

TOWN OF EXETER, RHODE ISLAND

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2016

***TOWN OF EXETER, RHODE ISLAND***

***ANNUAL FINANCIAL STATEMENTS***

***For the Fiscal Year Ended June 30, 2016***

***Maria Lawler***  
***Treasurer***

***Raymond A. Morrissey, Jr.***  
***President, Town Council***

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

***EXETER, RHODE ISLAND***

## ***INTRODUCTORY SECTION***

**THIS SECTION CONTAINS  
THE FOLLOWING SUBSECTION:**

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*List of Town Officials*

TOWN OF EXETER, RHODE ISLAND  
 AUDITED FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2016

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***LIST OF TOWN OFFICIALS***

***TOWN OF EXETER, RHODE ISLAND***

***TOWN COUNCIL***

Raymond A. Morrissey, Jr., President  
Daniel W. Patterson, Vice-President  
Arlene B. Hicks, Member  
Kevin P. McGovern, Member  
Calvin A. Ellis, Member

***TREASURER***

Maria Lawler

***TOWN CLERK***

Lynn Hawkins

## ***FINANCIAL SECTION***

**THIS SECTION CONTAINS  
THE FOLLOWING SUBSECTIONS:**

*Independent Auditors' Report*

*Management's Discussion and Analysis*

*Basic Financial Statements*

*Required Supplementary Information*

*Other Supplementary Information*

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Exeter, Rhode Island, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Exeter'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

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 Exeter, Rhode Island as of June 30, 2016, and the respective changes in financial position, 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 – 10 and 40 – 44 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 the 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 Exeter, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2016, on our consideration of the Town of Exeter, 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 Exeter, Rhode Island's internal control over financial reporting and compliance.

*NADÉAU WAADONICK LLP*

West Warwick, Rhode Island  
November 7, 2016

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Unaudited  
For the Fiscal Year Ended June 30, 2016

As the management of the Town of Exeter (Town), we offer readers of the Town's Financial Statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2016. Included within our discussion will be a series of comparative tables, serving to more clearly illustrate changes in the Town's financial position. These tables will reflect governmental activities for the fiscal years ended 2016 and 2015.

**FINANCIAL HIGHLIGHTS**

- ❖ On the government-wide basis, the assets of the Town of Exeter exceeded its liabilities at the close of the most recent fiscal year ended by \$9,208,504. Of that amount, \$3,473,810 may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies.
- ❖ The Town's net position increased by \$242,506 or approximately 2.7% through current year activities. This increase was mainly due to favorable General Fund spending.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,156,906. Approximately 40.9% of this amount, \$1,290,202 is unassigned and available for use within the Town's designation and fiscal policies.
- ❖ At the end of the current fiscal year, the general fund's unassigned fund balance was \$1,290,202, or 9.6% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year revenues and transfers exceeded expenditures and transfers by \$111,070 on the Fund Financial Statement basis.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

In addition to the basic financial statements, this report also contains required supplementary information and other supplementary information.

The Town's basic financial statements and supplementary financial information provide information about all of the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

**Government-wide financial statements** – are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Unaudited  
For the Fiscal Year Ended June 30, 2016

The *Statement of Net Position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information which shows how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the Town, which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government and administration, public works, public safety, health and welfare, conservation and development, parks and recreation, and planning and zoning. The Town had no business activities as of June 30, 2016.

The government-wide financial statements are reported on pages 11 and 12.

**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. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds. For the fiscal year ending June 30, 2016, the Town does not have any proprietary funds.

**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, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a 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 funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is considered to be a major fund. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in 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 statement because resources of those funds are *not* available to support the Town's own programs.

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Unaudited  
For the Fiscal Year Ended June 30, 2016

The basic fiduciary fund financial statements can be found on pages 18 and 19.

**Notes to 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 are presented on pages 20 through 36.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations.

Required Supplementary Information is presented on pages 37 and 38.

The combining statements and supplementary information referred to earlier in connection with nonmajor governmental funds are presented on pages 39 through 56.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

***Analysis of the Town of Exeter's Net Position***

As noted earlier, the Town's net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town of Exeter, assets exceeded liabilities by \$9,208,504 as of June 30, 2016. This reflects an increase of \$242,506 for the current year's activity.

Listed below is a comparison of the current and prior fiscal years net position:

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current Assets	\$ 3,715,705	\$ 3,525,936
Capital Assets	<u>6,957,091</u>	<u>6,985,739</u>
TOTAL ASSETS	<u>10,672,796</u>	<u>10,511,675</u>
<b>LIABILITIES</b>		
Current Liabilities	446,984	486,263
Long-term Liabilities	<u>1,017,308</u>	<u>1,059,414</u>
TOTAL LIABILITIES	<u>1,464,292</u>	<u>1,545,677</u>
<b>NET POSITION</b>		
Net invested in Capital Assets	5,734,694	5,751,271
Restricted	1,839,849	1,618,773
Permanent	26,855	26,787
Unrestricted	<u>1,607,106</u>	<u>1,569,167</u>
TOTAL NET POSITION	<u>\$ 9,208,504</u>	<u>\$ 8,965,998</u>

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Unaudited  
For the Fiscal Year Ended June 30, 2016

The largest portion of the Town's net position \$5,734,694 (62.3%) consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets which is still outstanding. The Town uses these capital assets to provide services to its 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 are unlikely to be used to liquidate these liabilities.

*Analysis of the Town of Exeter's Operations*

The following analysis provides a summary of the Town's operations for the year ended June 30, 2016. Governmental activities increased the Town's net position by \$242,506 for the current period.

Listed below is a comparison of the current and prior fiscal years change in net position:

	Governmental Activities	
	2016	2015
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 401,659	\$ 368,304
Operating grants and contributions	279,257	217,920
Capital grants and contributions	48,280	12,420
General Revenues:		
Property taxes, levied for general purposes	13,516,345	13,090,678
Grants and contributions	305,742	302,799
Investment earnings	115,401	91,854
Other general revenues	-	-
<b>TOTAL REVENUES</b>	<b>14,666,684</b>	<b>14,083,975</b>
<b>EXPENSES</b>		
General government	1,780,199	1,760,300
Public works	1,437,982	1,050,609
Public safety	81,650	13,927
Social services	14,894	207,548
Public health and welfare	68,974	6,273
Education	10,964,656	10,596,172
Capital Outlay	44,950	6,593
Interest	30,873	39,909
<b>TOTAL EXPENSES</b>	<b>14,424,178</b>	<b>13,681,331</b>
<b>CHANGE IN NET POSITION</b>	<b>242,506</b>	<b>402,644</b>
Net Position - July 1st	8,965,998	8,563,354
Net Position - June 30th	<b>\$ 9,208,504</b>	<b>\$ 8,965,998</b>

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Unaudited  
For the Fiscal Year Ended June 30, 2016

**FINANCIAL ANALYSIS OF THE TOWN OF EXETER'S FUNDS**

**Governmental Funds** – The focus of the Town of Exeter'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, the unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,156,906. Approximately 40.9% of the total amount, or \$1,290,202 constituted unassigned fund balances. The remainder of the fund balance is non-spendable, restricted, committed or assigned. The fund balance in the General Fund increased due to a favorable variance of revenues exceeding expenditures by \$111,070.

**Reserved Fund Balances:**

Contingency appropriations	\$575,000
Re-appropriated for fiscal year 2016/2017	\$ -0-

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended budget for the Town's General Fund reflected total revenues and re-appropriations of \$14,385,818 and total expenditures and transfers to other funds of \$14,385,818. Actual total revenues were \$14,404,660 and total expenditures were \$14,293,590 which included transfers to other funds of \$818,021 resulted in a surplus of \$111,070.

**REVENUES**

Revenues on a budgetary basis were \$18,842 over budget due to some of the following conditions:

- Property taxes were over budget by \$98,832 as a result of timely collections and increased collections of delinquent taxes.
- Town clerk collections were under budget by \$20,688 as a result of decreased activity from taxpayers.
- License and permits were over budget by \$24,738 as a result of increased building and improvements projects in the Town of Exeter.
- Fines and interest on late payments were over budget by \$42,052 as a result of increased collections of delinquent taxes

**EXPENDITURES**

Expenditures on a budgetary basis were \$92,228 under budget due to some of the following conditions:

- The Deputy Town Treasurer's salary expense was under budget by \$15,000 as a result of the position being vacant.
- The Tax Collector Clerical salary expense was under budget by \$15,018 as a result of the position being vacant.
- Legal expenses were over budget by \$17,454 as a result of increased in legal matters.
- Blue Cross/Dental expenses were under budget by \$23,279 as a result of anticipated employee addition into the plan. The employee later decided not to be added to the Blue Cross Family plan.

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Unaudited  
For the Fiscal Year Ended June 30, 2016

- Town retirement expenses were over budget by \$10,072 as a result of an increase in employees' salaries and overtime expenses.
- Town Clerk expenses were under budget by \$16,834 as a result of costs savings on the Town Clerk's billing and equipment contracts.
- Contingency Fund expenses were under budget by \$20,000 as a result of minimal unanticipated expenses requiring Town Council approval.
- Board of Canvassers expenses were under budget by \$10,040 as a result of cost cutting efforts as it was not an election year.
- Public Work expenses were under budget by \$18,163 as a result of decreased overtime due to mild winter conditions.

**CAPITAL ASSETS**

The Town of Exeter's investment in capital assets for its governmental activities amounts to \$6,957,091, net of accumulated depreciation at June 30, 2016. Included are land, intangible assets, infrastructure, building and improvements, motor vehicles, machinery and equipment, and office furniture and equipment (which are fully depreciated as of June 30, 2016).

**TOWN OF EXETER'S CAPITAL ASSETS AT YEAR END  
NET OF ACCUMULATED DEPRECIATION**

	2016	2015
Land	\$ 253,701	\$ 253,701
Development rights - Schartner Farms	3,450,000	3,450,000
Buildings and improvements	1,390,904	1,409,222
Motor vehicles	421,213	327,602
Machinery and equipment	492,890	568,251
Infrastructure	948,383	976,963
	\$ 6,957,091	\$ 6,985,739

Additional information on the Town of Exeter's capital assets is located in Note 5 of the notes to the financial statements. The Town intends on reporting infrastructure assets as required with full historical disclosure in subsequent reporting periods.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the Town of Exeter had a total bonded debt of \$659,074. All bonded debt is backed by the full faith and credit of the Town.



TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Unaudited  
For the Fiscal Year Ended June 30, 2016

**TOWN OF EXETER'S OUTSTANDING DEBT AT FISCAL YEAR END  
BONDS, NOTES AND CAPITALIZED LEASES PAYABLE**

	2016	2015
Public library bond	\$ 350,644	\$ 409,987
Development rights bond	308,430	347,467
Landfill post-closure care costs	204,106	208,277
Compensated absences	75,443	75,766
Capital lease obligation	283,774	192,971
	\$ 1,222,397	\$ 1,234,468

The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Exeter's limit is \$24,387,547 (based on net assessed valuation at December 31, 2014 of \$832,726,564) at June 30, 2016. The town's outstanding general obligation debt is \$659,074 at June 30, 2016, which is \$23,728,473 under the State-imposed limitation.

Additional information on the Town of Exeter's long-term debt can be found in Note 6 of the financial statements and on pages 54 through 56.


**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town of Exeter's total general fund budget for fiscal year 2016-2017 is \$14,923,095 which is an increase of \$537,277 over the fiscal 2015-2016 budget of \$14,385,818. Of the Town's 2016-2017 budget, \$3,373,731 or 22.6% is budgeted for the general government and \$11,549,364 or 77.4% is budgeted for education. The State of Rhode Island is budgeted to contribute \$396,924 in State aid.

The Town's tax rate for fiscal 2016-2017 is \$15.94 per thousand, with 19.0% allocated for general government and 81.0% allocated for education. For fiscal 2015-2016 the Town's tax rate was \$15.37 per thousand with 19.0% allocated for general government and 81.0% allocated for education. The increase in tax rates from \$15.37 to \$15.94 resulted in a \$0.57 increase or 3.7% increase in the tax rate.

**REQUEST FOR INFORMATION**

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Exeter, 675 Ten Rod Road, Exeter, RI 02822.

  
Maria Lawler  
Treasurer

## ***BASIC FINANCIAL STATEMENTS***

*The Basic Financial Statements  
include all funds in order to provide an overview of the  
financial position and results of operation for the Town as a whole.  
They also serve as an introduction to the more detailed  
statements and schedules that follow.*

TOWN OF EXETER, RHODE ISLAND  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION  
 June 30, 2016

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 3,257,288
Accounts receivable:	
Property taxes, net of allowance for doubtful accounts of \$112,179	384,293
Tax title property	14,469
Other receivables	56,832
Prepays	<u>2,823</u>
<i>Total Current Assets</i>	<u>3,715,705</u>
 <i>Noncurrent Assets</i>	
Capital assets not being depreciated	3,703,701
Capital assets being depreciated, net of depreciation	<u>3,253,390</u>
<i>Total Noncurrent Assets</i>	<u>6,957,091</u>
 TOTAL ASSETS	 <u>10,672,796</u>
 <b><u>LIABILITIES</u></b>	
<i>Current Liabilities</i>	
Accounts payable and accrued items	121,926
Due to Agency Funds	105,500
General obligations bonds	102,000
Capital leases	96,311
Compensated absences payable	6,778
Other liabilities	<u>14,469</u>
<i>Total Current Liabilities</i>	<u>446,984</u>
 <i>Noncurrent Liabilities</i>	
General obligations bonds	557,074
Capital leases	187,463
Landfill postclosure care costs	204,106
Compensated absences payable	<u>68,665</u>
<i>Total Noncurrent Liabilities</i>	<u>1,017,308</u>
 TOTAL LIABILITIES	 <u>1,464,292</u>
 <b><u>NET POSITION</u></b>	
Net invested in capital assets	5,734,694
Restricted:	
Grants and other statutory restrictions	1,839,849
Permanent funds:	
Nonexpendable	26,855
Unrestricted	<u>1,607,106</u>
 TOTAL NET POSITION	 <u>\$ 9,208,504</u>

TOWN OF EXETER, RHODE ISLAND  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2016

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General government	\$ 1,780,199	\$ 279,781	\$ 29,182	\$ -	\$ (1,471,236)
Public works	1,437,982	-	107,255	-	(1,330,727)
Public safety	81,650	-	23,287	48,280	(10,083)
Social services	14,894	121,878	19,052	-	126,036
Public health and welfare	68,974	-	100,481	-	31,507
Education	10,964,656	-	-	-	(10,964,656)
Capital Outlay	44,950	-	-	-	(44,950)
Interest	30,873	-	-	-	(30,873)
<b>Total Activities</b>	<b>\$ 14,424,178</b>	<b>\$ 401,659</b>	<b>\$ 279,257</b>	<b>\$ 48,280</b>	<b>(13,694,982)</b>

*General Revenues:*

Property taxes	13,516,345
Grants and contributions not restricted to specific purposes	305,742
Investment Earnings	115,401
Other general revenues	-
<b>Total General Revenues</b>	<b>13,937,488</b>

Increase in Net Position	242,506
Net Position - July 1, 2015	8,965,998
Net Position - June 30, 2016	<b>\$ 9,208,504</b>

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 June 30, 2016

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,969,980	\$ -	\$ 287,308	\$ 3,257,288
Property tax receivable	384,293	-	-	384,293
Other - accounts receivable	-	-	56,832	56,832
Prepays	2,823	-	-	2,823
Due from other funds	64,679	86,751	934,086	1,085,516
Tax title property	14,469	-	-	14,469
<b>TOTAL ASSETS</b>	<b>\$ 3,436,244</b>	<b>\$ 86,751</b>	<b>\$ 1,278,226</b>	<b>\$ 4,801,221</b>
<b>LIABILITIES</b>				
Accounts payable and accrued items	\$ 110,509	\$ -	\$ 11,417	\$ 121,926
Due to other funds	1,020,837	-	64,679	1,085,516
Due to Agency Funds	105,500	-	-	105,500
Other liabilities	14,469	-	-	14,469
<b>TOTAL LIABILITIES</b>	<b>1,251,315</b>	<b>-</b>	<b>76,096</b>	<b>1,327,411</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	316,904	-	-	316,904
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>316,904</b>	<b>-</b>	<b>-</b>	<b>316,904</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepays	2,823	-	-	2,823
Restricted	-	-	130,521	130,521
Committed	-	86,751	184,089	270,840
Assigned	575,000	-	887,520	1,462,520
Unassigned	1,290,202	-	-	1,290,202
<b>TOTAL FUND BALANCES</b>	<b>1,868,025</b>	<b>86,751</b>	<b>1,202,130</b>	<b>3,156,906</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>	<b>\$ 3,436,244</b>	<b>\$ 86,751</b>	<b>\$ 1,278,226</b>	<b>\$ 4,801,221</b>

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 June 30, 2016

Total Fund Balances for Governmental Funds	\$	3,156,906
Assets used in governmental activities which are not financial resources and, therefore, are not reported in the funds:		
Capital assets, net		6,957,091
Deferred revenue		316,904
		7,273,995
Liabilities not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds		(659,074)
Capital leases		(283,774)
Landfill postclosure care costs		(204,106)
Compensated absences payable		(75,443)
		(1,222,397)
Net Position of Governmental Activities	\$	9,208,504

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2016

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Property taxes	\$ 13,582,428	\$ -	\$ -	\$ 13,582,428
Intergovernmental revenues	427,620	-	40,751	468,371
Departmental revenues	147,082	-	-	147,082
Licenses and permits	88,738	-	-	88,738
Interest and investment income	7,779	-	570	8,349
Fines and interest on late payments	107,052	-	-	107,052
Other revenues	43,961	-	286,786	330,747
<b>TOTAL REVENUES</b>	<b>14,404,660</b>	<b>-</b>	<b>328,107</b>	<b>14,732,767</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	1,605,116	-	110,294	1,715,410
Public works	682,848	4,171	495,689	1,182,708
Public safety	20,671	-	60,979	81,650
Social services	7,772	-	7,122	14,894
Public health and welfare	6,518	-	83,460	89,978
Education	10,964,656	-	-	10,964,656
Capital outlay	-	-	166,092	166,092
<b>Debt service:</b>				
Principal	157,115	-	-	157,115
Interest	30,873	-	-	30,873
<b>TOTAL EXPENDITURES</b>	<b>13,475,569</b>	<b>4,171</b>	<b>923,636</b>	<b>14,403,376</b>

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2016

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	929,091	(4,171)	(595,529)	329,391
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds	-	-	818,021	818,021
Transfers to other funds	(818,021)	-	-	(818,021)
TOTAL OTHER FINANCING SOURCES (USES)	(818,021)	-	818,021	-
Net Change in Fund Balances	111,070	(4,171)	222,492	329,391
FUND BALANCE - July 1, 2015	1,756,955	90,922	979,638	2,827,515
FUND BALANCE - June 30, 2016	<u>\$ 1,868,025</u>	<u>\$ 86,751</u>	<u>\$ 1,202,130</u>	<u>\$ 3,156,906</u>



TOWN OF EXETER RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$	329,391
<p>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 the increase in in capital outlays of \$135,464 was less than depreciation of \$164,112 in the current period. Additionally, capital assets in the amount of \$149,538 were capitalized through capital lease transactions.</p>		
		(178,186)
<p>Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statement, however they are recognized as revenues in the statement of activities.</p>		
		(66,083)
<p>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. This is the amount of decrease in accrued compensated absences.</p>		
		323
<p>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. This is the amount of increase in prepaid expenses.</p>		
		(54)
<p>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. This is the amount of principal payments made on long-term debt</p>		
		<u>157,115</u>
Change in Net Position of Governmental Activities in the Statement of Activities	\$	<u>242,506</u>

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 June 30, 2016

	<u>REYNOLDS FUND</u>	<u>EMILY J. ANTHONY FUNDS</u>	<u>AGENCY FUNDS</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 714,860	\$ 3,291	\$ 53,421
Investments	719,518	-	-
Due from General Fund	<u>-</u>	<u>-</u>	<u>105,500</u>
 TOTAL ASSETS	 <u>1,434,378</u>	 <u>3,291</u>	 <u>158,921</u>
<u>LIABILITIES</u>			
Deposits held in custody for others	-	-	158,921
Due to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>-</u>	 <u>\$ 158,921</u>
<u>NET ASSETS</u>			
Held in trust for specific purpose	<u>1,434,378</u>	<u>3,291</u>	
 TOTAL NET POSITION	 <u>\$ 1,434,378</u>	 <u>\$ 3,291</u>	

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Fiscal Year Ended June 30, 2016

	REYNOLDS FUND	EMILY J. ANTHONY FUNDS
<u>ADDITIONS</u>		
Bequests	\$ -	\$ 2,142
Interest, dividends and gains	62,439	-
	62,439	-
TOTAL ADDITIONS	62,439	2,142
<u>DEDUCTIONS</u>		
Scholarship expenses	-	1,800
Investment management fee	14,152	-
Support services	2,955	-
	17,107	-
TOTAL DEDUCTIONS	17,107	1,800
INCREASE IN NET POSITION	45,332	342
NET POSITION - July 1, 2015	1,389,046	2,949
NET POSITION - June 30, 2016	\$ 1,434,378	\$ 3,291

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Exeter, Rhode Island, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government's significant accounting policies are described below.

***FINANCIAL REPORTING ENTITY***

The Town was founded in 1742. The town is governed largely by the Town Charter, which was adopted as of January 6, 1997 with amendments through November 2, 2010. 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 operates under a Town Council form of government. The Town provides various services including a public library, public works, social services, and general administrative services.

Members of the Town Council are elected by taxpayers for a term of two years. The Town Council is granted all power to enact, amend or repeal ordinances relating to the Town's property, affairs and government, including the power to create offices, departments or agencies of the Town, preserving the public peace, health and safety, establishing personnel policies, giving effect to any vote of the Financial Town Meeting authorizing the issuance of bonds and debt and providing for an annual audit of the Town's records.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61. Under GASB Statement No. 61, a legally separated entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any of the following conditions are met:

- (a) The primary government is legally entitled to or can otherwise access the organization's resources.
- (b) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- (c) The primary government is obligated in some manner for the debt of the organization.

The accompanying financial statements present the Town's primary government and certain component units which are financially dependent on the Town. The Town's component units are as follows:

**Blended Component Units**

The Exeter Public Library is governed by a board of trustees appointed by the Town Council. The library's trustees govern the library in accordance with applicable state laws. For financial statement

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

purposes, the Exeter Public Library is reported as if it were part of the Town's operations because its purpose is to provide library services to the citizens of the Town and is dependent upon the Town for some of its financial resources.

Recently Issued Accounting Standards

During the fiscal year ended June 30, 2016, the Town implemented the following accounting pronouncements:

*GASB Statement No. 72* – Fair Value Measurement and Application.

*GASB Statement No. 76* – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.

*GASB Statement No. 78* – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.

*GASB Statement No. 79* – Certain External Investment Pools and Pool Participants.

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

*GASB Statement No. 73* – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, effective for fiscal year ending June 30, 2017.

*GASB Statement No. 74* – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, effective for fiscal year ending June 30, 2017.

*GASB Statement No. 75* – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for fiscal year ending June 30, 2018.

*GASB Statement No. 77* – Tax Abatement Disclosures, effective for fiscal year ending June 30, 2017.

*GASB Statement No. 80* – Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14, effective for fiscal year ending June 30, 2017.

*GASB Statement No. 81* – Irrevocable Split-Interest Agreements, effective for fiscal year ending June 30, 2017.

*GASB Statement No. 82* – Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73, effective for fiscal year ending June 30, 2018.

***BASIS OF PRESENTATION***

*Government-Wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for *fiduciary funds* (the activity of these funds are reported in the statement of fiduciary net position and changes in fiduciary net

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

position). The government-wide financial statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business type activities.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund being displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- (a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type, and
- (b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental fund that the government's officials believe is particularly important to the financial statement users (for example, due to public interest or consistency) may also be reported as a major fund. The funds of the financial reporting entity are described below:

Governmental Fund Types

These are the funds through which most governmental functions are typically financed. The funds included in this category are as follows:

*General Fund* – is used to account for resources devoted to financing the general services the Town performs for its citizens. General tax revenues and other sources of revenues used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

*Special Revenue Funds* – are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

*Capital Project Funds* – are used to account for financial resources restricted for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust funds).

*Permanent Funds* – are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

Proprietary Fund Types

These funds are used to account for business-like activities provided to the general public. Activities are financed primarily by user charges and the measurement of financial activity focuses on the net income measurement similar to the private sector. Operating revenues consist of customer/taxpayer charges for uses and services and certain other miscellaneous revenues. All other revenues are considered non-operating sources of income. For the year ended June 30, 2016, the Town held no proprietary funds.

Fiduciary Fund Types

These funds use the accrual basis of accounting to account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. *Fiduciary Fund types are not part of the reporting entity in the Government-wide financial statements.* These funds are as follows:

*Pension Trust Fund* – is established to provide pension benefits to various employees of the Town. The principal revenue source for this fund is employer contributions.

*Private Purpose Trust Funds* – are used to account for assets held by the Town under various trust arrangements for the benefit of certain individuals and groups.

*Agency Funds* – are used to account for funds that are to be used for educational and welfare expenditures and for funds held in escrow for other parties.

***BASIS OF ACCOUNTING***

Measurement Focus – Government-wide Financial Statements

In the government-wide financial statements, the Statement of Net Position and Statement of Activities (governmental and business-type activities) are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Measurement Focus – Fund Financial Statements

The accounting and financial reporting treatment applied to the *Fund Financial Statements* is determined by its measurement focus. All Governmental Fund Types and Expendable Trust Funds are accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position.

All Private Purpose Trust Funds and Pension Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total position) is

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

segregated into contributed capital and retained earnings components. Proprietary Fund Type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Licenses and permits, charges for services, fines, forfeits, and miscellaneous revenue are recorded as revenues when received in cash. Those revenues susceptible to accrual are property taxes and investment earnings. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations, which are recognized when paid.

Non-current portions of long-term receivables of Governmental Fund Types are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered “available expendable resources” since they do not represent net current position. Recognition of Governmental Fund Type revenues represented by non-current receivables is deferred until they become current receivables.

Because of their spending measurement focus, expenditure recognition for Governmental Fund Types excludes amounts represented by non-current liabilities. Since they do not affect net current position, such long-term amounts are not recognized as Governmental Fund Type expenditures or fund liabilities. They are instead reported as Long-term Liabilities – Governmental Activities.

In applying the “susceptible to accrual” concept to intergovernmental revenues the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of such revenues. For one type, monies must be expended on the specific purpose or project before any amounts will be paid to the town; therefore, revenues are recognized based upon the expenditures recorded.

For the other type, revenues are virtually unrestricted as to purpose of expenditure and nearly irrevocable or revocable only for failure to comply with the prescribed requirements, such as a Community Development Block Grant. These resources are reflected as revenues at the time of receipt or earlier if they meet the “available” criteria.

Investments – are Government Securities, Commercial Paper and various types of corporate stocks and bonds held in the Governmental and Fiduciary Fund Types, which are recorded at fair value.

Receivables – are recorded in the General and Special Revenue Funds. Where appropriate an associated allowance for uncollectible accounts has been established. Property taxes, which were levied on July 1, 2015 of the current year and other delinquent balances, are recorded as receivables.

Short-term Interfund Receivables/Payables – are transactions occurring between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

Inventories – are maintained on a periodic system and are stated at cost (first in, first out method of inventory valuation). Inventories in the Governmental Fund Types are recorded as expenditures when consumed.



TOWN OF EXETER, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2016

Capital Assets – in Governmental Fund type, operations are accounted for using the “current financial resources” measurement focus. Capital assets, which include property, plant and equipment, and infrastructure (e.g. road, bridges curbs and gutters, streets and sidewalks, and drainage systems), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). Pursuant to the implementation of GASB Statement No. 34, the Town has chosen to prospectively report infrastructure assets as part of the governmental capital assets reported in the government-wide statements. Donated assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are charged to expenditures as incurred.

The Town capitalizes certain interest cost in accordance with GASB Code Section 1400 as part of constructed assets. Interest is capitalized throughout the construction period in the Capital projects fund prior to the assets being transferred to the governmental fund and placed in service.

Property, plant and equipment are valued at historical costs. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives (years)</u>
Building and improvements	40
Motor Vehicles	5
Machinery and equipment	10
Office furniture and equipment	3-10

Unearned Revenues – represent funds received or billed in advance of being owed, or receivables, which will be collected and included in revenues of future fiscal years. In the General Fund, unearned revenue relates to property tax receivables which were assessed on or before December 31, 2014 and not collected within 60 days following June 30, 2016.

In the government-wide financial statements, unearned revenue represents funds received in advance of being earned/owed or receivables which will be collected and included in revenues of future fiscal years. In the General Fund, (of the financial statements), unearned revenue includes property taxes receivable which were assessed on December 31, 2014 and prior and are not collected within 60 days following June 30, 2016. Net unearned taxes included in the fund financial statements were \$316,904.

Net Position (Government-Wide Statements) – The Town’s net position has been segregated into the following three components in accordance with GASB Statement No. 34:

*Invested in Capital Assets, Net of Related Debt* – represents the net book value of all capital assets less the outstanding balances of bonds and other debt used to acquire, construct or improve these assets.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

*Restricted* – consist of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

*Unrestricted* – Any other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

*Fund Financial Statements (Governmental Funds)* – The Town has adopted the requirements of the Government Accounting Standards Board (GASB) Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. Issuance of this statement has changed the presentation of the elements of fund balances as listed in the new fund balance categories below:

- *Non-spendable* – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories.
- *Restricted* – requires that inflows and outflows of resources and balances be constrained to a specific purpose enabling legislation, external parties or constitutional provisions.
- *Committed* – are balances with constraints imposed by the government’s highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority.
- *Assigned* – are balances intended for a specific purpose by the government’s management and are also appropriations of existing fund balances.
- *Unassigned* – are balances available for any purpose. They are not precluded by a management decision, law constitutional provisions in the general fund.

The Town has established classification policies and procedures for the levels of fund balance reporting as noted above. Committed fund balances require a meeting of the Town Council (highest level of decision making authority) to establish, modify or rescind a fund balance commitment. Assigned fund balances require the Town Treasurer to assigns amounts to a purpose under the authorization given by the Town Council. The Town considers amounts that have been spent when an expenditure is incurred for situations in which both restricted and unassigned fund balances are available. The Town also considers committed amounts that have been spent when an expenditure is incurred for the purpose for which amounts in any other unassigned fund balance could be used.

*Revenues, Expenditures and Expenses* – Revenues for governmental fund types are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental fund types are recorded when the related liability is incurred. The Town will make use of available restricted resources first when determining expendable funds. Operating revenues are defined as those revenues generated from fees and assessments, all others are deemed non-operating. It is the Town’s policy when both restricted and unrestricted funds are available to reduce a liability to first use restricted resources.

*Program Revenues and Expenses* – In the statement of activities specific revenues are allocated to program expenses due to their direct relationships. Collections for licenses, fees, tickets and fines are among some of the revenue sources that are program revenues. Indirect expenses are not allocated to functions in the statement of activities.

*Property Taxes* – The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 98.2% of the total December 31, 2014 levy. The tax rate of the Town is

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

established by the Town Council. The Town's fiscal 2016 property taxes were levied on July 1, 2015 on assessed valuation as of December 31, 2014. Upon levy, taxes are billed yearly and due quarterly on September 1<sup>st</sup>, December 1<sup>st</sup>, March 1<sup>st</sup>, and June 1<sup>st</sup>. A fifteen (15) day grace period from the due date is given. Failure to postmark payments by the 15<sup>th</sup> will result in a lien on taxpayer's property, and eventually to the sale of the same. A complete revaluation of all property was completed December 31, 2011 as per State requirements. On December 31, 2014, a statistical revaluation was completed.

Vacation, Sick Leave, and Other Compensated Absences – Under the terms of various contracts and agreements, Town employees are granted vacation payouts in varying amounts based on length of service. For Governmental Fund Types accrued compensated absences are presented as a current liability for those amounts expected to be paid with current financial resources. In governmental funds compensated absence expenditures are only reported when vested. For those compensated absences not to be paid with current financial resources the liability is recorded in the Statement of Net Position of the government-wide financial statements.

Interfund Transactions – Interfund transactions except advances are accounted for as transfers. Nonrecurring or non-routine transfers of equity between funds are considered transfers.

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 and the differences could be material.

Subsequent Events – The Town has evaluated subsequent events for recognition and disclosure through November 7, 2016, which is the date the financial statements were available to be issued.

## **NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Legal Debt Margin – The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value that approximates \$24,387,547 based on the December 31, 2014 assessment. As of June 30, 2016, the Town's debt is under this limit by \$23,728,473.

## **NOTE 3 – CASH AND INVESTMENTS**

Deposits – The Town maintains deposits in various financial institutions that are carried at cost except for those amounts which are carried as petty cash. The carrying amount of deposits is separately displayed on the balance sheet as "Cash and Cash Equivalents".

Investments – Investment of all idle funds must be made through national banks or trust companies, providing that the financial conditions and integrity of said institution or institutions are verifiable and can be monitored. The investment of funds shall be in direct obligations of the United States Government and "money market instruments" rated "A" or better. Investments in any one institution cannot exceed five (5) percent of that institution's capital and surplus as set for in the institution's most recent audited financial statements. All investments are made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital.

TOWN OF EXETER, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2016

Interest Rate Risk – The Town limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools. This only applies to investments held by Citizens Bank on behalf of the Reynolds Fund.

Concentrations – The Town policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity. This only applies to investments held by Citizens Bank on behalf of the Reynolds Fund.

Custodial Credit Risk:

Deposits – This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2016, all of the Town’s bank balance of \$3,373,873 was insured or collateralized.

Investments – This is the risk that in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Cash and investments of the Town consist of the following at June 30, 2016:

<u>Cash and Cash Equivalents</u>	
Deposits with financial institutions	\$ 3,373,873
 <u>Investments</u>	
Fixed Income	642,890
Common stock	731,615
<i>Total Cash and Investments</i>	<i>\$ 4,748,378</i>

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

<u>Statement of Net Position</u>	
Cash and cash equivalents	\$ 3,257,288
 <u>Fiduciary Funds</u>	
Cash and cash equivalents	771,572
Investments	719,518
<i>Total Cash and Investments</i>	<i>\$ 4,748,378</i>

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

**Interest Rate Risk** – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town did not have any debt type investments that were exposed to interest rate risk as defined by GASB Statement No. 40.

**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 Statement No. 40.

**NOTE 4 – PROPERTY TAXES**

The Town's property tax is levied each July 1, for its next fiscal year on the assessed valued listed as of the prior December 31, for all real property, tangible property and motor vehicles located in the Town. Assessed values of real property and tangible personal property were established by the Town Assessor's office at 100% of appraised market value as of December 31, 2014. A complete revaluation of all property was performed as of December 31, 2011 as required by the State. The assessed values were effective for the property levy for fiscal year 2015-2016. The assessed value of motor vehicles is determined annually at 100% of retail market value, net of State of Rhode Island credits. Taxes are due in equal quarterly installments on September 1<sup>st</sup>, December 1<sup>st</sup>, March 1<sup>st</sup>, and June 1<sup>st</sup> during the fiscal year. A fifteen (15) day grace period from the due date is given before penalties and interest are incurred.

The Town entered into a contractual relationship with a law firm to act as a collection agency to pursue delinquent tangible and personal property accounts. The Town has forwarded past due accounts for collection. At June 30, 2016, a reserve of \$112,179 has been established for the property taxes considered uncollectible.

An automatic lien is placed on the taxpayer's real property if payment has not been received by the due date. Interest is charged on past due accounts at a rate of 12% per annum calculated on the unpaid portion of the total tax.

In the governmental fund financial statements, unpaid property taxes at year end are recorded as property tax receivable and those property tax receivable which were not collected within 60 days immediately following the fiscal year end are recorded as unavailable revenue. Unavailable revenue at June 30, 2016 consists of \$429,083 of property taxes not collected within 60 days following year end, net an allowance of \$112,179, resulting in \$316,904.

Net property taxes levied for the fiscal year 2015-2016 were based on an assessed value of approximately \$832,726,564 at December 31, 2014 and amounted to \$13,558,130. Total property tax recognized for the current fiscal year amounted to \$13,323,489 which represents 98.3% of the total 2015 levy. Of that amount, \$67,389 was collected within 60 days following year end, including tax revenue relating to current and prior years. Tax abatements for the year ended June 30, 2016 totaled \$30,175.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

**NOTE 5 – INFORMATION ABOUT CAPITAL ASSETS**

Capital asset activity consists of the following at June 30, 2016:

	Primary Government			Ending Balances
	Beginning Balances	Increases	Decreases	
Governmental activities				
Capital assets not being depreciated				
Land	\$ 253,701	\$ -	\$ -	\$ 253,701
Development rights - Schartner Farms	3,450,000	-	-	3,450,000
Total capital assets not being depreciated	<u>3,703,701</u>	<u>-</u>	<u>-</u>	<u>3,703,701</u>
Other capital assets:				
Buildings and improvements	2,148,331	33,943	-	2,182,274
Motor vehicles	1,176,570	189,566	34,820	1,331,316
Machinery and equipment	1,607,230	68,175	121,400	1,554,005
Office furniture and equipment	161,180	-	-	161,180
Infrastructure	1,143,216	-	-	1,143,216
Total other capital assets at historical cost	<u>6,236,527</u>	<u>291,684</u>	<u>156,220</u>	<u>6,371,991</u>
Less accumulated depreciation for:				
Buildings and improvements	739,109	52,261	-	791,370
Motor vehicles	848,968	95,955	34,820	910,103
Machinery and equipment	1,044,804	126,452	106,500	1,064,756
Office furniture and equipment	155,355	2,184	-	157,539
Infrastructure	166,253	28,580	-	194,833
Total accumulated depreciation	<u>2,954,489</u>	<u>305,432</u>	<u>141,320</u>	<u>3,118,601</u>
Governmental activities capital assets, net	<u>\$ 6,985,739</u>	<u>\$ (13,748)</u>	<u>\$ 14,900</u>	<u>\$ 6,957,091</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 65,058
Public works	240,374
Total governmental activities depreciation expense	<u>\$ 305,432</u>

Included within the capital assets are leased assets. Machinery and equipment includes \$304,295 of leased equipment with accumulated depreciation of \$72,631 as of June 30, 2016. Vehicles include \$189,566 of leased vehicles with accumulated depreciation of \$15,797 as of June 30, 2016. Additional information on the capital leases is located in Note 7.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

**NOTE 6 – INFORMATION ABOUT LONG-TERM LIABILITIES**

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Amounts Due Within One Year
<b>Governmental Activities</b>					
Exeter public library bond	\$ 409,987	\$ -	\$ 59,343	350,644	\$ 61,627
Exeter development rights bond	347,467	-	39,037	308,430	40,373
<b>Total bonds and notes payable</b>	<b>757,454</b>	<b>-</b>	<b>98,380</b>	<b>659,074</b>	<b>102,000</b>
Capital lease obligation - grader	49,618	-	24,460	25,158	25,158
Capital lease obligation - plow truck	143,353	-	34,275	109,078	35,297
Capital lease obligation - plow truck	-	189,566	40,028	149,538	35,856
<b>Total capital leases payable</b>	<b>192,971</b>	<b>189,566</b>	<b>98,763</b>	<b>283,774</b>	<b>96,311</b>
Landfill post closure care costs (Note 11)	208,277	-	4,171	204,106	-
Compensated absences	75,766	8,572	8,895	75,443	6,778
<b>Total other long-term debt</b>	<b>284,043</b>	<b>8,572</b>	<b>13,066</b>	<b>279,549</b>	<b>6,778</b>
<b>Total Governmental Activities</b>	<b>\$ 1,234,468</b>	<b>\$ 198,138</b>	<b>\$ 210,209</b>	<b>\$ 1,222,397</b>	<b>\$ 205,089</b>

The following schedule summarizes the Town's bonds, notes and leases payable:

	Interest Rates	Principal	Due Dates
Exeter public library bond	3.67%	\$ 350,644	2016-2022
Exeter development rights bond	3.25%	\$ 308,430	2016-2023
Capital lease obligations	various	\$ 283,774	2016-2020

The Town is not obligated in any way for special assessment debt. Neither are any special assessment obligations outstanding.

The Town refinanced the general bond obligations during previous fiscal years which has reduced the interest rates.

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

Fiscal Year Ended June 30	Governmental Long-term Liabilities		
	Principal	Interest	Total
2017	\$ 102,000	\$ 21,564	\$ 123,564
2018	105,683	17,881	123,564
2019	109,500	14,064	123,564
2020	113,429	10,135	123,564
2021	117,553	6,011	123,564
2022	65,886	2,452	68,338
2023	45,023	746	45,769
	<b>\$ 659,074</b>	<b>\$ 72,853</b>	<b>\$ 731,927</b>

***Accrued Compensated Absences*** – Town employees receive vested rights to paid vacation and sick time at the end of their year of full-time employment with no pro rata payment if employment is terminated before the completion of a full year of service. An expenditure/expense is recognized each month as benefits are used, consistent with the standards established by GASB Statement No. 16.

TOWN OF EXETER, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2016

**NOTE 7 – CAPITAL LEASE**

On March 1, 2013, the Town entered into a lease agreement for financing the acquisition of a Volvo grader to maintain the landfill in the amount of \$122,395. The lease bears interest of 2.86% per annum. Principal and interest payments of \$25,877 are due annually on the 1<sup>st</sup> of March through fiscal year 2017. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments.

On October 1, 2014, the Town entered into a lease agreement for financing the acquisition of a street sweeper for the Department of Public Works in the amount of \$181,900. The lease bears interest of 2.98% per annum. Principal and interest payments of \$38,547 are due annually on the 1<sup>st</sup> of October through fiscal year 2019. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments.

On August 25, 2015, the Town entered into a lease agreement for financing the acquisition of a 2016 International dump truck for the Department of Public Works in the amount of \$189,566. The lease bears interest of 2.79% per annum. Principal and interest payments of \$40,028 are due annually on the 25<sup>th</sup> of August through fiscal year 2020. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

Year Ending June 30	
2017	\$ 104,452
2018	78,575
2019	78,575
2020	<u>40,028</u>
Total minimum lease payments	301,630
Less: Amount representing interest	<u>(17,856)</u>
Present value of minimum lease payments	<u>\$ 283,774</u>

**NOTE 8 – NET POSITION/FUND BALANCE**

The difference between assets, liabilities and deferred inflows and outflows is “Net Position” on the government-wide and fiduciary funds financial statements and “Fund Balance” on the governmental fund financial statements.

Financial statement presentation follows GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. Under GASB Statement No. 54, fund balances are classified as non-spendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council, such as appropriation or legislation. Assigned fund balance is constrained by



TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

the Town Council's intent to be used for specific purposes. The Town reports information regarding its financial position and activities in accordance with three classifications of fund balance: restricted, committed and assigned.

	Restricted Purposes	Committed Purposes	Assigned Purposes
<u>General Fund</u>			
Contingency Appropriation	\$ -	\$ -	\$ 575,000
Re-appropriated Fiscal Year 2016/2017	-	-	-
<u>Major Fund</u>			
Landfill Closure	-	86,751	-
<u>Nonmajor Funds</u>			
Transfer Station	-	19,830	-
Animal Shelter Fund	-	(50,863)	-
Preservation and Technology Fund	-	7,203	-
RIEMA FEMA Grant	28,606	-	-
Planning Board Project Review Fee	-	11,263	-
Capital Facilities Impact Fees	-	196,656	-
CDBG	75,060	-	-
Property Revaluation Fund	-	-	126,626
Spay/Neuter Fund	-	-	4,964
Memorial Day Parade	-	-	2,340
Pension Liability Fund	-	-	22,210
Historic Preservation Fund	-	-	23,821
Veteran's Memorial Fund	-	-	15,001
Vehicle Replacement Fund	-	-	191,594
Public Works/Road	-	-	16,413
Computer Upgrade Fund	-	-	29,720
Public Works/Equipment	-	-	21,592
Town Hall Renovations Fund	-	-	87,338
Chelsea Park Fund	-	-	40,437
Video Equipment	-	-	3,503
Office Equipment	-	-	34,961
GIS Mapping System	-	-	10,000
Transfer Station Move	-	-	225,000
New Town Hall	-	-	32,000
Cemetery Fund	26,855	-	-
	<u>\$ 130,521</u>	<u>\$ 270,840</u>	<u>\$ 1,462,520</u>

TOWN OF EXETER, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2016

**NOTE 9 – NET ASSETS - RESTRICTED**

As of June 30, 2016, the Town has restricted \$1,851,515 of its General, Landfill Closure, and Special Revenue funds for contingency appropriations as follows:

General Fund balance	\$	575,000
Landfill Closure Fund balance		86,751
Special Revenue Funds balance		1,202,130
	\$	1,863,881

Deficit Fund Equity – As of June 30, 2016, deficit fund balances consisted of the following:

Special Revenue Funds	
Animal Shelter Fund	\$ 50,863

The Town anticipates funding these deficits through future revenue requests and budget appropriations.

**NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES**

These balances resulted from the short-term advances from one fund (primarily the General Fund) to another fund. These advances were provided as either operating advances or reimbursement for expenditures that were paid by one fund on behalf of another fund. These amounts are expected to be repaid at certain future dates.

Interfund receivable and payable balances at June 30, 2016 are as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 64,679	\$ 1,020,837
Landfill Closure Fund	86,751	-
Special Revenue Funds	241,359	64,679
Capital Projects Funds	692,727	-
	\$ 1,085,516	\$ 1,085,516

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary information.

TOWN OF EXETER, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2016

Transfers between funds during the fiscal year ended June 30, 2016 are as follows:

Fund	Transfers from (to) other funds
General Fund	\$ (818,021)
Special Revenue Funds	215,062
Capital Projects Funds	602,959
	\$ -

**NOTE 11 – LANDFILL POST-CLOSURE CARE COSTS**

GASB Statement No. 18 – *Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*, requires the recognition of closure and post-closure costs of landfills as long-term liabilities. State and federal laws and regulations require the Town perform certain maintenance and monitoring functions for 30 years after its landfill has been closed. The estimated liability of \$736,290, was reported in the Town’s financial statements as a long-term debt. This estimate is made up of capital lease costs for a bulldozer and excavator in the amount of \$233,460, and survey, site preparation and remedial work in the amount of \$502,830. During fiscal year 2016, payments for survey, site preparation and remedial work totaled \$4,171, leaving a closure cost balance of \$204,106 at June 30, 2016.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

At June 30, 2016, the Town had several lawsuits pending and had been placed on written notice of potential claims. The Town intends to vigorously pursue its claims and/or defend its position with respect to each matter. In the opinion of the Town’s legal counsel, the Town’s liability with respect to these cases, if any, was not determinable. It is the opinion of Town management, based in part on the advice of legal counsel, that settlement on the above lawsuits will not materially affect the Town’s financial position.

**NOTE 13 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance covering each of those risks of loss.

The Town is insured under a statewide municipal risk management pool. Rhode Island Inter-Local Risk Management Trust, Inc. (the Trust) requires annual premiums based on the pool’s experience. The Trust offers to Rhode Island cities and Towns general liability and workers compensation insurance which is self-sustaining through member premiums and is reinsured through commercial companies to reduce its exposure to large losses. The agreement with the Trust states that for premiums paid by members, the Trust will assume financial responsibility for members losses up to the maximum amount of insurance purchased, less deductible amounts. If a single loss is above the Trust’s retention and reinsurance coverage the excess liability reverts to the member organization against which the claim was originally made. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2016

**NOTE 14 – PENSION PLAN**

Effective October 1, 1979, the Town established a defined contribution plan, the Town of Exeter Money Purchase Pension Plan, to provide retirement benefits to all eligible employees as approved by the Town Council. The plan provides for employer only contributions made at rate of 8.0% of total compensation. Eligibility requirements call for employees to have completed one year and one thousand hours of service. Contributions are made by the Town on behalf of eligible employees in accordance with a vesting schedule documented within the retirement plan. Any amends to the plan require authorization from the Town Council. As of November 1, 2010, the Town retained the services of the International City County Management Association (ICMA) to administer the plan on an ongoing basis. All assets were transferred to ICMA who handles distributions, plan administration, investing, etc. As of June 30, 2016, the plan had 20 active participants and made contributions totaling \$68,104.

**NOTE 15 – DEFERRED COMPENSATION PLAN**

The Town offers its municipal employees a deferred compensation plan established in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to certain municipal employees, permits the deferral of a portion of their salary until future years. The deferred compensation is payable to employees upon termination, retirement, death or unforeseen emergency.

The Town placed the deferred compensation plan assets into trust for the exclusive benefit of plan participants and beneficiaries in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*,

The Town has little administrative involvement and does not perform the investing function for the plan; the Town does not hold the assets in a trustee capacity and does not perform fiduciary accountability for the plan. Therefore, the Town employees' deferred compensation plan created in accordance with IRC 457 is not reported in the financial statements of the Town.

**NOTE 16 – RELATED PARTIES**

The Town of Exeter reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2016.

## ***REQUIRED SUPPLEMENTARY INFORMATION***

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

*This section also presents budgetary comparison schedules for the Town's major funds. These schedules are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board.*

TOWN OF EXETER, RHODE ISLAND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (BUDGETARY BASIS) AND ACTUAL - GENERAL FUND  
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>REVENUES</u>				
Property taxes	\$ 13,483,596	\$ 13,483,596	\$ 13,582,428	\$ 98,832
Intergovernmental revenues	425,033	425,033	427,620	2,587
Departmental revenues	161,000	161,000	147,082	(13,918)
Building permits and inspection fees	64,000	64,000	88,738	24,738
Interest and investment income	3,000	3,000	7,779	4,779
Fines and interest on late payments	65,000	65,000	107,052	42,052
Other revenue	34,189	34,189	43,961	9,772
TOTAL REVENUES	<u>14,235,818</u>	<u>14,235,818</u>	<u>14,404,660</u>	<u>168,842</u>
<u>EXPENDITURES</u>				
General government	1,699,884	1,699,884	1,605,116	94,768
Public works	701,011	701,011	682,848	18,163
Public safety	24,984	24,984	20,671	4,313
Social services	12,372	12,372	7,772	4,600
Public health and welfare	7,450	7,450	6,518	932
Education	10,964,654	10,964,654	10,964,656	(2)
Capital outlay	-	-	-	-
Debt service expenditures	188,001	188,001	187,988	13
TOTAL EXPENDITURES	<u>13,598,356</u>	<u>13,598,356</u>	<u>13,475,569</u>	<u>122,787</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING USES	<u>637,462</u>	<u>637,462</u>	<u>929,091</u>	<u>291,629</u>

TOWN OF EXETER, RHODE ISLAND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (BUDGETARY BASIS) AND ACTUAL - GENERAL FUND  
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>OTHER FINANCING SOURCES</b>				
Re-appropriation of Fund Balance	150,000	150,000	-	(150,000)
Transfer to other funds	(787,462)	(787,462)	(818,021)	(30,559)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>(637,462)</u>	<u>(637,462)</u>	<u>(818,021)</u>	<u>(180,559)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,070</u>	<u>\$ 111,070</u>

## ***OTHER SUPPLEMENTARY INFORMATION***

*Detailed financial statements for each fund are presented in a combining or individual fund statement under the dividers labeled accordingly.*



TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
For the Fiscal Year Ended June 30, 2016

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>				
<u>PROPERTY TAX REVENUES</u>				
Property taxes	\$ 13,483,596	\$ 13,483,596	\$ 13,582,428	\$ 98,832
TOTAL PROPERTY TAX REVENUES	<u>13,483,596</u>	<u>13,483,596</u>	<u>13,582,428</u>	<u>98,832</u>
<u>INTERGOVERNMENTAL</u>				
State MV tax phase-out program	92,010	92,010	92,110	100
Public service corporate tax	90,136	90,136	82,701	(7,435)
Pension incentive aid	31,773	31,773	31,773	-
State meal tax	89,236	89,236	99,158	9,922
State aid to libraries	45,910	45,910	45,910	-
Library bond reimbursement	75,968	75,968	75,968	-
TOTAL INTERGOVERNMENTAL REVENUES	<u>425,033</u>	<u>425,033</u>	<u>427,620</u>	<u>2,587</u>
<u>DEPARTMENTAL REVENUES</u>				
Town clerk collections	153,000	153,000	132,312	(20,688)
Planning board fees	4,000	4,000	11,170	7,170
Zoning Fees	4,000	4,000	3,600	(400)
TOTAL DEPARTMENTAL REVENUES	<u>161,000</u>	<u>161,000</u>	<u>147,082</u>	<u>(13,918)</u>
<u>LICENSES AND PERMITS</u>	64,000	64,000	88,738	24,738
<u>INTEREST AND INVESTMENT INCOME</u>	3,000	3,000	7,779	4,779
<u>FINES AND INTEREST ON LATE PAYMENTS</u>	65,000	65,000	107,052	42,052
<u>OTHER REVENUE</u>	34,189	34,189	43,961	9,772
<u>OTHER FINANCING SOURCES</u>				
Re-appropriation of Fund Balance	150,000	150,000	-	(150,000)
TOTAL OTHER FINANCING SOURCES	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
TOTAL REVENUE AND OTHER FINANCING SOURCES	<u>\$ 14,385,818</u>	<u>\$ 14,385,818</u>	<u>\$ 14,404,660</u>	<u>\$ 18,842</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>				
<u>GENERAL GOVERNMENT</u>				
<u>SALARIES AND WAGES</u>				
Town Treasurer	\$ 38,944	\$ 38,944	\$ 39,399	\$ (455)
Deputy Town Treasurer	15,000	15,000	-	15,000
Town Moderator	478	478	478	-
Town Clerk	47,070	47,070	47,445	(375)
Deputy Town Clerk	38,093	38,093	38,553	(460)
911 Coordinator	3,380	3,380	3,407	(27)
Town Clerical Salaries	31,722	31,722	34,018	(2,296)
Town Council Stipend	14,500	14,500	14,607	(107)
Council Assistant	26,918	26,918	27,133	(215)
Tax Collector	42,403	42,403	42,740	(337)
Tax Collector Clerical	15,018	15,018	-	15,018
Board of Canvassers	9,507	9,507	9,092	415
Board of Canvassers Clerk	5,000	5,000	1,493	3,507
Tax Assessor	41,408	41,408	41,737	(329)
Tax Assessor Clerical	32,487	32,487	33,263	(776)
Library Director	59,057	59,057	59,527	(470)
Library Staff	60,030	60,030	53,229	6,801
Planning Board	14,211	14,211	14,289	(78)
Planning Board Clerk	17,447	17,447	17,416	31
Town Planner	35,255	35,255	35,536	(281)
Zoning Inspector	11,896	11,896	11,690	206
Zoning Board	14,063	14,063	14,169	(106)
Zoning Board Clerk	13,641	13,641	13,663	(22)
Town Sergeant	10,769	10,769	11,057	(288)
Town Constable	5,332	5,332	5,500	(168)
Building Inspector	32,000	32,000	41,724	(9,724)
TOTAL SALARIES AND WAGES	<u>635,629</u>	<u>635,629</u>	<u>611,165</u>	<u>24,464</u>
<u>GENERAL EXPENSES</u>				
Support Services	-	-	-	-
Treasurer Expense	11,000	11,000	8,012	2,988
Mileage Reimbursement	3,500	3,500	3,281	219
Postage	13,000	13,000	12,769	231
Advertising Expense	10,000	10,000	2,657	7,343
Legal Fees	60,000	60,000	77,454	(17,454)
Life Insurance Premium	1,248	1,248	1,548	(300)
Town FICA Expense	85,773	85,773	82,862	2,911
Blue Cross/Dental Expenses	359,093	359,093	335,814	23,279
Town Retirement Expense	58,032	58,032	68,104	(10,072)
Longevity	10,500	10,500	10,000	500
Insurance Expense	86,129	86,129	91,813	(5,684)
Auditing Expense	15,250	15,250	15,250	-
Washington County Regional Planning	3,000	3,000	3,000	-
Town Clerk Expense	110,810	110,810	93,976	16,834

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Municipal Fuel Costs	6,000	6,000	-	6,000
Collection Fees	6,000	6,000	15,211	(9,211)
Contingency Fund	20,000	20,000	-	20,000
RI League of Cities and Towns	2,407	2,407	2,407	-
Veterans Memorial Committee	1,000	1,000	1,000	-
Council Expenses	1,500	1,500	313	1,187
Town Council Assistant Expense	1,000	1,000	768	232
Computer Support	49,500	49,500	48,056	1,444
Website	500	500	99	401
Tax Collector Expense	5,800	5,800	5,060	740
Board of Canvassers Expense	13,825	13,825	3,785	10,040
Tax Assessor Expenses	12,465	12,465	8,652	3,813
Exeter Public Library	76,935	76,935	80,163	(3,228)
Planning Board Expense	9,700	9,700	2,387	7,313
Planning Office Expense	1,000	1,000	858	142
Zoning Inspector Expenses	500	500	715	(215)
Zoning Board Expense	5,750	5,750	625	5,125
Town Sergeant Expense	5,000	5,000	536	4,464
Building Inspector Expense	3,000	3,000	1,738	1,262
Animal Control Officer	15,038	15,038	15,038	-
TOTAL GENERAL EXPENSE	<u>1,064,255</u>	<u>1,064,255</u>	<u>993,951</u>	<u>70,304</u>
 TOTAL GENERAL GOVERNMENT	 <u>1,699,884</u>	 <u>1,699,884</u>	 <u>1,605,116</u>	 <u>94,768</u>
 <u>PUBLIC WORKS</u>				
<u>SALARIES AND WAGES</u>				
Director of Public Works	63,714	63,714	64,221	(507)
Highway Workers	324,397	324,397	322,228	2,169
Highway Workers - OT	41,348	41,348	23,980	17,368
TOTAL SALARIES AND WAGES	<u>429,459</u>	<u>429,459</u>	<u>410,429</u>	<u>19,030</u>
 <u>PUBLIC WORKS EXPENSES</u>				
Highway Department	271,552	271,552	272,419	(867)
TOTAL PUBLIC WORKS EXPENSES	<u>271,552</u>	<u>271,552</u>	<u>272,419</u>	<u>(867)</u>
 TOTAL PUBLIC WORKS	 <u>701,011</u>	 <u>701,011</u>	 <u>682,848</u>	 <u>18,163</u>
 <u>PUBLIC SAFETY</u>				
<u>SALARIES AND WAGES</u>				
Exeter Emergency Director	10,984	10,984	11,071	(87)
Exeter Emergency Assistant Director	5,000	5,000	1,880	3,120
TOTAL SALARIES AND WAGES	<u>15,984</u>	<u>15,984</u>	<u>12,951</u>	<u>3,033</u>
 <u>PUBLIC SAFETY EXPENSES</u>				
Exeter Emergency Management	9,000	9,000	7,720	1,280
TOTAL PUBLIC SAFETY EXPENSES	<u>9,000</u>	<u>9,000</u>	<u>7,720</u>	<u>1,280</u>
 TOTAL PUBLIC SAFETY	 <u>24,984</u>	 <u>24,984</u>	 <u>20,671</u>	 <u>4,313</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>SOCIAL SERVICES</u>				
<u>SALARIES AND WAGES</u>				
Welfare Director	5,672	5,672	6,017	(345)
TOTAL SALARIES AND WAGES	5,672	5,672	6,017	(345)
<u>SOCIAL SERVICES EXPENSES</u>				
Community Youth Programs	5,500	5,500	1,000	4,500
Juvenile Hearing Board	500	500	155	345
Public Access Television	700	700	600	100
TOTAL SOCIAL SERVICES EXPENSES	6,700	6,700	1,755	4,945
TOTAL SOCIAL SERVICES	12,372	12,372	7,772	4,600
<u>PUBLIC HEALTH AND WELFARE</u>				
Public Welfare Expense	6,000	6,000	6,194	(194)
Veterans Graves	1,450	1,450	324	1,126
TOTAL PUBLIC HEALTH & WELFARE	7,450	7,450	6,518	932
TOTAL EDUCATION - REGIONAL SCHOOL DISTRICT	10,964,654	10,964,654	10,964,656	(2)
TOTAL CAPITAL OUTLAY	-	-	-	-
<u>DEBT SERVICE</u>				
Public Library Bond	73,633	73,633	73,633	-
Development Rights Bond	49,931	49,931	49,931	-
Capital Lease Payments - 2013 Volvo Road Grader	25,877	25,877	25,877	-
Capital Lease Payments - Street Sweeper	38,560	38,560	38,547	13
TOTAL DEBT SERVICE	188,001	188,001	187,988	13
TOTAL EXPENDITURES	13,598,356	13,598,356	13,475,569	122,787
<u>OTHER FINANCING USES</u>				
Transfer to Transfer Station	99,651	99,651	99,651	-
Transfer to Animal Shelter	63,652	63,652	94,211	(30,559)
Transfer to Property Revaluation	10,000	10,000	10,000	-
Transfer to Public Works/Roads	337,459	337,459	337,459	-
Transfer to Public Works/Equipment	115,500	115,500	115,500	-
Transfer to Library/Chelsea Park Renovation	10,000	10,000	10,000	-
Transfer to Office Equipment	5,000	5,000	5,000	-
Transfer to Town Hall Renovation	78,000	78,000	78,000	-
Transfer to Historical Preservation	10,000	10,000	10,000	-
Transfer to Transfer Station Move	25,000	25,000	25,000	-
Transfer to New Town Hall Fund	32,000	32,000	32,000	-
Transfer to Memorial Day Parade	1,200	1,200	1,200	-
TOTAL OTHER FINANCING USES	787,462	787,462	818,021	(30,559)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 14,385,818	\$ 14,385,818	\$ 14,293,590	\$ 92,228

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON – GENERAL FUND  
June 30, 2016

**Budgetary Basis of Accounting:** The General Fund annual operating budget is in conformity with the legally enacted budgetary basis, which differs from accounting principles generally accepted in the United States (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis of accounting, except that budgetary revenues include subsidies from fund balance previously recognized under U.S. GAAP and budgetary expenditures when legally binding orders (encumbrances) are placed.

**Budgetary adoption:** It is the responsibility of the Town Council to prepare a proposed budget for the Town for the following fiscal year no later than 10 days prior to the Financial Town Meeting held to adopt said budget. Public hearings are conducted on the recommended budget and the final recommended budget is legally enacted through an ordinance at the Financial Town Meeting. All budget appropriations except an appropriation for capital expenditures, lapse at the end of each fiscal year. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; an appropriation is considered abandoned if two fiscal years following the date of appropriation pass without any disbursement from or encumbrance of the appropriation.

**Budget control:** The level of budgetary control for the General Fund (that is, the level at which expenditures cannot legally exceed appropriations) is fixed by resolution of the Annual Financial Town Meeting. The resolution authorizes the Town Council to spend within the total sum appropriated for municipal purposes. While this restriction prohibits spending in excess of the authorized budget, the policy enables the Town Council to use the Fund Balance within the overall appropriations budget to offset over expenditures that may arise within a specific budget account.

## ***NONMAJOR OTHER GOVERNMENTAL FUNDS***

### **Special Revenue Funds:**

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government, and which therefore cannot be diverted to other uses.

***Transfer Station Fund*** – This fund accounts for all appropriations, revenues, fees, donations, receipts, and operating costs of premises designated by the Town for purposes of citizens' disposal of solid waste.

***Animal Shelter Fund*** – This fund accounts for all appropriations, revenues, fees, donations, receipts and operating costs of premises designated by the Town for purposes of impounding and caring for all animal running at large in violation of laws and regulations.

***Preservation and Technology Fund*** – This fund accounts for amounts allocated from fees collected for filing of deeds and other instruments and to use such amounts for document preservation and technological upgrades.

***RIEMA FEMA Grant*** – This fund accounts for the restriction of money received from Rhode Island Emergency Management Agency and Federal Emergency Management Agency to assist the Town with various storm emergencies.

***Planning Board Project Review Fees*** – This fund accounts for the amounts received from developers to be held for disbursement for consultants and other expenses related to the Town's review of development plans.

***Capital Facilities Impact Fees*** – This fund accounts for the amounts received for impact fees assessed for new residential building permits, which shall be maintained by the Town until such time as to be expended for construction of public facilities capital improvements of reasonable benefit to the development paying the fee.

***Community Development Block Grant (CDBG)*** – This fund accounts for the amounts received from the Federal Housing and Urban Development grant monies from the State of Rhode Island for distribution to area grant applicants for the benefit of low to moderate income recipients.

***Property Revaluation Fund*** – This fund accounts for the amounts received from annual appropriations from approved General Fund budgets to be set aside for costs of state-mandated revaluations.

***Spay/Neuter Fund*** – This fund accounts for amounts received from dog license fees to be expended for the spay/neuter program. In addition, the fund holds deposits from citizens adopting dogs and/or cats that have not been neutered until such time as those individuals submit evidence of the animals neutering. Amounts that may be forfeited shall be used for approved spay/neuter program.

***Memorial Day Parade*** – This fund accounts for amounts received from the parade committee that they collected from public donations and to disburse those funds at direction of the committee. In the years that the Town makes an appropriation for the parade, that amount would also become part of the fund.

***Pension Liability Fund*** – This fund accounts for the amounts appropriated for contingency related to possible amounts that may be required in bringing the pension plan up to requirement of various changes in pension laws and regulations.

***Historic Preservation Fund*** – This fund accounts for the amounts appropriated for the preservation and restoration of historic buildings in Town.

***Veterans' Memorial Fund*** – This fund accounts for the amounts appropriated for the repairs and maintenance of a memorial in Town.

### **Capital Projects Funds:**

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital facilities by the Town.

***Vehicle Replacement Fund*** – This fund is designated to receive amounts billed to others for Town vehicles used for traffic control. Such amounts are expended to purchase replacement vehicles as needed.

***Public Works/Roads*** – This fund accounts for the amounts appropriated for road resurfacing projects.

***Computer Upgrades Fund*** – This fund accounts for the amounts appropriated to be expended to improve computer equipment for the Town.

***Public Works/Equipment*** – This fund accounts for the amounts appropriated for the initial payments for new equipment for the Public Works Department.

***Town Hall Renovations Fund*** – This fund accounts for the amounts appropriated to be expended for upgrades, improvements and retrofitting of offices at Town Hall.

***Chelsea Park (Renovations and Playground) Fund*** – This fund accounts for the amounts appropriated to be expended for preventive maintenance and renovations for the Library and Chelsea Park Playground.

*Video Equipment Fund* – This fund accounts for the amounts appropriated to be expended for video equipment and broadcasting fees for Council meetings.

*Office Equipment Fund* – This fund accounts for the amounts appropriated to be expended for purchasing new office equipment.

*GIS Mapping System Fund* – This fund accounts for the amounts appropriated to be expended for purchasing the new GIS mapping system.

*Transfer Station Move Fund* – This fund accounts for the amounts appropriated related to possible amounts that may be required to move the transfer station from its current location.

*New Town Hall Fund* – This fund accounts for the amounts appropriated related to possible amounts that may be required to move or renovate the Town Hall building.

**Permanent Fund:**

The Permanent funds are resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.

*Cemetery Fund* – This fund was established to account for the assets received by the Town from the families of Exeter residents with the understanding that the Town would provide grounds care for certain cemetery plots in the Town.



TOWN OF EXETER, RHODE ISLAND  
 OTHER SUPPLEMENTARY INFORMATION  
 COMBINING BALANCE SHEET  
 NONMAJOR OTHER GOVERNMENTAL FUNDS  
 June 30, 2016

	SPECIAL REVENUE FUNDS						
	Transfer Station Fund	Animal Shelter Fund	Preservation and Technology Fund	RIEMA FEMA Grant	Planning Board Project Review Fees	Capital Facilities Impact Fees	CDBG
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,191	\$ 11,945	\$ 4,542	\$ -	\$ -	\$ 196,656	\$ 18,228
Accounts receivable	-	-	-	-	-	-	56,832
Due from other funds	23,833	-	2,661	28,606	11,263	-	-
<b>TOTAL ASSETS</b>	<b>\$ 31,024</b>	<b>\$ 11,945</b>	<b>\$ 7,203</b>	<b>\$ 28,606</b>	<b>\$ 11,263</b>	<b>\$ 196,656</b>	<b>\$ 75,060</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ 11,194	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	62,753	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>11,194</b>	<b>62,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)</b>							
Restricted	-	-	-	28,606	-	-	75,060
Committed	19,830	(50,863)	7,203	-	11,263	196,656	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE (DEFICIT)</b>	<b>19,830</b>	<b>(50,863)</b>	<b>7,203</b>	<b>28,606</b>	<b>11,263</b>	<b>196,656</b>	<b>75,060</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 31,024</b>	<b>\$ 11,945</b>	<b>\$ 7,203</b>	<b>\$ 28,606</b>	<b>\$ 11,263</b>	<b>\$ 196,656</b>	<b>\$ 75,060</b>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET  
NONMAJOR OTHER GOVERNMENTAL FUNDS  
June 30, 2016

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS
	Property Revaluation Fund	Spay/Neuter Fund	Memorial Day Parade	Pension Liability Fund	Historic Preservation Fund	Veteran's Memorial	Vehicle Replacement Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 6,758	\$ -	\$ -	\$ -	\$ 15,001	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	126,626	-	2,340	22,210	23,821	-	191,594
<b>TOTAL ASSETS</b>	<b>\$ 126,626</b>	<b>\$ 6,758</b>	<b>\$ 2,340</b>	<b>\$ 22,210</b>	<b>\$ 23,821</b>	<b>\$ 15,001</b>	<b>\$ 191,594</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	1,794	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>1,794</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)</b>							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	126,626	4,964	2,340	22,210	23,821	15,001	191,594
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE (DEFICIT)</b>	<b>126,626</b>	<b>4,964</b>	<b>2,340</b>	<b>22,210</b>	<b>23,821</b>	<b>15,001</b>	<b>191,594</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 126,626</b>	<b>\$ 6,758</b>	<b>\$ 2,340</b>	<b>\$ 22,210</b>	<b>\$ 23,821</b>	<b>\$ 15,001</b>	<b>\$ 191,594</b>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET  
NONMAJOR OTHER GOVERNMENTAL FUNDS  
June 30, 2016

	CAPITAL PROJECTS FUNDS						
	Public Works/ Road	Computer Upgrades Fund	Public Works/ Equipment	Town Hall Renovations Fund	Chelsea Park Fund	Video Equipment	Office Equipment
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	16,581	29,720	21,592	87,338	40,437	3,503	34,961
<b>TOTAL ASSETS</b>	<b>\$ 16,581</b>	<b>\$ 29,720</b>	<b>\$ 21,592</b>	<b>\$ 87,338</b>	<b>\$ 40,437</b>	<b>\$ 3,503</b>	<b>\$ 34,961</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ 168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)</b>							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	16,413	29,720	21,592	87,338	40,437	3,503	34,961
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE (DEFICIT)</b>	<b>16,413</b>	<b>29,720</b>	<b>21,592</b>	<b>87,338</b>	<b>40,437</b>	<b>3,503</b>	<b>34,961</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 16,581</b>	<b>\$ 29,720</b>	<b>\$ 21,592</b>	<b>\$ 87,338</b>	<b>\$ 40,437</b>	<b>\$ 3,503</b>	<b>\$ 34,961</b>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET  
NONMAJOR OTHER GOVERNMENTAL FUNDS  
June 30, 2016

	CAPITAL PROJECTS FUNDS			PERMANENT FUND	Total NonMajor Governmental Funds
	GIS Mapping System	Transfer Station Move	New Town Hall	Cemetery Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 26,987	\$ 287,308
Accounts receivable	-	-	-	-	56,832
Due from other funds	10,000	225,000	32,000	-	934,086
<b>TOTAL ASSETS</b>	<b>\$ 10,000</b>	<b>\$ 225,000</b>	<b>\$ 32,000</b>	<b>\$ 26,987</b>	<b>\$ 1,278,226</b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 11,417
Due to other funds	-	-	-	132	64,679
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>76,096</b>
<b>FUND BALANCE (DEFICIT)</b>					
Restricted	-	-	-	26,855	130,521
Committed	-	-	-	-	184,089
Assigned	10,000	225,000	32,000	-	887,520
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCE (DEFICIT)</b>	<b>10,000</b>	<b>225,000</b>	<b>32,000</b>	<b>26,855</b>	<b>1,202,130</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 10,000</b>	<b>\$ 225,000</b>	<b>\$ 32,000</b>	<b>\$ 26,987</b>	<b>\$ 1,278,226</b>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR OTHER GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS						
	Transfer Station Fund	Animal Shelter Fund	Preservation and Technology Fund	RIEMA FEMA Grant	Planning Board Project Review Fees	Capital Facilities Impact Fees	CDBG
<b>REVENUES</b>							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 6,045	\$ -	\$ -	\$ -
Earnings on investments	-	-	4	-	-	484	9
Other revenues	107,255	23,287	7,419	-	1,763	20,000	92,671
<b>TOTAL REVENUES</b>	<b>107,255</b>	<b>23,287</b>	<b>7,423</b>	<b>6,045</b>	<b>1,763</b>	<b>20,484</b>	<b>92,680</b>
<b>EXPENDITURES</b>							
General government	41,091	66,240	-	-	2,963	-	-
Public works	158,342	-	-	-	-	-	-
Public safety	-	60,979	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	82,635
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>199,433</b>	<b>127,219</b>	<b>-</b>	<b>-</b>	<b>2,963</b>	<b>-</b>	<b>82,635</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(92,178)	(103,932)	7,423	6,045	(1,200)	20,484	10,045
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer from other funds	99,651	94,211	-	-	-	-	-
Transfer to other funds	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>99,651</b>	<b>94,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	7,473	(9,721)	7,423	6,045	(1,200)	20,484	10,045
FUND BALANCE (DEFICIT) - July 1, 2015	12,357	(41,142)	(220)	22,561	12,463	176,172	65,015
FUND BALANCE (DEFICIT) - June 30, 2016	<b>\$ 19,830</b>	<b>\$ (50,863)</b>	<b>\$ 7,203</b>	<b>\$ 28,606</b>	<b>\$ 11,263</b>	<b>\$ 196,656</b>	<b>\$ 75,060</b>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR OTHER GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS
	Property Revaluation Fund	Spay/Neuter Fund	Memorial Day Parade	Pension Liability Fund	Historic Preservation Fund	Veteran's Memorial	Vehicle Replacement Fund
<b>REVENUES</b>							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	4	-	-	-	1	-
Other revenues	-	1,765	4,052	-	-	15,000	13,152
<b>TOTAL REVENUES</b>	<b>-</b>	<b>1,769</b>	<b>4,052</b>	<b>-</b>	<b>-</b>	<b>15,001</b>	<b>13,152</b>
<b>EXPENDITURES</b>							
General government	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Social services	-	-	7,122	-	-	-	-
Public health and welfare	-	825	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	11,543	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>825</b>	<b>7,122</b>	<b>-</b>	<b>11,543</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	-	944	(3,070)	-	(11,543)	15,001	13,152
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer from other funds	10,000	-	1,200	-	10,000	-	-
Transfer to other funds	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>10,000</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures After Other Financing Sources (Uses)	10,000	944	(1,870)	-	(1,543)	15,001	13,152
FUND BALANCE (DEFICIT) - July 1, 2015	116,626	4,020	4,210	22,210	25,364	-	178,442
FUND BALANCE (DEFICIT) - June 30, 2016	\$ 126,626	\$ 4,964	\$ 2,340	\$ 22,210	\$ 23,821	\$ 15,001	\$ 191,594

TOWN OF EXETER, RHODE ISLAND  
 OTHER SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR OTHER GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2016

	CAPITAL PROJECTS FUNDS						
	Public Works/ Road	Computer Upgrades Fund	Public Works/ Equipment	Town Hall Renovations Fund	Chelsea Park Fund	Video Equipment	Office Equipment
<b>REVENUES</b>							
Intergovernmental revenues	\$ -	\$ -	\$ 34,706	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-	-
Other revenues	-	-	422	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>35,128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>							
General government	-	-	-	-	-	-	-
Public works	337,347	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	125,324	29,203	-	-	22
<b>TOTAL EXPENDITURES</b>	<b>337,347</b>	<b>-</b>	<b>125,324</b>	<b>29,203</b>	<b>-</b>	<b>-</b>	<b>22</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(337,347)	-	(90,196)	(29,203)	-	-	(22)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer from other funds	337,459	-	115,500	78,000	10,000	-	5,000
Transfer to other funds	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>337,459</b>	<b>-</b>	<b>115,500</b>	<b>78,000</b>	<b>10,000</b>	<b>-</b>	<b>5,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	112	-	25,304	48,797	10,000	-	4,978
FUND BALANCE (DEFICIT) - July 1, 2015	16,301	29,720	(3,712)	38,541	30,437	3,503	29,983
<b>FUND BALANCE (DEFICIT) - June 30, 2016</b>	<b>\$ 16,413</b>	<b>\$ 29,720</b>	<b>\$ 21,592</b>	<b>\$ 87,338</b>	<b>\$ 40,437</b>	<b>\$ 3,503</b>	<b>\$ 34,961</b>

TOWN OF EXETER, RHODE ISLAND  
 OTHER SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR OTHER GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2016

	CAPITAL PROJECTS FUNDS			PERMANENT FUND	Total NonMajor Governmental Funds
	GIS Mapping System	Transfer Station Move	New Town Hall	Cemetery Fund	
<b>REVENUES</b>					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 40,751
Earnings on investments	-	-	-	68	570
Other revenues	-	-	-	-	286,786
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>328,107</b>
<b>EXPENDITURES</b>					
General government	-	-	-	-	110,294
Public works	-	-	-	-	495,689
Public safety	-	-	-	-	60,979
Social services	-	-	-	-	7,122
Public health and welfare	-	-	-	-	83,460
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	166,092
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>923,636</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-	-	-	68	(595,529)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from other funds	-	25,000	32,000	-	818,021
Transfer to other funds	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>25,000</b>	<b>32,000</b>	<b>-</b>	<b>818,021</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	-	25,000	32,000	68	222,492
FUND BALANCE (DEFICIT) - July 1, 2015	10,000	200,000	-	26,787	979,638
FUND BALANCE (DEFICIT) - June 30, 2016	\$ 10,000	\$ 225,000	\$ 32,000	\$ 26,855	\$ 1,202,130



## ***AGENCY FUNDS***

Agency Funds were established to function as clearing mechanisms for cash resources which are collected and disbursed to authorized recipients. The following is a list of Agency funds included in this section:

***Open Space Dedication*** – This account was set up to hold monies paid to the Town by land developers in lieu of actually dedicating specific land for open space purposes. The amount of money required is based on the fair market value of the land which would otherwise be required to be dedicated.

***Surety Bonds Escrow*** – This account was set up to maintain amounts held by the Town as surety for developers to complete construction projects that may affect the well-being of Town residents.

***Brayman Escrow*** – This account was set up to hold amounts held by the bank until restorations are performed and the land fully restored at the property on Ten Rod Road and Mount Tom Road.

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
For the Fiscal Year Ended June 30, 2016

	BALANCE July 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE June 30, 2016
<i><u>OPEN SPACE DEDICATION</u></i>				
<i><u>ASSETS</u></i>				
Cash	\$ 46,576	\$ 117	\$ -	\$ 46,693
TOTAL ASSETS	<u>\$ 46,576</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ 46,693</u>
<i><u>LIABILITIES</u></i>				
Deposits held in custody for others	\$ 46,576	\$ 117	\$ -	\$ 46,693
TOTAL LIABILITIES	<u>\$ 46,576</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ 46,693</u>
<i><u>SURETY BONDS ESCROW</u></i>				
<i><u>ASSETS</u></i>				
Due from other funds	\$ 135,500	\$ -	\$ 30,000	\$ 105,500
TOTAL ASSETS	<u>\$ 135,500</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 105,500</u>
<i><u>LIABILITIES</u></i>				
Deposits held in custody for others	\$ 135,500	\$ -	\$ 30,000	\$ 105,500
TOTAL LIABILITIES	<u>\$ 135,500</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 105,500</u>
<i><u>BRAYMAN ESCROW</u></i>				
<i><u>ASSETS</u></i>				
Cash	\$ 6,725	\$ 3	\$ -	\$ 6,728
TOTAL ASSETS	<u>\$ 6,725</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 6,728</u>
<i><u>LIABILITIES</u></i>				
Deposits held in custody for others	\$ 6,725	\$ 3	\$ -	\$ 6,728
TOTAL LIABILITIES	<u>\$ 6,725</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 6,728</u>
<i><u>TOTAL AGENCY FUNDS</u></i>				
<i><u>ASSETS</u></i>				
Cash	\$ 53,301	120	-	\$ 53,421
Due from other funds	135,500	-	30,000	105,500
TOTAL ASSETS	<u>\$ 188,801</u>	<u>\$ 120</u>	<u>\$ 30,000</u>	<u>\$ 158,921</u>
<i><u>LIABILITIES</u></i>				
Deposits held in custody for others	\$ 188,801	\$ 120	\$ 30,000	\$ 158,921
TOTAL LIABILITIES	<u>\$ 188,801</u>	<u>\$ 120</u>	<u>\$ 30,000</u>	<u>\$ 158,921</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPERTY TAX RECEIVABLES  
For the Fiscal Year Ended June 30, 2016

TAX ROLL YEAR	BALANCE July 1, 2015	CURRENT YEAR ASSESSMENT	ADDITIONS AND ADJUSTMENTS	ABATEMENTS AND ADJUSTMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE June 30, 2016
2015	\$ -	\$ 13,558,130	\$ 23,643	\$ 17,181	\$ 13,564,592	\$ 13,323,489	\$ 241,103
2014	313,901	-	9,465	928	322,438	288,746	33,692
2013	48,799	-	60	37	48,822	20,054	28,768
2012	31,227	-	27	36	31,218	4,837	26,381
2011	33,431	-	-	40	33,391	3,946	29,445
2010	28,295	-	26	481	27,840	663	27,177
2009	18,104	-	-	43	18,061	322	17,739
2008	20,674	-	-	43	20,631	706	19,925
2007	16,916	-	-	662	16,254	536	15,718
2006	10,905	-	-	-	10,905	352	10,553
2005	19,479	-	-	10,639	8,840	548	8,292
2004	5,664	-	-	44	5,620	223	5,397
2003	7,693	-	-	41	7,652	-	7,652
2002	2,916	-	-	-	2,916	-	2,916
2001	1,910	-	-	-	1,910	-	1,910
2000	956	-	-	-	956	-	956
1999	1,273	-	-	-	1,273	-	1,273
1998	1,955	-	-	-	1,955	-	1,955
1997	3,989	-	-	-	3,989	-	3,989
1996 and prior	11,631	-	-	-	11,631	-	11,631
	<u>\$ 579,718</u>	<u>\$ 13,558,130</u>	<u>\$ 33,221</u>	<u>\$ 30,175</u>	<u>\$ 14,140,894</u>	<u>\$ 13,644,422</u>	<u>\$ 496,472</u>
						Less: Allowance for Uncollectible Taxes	112,179
							<u>\$ 384,293</u>

**SCHEDULE OF MOST RECENT NET ASSESSED PROPERTY  
VALUE BY CATEGORY - DECEMBER 31, 2014, LEVIED JULY 1, 2015**

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property - Residential	\$ 672,739,700	\$ 10,188,091
Real property - Commercial	67,247,900	1,031,995
Real property - Frozen (Market Value)	278,000	1,023
Motor vehicles	71,770,034	2,018,976
Tangible personal property	20,690,930	318,045
<b>TOTAL</b>	<u>832,726,564</u>	<u>13,558,130</u>
Less: Exemptions	19,808,318	-
<b>NET ASSESSED VALUE</b>	<u>\$ 812,918,246</u>	<u>\$ 13,558,130</u>

**RECONCILIATION OF CURRENT YEAR  
PROPERTY TAX REVENUE**

Current year collections	\$ 13,644,422
Add: Revenue collected within 60 days subsequent fiscal year ended June 30, 2016, net municipal lien certificates	67,389
Less: Prior year revenue received in current year	(93,406)
Less: Refunds and other adjustments	(35,977)
<b>CURRENT YEAR PROPERTY TAX REVENUE</b>	<u>\$ 13,582,428</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES  
For the Fiscal Year Ended June 30, 2016

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding July 1, 2015</u>	<u>Additions</u>	<u>Reductions During Year</u>	<u>Outstanding June 30, 2016</u>	<u>Interest Paid During Year</u>	<u>Amounts Due Within One Year</u>
<b>GOVERNMENTAL LONG-TERM LIABILITIES</b>										
<b><u>BONDS AND NOTES PAYABLE</u></b>										
Exeter public library bond	9/16/2011	3.67%	9/16/2021	\$ 614,000	\$ 409,987	\$ -	\$ 59,343	\$ 350,644	\$ 14,290	\$ 61,627
Exeter development rights bond	5/15/2013	3.25%	5/18/2023	<u>424,819</u>	<u>347,467</u>	<u>-</u>	<u>39,037</u>	<u>308,430</u>	<u>10,894</u>	<u>40,373</u>
TOTAL BONDS AND NOTES PAYABLE				1,038,819	757,454	-	98,380	659,074	25,184	102,000
<b><u>CAPITAL LEASES PAYABLE</u></b>										
Capital lease obligation - grader	3/1/2013				49,618	-	24,460	25,158	1,417	25,158
Capital lease obligation - street sweeper	10/1/2014				143,353	-	34,275	109,078	4,272	35,297
Capital lease obligation - plow truck	8/25/2015				<u>-</u>	<u>189,566</u>	<u>40,028</u>	<u>149,538</u>	<u>-</u>	<u>35,856</u>
TOTAL CAPITAL LEASES PAYABLE					192,971	189,566	98,763	283,774	5,689	96,311
<b><u>OTHER LONG-TERM LIABILITIES</u></b>										
Landfill post closure care costs (Note 11)					208,277	-	4,171	204,106	-	-
Compensated absences					<u>75,766</u>	<u>8,572</u>	<u>8,895</u>	<u>75,443</u>	<u>-</u>	<u>6,778</u>
TOTAL OTHER LONG-TERM LIABILITIES				-	284,043	8,572	13,066	279,549	-	6,778
TOTAL GOVERNMENTAL LONG-TERM LIABILITIES				\$ 1,038,819	\$ 1,234,468	\$ 198,138	\$ 210,209	\$ 1,222,397	\$ 30,873	\$ 205,089

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM LIABILITIES - DEBT SERVICE REQUIREMENTS  
GOVERNMENTAL ACTIVITIES  
June 30, 2016

Maturing in Fiscal Year	General Obligation Bonds	Total Interest	Total Principal & Interest
2017	\$ 102,000	\$ 21,564	\$ 123,564
2018	105,683	17,881	123,564
2019	109,500	14,064	123,564
2020	113,429	10,135	123,564
2021	117,553	6,011	123,564
2022	65,886	2,452	68,338
2023	45,023	746	45,769
	<u>\$ 659,074</u>	<u>\$ 72,853</u>	<u>\$ 731,927</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMPUTATION OF LEGAL DEBT MARGIN  
June 30, 2016

TAXABLE ASSESSED VALUE

Gross assessed value	\$ 832,726,564
Less exemptions	<u>(19,808,318)</u>
 TOTAL TAXABLE ASSESSED VALUE	 <u>\$ 812,918,246</u>

TOTAL DEBT MARGIN

Debt Limit - 3 percent of total assessed value	\$ 24,387,547
Total bonded debt	<u>(659,074)</u>
 TOTAL DEBT MARGIN	 <u>\$ 23,728,473</u>

***REPORTS REQUIRED UNDER  
GOVERNMENT AUDITING STANDARDS***

*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*

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

To the Honorable President and  
Members of the Town Council  
Exeter, 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 Exeter, Rhode Island (Town), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Exeter, Rhode Island's basic financial statements, and have issued our report thereon dated November 7, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Exeter, Rhode Island'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Exeter, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Exeter, Rhode Island'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 the Town of Exeter, Rhode Island'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

*NADEN WADSWICK LLP*

West Warwick, Rhode Island  
November 7, 2016