TOWN OF SCITUATE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MARCH 31, 2014

SHARON S. JOHNSON
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, 2014

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

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

Town of Scituate

Rhode Island

SHARON S. JOHNSON
TOWN TREASURER

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

September 12, 2014

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, 2014, is submitted herewith. This report was prepared by the Treasurer's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rests with the Town. We believe the information, as presented, is accurate in all material aspects: that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain adequate understanding of the Town's financial affairs have been included.

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

GENERAL

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

The Scituate reservoir and its tributary ponds and 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 22% 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 for the 2013-2014 fiscal year. The Town of Scituate and the City of Providence have negotiated a new agreement establishing the annual tax payment through December 31, 2017.

Government

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

Education

The public school system of the Town consists of one senior high school, one middle school and three elementary schools. A five-member School Committee that is elected at-large at the regular biennial elections for four-year term directs the general administration of the Scituate School Department. The School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a budget of expenditures and revenues to the voters at an annual Financial Town Meeting and, once the school budget is approved, determines the allocation of the amount appropriated. The school enrollment for September 1, 2013 is 1459. The cost per student was $13,802.21 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, 2014 was $21,774,823 and $22,432,369 has been budgeted for fiscal year ending March 31, 2015.

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

Fiscal Year Ending	Enrollment
Actual	
2007	1,873
2008	1,806
2009	1,700
2010	1,660
2011	1,652
2012	1,538
2013	1,503
Projected	
2014	1,448
2015	1,369
2016	1,298
2017	1,236
2018	1,191
2019	1,133

Projections revised NESDC and Scituate School Department

Municipal Services

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

Rubbish and Garbage Collection

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

Police Department

The Scituate Police Department has a force of 17 full time members. In fiscal 2014 the Police Department expended $1,891,982. The Department's fiscal 2015 budget is $1,907,639.

Fire Protection

Four fire stations and districts, all volunteer, are located on Danielson Pike in North Scituate; Main Street, west of Jackson Flat Road in Hope; Chopmist Hill Road, Route 102; and Old Plainfield Pike in Potterville. Equipment includes fire trucks, rescues and specialized equipment. The Department expended $828,135 in fiscal 2014 and $998,543 is budgeted for fiscal 2015.

Emergency Management Services

The Town has a part time Emergency Management Director located at 1315 Chopmist Hill Road, North Scituate.

Emergency Medical Services

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

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

Senior Services Center

The Town has a full time Senior Service Center located at 1315 Chopmist Hill Road, North Scituate. Today this is a fully functional facility including the senior meal site, operating three days per week. In fiscal 2014 the Senior Services Department expended $98,345 and $86,170 is budgeted for fiscal 2015.

Public Works, Sewers and Water

The Town's Public Works Department maintains the Town's property including highways and public buildings. The Department expended $2,059,861 in fiscal 2014 and the fiscal 2015 budget is $2,339,855.

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

Libraries

There are 2 public libraries in the Town of Scituate; North Scituate Library and Hope Library, primarily supported by the Town. The libraries' fiscal 2014 appropriation was $526,330 and the fiscal 2015 budget is $537,053.

Employee Relations

As of March 31, 2014 the Town had 24 full-time and approximately 97 part-time and seasonal employees exclusive of the School and Police Departments. The Police Department employed 17 uniformed officers, 5 full-time and 2 part-time civilian employees and 1 full-time and 1 part-time animal control officers. The School Department as of such date had 150 full and part-time professional, 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 present contract with the Police expired June 30, 2012. The Town's professional school employees are members of the National Education Association of Rhode Island (NEARI) with a contract that expires August 31, 2016. The School Department's custodians are members (NEARI) with a contract that expires June 30, 2017. The School Department's Paraprofessionals are members (NEAR) with a contract that expires June 30, 2015. The employees of the Department of Public Works are members of the Teamsters, Chauffeurs, Warehousemen & Helpers of America Local Union No. 251 with a contract that expires June 30, 2015; the Town Council is currently negotiating a new contract with the Police International Brotherhood of Police Officers.

ECONOMIC CONDITIONS AND OUTLOOK

Population

In 2000, Scituate was ranked 29th in population among the thirty-nine cities and towns in Rhode Island and the Town experienced a 4.8% increase in population from 1990 to 2000. Set forth below is a table of the population in the Town for various years from 1910 to 2000. The estimated population for 2011 was 10,324.

Year	Population
1930	2,292
1940	2,838
1950	3,905
1960	5,210
1970	7,489
1980	8,405
1990	9,796
2000	10,324
2007	10,870
2009	10,817 (estimate)
2010	10,329
2011	10,324
2012	10,324
2013	10,324
2014	10,324

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

Unemployment

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

	ANNUALIZED									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Town of Scituate	5.1%	5.8 %	5.0 %	5.3%	7.0%	12.5%	11.9%	11.1%	10.00%	8.8%
State of Rhode Island	4.6%	5.5%	5.1%	5.2%	7.5%	12.4%	12.9%	11.5%	10.8%	9.4%
United States	5.4%	5.4%	4.3%	5.0%	5.5 %	9.5%	10.2%	8.8%	8.3%	7.3%
	2014									
Town of Scituate	9.3%									
State of Rhode Island	9.5%									
United States	7.4%									

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

Employment

In 2013 the Town had 273 private business and industrial firms subject to the payment of employment security taxes. During that period, the payrolls for those firms totaled $ 61,378,689 and the average number of persons employed were 1,587. 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, 2013.

	Year Ended December 31, 2013		
Industry	Average No. of Units	Annual Payroll	Average No. of Employees
Agr., Fish., Mining	11	$ 1,199,571	59
Construction	61	6,284,963	137
All Manufacturing	10	641,397	19
Transportation/Warehousing	12	326,592	9
Wholesale Trade	7	1,056,410	28
Retail Trade	19	4,408,725	172
Fin., Ins., Real Estate	15	1,145,189	33
Service Industries	124	12,139,643	489
Government	14	34,176,199	613
Totals	273	61,378,689	1,587

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 2008-2012 U.S. Census, the median family income of the Town of Scituate was $90,982 compared to $72,872 for the State of Rhode Island. Median family income in the Town increased from $48,995 in 1990, an increase of 85.6%. The Town of Scituate's year 2008-12 median family income ranked 14th among Rhode Island cities and towns.

The per capita income of the Town was $36,938 compared to $30,005 for the State. Per capita income in the Town increased from $18,400 in 1990 to $36,938 in 2012, an increase of 100.75%. The Town of Scituate's year 2012 per capita income ranks 14th 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

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

Housing

At March 31, 2014, the sale price for a single family home in Scituate ranged from $97,500 to $695,000. The median sales price for a house in Scituate was $236,500, and the average sales price was $262,586.

Source: Tax Assessor's data base

Economic Development

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

- A new 11,000 sq. ft. commercial building is proposed for the corner of Rte. 101 and 102; only one final state approval is needed before a building permit is issued.
- The Scituate Animal Hospital will be constructing a major addition.
- A new pizza restaurant opened in Hope.
- There are two new major subdivisions – 5 lots off Heather Lane have received final approvals and 13 lots on Nipmuc Road received preliminary approval.

Major Initiatives

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

- 12 condominiums (the Town's first), with 3 affordable units received final approval and construction is expected to begin soon.

- Scituate Lumber completed an attractive barn and addition to their store, and expanded their line of materials and supplies.

- Several general market houses were approved and built in various parts of Town.

Source: Town of Scituate, Building Inspector

FINANCIAL INFORMATION

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

Internal Controls

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

- Transactions are executed in accordance with management's general or specific authorization.

- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance - related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets.

- Access to assets is permitted only in accordance with management's authorization.

- The recorded accountability of assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

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

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

Budgetary Control

The Town has formally established budgetary accounting control for its General Fund. It is the responsibility of the Town Budget Committee to submit to the Town Council and make available to the general public a proposed General Fund budget, including the School 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, 2013. 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 2014.

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,

Sharon S. Johnson

Sharon S. Johnson
Town Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Scituate

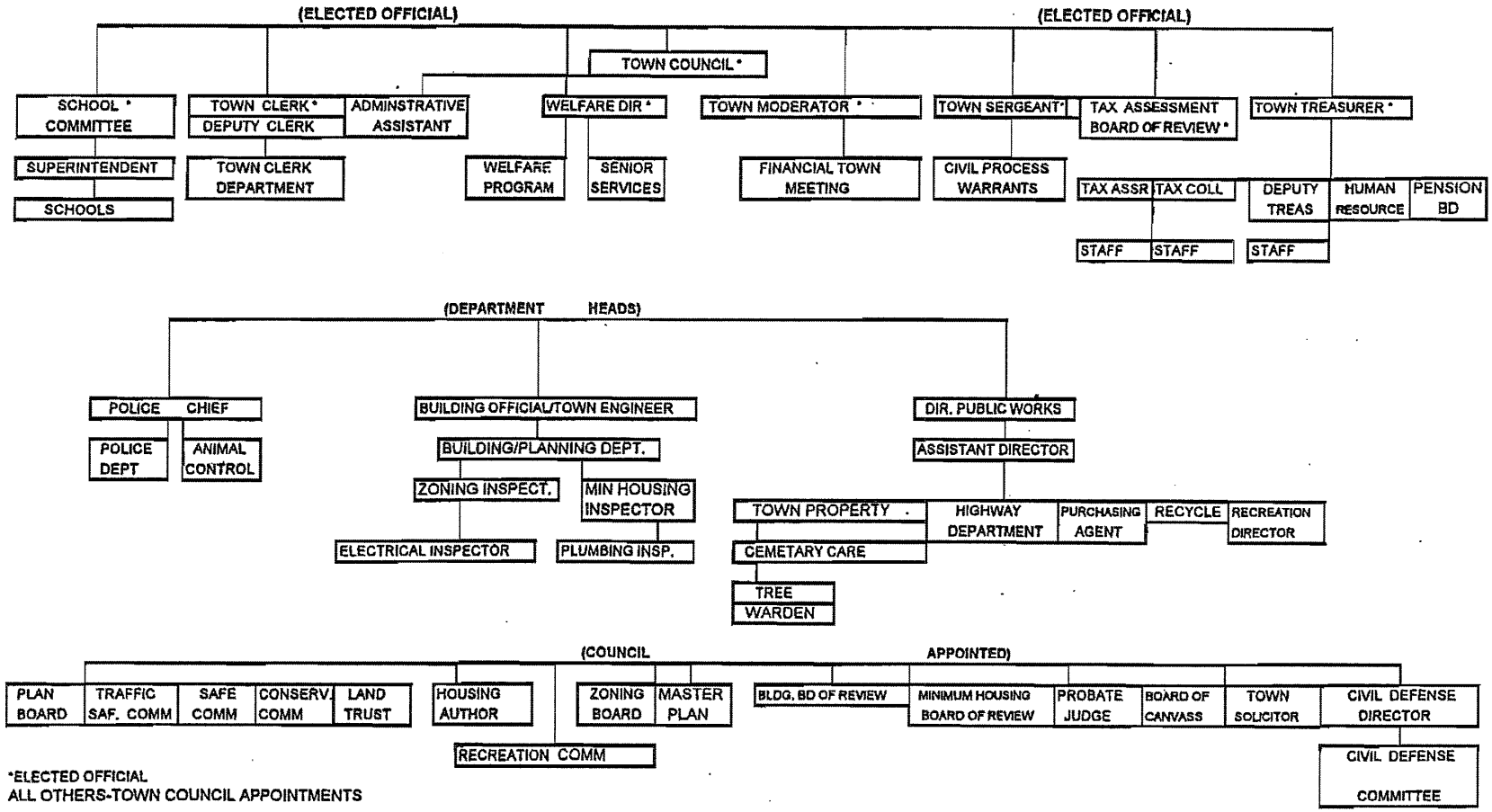
Rhode Island

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2013

Executive Director/CEO

TOWN OF SCITUATE ORGANIZATIONAL CHART



*ELECTED OFFICIAL
ALL OTHERS-TOWN COUNCIL APPOINTMENTS

TOWN OF SCITUATE, RHODE ISLAND

As of March 31, 2014

TOWN TREASURER

Sharon S. Johnson

TOWN COUNCIL

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

FINANCIAL SECTION

This Section Contains the Following Subsections:

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Rhode Island (Town) as of and for the year ended March 31, 2014, 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.

207 Quaker Lane, Suite 203 • West Warwick, RI 02893 • T: 401-615-0880 • F: 401-615-0850

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, 2014, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 60–62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scituate, Rhode Island's basic financial statements. The introductory section, combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2014, 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.

Baxter, Dansereau & Associates, LLP

Baxter Dansereau & Associates, LLP
West Warwick, Rhode Island
September 12, 2014

Management's Discussion and Analysis

TOWN OF SCITUATE
MANAGEMENTS DISCUSSION AND ANALYSIS

Management of the Town of Scituate provides this Management's Discussion and Analysis of the Town of Scituate Comprehensive Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of Scituate are for fiscal year ended March 31, 2014. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the Town's financial statements that follow.

FINANCIAL HIGHLIGHTS

At the end of the current fiscal year, unassigned fund balance for the general fund was $3,730,150, or 13.16% of total 2014 budgeted expenditures. This is an increase of $519,957 from the prior year unassigned fund balance.

The Town ended fiscal year 2014 with a budgetary operating surplus of $905,789.

The Town of Scituate's total bonded debt decreased by $1,552,000. This was due to scheduled repayment of existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall status.

- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.

    - ✓ The *governmental funds* statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.

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

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

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

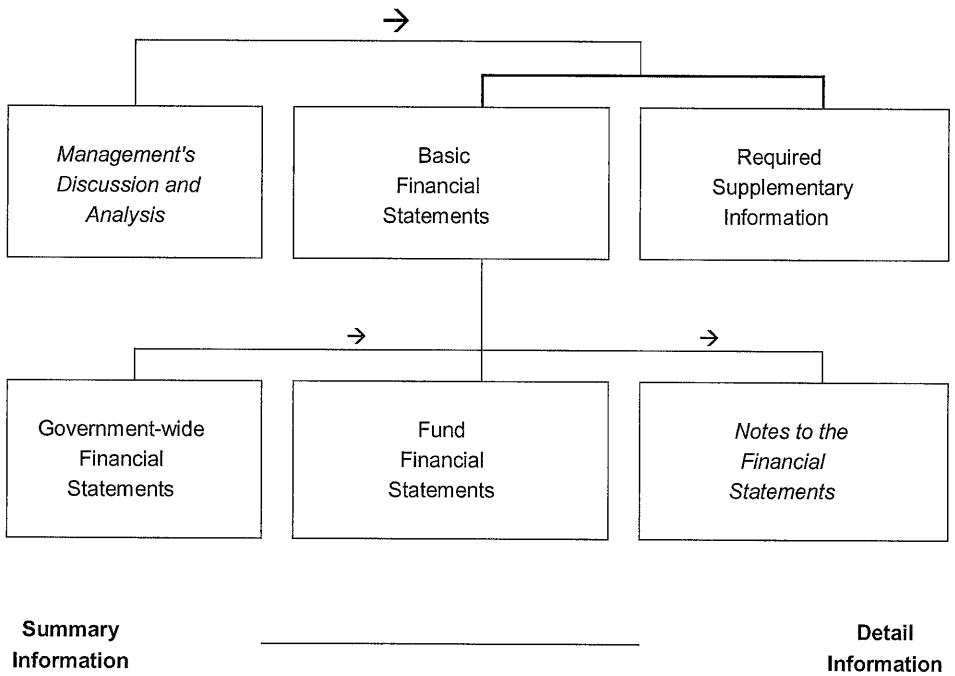


Figure A- 2

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

		Fund Statements	
	Government- Wide 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.

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.

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

The basic governmental fund financial statements can be found beginning on page 14 of this report.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's net position totaled $13,949,608 at the close of the most recent fiscal year.

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

Town of Scituate Net Position
March 31, 2014 and 2013

	Governmental Activities	
	2014	2013
ASSETS		
Current and other assets	$ 10,266,092	$ 9,942,546
Capital assets	19,397,597	19,538,805
Total assets	29,663,689	29,481,351
Deferred Outflows of Resources	34,679	-
LIABILITIES		
Current Liabilities	3,715,638	3,975,216
Long-term liabilities	12,033,122	12,839,692
Total liabilities	15,748,760	16,814,908
NET POSITION		
Net invested in capital assets	14,823,917	13,263,125
Restricted	2,284,828	2,380,016
Unrestricted	(3,159,137)	(2,976,698)
Total net position	$ 13,949,608	$ 12,666,443

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

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

Changes in Net Position

The government's net position increased by $1,186,088 during the current fiscal year.

Town of Scituate Changes in Net Position
For the Year Ended March 31, 2014 and 2013

	Governmental Activities	
	2014	2013
Revenues		
Program revenues		
Charges for services	$ 1,262,199	$ 1,321,456
Operating grants and contributions	6,446,317	5,887,888
Total program revenues	7,708,516	7,209,344
General revenues		
Property taxes, levied for general purposes	26,311,689	25,820,373
State revenue sharing	327,960	310,851
Investment earnings and miscellaneous	2,018	14,770
Total general revenues	26,641,667	26,145,994
Total revenues	34,350,183	33,355,338
Expenses		
General government	1,211,309	1,452,706
Public safety	5,083,824	4,910,264
Public works	2,278,216	2,304,466
Social services	1,015,582	796,773
Education	23,229,463	22,689,160
Interest expense	345,701	367,414
Loss on disposal of equipment	-	30,053
Total expenses	33,164,095	32,550,836
Increase (decrease) in net assets	1,186,088	804,502
Net position - beginning of year	12,666,443	11,911,377
Prior period adjustment - see note	97,077	(49,436)
Net position - beginning of year restated	12,763,520	11,861,941
Net position - end of year	**$ 13,949,608**	**$ 12,666,443**

Governmental activities. Governmental activities for the current year increased the Town's currents years Net Position by $1,186,088. Key elements of this increase are as follows: current year purchases of capital assets and scheduled debt repayments.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $7,433,561 which is an overall increase of $415,323 for the current year and an increase of $100,000 from prior years in comparison with the prior year. Of this total amount $3,730,150 or 50% represents unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was $3,730,150. 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 13.16% of total general fund budgeted expenditures.

General Fund Budgetary Highlights

The budget was amended at the annual Financial Town Meeting held on April 8, 2014 to include an additional $100,000 for road paving. Favorable revenue variances were mainly due from higher than anticipated fees received from the Town Clerks office, grants hotel and meals tax and state incentive aid, and a police grant. Favorable variances between the original general fund budget and the final departmental expenditures of $637,640 were mainly due to contracts that were not settled at year end; an decrease in solid waste disposal costs because the percentage of recycled materials increased; the rate of increase in the Town's portion of retirement payments for employees was not as high as anticipated; and lower than anticipated interest rates on borrowing.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of March 31, 2014 amounted to $19,397,597 (net of accumulated depreciation). This investment in capital assets includes infrastructure, land, buildings, improvements, machinery and equipment, vehicles and construction in progress.

Town of Scituate Capital Assets

	March 31, 2014	March 31, 2013
	Governmental Activities	Governmental Activities
Land & land rights	$ 2,124,928	$ 2,124,928
Construction in Progress	505,000	-
Infrastructure	3,039,619	3,229,309
Buildings and improvements	11,983,865	12,453,778
Office furniture and equipment	283,362	176,752
Motor vehicles	932,226	1,059,584
Machinery and equipment	528,597	494,454
	$ 19,397,597	$ 19,538,805

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

Long-term debt. At the end of the fiscal year, the Town had total bonded debt outstanding of $4,295,000. General obligation bonds are backed by the full faith and credit of the Town, including the Town's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens.

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

State statute limits the amount of bonds a governmental entity can issue to 3% of its total net assessed value, which approximates $21,548,048. As of March 31, 2014 the Town's debt, subject to the 3% limit, was $4,295,000 which is under the debt limit by $17,253,048.

Additional information on the Town's long-term debt can be found in Note 6 – Long-Term Liabilities on pages 29 – 32 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the Town of Scituate is 7.2 percent as of July 2014. This compares to the State's unemployment rate of 8.2 percent and the national average of 6.3 percent. Median Family Income ranks 14th and Per Capita Income ranks 14th among Rhode Island's 39 Cities and Towns.

	Per Capita	Median Family
Scituate	$36,938	$90,982
Rhode Island	$30,005	$72,872
United States	$28,051	$53,046

The following factors were considered in preparing the Town's budget for the 2014/15 fiscal year.

- The Town has budgeted the full ARC for Police Pension plus an additional $100,000 and continued to fund OPEB in the amount of $100,000 in Fiscal 2014.
- Contribution for municipal retirement system increased from 13.73% to 14.46%.
- The Fiscal 2015 budget provides for a 2% base salary increase for town staff.
- Most appropriations remain level funded at the prior year's budgeted amounts. These measures are necessary to absorb eliminated state revenue sharing and continued decreases in the motor vehicle excise tax exemption.
- The Town has budgeted $259,080 of its unrestricted fund balance for capital expenditures.
- The School expects to receive $200,000 in additional state aid in Fiscal 2015 over the prior year; union contracts provide for an average 1.93% salary increase.

The Town has appropriated $952,000 of the School Department's accumulated surplus for spending in the 2014/2015 fiscal year Budget. The Fiscal 2014/2015 budget was achieved with a 1.6% effective tax rate increase. The Town tax rates will be $18.982 per thousand for residential real property and $21.943 per thousand for commercial real property for fiscal year ending March 31, 2015. Both are now calculated at 100% of total assessed value. These rates were derived after completion of the December 31, 2012 town-wide statistical revaluation, review of all real, tangible and motor vehicle property assessments on December 31, 2013 and completion of the budget process. There was also new legislation passed in 2014 to allow Scituate to move from a 50% assessment ratio to 100% of fair market value. This was done to make tax bills easier to understand, and to clarify tax rates when comparing with other cities and towns in Rhode Island.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF SCITUATE, RHODE ISLAND
Statement of Net Position
March 31, 2014

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 4,355,049
Real estate and personal property tax receivable (net)	5,068,693
Due from federal and state government	324,573
Other receivables	243,252
Prepaid expenses	274,525
Capital assets:	
Land, land rights and construction in progress	2,629,928
Depreciation buildings, property, equipment, and infrastructure (net)	16,767,669
TOTAL ASSETS	29,663,689
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding of debt	34,679
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	1,875,364
Accrued interest payable	107,886
Unearned revenue	20,368
Other liabilities	20,078
Long-term liabilities	
Due within one year	1,691,942
Due in more than one year	12,033,122
TOTAL LIABILITIES	15,748,760
NET POSITION	
Net investment in capital assets	14,823,917
Restricted for:	
Educational programs	1,841,772
Public safety programs	74,791
Social service programs	131,045
Records preservation	73,042
Other programs	33,578
Permanent:	
Expendable	9,846
Nonexpendable	120,754
Unrestricted	(3,159,137)
Total Net Position	$ 13,949,608

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, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental activities:					
General government	$ 1,211,309	$ 659,816	$ 31,878	$ -	$ (519,615)
Public safety	5,083,824	347,811	190,892	-	(4,545,121)
Public works	2,278,216	7,500	20,206	-	(2,250,510)
Social services	1,015,582	-	143,818	-	(871,764)
Education	23,229,463	247,072	6,059,523	-	(16,922,868)
Interest expense	345,701	-	-	-	(345,701)
Total governmental activities	$ 33,164,095	$ 1,262,199	$ 6,446,317	$ -	(25,455,579)
	General revenues:				
	General property tax				26,311,689
	State revenue sharing				327,960
	Unrestricted investment earnings				2,018
	Total general revenues				26,641,667
	Change in net position				1,186,088
	Net position - beginning of year				12,666,443
	Prior period adjustment - see note - 18				97,077
	Net position - beginning of year restated				12,763,520
	Net position - end of year				$ 13,949,608

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

Fund Financial Statements

TOWN OF SCITUATE, RHODE ISLAND
Balance Sheet
Governmental Funds
March 31, 2014

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 3,685,176	$ 669,873	$ 4,355,049
Real estate and personal property tax receivable	5,363,693	-	5,363,693
Due from federal & state governments	10,139	314,434	324,573
Other receivables	162,560	20,437	182,997
Internal balances	2,880,391	588,986	3,469,377
Prepaid expenditures	274,525	-	274,525
TOTAL ASSETS	$ 12,376,484	$ 1,593,730	$ 13,970,214
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	$ 1,610,688	$ 152,387	$ 1,763,075
Internal balances	3,269,741	199,636	3,469,377
Unearned revenue	1,263,755	20,368	1,284,123
Other liabilities	20,078	-	20,078
Total liabilities	6,164,262	372,391	6,536,653
Fund balances:			
Nonspendable:			
Prepaid expenditures	274,525	-	274,525
Cemetery perpetual care	-	120,754	120,754
Restricted for:			
Educational programs	1,720,724	121,048	1,841,772
Public safety programs	-	74,791	74,791
Social service programs	-	131,045	131,045
Records preservation	-	73,042	73,042
Other programs	-	33,578	33,578
Committed for:			
Open space, park & recreational facilities	-	97,280	97,280
Other post employment benefits	200,000	-	200,000
Other programs	-	7,357	7,357
Assigned for:			
2015 budget -Town	259,080	-	259,080
Educational programs	27,743	-	27,743
Capital projects	-	571,387	571,387
Unassigned:	3,730,150	(8,943)	3,721,207
Total fund balances	6,212,222	1,221,339	7,433,561
TOTAL LIABILITIES AND FUND BALANCES	$ 12,376,484	$ 1,593,730	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 9)	19,397,597
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 9)	843,514
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (see note 9)	(13,725,064)
Net assets of governmental activities	$ 13,949,608

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, 2014

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
General property tax	$ 26,413,957	$ -	$ 26,413,957
Federal and state aid grants	5,442,798	1,013,720	6,456,518
Charges for service	784,258	262,800	1,047,058
Fines and penalties	46,782	-	46,782
Investment and interest income	93,084	58	93,142
Contributions and private grants	376,458	39,775	416,233
Miscellaneous	-	2,753	2,753
Total revenues	33,157,337	1,319,106	34,476,443
Expenditures			
General government	1,027,702	14,544	1,042,246
Public safety	2,855,835	64,306	2,920,141
Public works	2,062,037	-	2,062,037
Social services	833,082	147,742	980,824
Education	21,596,678	1,312,987	22,909,665
Fixed charges and other	2,030,390	-	2,030,390
Debt service			
Principal	1,752,500	12,650	1,765,150
Interest	350,667	-	350,667
Total expenditures	32,508,891	1,552,229	34,061,120
Excess of revenues over (under) expenditures before other financing sources (uses)	648,446	(233,123)	415,323
Other financing sources (uses)			
Transfers from other funds	-	28,151	28,151
Transfers to other funds	(25,177)	(2,974)	(28,151)
Total other financing sources (uses)	(25,177)	25,177	-
Net changes in fund balances	623,269	(207,946)	415,323
Fund balances - beginning	5,488,953	1,429,285	6,918,238
Prior period adjustment - note 18	100,000	-	100,000
Restated fund balances - beginning	5,588,953	1,429,285	7,018,238
Fund balances - ending	$ 6,212,222	$ 1,221,339	$ 7,433,561

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, 2014

Net change in fund balances - total governmental funds		$ 415,323
Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:		
Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation, loss on disposal of equipment and adjustments in the current period.		
Capital outlay	1,045,585	
Depreciation expense	(1,246,946)	(201,361)
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.		(102,268)
Amortization of bond issuance costs and premiums in the current period do not represent current financial resources, however they are recognized as expenditures and revenues in the statement of activities.		551
Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities.		(22,032)
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	1,714,650	
Net increase in compensated absences	(46,023)	
Net decrease in Net Pension obligation	84,337	
Net increase in Capital Leases	(454,500)	
Net increase in the other post employment benefit obligation	(202,589)	1,095,875
Change in net position of governmental activities		$ 1,186,088

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, 2014

	Pension Trust Fund	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	$ 167,130	$ 51,770	$ 220,209
Investments:			
Collective funds - equity	2,992,625	-	-
Collective funds - fixed income	893,578	-	-
Collective funds - real estate investment trust	228,985	-	-
Total Investments:	4,115,188	-	-
Total Assets	4,282,318	51,770	220,209
LIABILITIES			
Deposits held in custody for others	-	-	220,209
Total Liabilities	-	-	220,209
NET POSITION			
Held in trust for pension benefits and other purposes	$ 4,282,318	$ 51,770	$ -

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, 2014

	Pension Trust Fund	Private Purpose Trust Fund
Additions:		
Contributions:		
Employer	$ 758,709	$ -
Plan member	97,246	-
Total contributions;	855,955	-
Investment income:		
Interest and dividend income	67	6
Net appreciation (depreciation) in fair value of investments	533,181	-
Less: investment expense	(111,829)	-
Net investment income	421,419	6
Total Additions	1,277,374	6
Deductions		
Benefits Paid	551,850	-
Total Deductions:	551,850	-
Change in net assets	725,524	6
Net position - beginning of year	3,556,794	51,764
Net position - end of year	$ 4,282,318	$ 51,770

-

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

Notes to Financial Statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

B. BASIS OF PRESENTATION AND ACCOUNTING

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Governmental Funds:

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

Fiduciary Fund Financial Statements

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

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

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

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

C. INVESTMENTS

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

D. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

E. CAPITAL ASSETS AND DEPRECIATION

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Description		*Useful Life*	
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. UNEARNED REVENUE

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

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

G. PROPERTY TAXES

The Town is permitted by State Law to levy property taxes. Current fiscal year tax collections for the Town were approximately 81.8% of the total 2013 levy. During the period April 1, 2014 through May 31, 2014, the Town collected an additional $4,067,741 of the 2013 tax levy. The total collections therefore represent approximately 97.2% of the total 2013 levy. The tax rate of the Town is established by the Town Council.

The Town's fiscal 2013-2014 property taxes were levied on June 14, 2013 on assessed valuation as of December 31, 2013. 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

at 50% of assessed value for real estate and 95% of market value for motor vehicles. A full revaluation of all property was completed as of December 31, 2012. The City of Providence Water Supply Board is the Town's principal taxpayer representing 18.33% of the Town's net assessed valuation in fiscal 2014.

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, 2014.

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

I. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

J. DEBT PREMIUMS AND ISSUANCE COSTS

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

K. ESTIMATES

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

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2014 was as follows:

	Primary Government				
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land & land rights	$ 2,124,928	$ -	$ -	$ -	$ 2,124,928
Construction in progress	-	505,000			505,000
Total capital assets not being depreciated	2,124,928	505,000	-	-	2,629,928
Other capital assets:					
Infrastructure	16,564,412	119,302	(1,470)	(545)	16,681,699
Buildings and improvements	21,341,102	3,540	(750)	-	21,343,892
Office furniture and equipment	1,460,204	136,033	(6,923)	78,900	1,668,214
Motor vehicles	5,308,514	156,891	(186,647)	-	5,278,758
Machinery and equipment	2,596,545	124,819	(15,101)	6,266	2,712,529
Total other capital assets at historical cost	47,270,777	540,585	(210,891)	84,621	47,685,092
Less accumulated depreciation for:					
Infrastructure	13,335,103	307,573	(1,274)	678	13,642,080
Buildings and improvements	8,887,324	472,914	(230)	19	9,360,027
Office furniture and equipment	1,283,452	89,107	(6,505)	18,798	1,384,852
Motor vehicles	4,248,930	281,825	(185,545)	1,322	4,346,532
Machinery and equipment	2,102,091	95,527	(14,882)	1,196	2,183,932
Total accumulated depreciation	29,856,900	1,246,946	(208,436)	22,013	30,917,423
Governmental activities capital assets, net	$ 19,538,805	$ (201,361)	$ (2,455)	$ 62,608	$ 19,397,597

NOTE 2 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Governmental activities:		
General government	$	6,961
Public safety		246,894
Public works		449,896
Social services		39,608
Education		503,587
Total governmental activities depreciation expense	$	1,246,946

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 $21,548,048. As of March 31, 2014, the Town's debt, subject to the 3% limit, was $4,295,000, which is under the debt limit by $17,253,048.

DEFICIT FUND BALANCES – The following non-major fund had a deficit fund balance at March 31, 2014: Citizens Police Academy Fund $(493) and Animal Shelter Bond Fund $(8,450).

NOTE 4 – CASH DEPOSITS

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

Cash and investments of the Town consist of the following at March 31, 2014

Cash and cash equivalents		
Deposits with financial institutions	$	4,794,158
Total cash	$	4,794,158

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

Statement of net assets		
Cash and cash equivalents	$	4,355,049
	$	4,355,049
Fiduciary funds		
Cash and cash equivalents		439,109
		439,109
Total cash and investments	$	4,794,158

NOTE 4 – CASH DEPOSITS (continued)

CUSTODIAL CREDIT RISK – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. As of March 31, 2014, $ -0- of the Town's bank balance of $4,236,791 was exposed to custodial credit risk as follows:

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators, shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At March 31, 2014, the Town's uninsured or uncollateralized deposits with institutions were $0. These deposits are held by institutions that meet the minimum capital standards prescribed by the federal regulators.

NOTE 5 – INVESTMENTS

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

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

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a formal policy which addresses custodial credit risk. The Town had no investments subject to custodial credit risk as of March 31, 2014.

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, 2014.

NOTE 6 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES

Long-term liability activity for the year ended March 31, 2014 was as follows:

	Beginning Balance	*Additions*	*Retirements*	*Ending Balance*	*Amounts Due Within One Year*
Governmental Activities					
Bonds and loans payable:					
Bonds payable	$ 5,847,000	$ -	$ 1,552,000	$ 4,295,000	$ 1,220,000
Loans payable	3,592,650	-	162,650	3,430,000	155,000
Capital Lease	-	505,000	50,500	454,500	50,500
	9,439,650	505,000	1,765,150	8,179,500	1,425,500
Plus amortized premium on loans	119,775	-	7,486	112,289	-
Less deferred amount on refunding	(41,614)	-	6,935	(34,679)	-
Total bonds and loans	9,517,811	505,000	1,779,571	8,257,110	1,425,500
Other liabilities:					
Compensated absences	813,468	46,023	-	859,491	266,442
Net pension obligation	3,067,158	(84,337)	-	2,982,821	-
Net other post-employment benefits obligation	1,500,663	202,589	-	1,703,252	-
Total other liabilities	5,381,289	164,275	-	5,545,564	266,442
Governmental Activities Long-Term Liabilities	$ 14,899,100	$ 669,275	$ 1,779,571	$ 13,802,674	$ 1,691,942

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

NOTE 6 - LONG TERM LIABILITIES (CONTINUED)

Long-term liability activity for the fiscal year ended March 31, 2014 was as follows:

GOVERNMENTAL ACTIVITIES	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding April 1, 2013	Additions	Maturities During Year	Outstanding March 31, 2014	Amounts due within one year	Interest Paid
General Obligation Bonds Payable										
General obligation bonds	4/15/2003	2.0%-3.5%	4/15/2013	$ 1,830,000	$ 215,000	$ -	$ 215,000	$ -	$ -	$ 3,716
General obligation bonds	9/30/2005	4.18%	9/30/2015	250,000	75,000	-	25,000	50,000	25,000	3,135
General obligation bonds	5/15/2006	4.14%-4.58%	5/15/2013	461,000	67,000	-	67,000	-	-	1,535
General obligation bonds	6/25/2008	3.97%	4/15/2013	430,000	90,000	-	90,000	-	-	1,787
General obligation bonds	4/28/2009	2.79%	8/1/2018	7,035,000	4,450,000	-	690,000	3,760,000	710,000	114,529
Refunding bonds - School	7/15/2002	3.50%	4/1/2014	4,600,000	950,000	-	465,000	485,000	485,000	29,306
Total general obligation bonds payable				14,606,000	5,847,000	-	1,552,000	4,295,000	1,220,000	154,008
Loans payable										
RIHEBC Loan	4/30/2009	3.0-5.0%	5/15/2029	4,000,000	3,580,000	-	150,000	3,430,000	155,000	158,260
Aramark	4/8/2010	0.00%	4/8/2014	50,600	12,650	-	12,650	-	-	-
Total loans payable				4,050,600	3,592,650	-	162,650	3,430,000	155,000	158,260
Amortized premium on loans					119,775	-	7,486	112,289	-	-
Deferred amount on refunding bond					(41,614)	-	6,935	(34,679)	-	-
Total governmental activities bonds, TANs and leases payable					9,517,811	-	1,729,071	7,802,610	1,375,000	312,268
Capital Leases										
US Bank - Fire Truck	11/21/2013		5/21/2018	505,000	-	505,000	50,500	454,500	101,000	3,258
				505,000	-	505,000	50,500	454,500	101,000	3,258
Accrued expenses										
Compensated absences - Town					478,039	249	-	478,288	148,269	-
Compensated absences - School Department					335,429	45,774	-	381,203	118,173	-
Net pension obligation					3,067,158	(84,337)	-	2,982,821	-	-
Net other post employment benefit obligation					1,500,663	202,589	-	1,703,252	-	-
Total accrued expenses					5,381,289	164,275	-	5,545,564	266,442	-
Total long-term liabilities - governmental activities					$ 14,899,100	$ 669,275	$ 1,779,571	$ 13,802,674	$ 1,742,442	$ 315,526

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
2015	28.41%	1,220,000	107,092	1,327,092
2016	45.98%	755,000	75,956	830,956
2017	63.45%	750,000	54,265	804,265
2018	81.49%	775,000	32,991	807,991
2019	100.00%	795,000	11,090	806,090
		$ 4,295,000	**$ 281,394**	**$ 4,576,394**

C. LOANS PAYABLE

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

On April 8, 2010, the Town received a loan in the amount of $50,600 from Aramark as part of its food service agreement dated July 1, 2009. The loan is payable in annual installments of $12,650 over a four-year period and is non-interest bearing. The final payment was made in the 2013-2014 fiscal year.

D. LEASES PAYABLE

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

ENDED MARCH 31,	*FISCAL YEAR PAYMENTS*
2015	$ 101,000
2016	101,000
2017-2019	252,500
Future Minimum Rental Payments	454,500
Interest Portion of Payments	14,662
Obligation Under Capital Leases	$ 469,162

NOTE 6 – LONG-TERM LIABILITIES (Continued)

C. LOANS PAYABLE (Continued)

GOVERNMENTAL ACTIVITIES - LOANS PAYABLE

Fiscal Year Ended March 31,	Percentage of Maturity	Principal	Interest	Total Debt Service
2015	4.52%	155,000	153,687	308,687
2016	9.18%	160,000	148,562	308,562
2017	13.99%	165,000	142,875	307,875
2018	18.95%	170,000	135,912	305,912
2019	24.20%	180,000	127,462	307,462
2020	29.59%	185,000	118,837	303,837
2021	35.28%	195,000	109,712	304,712
2022	41.25%	205,000	99,713	304,713
2023-2030	100.00%	2,015,000	417,517	2,432,517
		$ 3,430,000	**$ 1,454,277**	**$ 4,884,277**

NOTE 7 – SHORT-TERM DEBT

The Town issued the following short-term notes during fiscal year 2014:

Tax Anticipation Notes – Tax anticipation notes in the amount of $2,500,000 were issued on April 24, 2013 and matured on March 13, 2014 with an interest rate of .72%. The notes were issued in anticipation of taxes assessed as of December 31, 2012 and due July 1, 2013. The proceeds were deposited into the General Fund.

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Tax Anticipation Notes	$ -	$ 2,500,000	$ 2,500,000	$ -
Governmental Activities Short-Term Debt	$ -	$ 2,500,000	$ 2,500,000	$ -

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.

	Due from / other funds	Due to/ other funds
General Fund	$ 2,880,391	$ 3,269,741
Special Revenue Funds:		
Town Special Revenue	208,239	655
School Special Revenue	-	183,095
Other Non-major Funds		
Capital Projects Funds	380,747	15,886
Totals	$ 3,469,377	$ 3,469,377

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.

Fund / Department	Transfers from other funds	Transfers to other funds
General Fund	$ -	$ 25,177
Town Special Revenue Funds	17,177	-
Capital Projects	10,974	2,974
Totals	$ 28,151	$ 28,151

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.

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

"Total fund balances" of the Towns' governmental funds $7,433,561 differs from "net position" of governmental activities $13,949,608 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net p 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	$ 4,355,049	$ -	$ -	$ 4,355,049
Receivables:				
Property taxes, net	5,363,693	(295,000)	-	5,068,693
Intergovernmental	324,573	-	-	324,573
Other	182,997	60,255	-	243,252
Internal balances	3,469,377	-	(3,469,377)	-
Prepaid expenses	274,525	-	-	274,525
Property, plant and equipment - net	-	16,767,669	-	16,767,669
Assets not being depreciated	-	2,629,928	-	2,629,928
Total assets	13,970,214	19,162,852	(3,469,377)	29,663,689
Deferred Outflows of Resources	-	34,679	-	34,679
LIABILITIES				
Liabilities:				
Accounts payable and accrued expenses	1,763,075	112,289	-	1,875,364
Accrued interest payable	-	107,886	-	107,886
Internal balances	3,469,377	-	(3,469,377)	-
Unearned revenue	1,284,123	(1,263,755)	-	20,368
Other liabilities	20,078	-	-	20,078
Long-term liabilities				
Due within one year	-	1,691,942	-	1,691,942
Due in more than one year	-	12,033,122	-	12,033,122
Total liabilities	6,536,653	12,681,484	(3,469,377)	15,748,760
Fund Balances/Net Position				
Total fund balances/net position	7,433,561	6,516,047	-	13,949,608
Total liabilities and fund balances/net positic	$ 13,970,214	$ 19,197,531	$ (3,469,377)	$ 29,698,368

(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	$ 50,315,020
Accumulated depreciation	(30,917,423)
	$ 19,397,597

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

Adjustment of deferred revenue	$ 1,263,755
Accrued interest receivable	60,255
Deferred amount of refunding	34,679
Accrued interest payable	(107,886)
Allowance for doubtful accounts	(295,000)
Bond premiums	(112,289)
	$ 843,514

Long-tern 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	$ 4,295,000
Loans payable	3,430,000
Capital leases payable	454,500
Accrued compensated absences	859,491
Net pension obligation	2,982,821
Net other post employment benefit obligation	1,703,252
	$ 13,725,064

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

The "net change in the fund balances" for governmental funds ($415,323) differs from the "change in net position" for governmental activities $1,186,088 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	$ 26,413,957	$ (102,268)	$ -	$ -	$ 26,311,689
Intergovernmental and departmental revenues	6,456,518	-	-	-	6,456,518
License and permits	1,047,058	-	-	-	1,047,058
Fines and penalties	46,782	-	-	-	46,782
Interest on investments	93,142	(23,992)	-	-	69,150
Tuitions	416,233	-	-	-	416,233
Other revenues	2,753	-	-	-	2,753
Total revenues	34,476,443	(126,260)	-	-	34,350,183
Expenditures					
Current:					
General government	1,042,246	164,275	4,788	-	1,211,309
Public safety	2,920,141	-	133,293	-	3,053,434
Public works	2,062,037	-	216,179	-	2,278,216
Social services	980,824	-	34,758	-	1,015,582
Education	22,909,665	-	319,798	-	23,229,463
Fixed charges and other	2,030,390	-	-	-	2,030,390
Debt Service					
Principal	1,765,150	-	-	(1,765,150)	-
Interest	350,667	(4,966)	-	-	345,701
Total expenditures	34,061,120	159,309	708,816	(1,765,150)	33,164,095
Other financing sources (uses)					
Transfers from other funds	28,151	-	-	-	28,151
Transfers to other funds	(28,151)	-	-	-	(28,151)
Total other financing sources (uses)	-	-	-	-	-
Net change for the year	$ 415,323	$ (285,569)	$ (708,816)	$ 1,765,150	$ 1,186,088

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

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

Deferred revenue property tax	$	(102,268)

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	$	4,415
Accrued interest receivable		(23,992)
Deferred amount of refunding		(6,935)
Amortization bond premium costs		7,486
Total expenditure adjustment	$	(19,026)

(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	$	1,045,585
Depreciation expense		(1,246,946)
Difference	$	(201,361)

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	$	(2,455)

(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 an do not result in an expense in the statement of activities.

Capital lease payments	$	50,500
Principal payments made		1,552,000
Loan payments made		162,650
Difference	$	1,765,150

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

Net increase in the OPEB	$	(202,589)
Net decrease in the NPO		84,337
Net increase in compensated absences		(46,023)
Change	$	(164,275)

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.

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 Town's Treasurer is authorized 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 and expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

NOTE 12 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

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

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at March 31, 2014, were as follows:

	Vendors	*Salaries and Benefits*	*Other*	*Total*
Governmental Activities				
General Fund	$ 789,840	$ 820,848	$ 220,175	$ 1,830,863
Other Governmental Funds	152,387	-	-	152,387
	$ 942,227	$ 820,848	$ 220,175	$ 1,983,250

NOTE 13 – POST-EMPLOYMENT BENEFITS

Plan Description

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

The plan provides the following benefits based on employee group:

- *Certified Teachers:* Upon retirement, certified teachers are eligible to purchase medical and dental insurance (single or family) up to age 65 and pay 100% of the premium.
- *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.
- *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:

Years of Service	*Contribution*
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.

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, 2014, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended March 31, 2014, the Town contributed $106,374 to the plan.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	$ 417,005
Interest on OPEB	67,530
Adjustment to annual required contribution	(92,128)
Annual OPEB cost	392,407
Allocations for implicit Rate Subsidy	(80,235)
Contributions made	(109,583)
Increase (decrease) in net OPEB obligation	202,589
Net OPEB beginning of year	1,500,663
Net OPEB obligation end of year	$ 1,703,252

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

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

Fiscal Year	Annual OPEB Cost	Plan Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
3/31/2012	466,467	198,953	42.65%	1,282,379
3/31/2013	395,984	177,700	44.88%	1,500,663
3/31/2014	392,407	109,583	27.93%	1,703,252

Funded Status and Funding Progress

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

SCHEDULE OF FUNDING PROGRESS

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

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

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

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

The April 1, 2012 (measurement date) actuarial valuation used the projected unit credit funding actuarial cost method (with service proration). Under this funding method, projected benefits are assumed to accrue on a straight line basis from the date of hire to the date of retirement for each participant. Normal cost for a participant is the present value of the projected benefit which accrues in the current plan year. Normal cost for the plan is the sum of the normal costs for all participants. The actuarial assumptions included: a) 4.5% interest discount rate; b) medical cost trend rate – 7.5% per year graded off 0.5% per year to an ultimate rate of 4.5% per year; and c) dental cost trend rate – 5% per year graded off 0.25% per year to an ultimate rate of 4.5% per year – general inflation rate of 2.75%. The unfunded actuarial accrued liability as of the April 1, 2012 is being amortized using the level dollar 30-year open amortization basis.

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

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

NOTE 14 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

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

NOTE 14 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

B. FEDERALLY ASSISTED PROGRAMS – COMPLIANCE AUDITS

The Town participates in a number of federal awards programs. These programs through the year ended March 31, 2014 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. The Town and School Department funded workers' compensation claims through their health insurance policies through December 31, 2007 and claims not covered by health insurance were paid by the Town or School Department on a pay-as-you-go basis. Effective January 1, 2008, the Town and School Department purchased workers' compensation insurance.

NOTE 16 – PENSION PLANS

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

All Town of Scituate certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("ERS"), a cost-sharing multiple-employer defined benefit plan administered by the State of Rhode Island. The payroll for employees covered by the System for the year ended March 31, 2014 was $10,733,197, which consisted of $158,507 for employees charged to federal programs and $10,574,690 for all other employees.

NOTE 16 – PENSION PLANS

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

Plan Description

All full-time teachers, principals, school nurses and certain other school officials (including the superintendent) in the Town's school system must participate in ERS, a cost-sharing multiple employer defined benefit plan administered by the Employees' Retirement System of Rhode Island (the System). Effective July 1, 2012, the State administered retirement system which covers local teachers and certain municipal employees was modified to include both defined benefit and defined contribution plan components. The plan provides retirement, death and disability benefits (as well as annual cost of living allowances if certain conditions have been met) as outlined in Chapters 36-10 and 16-16 of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at www.ersri.org.

Plan Year: The Plan has a twelve-month period ending on June 30th.

Administration: ERSRI is administered by the State of Rhode Island Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

Eligibility: Most Rhode Island state employees and certified public school teachers participate in ERSRI. Certain employees of the Airport Corporation, the Economic Development Corporation, and the Narragansett Bay Commission participate in the plan as though they were state employees. State police officers, state judges, and teachers and administrators in the public colleges and universities are covered by their own separate systems, and are therefore excluded. Certain elected state officials are excluded unless they make an election to join ERSRI. Superintendents, principals, business agents and other administrators participate as teachers. Non-certified public school employees, such as teacher's aides, janitors, secretaries, and bus drivers, cannot participate in ERSRI, although they may be covered by the Municipal Employees Retirement System (MERS) or a separate plan maintained by the town or city. Eligible employees become members as of their date of employment.

NOTE 16 – PENSION PLANS (Continued)

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

Plan Description

Funding Policy: The funding policy is outlined in RIGL sections 16-16-22 and 36-10-2 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 3.75% of his/her compensation. The Town and the State are collectively required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The employer contribution is split and paid 40% by the State and 60% by the school district with the exception of teachers who work in federally funded programs where 100% is paid by the school district and reimbursed by the federal government. For fiscal 2014, the total employer rate 19.29% (7.88% State share and 11.41% local share). The State share of the employer contribution rate includes the total cost of prior contribution deferrals which was .28% for fiscal 2014.

Required Contributions:

Three-Year Trend Information

Fiscal Year	*Annual Required Contributions*	*Percentage Contributed*
2012	$ 1,364,042	100%
2013	$ 1,206,791	100%
2014	$ 1,206,572	100%

For financial reporting purposes, the State's share of contributions are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

NOTE 16 – PENSION PLANS (Continued)

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

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2013
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 25-yr period from June 30, 2010
Asset valuation method	5 Year Phase-in of Actual Investment Return
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	0.00-12.75%
Cost-of-living adjustments	0.00 to 4.00%
Inflation Rate	2.75% Annually

B. DEFINED CONTRIBUTION PLAN

Plan Description

The Town of Scituate participates in the State of Rhode Island Defined Contribution Retirement Plan (the "Plan"). The plan is a defined contribution (money purchase) plan that operates under Section 401(a) of the Internal Revenue Code (IRC). The Plan is established pursuant to Chapter 10.3 of Title 36 of the Rhode Island General Laws ("RIGL 36-10.3"). The purpose of the Plan is to provide retirement benefits for participating employees. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. For further information the financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at www.ersri.org.

Employee contributions are immediately vested while employer contributions are vested after three years on contributory service. Contributions required under the plan by both the employees and employer is established by General Laws, which are subject to amendment by the General assembly.

NOTE 16 – PENSION PLANS (Continued)

B. DEFINED CONTRIBUTION PLAN

Plan Description

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

Benefits are provided through:

Teachers Insurance and Annuity Association (TIAA). TIAA provides traditional annuities (and a variable annuity through its real estate account). You can receive more information about TIAA by writing to: TIAA, 730 Third Avenue, New York, NY 10017. You also can receive information by calling 1 (800) 842-2733.

College Retirement Equities Fund (CREF). CREF is TIAA's companion organization, providing variable annuities. You can receive more information about CREF by writing to: CREF, 730 Third Avenue, New York, N.Y. 10017. You also can receive information by calling 1 (800) 842-2733.

The Retirement Board is the Plan Administrator and Trustee responsible for Plan operation. The State Investment Commission is responsible for selecting the investment alternatives available under the Plan (the "Funding Vehicles"). Employee contributions and Employer's contributions are invested in the Funding Vehicles selected by the employee's. The Plan Year begins on July 1 and ends on June 30. All plan assets are stated at fair value. The Employer's current selection of Funding Vehicles isn't intended to limit future additions or deletions of Funding Vehicles. The selection of available Funding Vehicles is made by the Rhode Island State Investment Commission. Refer to the Plan's microsite www.tiaa-cref.org/ri for a current listing of Funding Vehicles and the investments thereunder.

Municipalities with teachers that do not contribute to Social Security:

a. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 7% of his/her compensation and the Town is required to contribute 3%. The plan members and Town contributed $812,227 and $333,842, respectively, during the fiscal year ended June 30, 2014

NOTE 16 – PENSION PLANS (Continued)

B. DEFINED CONTRIBUTION PLAN

Plan Description

Municipalities with general employees (not police and fire units) in MERS that contribute to Social Security:

b. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active non-police and fire members must contribute 2% of his/her compensation and the Town is required to contribute 1%. The plan members and Town contributed $28,354 and $10,289 respectively, during the fiscal year ended June 30, 2014.

Municipalities that participate in the Teachers Survivor Benefit Program (teachers not covered by Social Security)

c. Plan Funding Policy

Teachers Survivor Benefits – the plan provides a survivor benefit to public school teachers in lieu of Social Security as outlined in sections 16-16-25 through 16-16-38 of the Rhode Island General Laws (RIGL). Spouse, parents, family or children's benefits are payable upon death of a member. In lieu of a survivor benefit, members may opt to receive a lump sum return of their contributions plus interest upon retirement. The benefits may be amended by the Rhode Island General Assembly.

The cost of the benefits provided by the plan are two percent (2%) of the members annual salary up to but not exceeding an annual salary of $9,600; one-half of the cost is contributed by the member by deductions from his or her salary, and the other half is contributed an paid by the school district. These contributions are in addition to the contributions required for regular pension benefits.

The Scituate School Department contributed $13,506, $13,730 and $13,730 during the fiscal years 2014, 2013 and 2012 respectively, equal to 100% of the required contributions for those respective years.

NOTE 16 – PENSION PLANS (Continued)

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

The Town of Scituate, Rhode Island participates in the Municipal Employees' Retirement System of the State of Rhode Island ("System"), an agent multiple employer defined benefit plan. The System includes a normal plan for general employees and both a normal and optional plan for police personnel. All full-time Town and non-certified School Department general employees participate in the System. The plan provides retirement, death and disability benefits and an optional cost of living adjustment (COLA) as outlined in Chapter 45-21 and Chapter 45-21.2 for Police and Fire of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Town. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Avenue, Warwick, Rhode Island 02886, by calling (401) 462-7600 or by accessing their website at www.ersri.org.

Eligibility: General employees, police officers and firefighters employed by electing municipalities participate in MERS. Teachers and administrators are covered by the separate Employees' Retirement System of Rhode Island, but other school employees may be covered by 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. Certain 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 classified as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be classified as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a separate unit from the general employees, with separate contribution rates applicable.

Employee Contributions: General employees, police officers and firefighters contribute 7.00% of their salary per year. In addition, if the municipality has elected one of the optional cost-of-living provisions, an additional member contribution of 1.00% of salary is required. If a municipality elects the optional 20-year retirement provision for its police officers and/or its firefighters, an additional contribution of 1.00% of salary will be required from these members. The municipality, at its election, may choose to "pick up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

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.

NOTE 16 – PENSION PLANS (Continued)

C. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (Continued)

Employer Contributions: Each participating unit's contribution rate is determined actuarially. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

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): As of July 1, 2012, the average of the member's highest five consecutive annual salaries will be used. 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.

Retirement Benefits

General employees: Eligibility

- 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 not to exceed 67.
- 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 in Section (e) 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 that option is elected, the retirement benefit will be calculated using the benefits you have 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, described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

NOTE 16 – PENSION PLANS (Continued)

C. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (Contined)

Members designated as police officers or firefighters may retire at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 of more years of service. Members may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.

Retirement Benefits

General employees: Monthly Benefit

- For service prior to July 1, 2012, 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). For service after July 1, 2012, 1.00% of the members monthly FAC for each year of service.

Police and Fire employees: Eligibility

- Members are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contribution service. Members with at least 10 years of service, had achieved age 45, and had a retirement age prior to age 52 as of June 30, 2012 may retire at age 52.

Police and Fire employees: Monthly Benefit

- 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012 and the member has attained 20 years of service, the benefit is 2.50% of the members monthly FAC for each year of service prior to July 1, 2012.

Cost of Living Adjustments – Pursuant to the Rhode Island Retirement Security Act, the Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80%, eligible retirees may receive a COLA annually effective on their date of retirement plus one month. The COLA will be calculated as the five (5) year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. COLA will be delayed until the later of age 55 or three years after retirement. The COLA will be applied to the first $25,000 of benefits indexed annually.

NOTE 16 – PENSION PLANS (Continued)

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

Disability retirement provisions - The plan also provides non-service connected disability benefits after 5 years of service; service connected disability pensions with no minimum service requirement.

Annual Pension Cost: The Town's annual pension cost of $375,911 for MERS was equal to the Town's required and actual contribution.

Required contributions:

Fiscal Year Ended March 31,	Annual Pension Cost (APC) Police	Annual Pension Cost (APC) General	Total Annual Pension Cost	Total Amount Contributed	Net Pension Obligation
2012	-	338,377	338,377	338,377	-
2013	-	357,520	357,520	357,520	-
2014	-	375,911	375,911	375,911	-

D. 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, 2014 was $942,282.

At April 1, 2014, employee membership related to the plan was as follows:

Retired	13
Vested Disabled	3
Active	17
Total	33

NOTE 16 – PENSION PLANS (Continued)

D. POLICE PENSION PLAN (continued)

Plan Description

Benefit Provisions

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

Funding Policy

Effective July 1, 2000, active plan members are required to contribute 10% of their covered earnings. The Town is required to contribute an amount at least equal to the employees' contributions. The Town has an actuarial calculation to determine the actuarially required contribution, but does not fund the plan based on the calculation. The Town contribution for the year ended March 31, 2014 was $758,709.

Summary of Significant Accounting Policies

Basis of Accounting

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

NOTE 16 – PENSION PLANS (Continued)

D. POLICE PENSION PLAN (continued)

Plan Description

Method Used to Value Investments

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

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension obligation for the Police Pension Plan for the current year were determined by the actuary as of March 31, 2014, based on the latest actuarial report completed as of April 1, 2014.

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

Annual required contribution	$ 638,018
Interest on NPO	230,037
Adjustment to annual required contribution	(193,683)
Annual NPO cost	674,372
Contributions made	(758,709)
Increase (decrease) in net pension obligation	(84,337)
NPO beginning of year	3,067,158
NPO obligation end of year	$ 2,982,821

Three-Year Trend Information

Fiscal Year	Annual Pension Cost (APC)	Plan Contributions	Percentage of NPO Cost Contributed	Net Pension Obligation
3/31/2012	673,360	356,593	52.96%	3,028,598
3/31/2013	676,020	637,460	94.30%	3,067,158
3/31/2014	638,018	758,709	118.92%	2,982,821

NOTE 16 – PENSION PLANS (Continued)

D. POLICE PENSION PLAN (continued)

The Town's required contribution to the plan was determined as part of the April 1, 2013 actuarial valuation using the Entry Age Normal actuarial cost method. The normal cost is the sum of the normal costs for all participants. For a current participant, the individual normal cost is the participant's normal cost accrual rate multiplied by the participant's current compensation. The normal cost accrual rate equals (a) the present value of future benefits as of participant's entry age divided by (b) the present value of future compensation as of the participant's entry age. For other than a current participant, the normal cost equals $0. The actuarial assumptions included: (a) 7.5% investment rate of return per year; (b) projected salary increases of 4% per year; (c) post-retirement benefit increases of 2% per year; (d) level percent of payroll amortization method over a 25-year amortization period on an open basis; and a general inflation rate of 2.75%. Assets used for the purposes of determining the contribution level are equal to the current market value of the assets.

Funded Status and Fund Progress

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

NOTE 17 – SUBSEQUENT EVENTS

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

On April 24, 2014, the Town issued $2,500,000 in General Obligation Tax Anticipation Notes. The notes have an interest rate of 0.67% and mature on March 12, 2015.

NOTE 18 – PRIOR PERIOD ADJUSTMENT

Government-Wide Financial Statements

In fiscal year 2014 the Town adopted the requirements of the Government Accounting Standards Board, *GASB 65 - Items Previously Reported as Assets and Liabilities*. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Town has reclassified $65,531 of prior years' debt issuance cost to expense from prepaid assets which were being amortized over various periods of time.

NOTE 18 – PRIOR PERIOD ADJUSTMENT (continued)

During a routine physical inventory of their capital assets the School Department discovered items that were not listed on their capital asset schedules from prior years. The net book value amount of this adjustment is an increase to the Towns Net Position of $62,608.

Fund Financial Statements

In fiscal year 2014 a prior period adjustment of $100,000 was made to correct a reserve made for Other Post-Employment Benefits that should have been presented as a commitment of fund balance for the fiscal year ended March 31, 2013.

NOTE 19 ACTUARIAL INFORMATION

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

	Municipal Employees Retirement System		*Police Pension Plan*		*Other Postemployment Health Insurance Benefit Plan*	
Valuation Date	June 30, 2013		April 1, 2014		April 1, 2012	
Actuarial cost method	Entry age		Entry Age Normal		Projected Unit Credit Funding Method	
Amortization method	Level percent of payroll over a closed period		Level dollar closed		Level dollar over an open period	
Amortization period	25 years from June 30, 2010		25 years declining by 1% for each future years		30 years	
Asset valuation method	Market value of assets with a five year phase-in of actual investment return in excess of (less than) expected investment income.		Current market value		Not applicable	
Actuarial assumptions: Investment rate of return	7.5%, compounded annually, composed of an assumed 2.75% inflation rate and a 4.75% net real rate of return		7.5%, compounded annually, composed of an assumed 2.75% inflation rate and a 4.75% net real rate of return		4.5% discount rate	
Projected salary increases	General employees - an annual service related component, plus a 4% wage inflation assumption (composed of a 2.75% price inflation assumption and a 1.25% addition general increase); police officers - not applicable		4% per annum		Not applicable	
Cost-of-living adjustments	Assumed to be 2% per annum		2% per annum		Not applicable	
Healthcare cost trend rates	Not applicable		Not applicable		Medical - 7.5% per year graded off 0.5% per year to ultimate rate of 4.00% year to ultimate rate of 4.00%	
Participant information	General employees:		Active	17		
			Vested disabled	3		
			Retired	13		
	Active employees	87	Deceased beneficiary participant	1	Active	393
	Retirees and beneficiaries	58	Alternate Payees under QDRO	1	Retired	54
		145		35		447

REQUIRED SUPPLEMENTARY INFORMATION

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

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Municipal Employees Retirement System - General Employees						
2012	9,552,928	12,346,123	2,793,195	77%	2,696,855	104%
2013	9,706,047	12,594,492	2,888,445	77%	2,745,344	105%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Municipal Employees Retirement System - Police Officers						
2012	175,958	22,848	(153,110)	770%	-	0%
2013	183,693	21,896	(161,797)	839%	-	0%
2014	N/A	N/A	N/A	N/A	N/A	N/A
Police Pension Plan (2)						
4/1/2005	2,510,044	6,778,751	4,268,707	37%	727,658	587%
4/1/2007	3,264,495	7,779,343	4,514,848	42%	857,060	527%
4/1/2009	2,286,905	9,768,342	7,481,437	23%	898,737	832%
4/1/2011	3,122,375	11,348,767	8,226,392	28%	917,936	896%
4/1/2013	3,566,679	11,853,528	8,286,849	30%	916,057	905%
4/1/2014	4,282,318	12,256,192	7,973,874	35%	942,282	846%
Postemployment Health Insurance Plan						
4/1/2008	-	4,713,768	4,713,768	0%	14,863,696	32%
4/1/2010	-	4,385,028	4,385,028	0%	15,355,605	29%
4/1/2012	-	3,977,363	3,977,363	0%	15,672,979	25%
4/1/2013	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

Year Ended March 31,	Total Annual Required Contribution	Total Amount Contributed	Total Percentage Contributed
2009	372,804	350,063	94%
2010	580,159	353,897	61%
2011	576,686	356,968	62%
2012	632,116	356,513	56%
2013	629,958	637,460	101%
2014	638,018	758,709	119%

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, 2014

	Original Budget Revenues	Revised Budget Revenues	Actual Revenues	Variance
General property tax				
Property Taxes	$ 26,465,000	$ 26,465,000	$ 26,413,957	$ (51,043)
Total general property taxes	26,465,000	26,465,000	26,413,957	(51,043)
Federal and State Aid and Grants				
Police Grants	-	-	106,135	106,135
Recycling grants	15,000	15,000	9,556	(5,444)
Telephone tax	124,310	124,310	129,220	4,910
Motor vehicle phase out	127,207	127,207	120,922	(6,285)
Hotel and meal tax	55,210	55,210	77,818	22,608
School housing	277,527	277,527	327,487	49,960
State library aid	95,169	95,169	94,879	(290)
State incentive aid	-	-	48,939	48,939
Total federal and state aid grants	694,423	694,423	914,956	220,533
Charges for service				
Town clerk	186,486	186,486	233,518	47,032
Dog licenses	8,000	8,000	17,515	9,515
Tax collector	8,200	8,200	8,429	229
Building inspector	50,000	50,000	46,099	(3,901)
Town properties	10,000	10,000	10,550	550
Planning and zoning	6,250	6,250	7,217	967
Recreation	21,000	21,000	21,380	380
Emergency medical services	315,000	315,000	294,887	(20,113)
Police	48,000	48,000	52,387	4,387
Highway	7,500	7,500	7,500	-
Communications tower rental	81,000	81,000	84,239	3,239
Total charges for service	741,436	741,436	783,721	42,285
Fines and Penalties	51,250	51,250	46,782	(4,468)
Investment and interest income				
Interest on taxes	75,000	75,000	91,124	16,124
Interest on investments	1,000	1,000	1,948	948
Total investment and interest income	76,000	76,000	93,072	17,072
Miscellaneous Revenue	69,430	69,430	101,227	31,797
Prior Year Budgeted Surplus	289,128	289,128	289,128	-
Total revenues	$ 28,386,667	$ 28,386,667	$ 28,642,843	$ 256,176

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, 2014

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
General Government				
Town council	$ 14,500	$ 14,500	$ 12,500	$ 2,000
Town treasurer	164,109	164,109	157,071	7,038
Town clerk	174,877	174,877	161,681	13,196
Town solicitor	327,398	327,398	281,609	45,789
Probate judge	3,650	3,650	4,338	(688)
Tax assessor	101,995	101,995	101,205	790
Tax collector	104,695	104,695	93,968	10,727
Board of canvassers	7,075	7,075	6,420	655
Building and zoning	220,203	220,203	208,910	11,293
Total general government	1,118,502	1,118,502	1,027,702	90,800
Public Safety				
Fire department	853,845	853,845	828,136	25,709
Animal control	74,355	74,355	72,688	1,667
Street lights	35,000	35,000	34,696	304
Emergency management	17,240	17,240	21,880	(4,640)
Police department	1,911,630	1,911,630	1,898,284	13,346
Total public safety	2,892,070	2,892,070	2,855,684	36,386
Public works				
Town properties	508,923	508,923	510,155	(1,232)
Highway	1,068,107	1,068,107	1,012,606	55,501
Solid waste disposal	602,829	602,829	520,426	82,403
Care of trees	10,500	10,500	9,980	520
Pawtuxet River Authority	5,000	5,000	5,000	-
Regional sewer project				
Cemetery care	7,740	7,740	3,870	3,870
Total public works	2,203,099	2,203,099	2,062,037	141,062
Social services				
Recreation department	157,154	157,154	167,131	(9,977)
Libraries	526,330	526,330	526,040	290
Human service	9,666	9,666	7,849	1,817
Memorial and Veterans' Day	1,000	1,000	1,000	-
Senior services	133,085	133,085	131,062	2,023
Total social services	827,235	827,235	833,082	(5,847)
Fixed charges and other				
Audit	40,000	40,000	32,100	7,900
Officers' bonds	1,660	1,660	1,153	507
Employee benefits	1,559,000	1,559,000	1,364,318	194,682
RI League of Cities & Towns	4,110	4,110	4,110	-
Police supplemental pension contribution	628,709	628,709	628,709	-
Total fixed charges and other	2,233,479	2,233,479	2,030,390	203,089
Debt service				
Principal	1,772,000	1,772,000	1,752,500	19,500
Interest	503,317	503,317	350,667	152,650
Total debt service	2,275,317	2,275,317	2,103,167	172,150
School Appropriation	16,799,815	16,799,815	16,799,815	-
Total Expenditures	28,349,517	28,349,517	27,711,877	637,640
Excess of revenues over expenditures before other financing uses	37,150	37,150	930,966	893,816
Other Financing Uses				
Transfers to other funds - SRF	29,150	29,150	-	29,150
Transfers to other funds - Capital Projects	8,000	8,000	25,177	(17,177)
Total Other Financing Uses	37,150	37,150	25,177	11,973
Total Expenditures	$ 28,386,667	$ 28,386,667	$ 27,737,054	$ 649,613
Net change in fund balance - budgetary basis	$ -	$ -	$ 905,789	$ 905,789

NOTE 2- BUDGETARY DATA AND BUDGETARY COMPLIANCE

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

The budget approved and adopted at the Annual Financial Town Meeting reports the amount budgeted for each department. Therefore, the legal level of control for the General Fund is at the departmental level. Transfers between departments must be approved by the Town Council. Amendments that would change the total appropriation must be approved by the voters and Town Council at a Financial Town Meeting. There were no supplemental budgetary appropriations in fiscal year 2014. 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	$ 28,642,843	$ 27,737,054
Adjustment for pension contribution made by State of Rhode Island on behalf of employees	887,716	887,716
Appropriation of Fund Balance Non-GAAP	(289,128)	-
Unbudgeted Items	4,803,622	4,797,014
Statement of Revenues, Expenditures and Changes in Fund Balances	$ 34,045,053	$ 33,421,784

SUPPLEMENTARY INFORMATION

SUPPLEMANTARY 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, 2014

	Original Budget	Revised Budget	Actual	Variance
Revenues				
General property tax	$ 26,465,000	$ 26,465,000	$ 26,413,957	$ (51,043)
Federal and state aid grants	694,423	694,423	914,956	220,533
Charges for services	741,436	741,436	783,721	42,285
Fines and penalties	51,250	51,250	46,782	(4,468)
Investment and interest income	76,000	76,000	93,072	17,072
Miscellaneous revenue	69,430	69,430	101,227	31,797
Total Revenues	28,097,539	28,097,539	28,353,715	256,176
Expenditures				
General government	1,118,502	1,118,502	1,027,702	90,800
Public Safety	2,892,070	2,892,070	2,855,684	36,386
Public works	2,203,099	2,203,099	2,062,037	141,062
Social services	827,235	827,235	833,082	(5,847)
Fixed charges and other	2,233,479	2,233,479	2,030,390	203,089
Debt service:				
Principal	1,772,000	1,772,000	1,752,500	19,500
Interest	503,317	503,317	350,667	152,650
School appropriation	16,799,815	16,799,815	16,799,815	-
Total expenditures	28,349,517	28,349,517	27,711,877	637,640
Excess of revenues over expenditures before operating transfers	(251,978)	(251,978)	641,838	893,816
Other financing sources and uses				
Transfers to other funds	(37,150)	(37,150)	(25,177)	11,973
Prior year budgeted surplus	289,128	289,128	289,128	-
Total operating transfers	251,978	251,978	263,951	11,973
Excess of revenues over (under) expenditures and operating transfers	$ -	$ -	$ 905,789	$ 905,789

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	Town Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents	$ 259,846	$ 81,420	$ 198,007	$ 130,600	$ 669,873
Internal balances	208,239	-	380,747	-	588,986
Due from other governments	21,273	293,161	-	-	314,434
Other receivables	20,368	-	69	-	20,437
TOTAL ASSETS	$ 509,726	$ 374,581	$ 578,823	$ 130,600	$ 1,593,730
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	$ 41,671	$ 110,716	$ -	$ -	$ 152,387
Internal balances	655	183,095	15,886	-	199,636
Unearned revenue	20,368	-	-	-	20,368
Total liabilities	62,694	293,811	15,886	-	372,391
Fund balances					
Nonspendable:					
Cemetery perpetual care	-	-	-	120,754	120,754
Restricted for:					
Educational programs	40,278	80,770	-	-	121,048
Public safety programs	74,791	-	-	-	74,791
Social service programs	131,045	-	-	-	131,045
Records preservation	73,042	-	-	-	73,042
Other programs	23,732	-	-	9,846	33,578
Committed for:					
Open space, park & recreational facilities	97,280	-	-	-	97,280
Other programs	7,357	-	-	-	7,357
Assigned for:					
Capital projects	-	-	571,387	-	571,387
Unassigned	(493)	-	(8,450)	-	(8,943)
Total fund balances (deficits)	447,032	80,770	562,937	130,600	1,221,339
TOTAL LIABILITIES AND FUND BALANCES	$ 509,726	$ 374,581	$ 578,823	$ 130,600	$ 1,593,730

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, 2014

	Town Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
Revenues					
Intergovernmental revenue	$ 215,687	$ 798,033	$ -	$ -	$ 1,013,720
Charges for service	262,800	-	-	-	262,800
Investment income	20	-	22	16	58
Contributions and private grants	29,125	-	10,650	-	39,775
Other income	2,753	-	-	-	2,753
Total revenues	510,385	798,033	10,672	16	1,319,106
Expenditures					
General government	14,544	-	-	-	14,544
Public safety	10,110	-	54,196	-	64,306
Social services	147,742	-	-	-	147,742
Education	355,054	842,514	115,419	-	1,312,987
Debt service	12,650	-	-	-	12,650
Total expenditures	540,100	842,514	169,615	-	1,552,229
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(29,715)	(44,481)	(158,943)	16	(233,123)
Other financing sources (uses)					
Transfers from other funds	17,177	-	10,974	-	28,151
Transfers to other funds	-	-	(2,974)	-	(2,974)
Total other financing sources (uses)	17,177	-	8,000	-	25,177
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(12,538)	(44,481)	(150,943)	16	(207,946)
Fund balances - beginning	459,570	125,251	713,880	130,584	1,429,285
Fund balances - ending	$ 447,032	$ 80,770	$ 562,937	$ 130,600	$ 1,221,339

COMBINING FUND FINANCIAL STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	Vital Statistics Surcharge Fund	Food Service Fund	Community Development Block Grant	Sub. Abuse Fund	Senior Citizens Van Fund	State Asset Forfeiture Fund
ASSETS						
Cash and cash equivalents	$ 673	$ 62,676	$ 59,379	$ 185	$ 1,350	$ 720
Due from other governments	-	19,273	-	2,000	-	-
Internal balances	-	-	-	33,047	-	-
Other receivables	-	-	20,368	-	-	-
TOTAL ASSETS	$ 673	$ 81,949	$ 79,747	$ 35,232	$ 1,350	$ 720
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	$ -	$ 41,671	$ -	$ -	$ -	$ -
Internal balances	-	-	-	-	-	-
Unearned revenue	-	-	20,368	-	-	-
Total liabilities	-	41,671	20,368	-	-	-
Fund balances						
Restricted for:						
Educational programs	-	40,278	-	-	-	-
Public safety programs	-	-	-	-	-	720
Social service programs	-	-	59,379	35,232	1,350	-
Records preservation	673	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Other programs	-	-	-	-	-	-
Committed for:						
Open space, park & recreational facilities	-	-	-	-	-	-
Other programs	-	-	-	-	-	-
Assigned for:						
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	673	40,278	59,379	35,232	1,350	720
TOTAL LIABILITIES AND FUND BALANCES	$ 673	$ 81,949	$ 79,747	$ 35,232	$ 1,350	$ 720

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	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	$ 8,571	$ 730	$ 1,610	$ 26,099	$ 4,760	$ 4,210	$ 4,769
Due from other governments	-	-	-	-	-	-	-
Internal balances	-	-	-	-	-	2,195	-
Other receivables	-	-	-	-	-	-	-
TOTAL ASSETS	$ 8,571	$ 730	$ 1,610	$ 26,099	$ 4,760	$ 6,405	$ 4,769
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Internal balances	-	-	-	-	-	-	-
Unearned revenue	-	-	-		-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances							
Restricted for:							
Educational programs	-	-	-	-	-	-	-
Public safety programs	-	-	-	26,099	4,760	6,405	4,769
Social service programs	-	730	-	-	-	-	-
Records preservation	8,571	-	1,610	-	-	-	-
Other programs	-	-	-	-	-	-	-
Committed for:	-	-	-	-	-	-	-
Open space, park & recreational facilities	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
Assigned for:	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	8,571	730	1,610	26,099	4,760	6,405	4,769
TOTAL LIABILITIES AND FUND BALANCES	$ 8,571	$ 730	$ 1,610	$ 26,099	$ 4,760	$ 6,405	$ 4,769

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	Explorers Account Post 1	Senior Center Donations	Human Service Legislative Grant	Food Pantry Donations	Senior Center Grants	Emergency Management Grants	Congregational Church Restoration
ASSETS							
Cash and cash equivalents	$ 8,212	$ -	$ -	$ -	$ -	$ -	$ 5,303
Due from other governments	-	-	-	-	-	-	-
Internal balances	-	6,496	3,437	8,065	16,356	23,988	-
Other receivables	-	-	-	-	-	-	-
TOTAL ASSETS	$ 8,212	$ 6,496	$ 3,437	$ 8,065	$ 16,356	$ 23,988	$ 5,303
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Internal balances	162	-	-	-	-	-	-
Unearned revenue	-	-	-		-	-	-
Total liabilities	162	-	-	-	-	-	-
Fund balances							
Restricted for:							
Educational programs	-	-	-	-	-	-	-
Public safety programs	8,050	-	-	-	-	23,988	-
Social service programs	-	6,496	3,437	8,065	16,356	-	-
Records preservation	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	5,303
Committed for:							-
Open space, park & recreational facilities	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
Assigned for:	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	8,050	6,496	3,437	8,065	16,356	23,988	5,303
TOTAL LIABILITIES AND FUND BALANCES	$ 8,212	$ 6,496	$ 3,437	$ 8,065	$ 16,356	$ 23,988	$ 5,303

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	Land Dedication Recreation Fund	Green Area Beautification	Main Street Project	Cemetery Capital Fee Fund	Recording Technical Scanning Fund	Citizens Police Academy Fund	Totals
ASSETS							
Cash and cash equivalents	$ 503	$ 551	$ -	$ 7,357	$ 62,188	$ -	$ 259,846
Due from other governments	-	-	-	-	-	-	21,273
Internal balances	96,777	-	17,878	-	-	-	208,239
Other receivables	-	-	-	-	-	-	20,368
TOTAL ASSETS	$ 97,280	$ 551	$ 17,878	$ 7,357	$ 62,188	$ -	$ 509,726
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ 41,671
Internal balances	-	-	-	-	-	493	655
Unearned revenue	-	-	-		-	-	20,368
Total liabilities	-	-	-	-	-	493	62,694
Fund balances							
Restricted for:							
Educational programs	-	-	-	-	-	-	40,278
Public safety programs	-	-	-	-	-	-	74,791
Social service programs	-	-	-	-	-	-	131,045
Records preservation	-	-	-	-	62,188	-	73,042
Other programs	-	551	17,878	-	-	-	23,732
Committed for:							
Open space, park & recreational facilities	97,280	-	-	-	-	-	97,280
Other programs	-	-	-	7,357	-	-	7,357
Unassigned	-	-	-	-	-	(493)	(493)
Total fund balances (deficits)	97,280	551	17,878	7,357	62,188	(493)	447,032
TOTAL LIABILITIES AND FUND BALANCES	$ 97,280	$ 551	$ 17,878	$ 7,357	$ 62,188	$ -	$ 509,726

(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, 2014

	Vital Statistics Surcharge Fund	Food Service Fund	Community Development Block Grant	Sub. Abuse Fund	Senior Citizens Van Fund	State Asset Forfeiture Fund
Revenues						
Intergovernmental revenue	$ -	$ 130,930	$ 56,272	$ 19,485	$ -	$ -
Charges for service	-	247,072	-	-	-	-
Investment income	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-
Other income	-	-	2,697	-	-	-
Total revenues	-	378,002	58,969	19,485	-	-
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Social services	-	-	56,273	23,915	-	-
Education	-	355,054	-	-	-	-
Debt service	-	12,650	-	-	-	-
Total expenditures	-	367,704	56,273	23,915	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	10,298	2,696	(4,430)	-	-
Other financing sources (uses)						
Transfers from (to) other funds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures	-	10,298	2,696	(4,430)	-	-
Fund balances - beginning	673	29,980	56,683	39,662	1,350	720
Fund balances - ending	$ 673	$ 40,278	$ 59,379	$ 35,232	$ 1,350	$ 720

(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, 2014

	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	2,432	-	-	-	2,410	-	-
Investment income	1	-	-	9	1	-	1
Contributions and private grants	-	-	-	-	-	-	-
Other income	-	-	56	-	-	-	-
Total revenues	2,433	-	56	9	2,411	-	1
Expenditures							
General government	4,368	-	-	-	-	-	-
Public safety	-	-	-	-	5,690	-	-
Public works	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	4,368	-	-	-	5,690	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(1,935)	-	56	9	(3,279)	-	1
Other financing sources (uses)							
Transfers from (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures	(1,935)	-	56	9	(3,279)	-	1
Fund balances - beginning	10,506	730	1,554	26,090	8,039	6,405	4,768
Fund balances - ending	$ 8,571	$ 730	$ 1,610	$ 26,099	$ 4,760	$ 6,405	$ 4,769

(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, 2014

	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	$ -	$ 2,500	$ 3,000	$ -	$ -	$ 3,500	$ -
Charges for service	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	1
Contributions and private grants	4,325	3,815	-	7,925	13,060	-	-
Other income	-	-	-	-	-	-	-
Total revenues	4,325	6,315	3,000	7,925	13,060	3,500	1
Expenditures							
General government	-	-	-	-	-	-	-
Public safety	2,650	-	-	-	-	1,020	-
Public works	-	-	-	-	-	-	-
Social services	-	5,316	778	7,226	50,706	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	2,650	5,316	778	7,226	50,706	1,020	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	1,675	999	2,222	699	(37,646)	2,480	1
Other financing sources (uses)							
Transfers from (to) other funds	-	-	-	-	17,177	-	-
Total other financing sources (uses)	-	-	-	-	17,177	-	-
Excess of revenues and other sources over (under) expenditures	1,675	999	2,222	699	(20,469)	2,480	1
Fund balances - beginning	6,375	5,497	1,215	7,366	36,825	21,508	5,302
Fund balances - ending	$ 8,050	$ 6,496	$ 3,437	$ 8,065	$ 16,356	$ 23,988	$ 5,303

(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, 2014

	Land Dedication Recreation Fund	Green Area Beautification	Main Street Project	Cemetery Capital Fee Fund	Recording Technical Scanning Fund	Citizens Police Academy Fund	Totals
Revenues							
Intergovernmental revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ 215,687
Charges for service	-	-	-	-	10,886	-	262,800
Investment income	-	-	-	1	6	-	20
Contributions and private grants	-	-	-	-	-	-	29,125
Other income	-	-	-	-	-	-	2,753
Total revenues	-	-	-	1	10,892	-	510,385
Expenditures							
General government	-	-	-	-	10,176	-	14,544
Public safety	-	-	-	-	-	750	10,110
Public works	-	-	-	-	-	-	-
Social services	3,528	-	-	-	-	-	147,742
Education	-	-	-	-	-	-	355,054
Debt service	-	-	-	-	-	-	12,650
Total expenditures	3,528	-	-	-	10,176	750	540,100
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(3,528)	-	-	1	716	(750)	(29,715)
Other financing sources (uses)							
Transfers from (to) other funds	-	-	-	-	-	-	17,177
Total other financing sources (uses)	-	-	-	-	-	-	17,177
Excess of revenues and other sources over (under) expenditures	(3,528)	-	-	1	716	(750)	(12,538)
Fund balances - beginning	100,808	551	17,878	7,356	61,472	257	459,570
Fund balances - ending	$ 97,280	$ 551	$ 17,878	$ 7,357	$ 62,188	$ (493)	$ 447,032

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	Literacy	Professional Development	Early Childhood	Technology	Art Festival	Volunteers	Student Equity	RTTT ELC
ASSETS								
Cash and cash equivalents (overdraft)	$ -	$ 6,126	$ 8,976	$ 2,751	$ 250	$ 1,300	$ 15,596	$ 51
Due from other governments	-	-	-	-	-	-	-	501
TOTAL ASSETS	$ -	$ 6,126	$ 8,976	$ 2,751	$ 250	$ 1,300	$ 15,596	$ 552
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	$ -	$ 500	$ -	$ -	$ -	$ -	$ -	$ 208
Internal balances	-	-	-	-	-	-	-	293
Unearned revenues	-	-	-	-	-	-	-	-
Total liabilities	-	500	-	-	-	-	-	501
Fund balances								
Restricted for:								
Educational programs	-	5,626	8,976	2,751	250	1,300	15,596	51
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	-	5,626	8,976	2,751	250	1,300	15,596	51
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 6,126	$ 8,976	$ 2,751	$ 250	$ 1,300	$ 15,596	$ 552

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	IDEA Preschool	IDEA Part B	Title I	Title II	RTTT IIS	RTTT IIS SET ASIDE	RTTT S & C	RTTT EE
ASSETS								
Cash and cash equivalents (overdraft)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 150
Due from other governments	6,856	255,513	14,404	3,030	500	-	-	11,550
TOTAL ASSETS	$ 6,856	$ 255,513	$ 14,404	$ 3,030	$ 500	$ -	$ -	$ 11,700
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	$ 1,822	$ 107,379	$ -	$ -	$ -	$ -	$ -	$ -
Internal balances	5,034	148,134	14,404	3,030	500	-	-	11,700
Unearned revenues	-	-	-	-	-	-	-	-
Total liabilities	6,856	255,513	14,404	3,030	500	-	-	11,700
Fund balances								
Restricted for:								
Educational programs	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 6,856	$ 255,513	$ 14,404	$ 3,030	$ 500	$ -	$ -	$ 11,700

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	RTTT HCD Set Aside	RTTT EE Set Aside	RI Foundation	Language Assistance	FAA Gentian	Amica	Verizon	Totals
ASSETS								
Cash and cash equivalents (overdraft)	$ -	$ -	$ -	$ 43,733	$ 500	$ 1,093	$ 894	$ 81,420
Due from other governments	-	-	-	-	-	-	807	293,161
TOTAL ASSETS	$ -	$ -	$ -	$ 43,733	$ 500	$ 1,093	$ 1,701	$ 374,581
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ 807	$ 110,716
Internal balances	-	-	-	-	-	-	-	183,095
Unearned revenues	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	807	293,811
Fund balances								
Restricted for:								
Educational programs	-	-	-	43,733	500	1,093	894	80,770
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	-	-	-	43,733	500	1,093	894	80,770
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -	$ 43,733	$ 500	$ 1,093	$ 1,701	$ 374,581

(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, 2014

	Literacy	Professional Development	Early Childhood	Technology	Art Festival	Volunteers	Student Equity	RTTT ELC
Revenues								
Intergovernmental revenue	$ -	$ -	$ -	$ -	$ 250	$ -	$ -	$ 8,021
Other	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	250	-	-	8,021
Expenditures								
Education	5,283	4,918	-	-	2	-	32,872	7,970
Total expenditures	5,283	4,918	-	-	2	-	32,872	7,970
Excess revenues over (under) expenditures	(5,283)	(4,918)	-	-	248	-	(32,872)	51
Excess of revenues and other sources over (under) expenditures	(5,283)	(4,918)	-	-	248	-	(32,872)	51
Fund balances - beginning	5,283	10,544	8,976	2,751	2	1,300	48,468	-
Fund balances - ending	$ -	$ 5,626	$ 8,976	$ 2,751	$ 250	$ 1,300	$ 15,596	$ 51

(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, 2014

	IDEA Preschool	IDEA Part B	Title I	Title II	RTTT IIS	RTTT IIS SET ASIDE	RTTT S & C	RTTT EE
Revenues								
Intergovernmental revenue	$ 19,268	$ 503,321	$ 145,043	$ 55,496	$ 5,233	$ 5,541	$ 8,810	$ 34,911
Other	-	-	-	-	-	-	-	-
Total revenues	19,268	503,321	145,043	55,496	5,233	5,541	8,810	34,911
Expenditures								
Education	19,268	503,321	145,043	55,496	5,233	5,541	8,810	34,911
Total expenditures	19,268	503,321	145,043	55,496	5,233	5,541	8,810	34,911
Excess revenues over (under) expenditures	-	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures	-	-	-	-	-	-	-	-
Fund balances - beginning	-	-	-	-	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(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, 2014

	RTTT HCD Set Aside	RTTT EE Set Aside	RI Foundation	Language Assistance	FAA Gentian	Amica	Verizon	Totals
Revenues								
Intergovernmental revenue	$ 7,092	$ 1,756	$ 1,484	$ -	$ 500	$ 500	$ 807	$ 798,033
Other	-	-	-	-	-	-	-	-
Total revenues	7,092	1,756	1,484	-	500	500	807	798,033
Expenditures								
Education	7,092	1,756	1,484	793	-	-	2,721	842,514
Total expenditures	7,092	1,756	1,484	793	-	-	2,721	842,514
Excess revenues over (under) expenditures	-	-	-	(793)	500	500	(1,914)	(44,481)
Excess of revenues and other sources over (under) expenditures	-	-	-	(793)	500	500	(1,914)	(44,481)
Fund balances - beginning	-	-	-	44,526	-	593	2,808	125,251
Fund balances - ending	$ -	$ -	$ -	$ 43,733	$ 500	$ 1,093	$ 894	$ 80,770

(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	Highway Department Capital Escrow	School Ball Field Fund	School Capital Construction Fund	Highway Bridges Special Projects Fund	Police Vehicles Capital Fund	School Fields Open Space	Chopmist Hill Renovation Fund	Animal Shelter Bond Fund
ASSETS								
Cash and cash equivalents	$ 44,668	$ 635	$ 305	$ 12,161	$ -	$ 95,700	$ -	$ -
Other receivables	-	-	-	-	-	-	-	-
Internal balances	2,840	-	-	53,422	3,929	20,263	22	-
TOTAL ASSETS	$ 47,508	$ 635	$ 305	$ 65,583	$ 3,929	$ 115,963	$ 22	$ -
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Internal balances	-	-	-	-	-	-	-	8,450
Total liabilities	-	-	-	-	-	-	-	8,450
Fund balances								
Assigned for:								
Capital projects	47,508	635	305	65,583	3,929	115,963	22	-
Unassigned for:	-	-	-	-	-	-	-	(8,450)
Total fund balances (deficit)	47,508	635	305	65,583	3,929	115,963	22	(8,450)
TOTAL LIABILITIES AND FUND BALANCES	$ 47,508	$ 635	$ 305	$ 65,583	$ 3,929	$ 115,963	$ 22	$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	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	$ -		$ -	$ -	$ -	$ -	$ -	$ -
Other receivables	-	-	-	-	-	68	1	-
Internal balances	33,171	2,462	3,787	5,898	13,145	151,748	-	23,607
TOTAL ASSETS	$ 33,171	$ 2,462	$ 3,787	$ 5,898	$ 13,145	$ 151,816	$ 1	$ 23,607
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Internal balances	-	-	-	-	7,436	-	-	-
Total liabilities	-	-	-	-	7,436	-	-	-
Fund balances								
Assigned for:								
Capital projects	33,171	2,462	3,787	5,898	5,709	151,816	1	23,607
Unassigned for:	-	-	-	-	-	-	-	-
Total fund balances (deficit)	33,171	2,462	3,787	5,898	5,709	151,816	1	23,607
TOTAL LIABILITIES AND FUND BALANCES	$ 33,171	$ 2,462	$ 3,787	$ 5,898	$ 13,145	$ 151,816	$ 1	$ 23,607

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	Computer Upgrade Fund	Recreation Capital Fund	K-9 Capital Fund	Police Vehicle Fund	Capital Assets Fund	Proposed Police Station Fund	Fire Department Capital Fund	Total Capital Projects Funds
ASSETS								
Cash and cash equivalents	$ 20,224	$ 11,552	$ 124	$ 113	$ 11,631	$ -	$ 894	$ 198,007
Other receivables	-	-	-	-	-	-	-	69
Internal balances	17,186	18,500	-	-	8,400	22,367	-	380,747
TOTAL ASSETS	$ 37,410	$ 30,052	$ 124	$ 113	$ 20,031	$ 22,367	$ 894	$ 578,823
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Internal balances	-	-	-	-	-	-	-	15,886
Total liabilities	-	-	-	-	-	-	-	15,886
Fund balances								
Assigned for:								
Capital projects	37,410	30,052	124	113	20,031	22,367	894	571,387
Unassigned for:	-	-	-	-	-	-	-	(8,450)
Total fund balances (deficit)	37,410	30,052	124	113	20,031	22,367	894	562,937
TOTAL LIABILITIES AND FUND BALANCES	$ 37,410	$ 30,052	$ 124	$ 113	$ 20,031	$ 22,367	$ 894	$ 578,823

(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, 2014

	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	6	-	-	1	-	10	-	-
Contributions and private grants	-	-	-	-	3,650	-	-	-
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	$ 6	$ -	$ -	$ 1	$ 3,650	$ 10	$ -	$ -
Expenditures								
General government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Public safety	-	-	-	-	421	-	-	-
Public works	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	421	-	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources	6	-	-	1	3,229	10	-	-
Other financing sources (uses)								
Transfers from other funds	-	-	-	-	-	8,000	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	8,000	-	-
Excess of revenues and other sources over (under) expenditures	6	-	-	1	3,229	8,010	-	-
Fund balances - beginning	47,502	635	305	65,582	700	107,953	22	(8,450)
Fund balances - ending	$ 47,508	$ 635	$ 305	$ 65,583	$ 3,929	$ 115,963	$ 22	$ (8,450)

(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, 2014

	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
Revenues								
State aid and grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	-	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-	7,000
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,000
Expenditures								
General government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Public safety	49,987	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	115,419	-	-
Total expenditures	49,987	-	-	-	-	115,419	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(49,987)	-	-	-	-	(115,419)	-	7,000
Other financing sources (uses)								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	(2,974)	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,974)	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures	(52,961)	-	-	-	-	(115,419)	-	7,000
Fund balances - beginning	86,132	2,462	3,787	5,898	5,709	267,235	1	16,607
Fund balances - ending	$ 33,171	$ 2,462	$ 3,787	$ 5,898	$ 5,709	$ 151,816	$ 1	$ 23,607

(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, 2014

	Computer Upgrade Fund	Recreation Capital Fund	K-9 Capital Fund	Police Vehicle Fund	Capital Assets Fund	Proposed Police Station Fund	Fire Department Capital Fund	Total Capital Projects Funds
Revenues								
Intergovernmental revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	3	1	-	-	1	-	-	22
Contributions and private grants	-	-	-	-	-	-	-	10,650
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	$ 3	$ 1	$ -	$ -	$ 1	$ -	$ -	$ 10,672
Expenditures								
General government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Public safety	-	-	-	-	-	-	3,788	54,196
Public works	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	115,419
Total expenditures	-	-	-	-	-	-	3,788	169,615
Excess (deficiency) of revenues over (under) expenditures before other financing sources	3	1	-	-	1	-	(3,788)	(158,943)
Other financing sources (uses)								
Transfers from other funds	-	-	-	-	-	-	2,974	10,974
Transfers to other funds	-	-	-	-	-	-	-	(2,974)
Total other financing sources (uses)	-	-	-	-	-	-	2,974	8,000
Excess of revenues and other sources over (under) expenditures	3	1	-	-	1	-	(814)	(150,943)
Fund balances - beginning	37,407	30,051	124	113	20,030	22,367	1,708	713,880
Fund balances - ending	$ 37,410	$ 30,052	$ 124	$ 113	$ 20,031	$ 22,367	$ 894	$ 562,937

(concluded)

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

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

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

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

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

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Town Permanent Funds
Combining Balance Sheet - Non-Major Governmental Funds
March 31, 2014

	Sam Tourtellot & Leslie Davis Fund	Elsie Gleason Fund	Glenford Cemetery Fund	Cemetery Fund	Totals
ASSETS					
Cash and cash equivalents	$ 7,265	$ 2,581	$ 26,786	$ 93,968	$ 130,600
TOTAL ASSETS	$ 7,265	$ 2,581	$ 26,786	$ 93,968	$ 130,600
LIABILITIES AND FUND BALANCES					
Liabilities					
Other liabilities	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
Fund balances					
Nonspendable	-	-	26,786	93,968	120,754
Restricted	7,265	2,581	-	-	9,846
Total fund balances (deficit)	7,265	2,581	26,786	93,968	130,600
TOTAL LIABILITIES AND FUND BALANCES	$ 7,265	$ 2,581	$ 26,786	$ 93,968	$ 130,600

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, 2014

	Sam Tourtellot & Leslie Davis Fund	Elsie Gleason Fund	Glenford Cemetery Fund	Cemetery Fund	Totals
Revenues					
Earnings on investments	$ 1	$ -	$ 5	$ 10	$ 16
Total revenues	1	-	5	10	16
Expenditures					
Net decrease in FMV of investment	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources	1	-	5	10	16
Fund balances - beginning	7,264	2,581	26,781	93,958	130,584
Fund balances - ending	$ 7,265	$ 2,581	$ 26,786	$ 93,968	$ 130,600

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended March 31, 2014

	Balance April 1, 2013	Additions	Deductions	Balance March 31, 2014
STUDENT ACTIVITY FUND				
ASSETS				
Cash and cash equivalents	$ 181,339	$ 153,423	$ 122,895	$ 211,867
TOTAL ASSETS	$ 181,339	$ 153,423	$ 122,895	$ 211,867
LIABILITIES				
Deposits held in custody for others	$ 181,339	$ 153,423	$ 122,895	$ 211,867
TOTAL LIABILITIES	$ 181,339	$ 153,423	$ 122,895	$ 211,867
TOWN COUNCIL SUNSHINE FUND				
ASSETS				
Cash and cash equivalents	$ 63	$ -	$ -	$ 63
TOTAL ASSETS	$ 63	$ -	$ -	$ 63
LIABILITIES				
Deposits held in custody for others	$ 63	$ -	$ -	$ 63
TOTAL LIABILITIES	$ 63	$ -	$ -	$ 63
PROBATE FUND				
ASSETS				
Cash and cash equivalents	$ 8,279	$ -	$ -	$ 8,279
TOTAL ASSETS	$ 8,279	$ -	$ -	$ 8,279
LIABILITIES				
Deposits held in custody for others	$ 8,279	$ -	$ -	$ 8,279
TOTAL LIABILITIES	$ 8,279	$ -	$ -	$ 8,279
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 189,681	$ 153,423	$ 122,895	$ 220,209
TOTAL ASSETS	$ 189,681	$ 153,423	$ 122,895	$ 220,209
LIABILITIES				
Deposits held in custody for others	$ 189,681	$ 153,423	$ 122,895	$ 220,209
TOTAL LIABILITIES	$ 189,681	$ 153,423	$ 122,895	$ 220,209

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Fiduciary Funds - Pupil Activity Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended March 31, 2014

	Cash Balance April 1, 2013	Cash Receipts	Cash Disbursements	Cash Balance March 31, 2014
PUPIL ACTIVITY FUNDS				
Hope Elementary School	$ 7,466	$ 13,711	$ 11,747	$ 9,430
North Scituate Elementary School	15,397	12,465	13,809	14,053
Clayville Elementary School	21,003	6,928	9,846	18,085
Scituate Middle/High School	137,473	120,319	87,493	170,299
TOTALS	$ 181,339	$ 153,423	$ 122,895	$ 211,867

Scituate School Department Operations

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
School Balance Sheet
School Department Operations
March 31, 2014

	School Unrestricted	NWR	Capital Reserve Fund	Jobs Fund	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	$ 10,119	$ (3,397)	$ -	$ (3,122)	$ 3,600
Receivables:					
Due from federal and state governments	-	4,803	-	5,336	10,139
Other	95,505	-	-	-	95,505
Prepaid expenditures	274,525	-	-	-	274,525
Due from:					
Other funds	2,385,163	2,125	384,011	309	2,771,608
TOTAL ASSETS	$ 2,765,312	$ 3,531	$ 384,011	$ 2,523	$ 3,155,377
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	$ 472,574	$ 220	$ -	$ 682	$ 473,476
Accrued payroll and benefits	679,180	-	-	-	679,180
Due to:					
Other funds	3,971	1,684	-	1,817	7,472
TOTAL LIABILITIES	1,155,725	1,904	-	2,499	1,160,128
FUND BALANCE:					
Restricted for:					
Education	1,609,587	1,627	384,011	24	1,995,249
Unassigned:	-	-	-	-	-
TOTAL FUND BALANCE	1,609,587	1,627	384,011	24	1,995,249
TOTAL LIABILITIES AND FUND BALANCE	$ 2,765,312	$ 3,531	$ 384,011	$ 2,523	$ 3,155,377

SUPPLEMENTARY INFORMATION
TOWN OF SCITUATE, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses)
School Department Operations
March 31, 2014

	School Unrestricted	NWR	Capital Reserve Fund	Jobs Fund	Total Governmental Funds
REVENUES:					
Intergovernmental revenue	$ 3,640,126	$ -	$ -	$ -	$ 3,640,126
Other revenue	225,143	29,217	-	20,871	275,231
Intergovernmental - pension contribution	887,716	-	-	-	887,716
TOTAL REVENUES	4,752,985	29,217	-	20,871	4,803,073
EXPENDITURES:					
Current:					
Education	20,642,705	43,336	-	22,921	20,708,962
Intergovernmental - pension contribution	887,716	-	-	-	887,716
TOTAL EXPENDITURES	21,530,421	43,336	-	22,921	21,596,678
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(16,777,436)	(14,119)	-	(2,050)	(16,793,605)
OTHER FINANCING SOURCES (USES):					
Transfers in	16,799,815	-	-	-	16,799,815
NET OTHER FINANCING SOURCES (USES)	16,799,815	-	-	-	16,799,815
NET CHANGE IN FUND BALANCE	22,379	(14,119)	-	(2,050)	6,210
FUND BALANCE BEGINNING OF YEAR	1,587,208	15,746	384,011	2,074	1,989,039
FUND BALANCE END OF YEAR	$ 1,609,587	$ 1,627	$ 384,011	$ 24	$ 1,995,249

TOWN OF SCITUATE
Supplementary Information
School Department Operating Budget
Budgetary Comparison Schedule
For the Fiscal Year Ended March 31, 2014

	Original Budgeted Amount	Revised Budgeted Amount	Actual	Variance
Revenues				
Town appropriation	$ 16,799,815	$ 16,799,815	$ 16,799,815	$ -
State aid to education	3,575,483	3,575,483	3,640,126	64,643
Other school revenues	122,500	122,500	225,143	102,643
School applied fund balance	952,000	952,000	952,000	-
Total revenues	21,449,798	21,449,798	21,617,084	167,286
Expenditures				
Education	21,449,798	21,449,798	20,661,544	788,254
Total expenditures	21,449,798	21,449,798	20,661,544	788,254
Excess of revenues over expenditures	$ -	$ -	$ 955,540	$ 955,540

TOWN OF SCITUATE, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2014

REAL ESTATE AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance March 31, 2013	Current Year Assessment	Additions and Adjustments	Abatements and Adjustments	Amount to be Collected	Collections	Balance March 31, 2014
2013	$ -	$ 26,415,039	$ 34,007	$ (18,859)	26,430,187	$ 21,615,018	$ 4,815,169
2012	5,340,932	-	679	(617)	5,340,994	5,154,001	186,993
2011	241,560	-	285	(2,393)	239,452	162,782	76,670
2010	85,885	-	-	(2,913)	82,972	22,199	60,773
2009	76,879	-	-	(1,885)	74,994	2,314	72,680
2008	71,366	-	-	(2,690)	68,676	2,326	66,350
2007	52,998	-	-	(1,973)	51,025	448	50,577
2006	13,613	-	-	(1,297)	12,316	272	12,044
2005	12,352	-	-	(504)	11,848	41	11,807
2004	5,958	-	-	(477)	5,481	-	5,481
2003 and prior	9,515	-	-	(4,367)	5,148	-	5,148
Total	$ 5,911,058	$ 26,415,039	$ 34,971	$ (37,975)	$ 32,323,093	$ 26,959,401	$ 5,363,692

SCHEDULE OF MOST RECENT NET ASSESSED PROPERTY VALUE BY CATEGORY

Description of Property	Valuations	Levy
Real property	$ 389,367,790	$ 14,549,001
Real property - Commercial	208,072,490	8,988,732
Real property - Frozen	101,794,450	2,715,067
Motor vehicles	116,318,871	3,512,830
Tangible personal	22,624,300	899,316
Total	838,177,901	30,664,946
Exemptions:		
Real property	350,300	13,091
Real property - Commercial	56,004,627	2,419,400
Real property - Frozen	3,676,500	-
Motor vehicles	58,925,841	1,779,560
Tangible personal	952,361	37,856
Total exemptions	119,909,629	4,249,907
Net assessed value	$ 718,268,272	26,415,039
Current year assessment		$ 26,415,039

Reconciliation of Current Year Property Tax Revenue

Current year collections	$ 26,959,401
Payment adjustments and transfers	15,343
Revenue received 60 days subsequent to fiscal year ending March 31, 2014	4,067,741
	31,042,485
Prior year revenue received in current year	(4,628,528)
Current Year Property Taxes	$ 26,413,957

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"

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Net Investment in Capital Assets	$ 3,819,077	$ 4,327,936	$ 4,804,205	$ 10,256,196	$ 10,676,154	$ 11,598,150	$ 12,104,545	$ 12,843,119	$ 13,263,125	$ 14,823,917
Restricted	435,721	665,002	848,235	790,480	831,917	585,995	681,967	2,420,821	2,380,016	2,284,828
Unrestricted	2,942,109	3,049,935	3,684,371	3,614,351	3,841,863	(1,344,880)	(1,184,613)	(3,352,563)	(2,976,698)	(3,159,137)
Total Governmental Activities Net Position	$ 7,196,907	$ 8,042,873	$ 9,336,811	$ 14,661,027	$ 15,349,934	$ 10,839,265	$ 11,601,899	$ 11,911,377	$ 12,666,443	$ 13,949,608

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"

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General Government	$ 1,174,454	$ 1,204,056	$ 1,420,456	$ 1,392,152	$ 1,527,583	$ 6,653,132	$ 1,485,973	$ 1,586,381	$ 1,452,706	$ 1,211,309
Public Safety	3,346,730	3,645,144	3,721,954	3,894,316	4,028,697	4,116,636	4,231,458	4,162,851	4,910,264	5,083,824
Public Works	2,115,489	1,935,820	2,137,812	2,662,898	2,639,938	2,459,391	2,407,004	2,251,931	2,304,466	2,278,216
Social Services	778,083	1,127,796	882,715	973,438	950,922	866,246	891,122	960,148	796,773	1,015,582
Education	18,859,956	19,662,683	20,852,589	22,077,741	22,305,360	22,483,750	22,181,976	22,749,585	22,689,160	23,229,463
Debt Service	450,610	434,520	436,920	427,637	363,291	562,399	529,887	458,123	367,414	345,701
Total Governmental Activities Expenses	26,725,322	28,010,019	29,452,446	31,428,182	31,815,791	37,141,554	31,727,420	32,169,019	32,520,783	33,164,095
Program Revenues										
Governmental Activities:										
Charges for services:										
General Government	520,092	522,603	488,834	463,327	449,735	441,816	454,163	464,224	681,318	659,816
Public Safety	151,842	181,887	218,481	172,696	178,825	321,970	373,800	399,664	396,234	347,811
Public Works	26,525	26,960	16,300	18,490	17,505	17,775	17,350	15,481	7,500	7,500
Social Services	23,894	27,739	193,225	37,905	42,367	34,908	43,499	41,829	-	-
Education	439,173	589,963	663,221	565,627	487,357	472,530	444,565	429,062	236,404	247,072
Operating Grants and Contributions	5,158,413	5,316,355	5,350,449	5,471,366	5,706,585	4,896,729	5,650,603	5,556,318	5,887,888	6,446,317
Capital Grants and Contributions	114,295	99,041	6,000	-	10,000	88,145	250,000	84,973	-	-
Total Governmental Activities Program Revenues	6,434,234	6,764,548	6,936,510	6,729,411	6,892,374	6,273,873	7,233,980	6,991,551	7,209,344	7,708,516
Net (Expense) Revenue Governmental Activities	(20,291,088)	(21,245,471)	(22,515,936)	(24,698,771)	(24,923,417)	(30,867,681)	(24,493,440)	(25,177,468)	(25,311,439)	(25,455,579)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	$ 18,798,893	$ 20,110,590	$ 21,394,953	$ 22,416,562	$ 23,572,025	$ 24,615,000	$ 24,834,047	$ 25,467,030	$ 25,820,373	$ 26,311,689
State Aid and in lieu of taxes	2,026,074	1,874,426	2,106,982	2,149,821	1,885,405	1,722,883	455,126	292,411	310,851	327,960
Investment Earnings	60,949	105,421	167,126	185,515	69,729	7,608	8,299	2,782	2,301	2,018
Miscellaneous	-		140,813	-	-	11,521	13,486	30,798	12,469	-
Loss on disposal of equipment	-	-	-	-	-	-	-	-	(30,053)	-
Total Governmental Activities	20,885,916	22,090,437	23,809,874	24,751,898	25,527,159	26,357,012	25,310,958	25,793,021	26,115,941	26,641,667
Change in Net Position Governmental Activities	$ 594,828	$ 844,966	$ 1,293,938	$ 53,127	$ 603,742	$ (4,510,669)	$ 817,518	$ 615,553	$ 804,502	$ 1,186,088

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"

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	$ 26,035	$ 448,054	$ 171,664	$ 58,894	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	1,481,449	935,681	1,316,007	1,502,327	1,854,152	2,941,930	2,665,483	-	-	-
Nonspendable	-	-	-	-	-	-	-	274,481	304,753	274,525
Restricted	-	-	-	-	-	-	-	1,719,717	1,684,286	1,720,724
Committed	-	-	-	-	-	-	-	-	-	200,000
Assigned	-	-	-	-	-	-	-	755,952	289,721	286,823
Unassigned	-	-	-	-	-	-	-	2,890,714	3,210,193	3,730,150
Total General Fund	$ 1,507,484	$ 1,383,735	$ 1,487,671	$ 1,561,221	$ 1,854,152	$ 2,941,930	$ 2,665,483	$ 5,640,864	$ 5,488,953	$ 6,212,222
All Other Governmental Funds										
Reserved	$ 177,046	$ 117,803	$ 122,802	$ 127,805	$ 342,855	$ 130,244	$ 130,443	$ -	$ -	$ -
Unreserved										
Reported in:										
Special Revenue Funds	3,190,342	3,821,032	4,271,969	4,070,033	4,113,032	3,245,848	3,687,027	-	-	-
Capital Projects Funds	485,842	342,622	611,986	817,467	987,716	1,483,901	819,983	-	-	-
Nonspendable	-	-	-	-	-	-	-	42,095	42,095	120,754
Restricted	-	-	-	-	-	-	-	738,328	565,146	433,504
Committed	-	-	-	-	-	-	-	108,160	108,164	104,637
Assigned	-	-	-	-	-	-	-	637,563	722,330	571,387
Unassigned	-	-	-	-	-	-	-	(9,842)	(8,450)	(8,943)
Total All Other Governmental Funds	3,853,230	4,281,457	5,006,757	5,015,305	5,443,603	4,859,993	4,637,453	1,516,304	1,429,285	1,221,339
Total Governmental Funds	$ 5,360,714	$ 5,665,192	$ 6,494,428	$ 6,576,526	$ 7,297,755	$ 7,801,923	$ 7,302,936	$ 7,157,168	$ 6,918,238	$ 7,433,561

In 2012 the Town implemented GASB No. 54, reserved and unresreved 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
General Property Taxes	$ 18,683,454	$ 20,014,679	$ 21,202,702	$ 22,253,861	$ 23,425,236	$ 24,478,480	$ 24,698,174	$ 25,348,302	$ 25,598,867	$ 26,413,957
Federal and State Aid and grants	7,194,500	7,221,174	7,424,366	7,598,155	7,568,321	6,652,745	6,332,363	5,854,361	5,982,397	6,456,518
Charges for Services	1,087,306	1,274,271	1,487,161	1,139,958	987,254	1,046,007	1,220,792	1,180,529	1,071,778	1,047,058
Fines and penalties	73,552	68,881	80,011	52,044	45,335	52,198	49,698	48,602	38,620	46,782
Investment and interest income	134,539	197,356	294,371	294,804	189,690	90,575	78,242	67,217	86,229	93,142
Contributions and private grants	104,282	68,648	39,065	23,032	33,669	55,012	23,366	79,341	-	-
Other Revenues	668	6,000	153,702	66,043	144,339	203,319	65,770	146,065	361,013	418,986
Total Revenues	27,278,301	28,851,009	30,681,378	31,427,897	32,393,844	32,578,336	32,468,405	32,724,417	33,138,904	34,476,443
Expenditures										
Current:										
General Government	906,809	936,694	1,142,136	1,034,386	1,065,681	1,142,803	1,031,577	1,118,115	1,167,313	1,042,246
Public Safety	3,795,382	2,724,448	2,806,773	2,963,325	2,751,355	2,724,479	2,756,086	2,742,352	2,772,947	2,920,141
Public Works	1,899,450	1,888,870	1,842,956	2,188,927	2,107,206	1,834,311	2,059,104	1,954,274	2,101,606	2,062,037
Social services	1,081,219	1,132,594	828,604	904,695	853,382	1,068,654	862,356	887,277	758,921	980,824
Fixed Charges	1,290,768	1,381,725	1,521,628	1,620,889	1,558,859	6,618,690	1,562,111	1,558,546	1,956,736	2,030,390
Education	18,616,852	19,540,910	20,740,580	21,908,212	22,131,374	25,850,794	22,250,848	22,244,651	22,274,192	22,909,665
Debt Service										
Principal	1,086,459	1,041,459	1,071,459	1,112,715	1,295,465	1,545,000	2,005,000	1,882,000	1,936,150	1,765,150
Interest	421,588	379,679	359,006	347,400	339,293	459,801	508,248	482,970	409,969	350,667
Total Expenditures	29,098,527	29,026,379	30,313,142	32,080,549	32,102,615	41,244,532	33,035,330	32,870,185	33,377,834	34,061,120
Excess of Revenues Over (Under) Expenditures Before other financing sources (uses)	(1,820,226)	(175,370)	368,236	(652,652)	291,229	(8,666,196)	(566,925)	(145,768)	(238,930)	415,323
Other Financing Sources (Uses)										
Proceeds from issuance of bonds	-	476,500	461,000	734,750	430,000	11,035,000	50,600	-	-	-
Premium on Bonds	-	-	-	-	-	149,719	-	-	-	-
Payment -Bond Refunding Agent	-	-	-	-	-	(2,014,355)	-	-	-	-
Transfers In	15,181,624	16,465,288	17,326,261	18,366,062	19,429,671	19,509,317	18,864,067	10,000	21,248	28,151
Transfers Out	(15,181,624)	(16,465,288)	(17,326,261)	(18,366,062)	(19,429,671)	(19,509,317)	(18,864,067)	(10,000)	(21,248)	(28,151)
Total Other Financing Sources (Uses)	-	476,500	461,000	734,750	430,000	9,170,364	50,600	-	-	-
Net Change in Fund Balances	$ (1,820,226)	$ 301,130	$ 829,236	$ 82,098	$ 721,229	$ 504,168	$ (516,325)	$ (145,768)	$ (238,930)	$ 415,323
Debt Service as a percentage of noncapital expenditures	5.50%	5.02%	4.78%	4.66%	5.19%	5.45%	7.85%	7.34%	7.66%	6.65%

Source: Town of Scituate Comprehensive Annual Financial Report

Town of Scituate, Rhode Island ***Table 5***

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

"Unaudited"

	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	Tax Rate Personal Property
2005	551,737,090	180,025,470	3,510,150	728,252,410	22.08	1,463,525,120	26,426,300	33.05
2006	560,248,530	180,222,570	3,516,500	736,954,600	23.29	1,480,942,200	27,638,350	34.87
2007	567,514,290	180,135,970	3,436,500	744,213,760	24.57	1,495,300,520	29,502,240	36.79
2008	694,016,310	213,839,710	3,576,000	904,280,020	21.42	1,815,712,040	23,775,070	32.13
2009	699,609,930	213,222,350	3,680,000	909,152,280	22.395	1,825,664,560	23,216,950	33.59
2010	703,054,600	212,770,070	24,603,155	891,221,515	22.400	1,831,649,340	23,553,230	36.60
2011	555,472,840	209,553,800	62,544,334	702,482,306	32.000	1,530,053,280	23,611,120	38.25
2012	556,253,790	209,606,950	62,601,023	703,259,717	32.726	1,531,721,480	24,067,390	39.12
2013	558,634,860	209,460,780	62,616,523	705,479,117	32.726	1,536,191,280	23,296,080	39.12
2014	491,162,240	208,072,490	60,031,427 **	639,203,303	37.37	1,398,469,460	22,624,300	39.75

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

Source: Tax Assessor's Office

(Continued)

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

Town of Scituate, Rhode Island ***Table 5***

Assessed and Estimated Actual Value of Taxable Property (Continued)

Last Ten Fiscal Years

"Unaudited"

	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
2005	79,324,634	32,710,998	46,613,636	30.20	109,925,915	837,513,494	1,573,451,035	53.23%
2006	86,423,570	33,358,221	53,065,349	30.20	118,610,528	854,533,020	1,599,552,728	53.42%
2007	96,029,792	46,685,699	49,344,093	30.20	N/A	873,182,292	N/A	N/A
2008	96,975,747	47,715,845	49,259,902	30.20	N/A	1,028,606,837	N/A	N/A
2009	101,335,447	48,259,725	53,075,722	30.20	N/A	1,037,384,677	N/A	N/A
2010	90,579,741	47,373,231	43,206,510	30.20	N/A	1,029,957,641	N/A	N/A
2011	107,763,886	57,898,689	49,865,197	30.20	N/A	896,401,646	N/A	N/A
2012	110,568,688	58,650,266	51,918,422	30.20	N/A	900,496,818	N/A	N/A
2013	114,783,937	58,643,027	56,140,910	30.20	N/A	906,175,657	N/A	N/A
2014	116,318,871	58,925,841	57,393,030	30.20	N/A	838,177,901	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			
Fiscal Year	***Basic Rate***	***MV***	***PP***	***Comm Mixed Use***
2005	22.080	30.200	33.050	27.750
2006	23.290	30.200	34.870	29.280
2007	24.570	30.200	36.790	30.890
2008	21.420	30.200	32.130	30.240
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

Notes:
(1) Real Estate is assessed at 50% value
(2) Motor Vehicles are assessed at 95%
(3) Full Revaluation was conducted as of December 31, 2009
(4) Statistical Revaluation was conducted as of December 31, 2006
(5) Motor Vehicle Phase-Out Exemptions began in fiscal Year 2000
(6) Retail/Wholesale inventory Tax phased out completely in Fiscal Year 2001
(7) The Town does not have any overlapping governments.

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

Table 7

	2014			2004			
Taxpayer	*Taxable Assessed Value*	*Percentage of Total Taxable Assessed Value*	*Type of Business*	*Taxpayer*	*Taxable Assessed Value*	*Percentage of Total Taxable Assessed Value*	*Type of Business*
Providence Water Supply Board	131,659,981	18.33%	Utility/Watershed	Providende Water Supply Board	151,537,780	26.43%	Utility/Watershed
Narragansett Electric, Co.	9,002,570	1.25%	Utility/Electric	Narragansett Electric, Co.	7,882,470	1.37%	Utility/Electric
Providence Public Build Auth	3,282,839	0.46%	Utility/Watershed	Providence Public Build Auth	3,502,170	0.61%	Utility/Watershed
Cox Communications	3,115,300	0.43%	Utility/Cable	Cox Communications	1,967,040	0.34%	Utility/Cable
Scituate Village Shopping Cntr.	1,563,450	0.22%	Retail Shopping	Scituate Village Shopping Cntr.	1,363,200	0.24%	Retail Shopping
Honda Lease Trust	1,209,564	0.17%	Motor Vehicle Leasing	Ford Motor Credit Company	1,173,829	0.20%	Motor Vehicle Leasing
Firstgroup Leasing Trust	1,165,342	0.16%	Motor Vehicle Leasing	Cavanagh, Peter A et ux Theresa A	1,051,300	0.18%	Residentail
Toyota Motor Credit Corp	1,005,441	0.14%	Motor Vehicle Leasing	General Motors Acceptance Corp	1,087,004	0.19%	Motor Vehicle Leasing
New England Development RI LLC	976,100	0.14%	Industrial Mill	Ciunci, Vincent R. ET UX Mary	673,450	0.12%	Residentail
Cavanagh, Peter A., et us Theresa	861,600	0.12%	Residential	Chase Manhattan Auto	639,980	0.11%	Motor Vehicle Leasing
Totals	$153,842,187	21.42%			$ 170,878,223	29.80%	

Sources: Town of Scituate Tax Assessor

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

(2) 2013 and 2003 Tax Rolls

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

Table 8

Fiscal Year	Net Adjusted Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Net Tax Levy	Net Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Net Tax Levy
2005	18,714,714	14,877,743	79.5%	3,831,490	18,709,233	100.0%	5,481	0.0%
2006	20,028,014	16,436,121	82.1%	3,580,086	20,016,207	99.9%	11,807	0.1%
2007	21,235,983	17,443,409	82.1%	3,780,530	21,223,939	99.9%	12,044	0.1%
2008	22,356,188	18,707,533	83.7%	3,598,078	22,305,611	99.8%	50,577	0.2%
2009	23,482,907	19,346,238	82.4%	4,070,319	23,416,557	99.7%	66,350	0.3%
2010	24,576,740	20,203,423	82.2%	4,300,637	24,504,060	99.7%	72,680	0.3%
2011	24,848,695	19,801,247	79.7%	4,986,675	24,787,922	99.8%	60,773	0.2%
2012	25,515,611	20,328,684	79.7%	5,110,257	25,438,941	99.7%	76,670	0.3%
2013	25,762,162	20,421,168	79.3%	5,154,001	25,575,169	99.3%	186,993	0.7%
2014	26,430,187	21,615,018	81.8%	0	21,615,018	81.8%	4,815,169	18.2%

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: General Obligation Bonds	Governmental Activities: Note Payable	Governmental Activities: Loan Payable	Capital Lease	Total Primary Government	Percentage of Personal Income	Per Capita
2005	9,883,348	228,000	-	-	10,111,348	3.49% (a)	979.40
2006	9,356,389	190,000	-	-	9,546,389	3.29% (a)	924.68
2007	8,783,930	152,000	-	-	8,935,930	3.08% (a)	865.55
2008	8,443,965	114,000	-	-	8,557,965	2.95% (a)	828.94
2009	7,616,500	76,000	-		7,692,500	2.65% (a)	745.11
2010	11,199,500	38,000	4,000,000	-	15,237,500	5.25% (a)	1,475.93
2011	9,367,500	-	3,902,950	-	13,270,450	4.57% (a)	1,285.40
2012	7,625,500	-	3,750,300	-	11,375,800	3.92% (a)	1,101.88
2013	5,847,000	-	3,592,650	-	9,439,650	3.25% (a)	914.34
2014	4,295,000	-	3,430,000	454,500	8,179,500	2.82% (a)	792.28

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"

Table 10

	General Bonded Debt Outstanding			
Fiscal Year	***General Obligation Bonds***	***Total***	***Percentage of Actual Taxable Value (a) of Property***	***Per Capita (b)***
2005	9,883,348	9,883,348	1.23%	957.32
2006	9,356,389	9,356,389	1.14%	906.28
2007	8,783,930	8,783,930	1.07%	850.83
2008	8,443,965	8,443,965	0.86%	817.90
2009	7,616,500	7,616,500	0.77%	737.75
2010	11,199,500	11,199,500	1.17%	1,035.36
2011	9,367,500	9,367,500	1.21%	906.91
2012	7,625,500	7,625,500	0.98%	738.62
2013	5,847,000	5,847,000	0.75%	566.35
2014	4,295,000	4,295,000	0.60%	416.02

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
Source: Town of Scituate, Rhode Island Audited Financial Statements

(a) Actual taxable value equals gross assessed value less exemptions.
(b) Population data can be found in Schedule 14.

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

Table 11

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

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

Table 12

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Debt limit	$ 24,038,770	$ 24,529,749	$ 26,195,469	$ 29,319,450	$ 29,563,349	$ 28,729,449	$23,236,266	$23,336,807	$ 23,506,925	$ 21,548,048
Total net debt applicable to limit	2,663,348	2,751,389	2,813,930	3,138,965	3,011,500	8,944,500	7,532,500	$ 6,225,500	$ 5,847,000	$ 4,295,000
Legal debt margin	$ 21,375,422	$ 21,778,360	$ 23,381,539	$ 26,180,485	$ 26,551,849	$ 19,784,949	$15,703,766	$17,111,307	$17,659,925	$17,253,048
Total net debt margin as a percentage of debt limit	88.92%	88.78%	89.26%	89.29%	89.81%	68.87%	67.58%	73.32%	75.13%	80.07%

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

Fiscal Year Ended March	Population (1)	Median Family Income (1)	Per Capita Personal Income (1)	Median Age(1)	School Enrollment (2)	Unemployment Rate (3)
2005	10,324	67,593	28,092	39.7	1,814	5.01%
2006	10,324	67,593	28,092	39.7	1,792	5.50%
2007	10,324	67,593	28,092	39.7	1,873	4.70%
2008	10,324	67,593	28,092	39.7	1,806	7.00%
2009	10,324	67,593	28,092	39.7	1,700	12.5%
2010	10,817	67,593	28,092	39.7	1,660	11.9%
2011	10,329	60,788	28,092	39.7	1,652	11.1%
2012	10,324	60,788	28,092	39.7	1,538	10.0%
2013	10,324	60,788	28,092	39.7	1,502	8.8%
2014	10,324	60,788	28,092	39.7	1,437	7.9%

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 and Nine Years Ago
"Unaudited"

Table 15

	2014		
Employer	***Employees***	***Rank***	***Percentage of Total Town Employment***
Town of Scituate Municipal /School	349	1	5.54%
Totrama Supermarkets DBA The Village IGA	50	2	0.79%
Providence Water Supply Board	52	3	0.83%
Atlas Insulation Co.	70	4	1.11%
Maxi Drug South Lp DBA Rite - Aid	30	5	0.48%
102 Scituate Corp DBA Dunkin Donuts	21	6	0.33%
McDonald's	23	7	0.36%
Scituate Lumber	11	8	0.17%
Charming Treasurers	12	9	0.19%
Corner Bristo LLL	10	10	0.16%
Total	628		9.96%

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

Table 16

Town of Scituate, Rhode Island
Full-time Equivalent Town Government Employees by Function/Program
Last Ten Fiscal Years
"Unaudited"

Function/Program	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	2012	2013	2014
Central Administration										
Town Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Town Clerk	4.0	4.0	4.0	4.0	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	4.0	4.0	4.0	4.5	3.0	3.0	3.0	3.0	3.0	3.0
Planning										
Wastewater										
Planning Board	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Zoning Board	8.0	8.0	8.0	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	3.0	3.0	3.0	2.5	2.0	2.0	2.0	2.0	2.0	3.0
Tax Collection	2.5	2.5	2.5	2.5	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	18.0	17.0	17.0	16.0	17.0	17.0	16.0	17.0	17.0	17.0
Civilians	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0
Animal Control										
Animal Control Officer	1.0	1.0	1.0	1.0	1	1	1	1	1	1.0
Civilians	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Emergency Management	1.0	1.0	1.0	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	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.0	0.0	-
Highway										
Driver/Laborer/ Building/Grounds	6.4	6.4	6.4	5.0	6.0	6.0	6.0	7.0	7.0	8.0
Forman Driver/Laborer	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Maintenance										
Custodial	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Vehicles & Equipment	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Recreation Department										
Director	1.0	1.3	1.3	0.0	*0.4	*0.4	*0.4	*0.4	*0.4	0.4
Summer Programs	75.0	75.0	75.0	82.0	93.0	93.0	93.0	93.0	84.0	97.0
Human Services Department							1.0			
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0	1.0
Meal site	1.5	1.5	1.5	1.5	1.5	1.5	0.8	1.5	1.5	1.5
Senior Van Driver	0.8	0.8	0.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8

Source: Comprehensive Annual Financial Report/ Miscellaneous Statistics Unaudited

Table 17

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

Function/Program	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	2012	2013	2014
Public Safety (1)										
Police										
Calls	8,396	7,720	9,144	7,904	10,202	12,000	18,010	16,344	14,545	15,982
Physical Arrests	243	245	280	164	176	189	236	316	129	237
Citations	1,601	1,339	1,888	1,056	1,086	853	594	1,340	690	1,885
Accidents	353	362	273	284	300	195	388	273	181	276
Animal Control										
Dog Licenses Issued	658	659	408	408	576	576	576	600	510	540
Building/Zoning (1)										
Commercial Construction Permits	-	1	-	-	3	6	-	2	-	-
Residential Construction Permits	10	22	2	2	9	6	20	16	8	10
2 -Family	-	-	-	-	1	-	-	-	-	-

Sources: Various Town departments.

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

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

Table 18

Function/Program	*2005*	*2006*	*2007*	*2008*	*2009*	2010	2011	2012	2013	2014
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	2	2	2	2	2	2	2	2	2	2
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	1
Streets and Highways										
Street (miles - state paved)	56.70	56.70	56.70	56.70	56.70	56.7	56.7	56.7	56.7	56.7
Street (miles- local paved)	83.0	83.0	83.0	83.0	86.7	86.7	86.7	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	1	1	1	1	5	5	5	5	5	5
Baseball/Hardball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/Football fields	7	7	7	7	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	2	2	2	2	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
Schools										
High/Middle School	1	1	1	1	1	1	1	1	1	1
Clayville Elementary	1	1	1	1	1	1	1	1	1	1
Hope Elementary	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, 2014

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, 2014, and the related notes to the financial statements, which collectively comprise the Town of Scituate's basic financial statements, and have issued our report thereon dated September 12, 2014.

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.

Baxter, Dansereau & Associates, LLP
West Warwick, Rhode Island
September 12, 2014

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for the Major Federal Program

We have audited the Town of Scituate's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Scituate, Rhode Island's major federal programs for the year ended March 31, 2014. The Town of Scituate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Scituate's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Scituate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of Town of Scituate's compliance.

Opinion on Each Major Federal Program

In our opinion, Town of Scituate, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended March 31, 2014.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Baxter, Dansereau & Associates, LLP
West Warwick, Rhode Island
September 12, 2014

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended March 31, 2014

	Federal CFDA Number	Pass-Through Grantor's Number	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	$ 8,400
National School Lunch Program	10.555	N/A	121,590
Special School Milk Program for Children	10.556	N/A	698
Non-Cash Assistance Food Commodities (Note 4)	10.555	N/A	5,359
Total US Department of Agriculture			$ 136,047
U.S. Department of Housing and Urban Development			
Passed through the State of Rhode Island Office of Housing and Community Development			
Community Development Block Grant/States Program	14.228	Various	$ 56,272
Total U.S. Department of Housing and Urban Development			$ 56,272
U.S. Department of Transportation			
Passed through the State of Rhode Island Department of Highway Safety			
Highway Safety Cluster:			
State and Community Highway Safety	20.600		$ 6,600
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		5,000
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608		8,319
National Priority Safety Programs	20.616		9,550
Total U.S. Department of Transportation			$ 29,469
U.S. Department of Education			
Passed-through the State of Rhode Island Department of Education			
Title I Grants to Local Education Agencies	84.010A	2725-11702-001	$ 145,043
Special Education Cluster:			
Special Education - Grants to States	84.027A	2725-13202-001	503,321
Special Education - Preschool Grants	84.173A	2725-13502-001	19,268
Improving Teacher Quality State Grants	84.367A	2725-16402-001	55,496
Race to the Top Cluster:			
ARRA - Race to the Top - Educator	84.395	4572-13502-130	34,911
ARRA - Race to the Top - EE Set Aside	84.395	4572-13502-206	1,756
ARRA - Race to the Top - HCD Set Aside	84.395	4572-13502-207	7,092
ARRA - Race to the Top - Standards & Curriculum	84.395	4572-13502-110	8,810
ARRA - Race to the Top - IIS	84.395	4572-13502-120	5,233
ARRA - Race to the Top - IIS Set Aside	84.395	4572-13502-205	5,541
ARRA - Race to the Top - Early Learning Challenge	84.412	PQI32000903	7,970
Total U.S. Department of Education			$ 794,441
U.S. Department of Health & Human Services			
Passed Through the State of Rhode Island Department of Health			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	93.243		$ 2,950
Total U.S. Department of Health & Human Services			$ 2,950
Total Federal Expenditures			$ 1,019,179

TOWN OF SCITUATE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended March 31, 2014

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 that are not considered to be material weaknesses?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness (es) identified?	____ yes	X no
Significant deficiency (ies) identified that are not considered to be material weakness (es)?	____ yes	X none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB circular A-133?	____ yes	X no

Identification of major programs:

CFDA Number(s)	*Name of Federal Program or Cluster*
	Education Cluster
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000	
Auditee qualified as low risk auditee?	____ yes	X no
SECTION II – FINANCIAL STATEMENT FINDINGS	____ yes	X none
SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS	____ yes	X none

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, 2014

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, 2014

1. **General -** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of Scituate, Rhode Island.

2. **Basis of Accounting -** The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. **Determination of Type A, Type B and Major Programs -** The determination of Type A and Type B federal programs was based upon the expenditures for all federal programs for the Town of Scituate, Rhode Island. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended March 31, 2014, grants with expenditures exceeding $300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

CFDA	Program Name
	Special Education Cluster
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants

4. **Non-Cash Assistance**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of $5,359 represents the market value of such commodities used during the period.