--------------------------|--|-------------------------|--|----------------------|------------------------|-------|
| Motor Vehicle | | | | | | | | |
| Fiscal Year | Motor Vehicles | Less Tax-Exempt Property | Total Motor Vehicle Taxable Assessed Value | Tax Rate Motor Vehicles | Personal Property Estimates Actual Value | Total Assessed Value | Estimated Actual Value | Ratio |
| 2009 | 101,335,447 | 48,259,725 | 53,075,722 | 30.20 | N/A | 1,037,384,677 | N/A | N/A |
| 2010 | 90,579,741 | 47,373,231 | 43,206,510 | 30.20 | N/A | 1,029,957,641 | N/A | N/A |
| 2011 | 107,763,886 | 57,898,689 | 49,865,197 | 30.20 | N/A | 896,401,646 | N/A | N/A |
| 2012 | 110,568,688 | 58,650,266 | 51,918,422 | 30.20 | N/A | 900,496,818 | N/A | N/A |
| 2013 | 114,783,937 | 58,643,027 | 56,140,910 | 30.20 | N/A | 906,175,657 | N/A | N/A |
| 2014 | 116,318,871 | 58,925,841 | 57,393,030 | 30.20 | N/A | 838,177,901 | N/A | N/A |
| 2015 | 117,276,830 | 59,298,702 | 57,978,128 | 30.20 | N/A | 1,541,787,480 | N/A | N/A |
| 2016 | 118,393,714 | 59,419,806 | 58,973,908 | 30.20 | N/A | 1,547,502,554 | N/A | N/A |
| 2017 | 121,652,138 | 60,033,457 | 61,618,681 | 30.20 | N/A | 1,645,179,498 | N/A | N/A |
| 2018 | 123,232,556 | 60,116,777 | 63,115,779 | 30.20 | N/A | 1,400,381,936 | N/A | N/A |

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

Source: Tax Assessor's Office

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

Table 6

| Town Direct Rates | | | | |
|-------------------------------|------------------------------|------------------|------------------|--------------------------------------|
| <i>Fiscal Year</i> | <i>Basic Rate</i> | <i>MV</i> | <i>PP</i> | <i>Comm Mixed Use</i> |
| 2009 | 22.395 | 30.200 | 33.592 | 30.233 |
| 2010 | 24.400 | 30.200 | 36.600 | 32.940 |
| 2011 | 32.000 | 30.200 | 38.250 | 39.400 |
| 2012 | 32.726 | 30.200 | 39.117 | 40.296 |
| 2013 | 32.726 | 30.200 | 39.117 | 40.296 |
| 2014 | 37.370 | 30.200 | 39.750 | 43.200 |
| 2015 | 18.982 | 30.200 | 40.379 | 21.943 |
| 2016 | 19.156 | 30.200 | 40.750 | 22.144 |
| 2017 | 18.040 | 30.200 | 38.370 | 21.650 |
| 2018 | 18.820 | 30.200 | 40.040 | 22.590 |

Notes:

- (1) Real Estate is assessed at 50% value 2014 and prior. 100% Assessment as of 2015.
- (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, December 31, 2012, and December 31, 2015
- (5) Motor Vehicle Phase-Out Exemptions began in fiscal Year 2000
- (6) Retail/Wholesale inventory Tax phased out completely in Fiscal Year 2001
- (7) The Town does not have any overlapping governments.

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

Table 7

| 2018 | | | | 2008 | | | |
|-----------------------------------|--|--|------------------------------------|-----------------------------------|--|--|------------------------------------|
| <i>Taxpayer</i> | <i>Taxable Assessed Value</i> | <i>Percentage of Total Taxable Assessed Value</i> | <i>Type of Business</i> | <i>Taxpayer</i> | <i>Taxable Assessed Value</i> | <i>Percentage of Total Taxable Assessed Value</i> | <i>Type of Business</i> |
| Providence Water Supply Board | 187,487,680 | 19.03% | Utility/Watershed | Providence Water Supply Board | 167,071,620 | 20.30% | Utility/Watershed |
| Narragansett Electric, Co. | 9,047,540 | 0.92% | Utility/Electric | Narragansett Electric, Co. | 9,588,060 | 1.16% | Utility/Electric |
| Providence Public Build Auth | 4,678,540 | 0.47% | Utility/Watershed | Providence Public Build Auth | 4,028,080 | 0.49% | Utility/Watershed |
| Cox Communications | 3,753,330 | 0.38% | Utility/Cable | Cox Communications | 2,140,020 | 0.26% | Utility/Cable |
| Scituate Village Shopping Cntr. | 1,986,250 | 0.20% | Retail Shopping | Scituate Village Shopping Cntr. | 1,722,150 | 0.21% | Retail Shopping |
| Cavanagh, Peter A et ux Theresa A | 1,648,950 | 0.17% | Residential | Cavanagh, Peter A et ux Theresa A | 1,442,500 | 0.18% | Residential |
| Hope Mill Village Associates | 1,292,550 | 0.13% | Residential | Scituate Commons | 797,980 | 0.10% | Residential/Apartments |
| CAB East LLC | 1,184,389 | 0.12% | Motor Vehicle Leasing | D C F S Trust | 723,953 | 0.09% | Motor Vehicle Leasing |
| Scituate Commons | 911,570 | 0.09% | Residential/Apartments | Cicunci, Vincent et ux Mary | 708,100 | 0.09% | Combination |
| Honda Lease Trust | 865,773 | 0.09% | Motor Vehicle Leasing | Honda Lease Trust | 599,110 | 0.07% | Motor Vehicle Leasing |
| | 212,856,572 | 21.60% | | | \$ 188,821,573 | 22.94% | |

Sources: Town of Scituate Tax Assessor

Note: The Town does not provide a full 10 years disclosure for this table due to the size of the data content and the overall usefulness to the reader.

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

(2) 2016 and 2006 Tax Rolls

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

Table 8

| <i>Fiscal Year</i> | <i>Net Adjusted Tax Levy</i> | <i>Current Tax Collections</i> | <i>Percent of Current Taxes Collected</i> | <i>Delinquent Tax Collections</i> | <i>Total Tax Collections</i> | <i>Ratio of Total Tax Collections to Net Tax Levy</i> | <i>Net Outstanding Delinquent Taxes</i> | <i>Ratio of Delinquent Taxes to Net Tax Levy</i> |
|-------------------------------|---|---|--|--|---|--|--|---|
| 2009 | 23,482,179 | 19,346,238 | 82.4% | 4,073,568 | 23,419,806 | 99.7% | 62,373 | 0.3% |
| 2010 | 24,576,608 | 20,203,423 | 82.2% | 4,303,765 | 24,507,188 | 99.7% | 69,420 | 0.3% |
| 2011 | 24,846,056 | 19,801,247 | 79.7% | 4,988,731 | 24,789,978 | 99.8% | 56,078 | 0.2% |
| 2012 | 25,509,470 | 20,328,684 | 79.7% | 5,121,686 | 25,450,370 | 99.8% | 59,100 | 0.2% |
| 2013 | 25,759,549 | 20,421,168 | 79.3% | 5,271,171 | 25,692,339 | 99.7% | 67,210 | 0.3% |
| 2014 | 26,436,480 | 21,615,018 | 81.8% | 4,725,609 | 26,340,627 | 99.6% | 95,853 | 0.4% |
| 2015 | 26,881,094 | 21,054,760 | 78.3% | 5,675,938 | 26,730,698 | 99.4% | 150,396 | 0.6% |
| 2016 | 27,368,990 | 21,560,887 | 78.8% | 5,498,001 | 27,058,888 | 98.9% | 310,102 | 1.1% |
| 2017 | 28,039,421 | 22,255,088 | 79.4% | 5,141,362 | 27,396,450 | 97.7% | 642,971 | 2.3% |
| 2018 | 29,146,651 | 24,352,364 | 83.6% | 3,902,025 | 28,254,389 | 96.9% | 892,262 | 3.1% |

Notes:

(1) Source: Schedule of Tax Collections

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

Table 9

| Fiscal Year | Governmental Activities | | | Capital Lease | Debt Premiums | Total Primary Government | Percentage of Personal Income | Per Capita |
|------------------------|---|-------------------------|-------------------------|--------------------------|--------------------------|---|--|-----------------------|
| | General Obligation Bonds | Note Payable | Loan Payable | | | | | |
| 2009 | 7,616,500 | 76,000 | - | | | 7,692,500 | 2.65% (a) | 745.11 |
| 2010 | 11,199,500 | 38,000 | 4,000,000 | - | 142,233 | 15,379,733 | 5.30% (a) | 1,489.71 |
| 2011 | 9,367,500 | - | 3,902,950 | - | 134,747 | 13,405,197 | 4.57% (a) | 1,298.45 |
| 2012 | 7,625,500 | - | 3,750,300 | - | 127,261 | 11,503,061 | 3.92% (b) | 1,114.21 |
| 2013 | 5,847,000 | - | 3,592,650 | - | 119,775 | 9,559,425 | 3.30% (b) | 925.94 |
| 2014 | 4,295,000 | - | 3,430,000 | 454,500 | 112,289 | 8,291,789 | 2.86% (b) | 803.16 |
| 2015 | 2,970,197 | - | 3,275,000 | 353,500 | 104,803 | 6,703,500 | 2.31% (b) | 649.31 |
| 2016 | 2,320,000 | - | 3,115,000 | 252,500 | 97,317 | 5,784,817 | 1.99% (b) | 560.33 |
| 2017 | 4,416,545 | - | 2,950,000 | 151,500 | 89,831 | 7,607,876 | 2.62% (b) | 736.91 |
| 2018 | 3,621,000 | - | 2,711,000 | 50,500 | 255,660 | 6,638,160 | 2.29% (b) | 642.98 |

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

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

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

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

| <u>General Bonded Debt Outstanding</u> | | | <u>Table 10</u> | |
|--|---------------------------------|--------------|---|-----------------------|
| <u>Fiscal Year</u> | <u>General Obligation Bonds</u> | <u>Total</u> | <u>Percentage of Actual Taxable Value (a) of Property</u> | <u>Per Capita (b)</u> |
| 2009 | 7,616,500 | 7,616,500 | 0.77% | 737.75 |
| 2010 | 11,199,500 | 11,199,500 | 1.17% | 1,035.36 |
| 2011 | 9,367,500 | 9,367,500 | 1.21% | 906.91 |
| 2012 | 7,625,500 | 7,625,500 | 0.98% | 738.62 |
| 2013 | 5,847,000 | 5,847,000 | 0.75% | 566.35 |
| 2014 | 4,295,000 | 4,295,000 | 0.60% | 416.02 |
| 2015 | 2,970,197 | 2,970,197 | 0.22% | 287.70 |
| 2016 | 2,222,683 | 2,222,683 | 0.16% | 210.70 |
| 2017 | 4,416,545 | 4,416,545 | 0.30% | 418.00 |
| 2018 | 3,621,000 | 3,621,000 | 0.24% | 341.25 |

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

Source: Town of Scituate, Rhode Island Audited Financial Statements

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

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

*Town of Scituate, Rhode Island
Direct and Overlapping Governmental Activities Debt
As of March 31, 2017
"Unaudited"*

Table 11

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

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

Table 12

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Debt limit | \$ 29,563,349 | \$ 28,729,449 | \$23,236,266 | \$23,336,807 | \$ 23,506,925 | \$ 21,548,048 | \$ 40,957,150 | \$ 41,119,495 | \$ 44,416,932 | \$ 44,523,195 |
| Total net debt applicable to limit | <u>3,011,500</u> | <u>8,944,500</u> | <u>7,532,500</u> | <u>6,225,500</u> | <u>5,847,000</u> | <u>4,295,000</u> | <u>3,075,000</u> | <u>2,320,000</u> | <u>\$ 4,416,545</u> | <u>\$ 3,621,000</u> |
| Legal debt margin | <u>\$26,551,849</u> | <u>\$ 19,784,949</u> | <u>\$15,703,766</u> | <u>\$17,111,307</u> | <u>\$17,659,925</u> | <u>\$17,253,048</u> | <u>\$37,882,150</u> | <u>\$38,799,495</u> | <u>\$40,000,387</u> | <u>\$40,902,195</u> |
| Total net debt margin as a percentage of debt limit | 89.81% | 68.87% | 67.58% | 73.32% | 75.13% | 80.07% | 92.49% | 94.36% | 90.06% | 91.87% |

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

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

***Town of Scituate, Rhode Island
Pledged-Revenue Coverage,
Last Ten Years
"Unaudited"***

Table 13

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

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

Table 14

| <i>Fiscal Year Ended March</i> | <i>Population (1)</i> | <i>Median Family Income (1)</i> | <i>Per Capita Personal Income (1)</i> | <i>Median Age(1)</i> | <i>School Enrollment (2)</i> | <i>Unemployment Rate (3)</i> |
|---|------------------------------|--|--|---------------------------------|---|---|
| 2009 | 10,324 | 67,593 | 28,092 | 39.7 | 1,700 | 12.5% |
| 2010 | 10,817 | 67,593 | 28,092 | 39.7 | 1,660 | 11.9% |
| 2011 | 10,329 | 60,788 | 28,092 | 39.7 | 1,652 | 11.1% |
| 2012 | 10,324 | 60,788 | 28,092 | 39.7 | 1,538 | 10.0% |
| 2013 | 10,324 | 60,788 | 28,092 | 39.7 | 1,502 | 8.8% |
| 2014 | 10,324 | 60,788 | 28,092 | 39.7 | 1,437 | 7.9% |
| 2015 | 10,324 | 60,788 | 28,092 | 39.7 | 1,422 | 7.7% |
| 2016 | 10,549 | 80,802 | 39,451 | 39.7 | 1,368 | 7.1% |
| 2017 | 10,566 | 79,102 | 42,668 | 39.7 | 1,301 | 4.2% |
| 2018 | 10,611 | 81,975 | 44,590 | 40.0 | 1,254 | 5.6% |

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.

**Town of Scituate, Rhode Island
Principal Employers
Current Year
"Unaudited"**

Table 15

| <u>Employer</u> | <u>2018</u> | | <u>Percentage of Total Town Employment</u> |
|--|-------------------------|--------------------|---|
| | <u>Employees</u> | <u>Rank</u> | |
| Town of Scituate Municipal /School | 429 | 1 | 6.81% |
| Totrama Supermarkets DBA The Village IGA | 73 | 2 | 1.16% |
| Providence Water Supply Board | 52 | 3 | 0.83% |
| Atlas Insulation Co. | 61 | 4 | 0.97% |
| Maxi Drug South Lp DBA Rite - Aid | 30 | 5 | 0.48% |
| 102 Scituate Corp DBA Dunkin Donuts | 21 | 6 | 0.33% |
| Charming Treasurers | 12 | 7 | 0.19% |
| Scituate Lumber | 11 | 8 | 0.17% |
| Corner Bristo LLL | 10 | 9 | 0.16% |
| Navigant Credit Union | 6 | 10 | 0.10% |
| Total | <u>705</u> | | <u>11.20%</u> |

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

Note: The Town does not provide a full 10 years disclosure for this table due to the size of the data content and the overall usefulness to the reader.

Town of Scituate, Rhode Island
Full-time Equivalent Town Government Employees by Function/Program
Last Ten Fiscal Years
"Unaudited"

Table 16

| <u>Function/Program</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Central Administration | | | | | | | | | | |
| Town Council | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| Town Clerk | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Board of Canvassers | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Probate Court | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Building/Zoning Planning | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 1.5 | 1.5 |
| 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 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| Land Trust | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Historic District | | | | | | | | | | |
| Town Sergeant | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Financial Administration | | | | | | | | | | |
| Treasurer | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Treasurer's Office | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Tax Collection | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Tax Assessor | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 17.0 | 17.0 | 16.0 | 17.0 | 17.0 | 17.0 | 15.0 | 15.0 | 16.0 | 17.0 |
| Civilians | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 7.0 | 6.5 | 6.5 | 6.5 | 6.5 |
| Animal Control | | | | | | | | | | |
| Animal Control Officer | 1 | 1 | 1 | 1 | 1 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Civilians | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 1.0 |
| Emergency Management | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Public Works Department | | | | | | | | | | |
| Director | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Asst. Director | 0.5 | 0.5 | 0.5 | 0.0 | 0.0 | - | | 0.0 | 0.0 | 0.0 |
| Highway | | | | | | | | | | |
| Driver/Laborer/ Building/Grounds | 6.0 | 6.0 | 6.0 | 7.0 | 7.0 | 8.0 | 8.0 | 8.0 | 9.0 | 7.0 |
| Forman Driver/Laborer | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 2.0 |
| Maintenance | | | | | | | | | | |
| Custodial | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Vehicles & Equipment | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 |
| Recreation Department | | | | | | | | | | |
| Director | *0.4 | *0.4 | *0.4 | *0.4 | *0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 1.0 |
| Summer Programs | 93.0 | 93.0 | 93.0 | 93.0 | 84.0 | 97.0 | 90.0 | 90.0 | 66.0 | 64.0 |
| Human Services Department | | | 1.0 | | | | | | | |
| Director | 1.0 | 1.0 | 1.5 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Meal site | 1.5 | 1.5 | 0.8 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Senior Van Driver | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |

Source: Comprehensive Annual Financial Report/ Miscellaneous Statistics Unaudited

*Seasonal

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

Table 17

| <i>Function/Program</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> | <i>2016</i> | <i>2017</i> | <i>2018</i> |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Public Safety (1) | | | | | | | | | | |
| Police | | | | | | | | | | |
| Calls | 10,202 | 12,000 | 18,010 | 16,344 | 10,442 | 15,982 | 13,666 | 13,753 | 7,424 | 10,086 |
| Physical Arrests | 176 | 189 | 236 | 316 | 129 | 237 | 221 | 213 | 128 | 125 |
| Citations | 1,086 | 853 | 594 | 1,340 | 690 | 1,885 | 1,555 | 1,367 | 1,394 | 1,835 |
| Accidents | 300 | 195 | 388 | 273 | 181 | 276 | 317 | 319 | 131 | 217 |
| Animal Control | | | | | | | | | | |
| Dog Licenses Issued | 576 | 576 | 576 | 600 | 510 | 540 | 585 | 551 | 401 | 464 |
| Building/Zoning (1) | | | | | | | | | | |
| Commercial Construction Permits | 3 | 6 | - | 2 | - | - | 3 | 2 | 1 | 0 |
| Residential Construction Permits | 9 | 6 | 20 | 16 | 8 | 10 | 13 | 9 | 7 | 5 |
| 2 -Family | 1 | - | - | - | - | - | - | - | 1 | 0 |

Sources: Various Town departments.

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

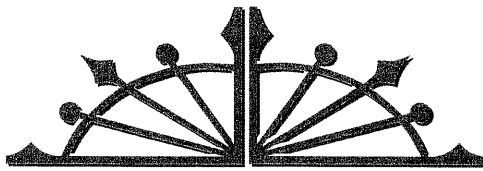
Town of Scituate, Rhode Island
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
"Unaudited"

Table 18

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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 | 2 | 2 | 2 | 2 | 4 |
| Animal Control | | | | | | | | | | |
| Animal Shelters | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Works | | | | | | | | | | |
| Stations/Garage | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Streets and Highways | | | | | | | | | | |
| Street (miles - state paved) | 56.70 | 56.7 | 56.7 | 56.7 | 56.7 | 56.7 | 56.7 | 56.7 | 56.7 | 56.7 |
| Street (miles- local paved) | 86.7 | 86.7 | 86.7 | 87.4 | 87.4 | 87.4 | 87.4 | 87.4 | 87.4 | 87.4 |
| Parks and Recreation | | | | | | | | | | |
| Playgrounds | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Tennis Courts | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Beaches | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Baseball/Softball diamonds | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Baseball/Hardball diamonds | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Soccer/Football fields | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Basketball Courts/Outdoor | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Basketball Courts/ Indoor | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Undeveloped Sites | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Human Services | | | | | | | | | | |
| Transit mini-bus | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Senior Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Buildings | | | | | | | | | | |
| Town Hall | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community House | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Congregational Church | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Potterville School House | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Clayville School House | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Old Towne House | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Sources: Various Town Departments
Financial Report Miscellaneous Statistics

***TOWN OF SCITUATE, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED MARCH 31, 2018***



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Town of Scituate's basic financial statements, and have issued our report thereon dated December 4, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

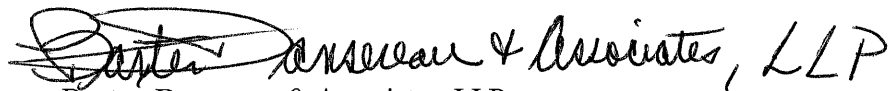
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Scituate's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an

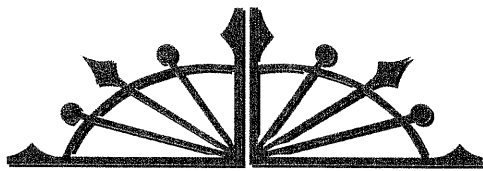
objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Baxter, Dansereau & Associates, LLP". The signature is written in a cursive, flowing style.

Baxter, Dansereau & Associates, LLP
West Warwick, Rhode Island
December 4, 2018



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for the Major Federal Program

We have audited the Town of Scituate's compliance with the types of compliance requirements described in the *OMB 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, 2018. The Town of Scituate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Scituate, Rhode Island's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Scituate, Rhode Island's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Scituate, Rhode Island, complied, in all material respects, with the types of 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, 2018.

Report on Internal Control Over Compliance

Management of the Town of Scituate, Rhode Island, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Scituate, Rhode Island's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Baxter, Dansereau & Associates, LLP
West Warwick, Rhode Island
December 4, 2018

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended March 31, 2018

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|--|------------------------------------|---|--|---|
| U.S. Department of Agriculture | | | | |
| Passed through the State of Rhode Island Department of Education | | | | |
| Child Nutrition Cluster: | | | | |
| National School Breakfast Program | 10.553 | N/A | \$ - | \$ 7,800 |
| National School Lunch Program | 10.555 | N/A | - | 106,952 |
| Special School Milk Program for Children | 10.556 | N/A | - | 322 |
| Total Child Nutrition Cluster | | | <u>\$ -</u> | <u>115,074</u> |
| Non-Cash Assistance Food Commodities (Note 4) | 10.555 | N/A | - | 18,403 |
| Total US Department of Agriculture | | | <u>\$ -</u> | <u>\$ 133,477</u> |
| U.S. Department of Justice | | | | |
| Passed through the State of Rhode Island | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | N/A | \$ - | \$ 366 |
| Total U.S. Department of Justice | | | <u>\$ -</u> | <u>\$ 366</u> |
| U.S. Department of Education | | | | |
| Passed-through the State of Rhode Island Department of Education | | | | |
| Title I Grants to Local Education Agencies | 84.010 | 2725-11702-801 | \$ - | \$ 254,875 |
| Special Education Cluster: | | | | |
| Special Education - Grants to States | 84.027 | 2725-13202-801 | - | 381,252 |
| Special Education - Grants to States | 84.027 | 2725-1302-610 | - | 7,570 |
| Special Education - Preschool Grants | 84.173 | 2725-13502-801 | - | 13,185 |
| Total Special Education Cluster | | | <u>\$ -</u> | <u>402,007</u> |
| Improving Teacher Quality State Grants | 84.367 | 2725-16402-801 | - | 59,409 |
| Total U.S. Department of Education | | | <u>\$ -</u> | <u>\$ 716,291</u> |
| U.S. Department of Health & Human Services | | | | |
| Passed Through the State of Rhode Island Department of Health | | | | |
| Substance Abuse & Mental Health Services | 93.243 | N/A | \$ - | \$ 130,838 |
| Total U.S. Department of Health & Human Services | | | <u>\$ -</u> | <u>\$ 130,838</u> |
| Total Expenditures of Federal Awards | | | <u>\$ -</u> | <u>\$ 980,972</u> |

The accompanying notes are an integral part of this schedule

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended March 31, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

Significant deficiency (ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal 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: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|-----------------------|---|
| 84.010 | Title I Grants to Local Educations Agencies |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS yes X none

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

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended March 31, 2018
(continued)

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

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Finding

None Reported

B. Questioned Costs

None Reported

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended March 31, 2018

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF SCITUATE, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
March 31, 2018

NOTE 1 - *BASIS OF PRESENTATION*

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the Town of Scituate, Rhode Island under programs of the federal government for the year ended March 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of the Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town of Scituate, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Scituate, Rhode Island.

NOTE 2 - *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of the Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - *Indirect Cost Rates*

The Town of Scituate has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance when applicable.

NOTE 4 - *Non-Cash Assistance*

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$18,403 represents the market value of such commodities used during the period.