

TOWN OF EXETER, RHODE ISLAND
BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

TOWN OF EXETER, RHODE ISLAND

BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

Maria Lawler
Treasurer

Calvin A. Ellis
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, 2019

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TOWN OF EXETER, RHODE ISLAND
AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

LIST OF TOWN OFFICIALS

TOWN OF EXETER, RHODE ISLAND

TOWN COUNCIL

Calvin A. Ellis, President
Francis P. DiGregorio, Vice-President
Robert M. Conn, Member
Manuel Andrews, Member
Daniel W. Patterson, 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

Annual Supplemental Transparency Report

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, 2019, and the related notes to the financial statements, which collectively comprise the Town of Exeter, Rhode Island'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, 2019, 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 41 – 45 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 non-major fund financial statements, Schedule of Property Tax Receivables, Schedules of Long-term Liabilities, and Annual Supplemental Transparency Report and accompanying notes, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Property Tax Receivables, Schedules of Long-term Liabilities and Annual Supplemental Transparency Report and its accompanying notes, 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 non-major fund financial statements, Schedule of Property Tax Receivables, Schedules of Long-term Liabilities and Annual Supplemental Transparency Report and its accompanying notes 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 4, 2019, 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.

NADEAN WADSWICK LLP

West Warwick, Rhode Island
November 4, 2019

TOWN OF EXETER, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited
For the Fiscal Year Ended June 30, 2019

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, 2019. 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 2019 and 2018.

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 \$10,273,298. Of that amount, \$4,396,504 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 \$217,842 or approximately 2.2% through current year activities. This increase was mainly due to favorable General Fund collections and spending.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,152,302. Approximately 39.1% of this amount, \$1,622,754 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 \$1,622,754, or 10.6% 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 \$80,862 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, 2019

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, 2019.

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, 2019, 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, 2019

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 38.

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 39 and 40.

The combining statements and supplementary information referred to earlier in connection with non-major governmental funds are presented on pages 41 through 58.

Annual Supplementary Transparency Report (MTP2) – This is a supplemental schedule required by the State of Rhode Island. This report is presented on pages 59-65.

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 \$10,273,298 as of June 30, 2019. This reflects an increase of \$217,842 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>2019</u>	<u>2018</u>
ASSETS		
Current Assets	\$ 4,736,788	\$ 4,532,333
Capital Assets	6,542,444	6,681,891
TOTAL ASSETS	<u>11,279,232</u>	<u>11,214,224</u>
 LIABILITIES		
Current Liabilities	495,431	497,153
Long-term Liabilities	510,503	661,615
TOTAL LIABILITIES	<u>1,005,934</u>	<u>1,158,768</u>
 NET POSITION		
Net invested in Capital Assets	5,876,794	5,826,887
Restricted	2,502,491	2,419,460
Permanent	27,057	26,990
Unrestricted	1,866,956	1,782,119
TOTAL NET POSITION	<u>\$ 10,273,298</u>	<u>\$ 10,055,456</u>

TOWN OF EXETER, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Unaudited
For the Fiscal Year Ended June 30, 2019

The largest portion of the Town's net position \$5,876,794 (57.2%) 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, 2019. Governmental activities increased the Town's net position by \$217,842 for the current period.

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

	Governmental Activities	
	2019	2018
REVENUES		
Program revenues:		
Charges for services	\$ 642,236	\$ 651,383
Operating grants and contributions	80,515	65,499
Capital grants and contributions	16,099	20,579
General Revenues:		
Property taxes, levied for general purposes	14,323,158	14,177,306
Grants and contributions	766,114	566,318
Investment earnings	94,815	101,228
TOTAL REVENUES	15,922,937	15,582,313
 EXPENSES		
General government	2,231,474	2,057,659
Public works	1,217,655	1,072,429
Public safety	27,862	25,881
Social services	36,811	16,956
Public health and welfare	7,174	14,239
Education	12,164,473	11,822,960
Capital Outlay	2,324	4,662
Interest	17,322	23,252
TOTAL EXPENSES	15,705,095	15,038,038
 CHANGE IN NET POSITION	217,842	544,275
 Net Position - July 1st	10,055,456	9,511,181
Net Position - June 30th	\$ 10,273,298	\$ 10,055,456

TOWN OF EXETER, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Unaudited
For the Fiscal Year Ended June 30, 2019

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 \$4,152,302. Approximately 39.1% of the total amount, or \$1,622,754 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 \$80,862.

Reserved Fund Balances:

Contingency appropriations	\$575,000
Re-appropriated for fiscal year 2019/2020	\$ -0-

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget for the Town's General Fund reflected total revenues and re-appropriations of \$15,937,294 and total expenditures and transfers to other funds of \$15,937,294. Actual total revenues were \$15,821,455 which includes transfers from other funds of \$91,440 and total expenditures were \$15,267,063 which included transfers to other funds of \$564,970 resulted in a surplus of \$80,862.

REVENUES

Revenues on a budgetary basis were \$134,161 over budget due to some of the following conditions:

- Property taxes were over budget by \$20,888 as a result of timely collections and increased collections of delinquent taxes
- The State motor vehicle tax phase-out program was over budget by \$29,797 as a result of a late change in the State of Rhode Island's governors' budget which increased the amount owed.
- Planning board fees were over budget by \$42,431 as a result of increased development projects by taxpayers.
- License and permits were over budget by \$34,258 as a result of an increased construction by taxpayers due to a stable economy and increased housing market.

EXPENDITURES

Expenditures on a budgetary basis were \$105,261 under budget due to some of the following conditions:

- The Tax Collector Clerical salary expense was under budget by \$28,089 as a result of the position being vacant.
- Medical and dental expenses were under budget by \$12,783 as a result of employees changing their plans from family to individual during the year and an employee retiring.
- The Tax Assessors Clerical salary expense was under budget by \$12,484 as a result of the clerical assistant being vacant for a portion of the year.
- The Building Inspector's salary expense was over budget by \$11,050 as a result of additional compensation for increased inspections.

TOWN OF EXETER, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Unaudited
For the Fiscal Year Ended June 30, 2019

- Legal expenses were over budget by \$61,947 as a result of increased in legal matters.
- Town Clerk expenses were under budget by \$10,078 as a result of costs savings on the Town Clerk's billing and equipment contracts.
- Contingency Fund expenses were under budget by \$24,665 as a result of minimal unanticipated expenses requiring Town Council approval.
- Computer support was under budget by \$14,445 as a result of a decrease in the annual support cost and the IT consultant position being vacant.
- Highway workers' salaries were underbudget by \$59,957 as a result of one employee being on workers compensation for the year and a temporary vacancy at another position as a result of the employee retiring.
- Highway workers' overtime was underbudget by \$13,173 as a result of a mild winter.

CAPITAL ASSETS

The Town of Exeter's investment in capital assets for its governmental activities amounts to \$6,542,444, net of accumulated depreciation at June 30, 2019. 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, 2019).

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

	2019	2018
Land	\$ 253,701	\$ 253,701
Development rights - Schartner Farms	3,450,000	3,450,000
Buildings and improvements	1,300,558	1,304,132
Motor vehicles	408,931	467,881
Machinery and equipment	266,612	314,954
Infrastructure	862,642	891,223
	\$ 6,542,444	\$ 6,681,891

Additional information on the Town of Exeter's capital assets is located in Note 6 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 \$341,891. 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, 2019

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

	2019	2018
Public library bond	\$ 158,676	\$ 225,057
Development rights bond	183,215	226,334
Landfill post-closure care costs	201,838	201,838
Compensated absences	82,980	87,517
Capital lease obligation	38,941	114,258
	\$ 665,650	\$ 855,004

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 \$24,801,839 (based on net assessed valuation at December 31, 2017 of \$847,098,174) at June 30, 2019. The town's outstanding general obligation debt is \$341,891 at June 30, 2019, which is \$24,459,948 under the State-imposed limitation.

Additional information on the Town of Exeter's long-term debt can be found in Note 7 of the financial statements and on pages 56 through 57.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town of Exeter's total general fund budget for fiscal year 2019-2020 is \$16,239,046 which is an increase of \$301,752 over the fiscal 2018-2019 budget of \$15,937,294. Of the Town's 2019-2020 budget, \$3,938,720 or 24.3% is budgeted for the general government and \$12,300,326 or 75.7% is budgeted for education. The State of Rhode Island is budgeted to contribute \$1,003,888 in State aid.

The Town's tax rate for fiscal 2019-2020 is \$15.69 per thousand, with 25.0% allocated for general government and 75.0% allocated for education. For fiscal 2018-2019 the Town's tax rate was \$15.39 per thousand, with 24.0% allocated for general government and 76.0% allocated for education. The increase in tax rates from \$15.39 to \$15.69 resulted in a \$0.30 increase or 1.9% 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, 2019

	Governmental Activities
<u>ASSETS</u>	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 4,293,549
Accounts receivable:	
Property taxes, net of allowance for doubtful accounts of \$104,872	364,718
Tax title property	14,469
Other receivables	64,052
Prepays	-
<i>Total Current Assets</i>	4,736,788
 <i>Noncurrent Assets</i>	
Capital assets not being depreciated	3,703,701
Capital assets being depreciated, net of depreciation	2,838,743
<i>Total Noncurrent Assets</i>	6,542,444
 TOTAL ASSETS	 11,279,232
 <u>LIABILITIES</u>	
<i>Current Liabilities</i>	
Accounts payable and accrued items	220,315
Due to Agency Funds	105,500
General obligations bonds	113,429
Capital leases	38,941
Compensated absences payable	2,777
Other liabilities	14,469
<i>Total Current Liabilities</i>	495,431
 <i>Noncurrent Liabilities</i>	
General obligations bonds	228,462
Landfill postclosure care costs	201,838
Compensated absences payable	80,203
<i>Total Noncurrent Liabilities</i>	510,503
 TOTAL LIABILITIES	 1,005,934
 <u>NET POSITION</u>	
Net invested in capital assets	5,876,794
Restricted:	
Grants and other statutory restrictions	2,502,491
Permanent funds:	
Nonexpendable	27,057
Unrestricted	1,866,956
 TOTAL NET POSITION	 \$ 10,273,298

TOWN OF EXETER, RHODE ISLAND
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

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	\$ 2,231,474	\$ 642,236	\$ 63,243	\$ -	\$ (1,525,995)
Public works	1,217,655	-	-	-	(1,217,655)
Public safety	27,862	-	5,000	16,099	(6,763)
Social services	36,811	-	5,796	-	(31,015)
Public health and welfare	7,174	-	6,476	-	(698)
Education	12,164,473	-	-	-	(12,164,473)
Capital Outlay	2,324	-	-	-	(2,324)
Interest	17,322	-	-	-	(17,322)
Total Activities	\$ 15,705,095	\$ 642,236	\$ 80,515	\$ 16,099	(14,966,245)

General Revenues:

Property taxes	14,323,158
Grants and contributions not restricted to specific purposes	766,114
Investment Earnings	94,815
Total General Revenues	15,184,087

Increase in Net Position	217,842
Net Position - July 1, 2018	10,055,456
Net Position - June 30, 2019	\$ 10,273,298

TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2019

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 3,942,150	\$ -	\$ 351,399	\$ 4,293,549
Property tax receivable	364,718	-	-	364,718
Other - accounts receivable	-	-	64,052	64,052
Due from other funds	4,108	84,482	1,458,723	1,547,313
Tax title property	14,469	-	-	14,469
TOTAL ASSETS	\$ 4,325,445	\$ 84,482	\$ 1,874,174	\$ 6,284,101
LIABILITIES				
Accounts payable and accrued items	\$ 220,315	\$ -	\$ -	\$ 220,315
Due to other funds	1,543,205	-	4,108	1,547,313
Due to Agency Funds	105,500	-	-	105,500
Other liabilities	14,469	-	-	14,469
TOTAL LIABILITIES	1,883,489	-	4,108	1,887,597
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	244,202	-	-	244,202
TOTAL DEFERRED INFLOWS OF RESOURCES	244,202	-	-	244,202
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	143,148	143,148
Committed	-	84,482	283,049	367,531
Assigned	575,000	-	1,443,869	2,018,869
Unassigned	1,622,754	-	-	1,622,754
TOTAL FUND BALANCES	2,197,754	84,482	1,870,066	4,152,302
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	\$ 4,325,445	\$ 84,482	\$ 1,874,174	\$ 6,284,101

TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 June 30, 2019

Total Fund Balances for Governmental Funds	\$	4,152,302
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Assets used in governmental activities which are not financial resources and, therefore, are not reported in the funds:

Capital assets, net		6,542,444
Deferred revenue		244,202
		<u>6,786,646</u>

Liabilities not due and payable in the current period and, therefore, are not reported in the funds:

General obligation bonds		(341,891)
Capital leases		(38,941)
Landfill postclosure care costs		(201,838)
Compensated absences payable		(82,980)
		<u>(665,650)</u>

Net Position of Governmental Activities	\$	<u>10,273,298</u>
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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, 2019

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Property taxes	\$ 14,319,183	\$ -	\$ -	\$ 14,319,183
Intergovernmental revenues	891,449	-	5,000	896,449
Departmental revenues	381,549	-	-	381,549
Licenses and permits	98,258	-	-	98,258
Interest and investment income	13,144	-	893	14,037
Fines and interest on late payments	80,778	-	-	80,778
Other revenues	37,094	-	91,614	128,708
TOTAL REVENUES	<u>15,821,455</u>	<u>-</u>	<u>97,507</u>	<u>15,918,962</u>
<u>EXPENDITURES</u>				
<u>Current:</u>				
General government	2,172,971	-	3,195	2,176,166
Public works	682,809	-	360,633	1,043,442
Public safety	27,862	-	-	27,862
Social services	10,260	-	26,551	36,811
Public health and welfare	6,549	-	625	7,174
Education	12,164,473	-	-	12,164,473
Capital outlay	-	-	96,935	96,935
<u>Debt service:</u>				
Principal	184,817	-	-	184,817
Interest	17,322	-	-	17,322
TOTAL EXPENDITURES	<u>15,267,063</u>	<u>-</u>	<u>487,939</u>	<u>15,755,002</u>

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, 2019

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	554,392	-	(390,432)	163,960
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds	91,440	-	564,970	656,410
Transfers to other funds	(564,970)	-	(91,440)	(656,410)
TOTAL OTHER FINANCING SOURCES (USES)	(473,530)	-	473,530	-
Net Change in Fund Balances	80,862	-	83,098	163,960
FUND BALANCE - July 1, 2018	2,116,892	84,482	1,786,968	3,988,342
FUND BALANCE - June 30, 2019	<u>\$ 2,197,754</u>	<u>\$ 84,482</u>	<u>\$ 1,870,066</u>	<u>\$ 4,152,302</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, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	163,960
<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 \$105,536 is less than depreciation of \$244,983 in the current period.</p>		
		(139,447)
<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. This is the amount the unavailable revenue - property taxes increased.</p>		
		3,975
<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 the accrued compensated absences decreased.</p>		
		4,537
<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>184,817</u>
Change in Net Position of Governmental Activities in the Statement of Activities	\$	<u>217,842</u>

TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2019

	REYNOLDS FUND	EMILY J. ANTHONY FUNDS	AGENCY FUNDS
<u>ASSETS</u>			
Cash and cash equivalents	\$ 806,503	\$ 3,092	\$ 53,791
Investments	889,240	-	-
Due from General Fund	-	-	105,500
	1,695,743	3,092	159,291
<u>LIABILITIES</u>			
Deposits held in custody for others	-	-	159,291
	-	-	\$ 159,291
<u>NET ASSETS</u>			
Held in trust for specific purpose	1,695,743	3,092	
	\$ 1,695,743	\$ 3,092	

TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Fiscal Year Ended June 30, 2019

	REYNOLDS FUND	EMILY J. ANTHONY FUNDS
<u>ADDITIONS</u>		
Bequests	\$ -	\$ 2,248
Interest, dividends and gains	123,346	-
TOTAL ADDITIONS	123,346	2,248
<u>DEDUCTIONS</u>		
Scholarship expenses	-	3,000
Investment management fee	16,683	-
Support services	22,503	-
TOTAL DEDUCTIONS	39,186	3,000
CHANGE IN NET POSITION	84,160	(752)
NET POSITION - July 1, 2018	1,611,583	3,844
NET POSITION - June 30, 2019	\$ 1,695,743	\$ 3,092

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Exeter, Rhode Island (Town), 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, 2019

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, 2019, the Town implemented the following accounting pronouncements:

GASB Statement No. 83 – *Certain Asset Retirement Obligations*.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

The following are recently issued governmental accounting standards which will be applicable in future years:

GASB Statement No. 84 – *Fiduciary Activities, effective for fiscal year ending June 30, 2020*.

GASB Statement No. 87 – *Leases, effective for fiscal year ending June 30, 2021*.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period, effective for fiscal year ending June 30, 2021*.

GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61, effective for fiscal year ending June 30, 2020*.

GASB Statement No. 91 – *Conduit Debt Obligation – an amendment of GASB Statements No. 14 and No. 61, effective for fiscal year ending June 30, 2022*.

The Town has not evaluated the effect of any of these standards on the Town's financial statements.

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 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. The Town had no business-type activities for the fiscal year ended June 30, 2019.

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

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are normally organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each 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 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 of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to the financial statement users (for example, because of public interest or consistency) may be reported as a major fund. All remaining governmental funds are aggregated and reported as non-major funds.

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 where the principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund. The Town's only permanent fund is for perpetual care of cemeteries and was determined to be non-major.

Proprietary Fund Types

These fund types account for operations that are organized to be self-supporting through user charges. For the year ended June 30, 2019, the Town held no proprietary funds.

TOWN OF EXETER, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

Fiduciary Fund Types

These fund types 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.

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
General Fund:	See above for description
Special Fund:	Landfill Closure Fund
<i>Non-Major:</i>	
Special Revenue Funds:	Preservation & Technology; RIEMA FEMA Grant; Planning Board Project Review Fees; Capital Facilities Impact Fees; CDBG; Property Revaluation; Spay/Neuter; Memorial Day Parade; Pension Liability; Historic Preservation; Veteran’s Memorial; School Tax Relief and Animal Shelter Donations.
Capital Projects Fund:	Vehicle Replacement; Public Works/Roads; Computer Upgrades; Public Works/Truck; Town Hall Renovations Fund; Chelsea Park Renovation; Video Equipment; Office Equipment; GIS Mapping Systems; Transfer Station More; New Town Hall Fund; Comprehensive Town Plan; Animal Shelter Improvements and Transfer Station Improvements.
Permanent Fund:	Cemetery Fund

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) are presented using the “economic resources” measurement focus as defined in item (b) below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

- a) All governmental funds utilize a “current financial resource” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within sixty days after year end.
- b) Under the “economic resources” measurement focus, the accounting objectives are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.
- c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities the 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, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All agency funds utilize 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.

Amounts reported as program revenues include charges to customers or applicants for goods, services or privileges provided and operating grants and contributions. Internally dedicated resources are reported general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Cash and Cash Equivalents – Cash and cash equivalents are carried at cost. Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased. Substantially all of the Town’s cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts which hold public funds in excess of \$250,000 which is guaranteed by the FDIC. The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in short-term treasury securities or as disclosed as part of the Town’s investments. The Town had no cash equivalents at June 30, 2019.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

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.

Accounts Receivable – In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes (levied on July 1, 2018 of the current year), intergovernmental grants and aid and other receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year-end and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts receivable amounted to \$104,872 at June 30, 2019. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables.

Property Taxes – The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 97.9% of the total December 31, 2017 levy. The tax rate of the Town is established by the Town Council. The Town’s fiscal 2019 property taxes were levied on July 1, 2018 on assessed valuation as of December 31, 2017. Upon levy, taxes are billed yearly and due quarterly on September 1st, December 1st, March 1st, and June 1st. A fifteen (15) day grace period from the due date is given. Failure to postmark payments by the 15th 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, 2017, a statistical revaluation was completed.

Inventory, Prepaid Expenses, and Accruals – Expenditures for inventory-type items are not recorded as assets, but rather as expenditures at the time purchased. Prepaid expenses are not recorded within governmental funds. Accruals are recorded when liabilities are incurred.

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.

TOWN OF EXETER, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

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. Building 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

Interfund Transactions – Interfund activity within and among the funds of the Town have been classified and reported as follows:

Reciprocal interfund activities:

- Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
- Interfund services are reported as revenues in the seller fund and as expenditures or expenses in the purchasing fund.

Non-reciprocal interfund activities:

- Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.
- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.
- Interfund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are recorded as expenditures/expenses in the reimbursing fund and are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other interfund transactions are reported as transfers.

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, 2017 and not collected within 60 days following June 30, 2019.

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

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

which were assessed on December 31, 2017 and prior and are not collected within 60 days following June 30, 2019. Net unearned taxes included in the fund financial statements were \$244,202.

Long-Term Obligations – In the government-wide financial statements, long-term debt and long-term compensated absences are reported as liabilities in the statement of net position. Bond issuance costs are deferred and amortized over the term of the related debt.

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Bond issuance costs are expensed as incurred.

Compensated Absences – Under the terms of various contracts and agreements, Town employees are granted vacation and sick 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.

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.
- *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.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

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

- a) For committed fund balances: the Town Council, via a resolution or vote, is the highest level of decision making authority and a meeting of the Town Council is required to establish, modify or rescind a fund balance commitment.
- b) For assigned fund balance: the Town's Treasurer is authorized to assign amounts to a specific purpose and un-assign amounts to a specific purpose. This authorization was given to that position by the Town Council through resolution.
- c) The Town considers amounts that are committed, assigned or unassigned to have been spent when an expenditure is incurred for the purpose of which any amounts in any of the unassigned fund balance classifications could be used.
- d) The Town considers restricted amounts to have been spent when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and considers committed amounts to have been spent when an expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

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.

Use of 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 4, 2019, which is the date the financial statements were available to be issued.

NOTE 2 – BUDGETARY AND LEGAL COMPLIANCE

Budgetary Data

The Town Council adopts an annual budget for the General Fund. The Town Council is authorized to transfer budgeted amounts within and among departments and to authorize emergency expenditures. Any revisions that alter total expenditures must be approved by the taxpayers by a vote at a Financial Town

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

Meeting. Management cannot make any transfers without prior Council approval. The governing Council did not make any supplemental budgetary appropriations during the fiscal year. The budget for the General Fund is presented in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual. All unused annual appropriations lapse at fiscal year-end unless specifically approved for carryover to the following year by the taxpayers by a vote at a Financial Town Meeting.

The Town does not budget for the combined Special Revenue Funds and Capital Project Funds since budgetary control is maintained on an individual fund basis. Since grant periods may differ from the Town's fiscal year, and although most grants comprise an annual time period not all grants operate on a twelve-month period, a comparison of budgetary information may not be meaningful and has not been presented in the accompanying financial statements.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to preserve that portion of the applicable appropriation, is employed in the General Fund Budget. Open encumbrances are reported as reservations of fund balances. Encumbrances do not constitute expenditures or liabilities. There were no open encumbrances at June 30, 2019.

NOTE 3 – 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 \$24,801,839 based on the December 31, 2017 assessment. As of June 30, 2019, the Town's debt is under this limit by \$24,459,948.

NOTE 4 – 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.

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.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

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, 2019, all of the Town’s bank balance of \$4,585,265 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, 2019:

<u>Cash and Cash Equivalents</u>	
Deposits with financial institutions	\$ 4,585,265
 <u>Investments</u>	
Fixed Income	806,503
Common stock	<u>889,240</u>
<i>Total Cash and Investments</i>	<u>\$ 6,281,008</u>

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

<u>Statement of Net Position</u>	
Cash and cash equivalents	\$ 4,293,549
 <u>Fiduciary Funds</u>	
Cash and cash equivalents	863,386
Investments	<u>889,240</u>
<i>Total Cash and Investments</i>	<u>\$ 6,046,175</u>

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.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 5 – 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, 2017. 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 2018-2019. 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 1st, December 1st, March 1st, and June 1st 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, 2019, an allowance for doubtful accounts totaling \$104,872 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, 2019 consists of \$349,074 of property taxes not collected within 60 days following year end, net an allowance of \$104,872, resulting in \$244,202.

Net property taxes levied for the fiscal year 2018-2019 were based on an assessed value of approximately \$847,098,174 at December 31, 2017 and amounted to \$14,358,898. Total property tax recognized for the current fiscal year amounted to \$14,057,919 which represents 97.9% of the total 2019 levy. Of that amount, \$120,516 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, 2019 totaled \$116,825.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 6 – INFORMATION ABOUT CAPITAL ASSETS

Capital asset activity consists of the following at June 30, 2019:

	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	3,703,701	-	-	3,703,701
Other capital assets:				
Buildings and improvements	2,200,870	49,393	-	2,250,263
Motor vehicles	1,433,625	36,418	-	1,470,043
Machinery and equipment	1,561,255	19,725	-	1,580,980
Office furniture and equipment	161,180	-	-	161,180
Infrastructure	1,143,216	-	-	1,143,216
Total other capital assets at historical cost	6,500,146	105,536	-	6,605,682
Less accumulated depreciation for:				
Buildings and improvements	896,738	52,967	-	949,705
Motor vehicles	965,744	95,368	-	1,061,112
Machinery and equipment	1,246,301	68,067	-	1,314,368
Office furniture and equipment	161,180	-	-	161,180
Infrastructure	251,993	28,581	-	280,574
Total accumulated depreciation	3,521,956	244,983	-	3,766,939
Governmental activities capital assets, net	\$ 6,681,891	\$ (139,447)	\$ -	\$ 6,542,444

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 60,377
Public works	184,606
Total governmental activities depreciation expense	\$ 244,983

Included within the capital assets are leased assets. Machinery and equipment includes \$181,900 for the street sweeper with accumulated depreciation of \$86,403 as of June 30, 2019. Vehicles include \$189,566 for the 2016 International dump truck with accumulated depreciation of \$72,667 as of June 30, 2019. Additional information on the capital leases is located in Note 7.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 7 – INFORMATION ABOUT LONG-TERM LIABILITIES

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities					
Exeter public library bond	\$ 225,057	\$ -	\$ 66,381	158,676	\$ 68,882
Exeter development rights bond	226,334	-	43,119	183,215	44,547
Total bonds and notes payable	451,391	-	109,500	341,891	113,429
Capital lease obligation - plow truck	37,432	-	37,432	-	-
Capital lease obligation - plow truck	76,826	-	37,885	38,941	38,941
Total capital leases payable	114,258	-	75,317	38,941	38,941
Landfill post closure care costs (Note 11)	201,838	-	-	201,838	-
Compensated absences	87,517	8,426	12,963	82,980	2,777
Total other long-term debt	289,355	8,426	12,963	284,818	2,777
Total Governmental Activities	\$ 855,004	\$ 8,426	\$ 197,780	\$ 665,650	\$ 155,147

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

	Interest Rates	Principal	Due Dates
Exeter public library bond	3.67%	\$ 158,676	2020-2022
Exeter development rights bond	3.25%	\$ 183,215	2020-2023
Capital lease obligations	various	\$ 38,941	2020

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

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

Fiscal Year Ended June 30	Governmental Long-term Liabilities		
	Principal	Interest	Total
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
	\$ 341,891	\$ 19,344	\$ 361,235

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, 2019

NOTE 8 – CAPITAL LEASE

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 1st 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. As of June 30, 2019, the lease was fully repaid.

On August 25, 2016, 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 25th 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, 2019 are as follows:

Year Ending June 30	
2020	\$ 40,028
Total minimum lease payments	40,028
Less: Amount representing interest	(1,087)
Present value of minimum lease payments	<u>\$ 38,941</u>

NOTE 9 – 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 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.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

	Restricted Purposes	Committed Purposes	Assigned Purposes
<u>General Fund</u>			
Contingency Appropriation	\$ -	\$ -	\$ 575,000
Re-appropriated Fiscal Year 2019/2020	-	-	-
<u>Major Fund</u>			
Landfill Closure	-	84,482	-
<u>Nonmajor Funds</u>			
Preservation and Technology Fund	-	28,483	-
RIEMA FEMA Grant	37,649	-	-
Planning Board Project Review Fee	-	11,263	-
Capital Facilities Impact Fees	-	243,303	-
CDBG	78,442	-	-
Property Revaluation Fund	-	-	120,074
Spay/Neuter Fund	-	-	7,808
Memorial Day Parade	-	-	1,798
Pension Liability Fund	-	-	22,210
Historic Preservation Fund	-	-	48,821
Veteran's Memorial Fund	-	-	28,912
School Tax Relief Fund	-	-	-
Animal Shelter Donations Fund	-	-	23,066
Vehicle Replacement Fund	-	-	170,831
Public Works/Road	-	-	117,109
Computer Upgrade Fund	-	-	29,720
Public Works/Equipment	-	-	138,102
Town Hall Renovations Fund	-	-	110,030
Chelsea Park Fund	-	-	43,192
Video Equipment	-	-	3,478
Office Equipment	-	-	41,808
GIS Mapping System	-	-	10,000
Transfer Station Move	-	-	350,000
New Town Hall	-	-	122,000
Comprehensive Town Plan	-	-	25,910
Animal Shelter Improvements	-	-	9,000
Transfer Station Improvements	-	-	20,000
Cemetery Fund	27,057	-	-
	<u>\$ 143,148</u>	<u>\$ 367,531</u>	<u>\$ 2,018,869</u>

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 10 – NET ASSETS - RESTRICTED

As of June 30, 2019, the Town has restricted \$2,529,548 of its General, Landfill Closure, and Special Revenue funds for contingency appropriations as follows:

General Fund balance	\$	575,000
Landfill Closure Fund balance		84,482
Special Revenue Funds balance		<u>1,870,066</u>
	\$	<u><u>2,529,548</u></u>

NOTE 11 – 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, 2019 are as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 4,108	\$ 1,543,205
Landfill Closure Fund	84,482	-
Special Revenue Funds	267,543	4,108
Capital Projects Funds	<u>1,191,180</u>	<u>-</u>
	<u>\$ 1,547,313</u>	<u>\$ 1,547,313</u>

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. Transfers between funds during the fiscal year ended June 30, 2019 are as follows:

Fund	Transfers from other funds	Transfers to other funds
General Fund	\$ 91,440	\$ (564,970)
Special Revenue Funds	19,900	(91,440)
Capital Projects Funds	<u>545,070</u>	<u>-</u>
	<u>\$ 656,410</u>	<u>\$ (656,410)</u>

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 12 – 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 2019, no expenses were paid for survey, site preparation or remedial work occurred, leaving a closure cost balance of \$201,838 at June 30, 2019.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

At June 30, 2019, 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 14 – 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.

NOTE 15 – 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 amendments to the plan require authorization from the Town Council. As of November 1, 2010, the Town retained the services of the International City County

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

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, 2019, the plan had 20 active participants and made contributions totaling \$91,936.

NOTE 16 – 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 17 – 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, 2019.

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, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>REVENUES</u>				
Property taxes	\$ 14,298,295	\$ 14,298,295	\$ 14,319,183	\$ 20,888
Intergovernmental revenues	862,796	862,796	891,449	28,653
Departmental revenues	341,785	341,785	381,549	39,764
Building permits and inspection fees	64,000	64,000	98,258	34,258
Interest and investment income	6,000	6,000	13,144	7,144
Fines and interest on late payments	73,000	73,000	80,778	7,778
Other revenue	41,418	41,418	37,094	(4,324)
TOTAL REVENUES	<u>15,687,294</u>	<u>15,687,294</u>	<u>15,821,455</u>	<u>134,161</u>
<u>EXPENDITURES</u>				
General government	2,202,735	2,202,735	2,172,971	29,764
Public works	752,801	752,801	682,809	69,992
Public safety	29,750	29,750	27,862	1,888
Social services	12,763	12,763	10,260	2,503
Public health and welfare	7,650	7,650	6,549	1,101
Education	12,164,473	12,164,473	12,164,473	-
Capital outlay	-	-	-	-
Debt service expenditures	202,152	202,152	202,139	13
TOTAL EXPENDITURES	<u>15,372,324</u>	<u>15,372,324</u>	<u>15,267,063</u>	<u>105,261</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES	<u>314,970</u>	<u>314,970</u>	<u>554,392</u>	<u>239,422</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, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
OTHER FINANCING SOURCES (USES)				
Re-appropriation of Fund Balance	250,000	250,000	-	(250,000)
Transfer from other funds	-	-	91,440	91,440
Transfer to other funds	<u>(564,970)</u>	<u>(564,970)</u>	<u>(564,970)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(314,970)</u>	<u>(314,970)</u>	<u>(473,530)</u>	<u>(158,560)</u>
 EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES AND USES	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 80,862</u>	 <u>\$ 80,862</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, 2019

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>				
<u>PROPERTY TAX REVENUES</u>				
Property taxes	\$ 14,298,295	\$ 14,298,295	\$ 14,319,183	\$ 20,888
TOTAL PROPERTY TAX REVENUES	<u>14,298,295</u>	<u>14,298,295</u>	<u>14,319,183</u>	<u>20,888</u>
<u>INTERGOVERNMENTAL</u>				
State Motor Vehicle tax phase-out program	534,739	534,739	564,536	29,797
Public service corporate tax	83,592	83,592	84,777	1,185
State meal tax	119,130	119,130	116,801	(2,329)
State aid to libraries	49,367	49,367	49,367	-
Library bond reimbursement	75,968	75,968	75,968	-
TOTAL INTERGOVERNMENTAL REVENUES	<u>862,796</u>	<u>862,796</u>	<u>891,449</u>	<u>28,653</u>
<u>DEPARTMENTAL REVENUES</u>				
Town clerk collections	150,000	150,000	151,561	1,561
Transfer station	155,770	155,770	157,566	1,796
Animal shelter	22,015	22,015	14,591	(7,424)
Planning board fees	10,000	10,000	52,431	42,431
Zoning fees	4,000	4,000	5,400	1,400
TOTAL DEPARTMENTAL REVENUES	<u>341,785</u>	<u>341,785</u>	<u>381,549</u>	<u>39,764</u>
<u>LICENSES AND PERMITS</u>	64,000	64,000	98,258	34,258
<u>INTEREST AND INVESTMENT INCOME</u>	6,000	6,000	13,144	7,144
<u>FINES AND INTEREST ON LATE PAYMENTS</u>	73,000	73,000	80,778	7,778
<u>OTHER REVENUE</u>	41,418	41,418	37,094	(4,324)
<u>OTHER FINANCING SOURCES</u>				
Re-appropriation of Fund Balance	250,000	250,000	-	(250,000)
Transfer from Impact Fees	-	-	26,940	26,940
Transfer from School Relief Fund	-	-	64,500	64,500
TOTAL OTHER FINANCING SOURCES	<u>250,000</u>	<u>250,000</u>	<u>91,440</u>	<u>(158,560)</u>
TOTAL REVENUE AND OTHER FINANCING SOURCES	<u>\$ 15,937,294</u>	<u>\$ 15,937,294</u>	<u>\$ 15,912,895</u>	<u>\$ (24,399)</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, 2019

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<u>GENERAL GOVERNMENT</u>				
<u>SALARIES AND WAGES</u>				
Town Treasurer	\$ 46,203	\$ 46,203	\$ 46,230	\$ (27)
Deputy Town Treasurer	5,000	5,000	-	5,000
Town Moderator	502	502	502	-
Town Clerk	60,500	60,500	60,476	24
Deputy Town Clerk	40,724	40,724	41,523	(799)
911 Coordinator	3,614	3,614	3,614	-
Town Clerical Salaries	34,661	34,661	38,657	(3,996)
Town Council Stipend	15,225	15,225	14,698	527
Council Assistant	31,635	31,635	31,661	(26)
Tax Collector	50,307	50,307	50,287	20
Tax Collector Clerical	28,089	28,089	-	28,089
Board of Canvassers	9,989	9,989	9,989	-
Board of Canvassers Clerk	5,000	5,000	2,617	2,383
Tax Assessor	48,663	48,663	48,640	23
Tax Assessor Clerical	28,089	28,089	15,605	12,484
Library Director	63,132	63,132	63,119	13
Library Staff	77,200	77,200	78,917	(1,717)
Planning Board	14,931	14,931	13,183	1,748
Planning Board Clerk	18,865	18,865	22,236	(3,371)
Town Planner	37,688	37,688	37,679	9
Zoning Inspector	15,750	15,750	15,725	25
Zoning Board	14,775	14,775	14,386	389
Zoning Board Clerk	15,796	15,796	11,597	4,199
Town Sergeant	11,512	11,512	11,733	(221)
Town Constable	5,700	5,700	5,900	(200)
Animal Shelter	73,133	73,133	78,013	(4,880)
Transfer station	40,173	40,173	40,070	103
Building Inspector	32,000	32,000	43,050	(11,050)
TOTAL SALARIES AND WAGES	<u>828,856</u>	<u>828,856</u>	<u>800,107</u>	<u>28,749</u>
<u>GENERAL EXPENSES</u>				
Treasurer Expense	11,000	11,000	10,612	388
Mileage Reimbursement	3,500	3,500	1,472	2,028
Postage	13,000	13,000	11,000	2,000
Advertising Expense	7,000	7,000	6,311	689
Legal Fees	66,000	66,000	127,947	(61,947)
Life Insurance Premium	1,317	1,317	1,241	76
Town FICA Expense	104,753	104,753	96,302	8,451
Blue Cross/Dental Expenses	392,025	392,025	379,242	12,783
Town Retirement Expense	97,625	97,625	91,936	5,689
Longevity	15,500	15,500	16,500	(1,000)
Insurance Expense	109,006	109,006	121,547	(12,541)
Auditing Expense	15,650	15,650	15,650	-
Town Clerk Expense	110,749	110,749	100,671	10,078
Animal Shelter Expense	36,750	36,750	34,927	1,823
Transfer Station Expense	155,665	155,665	163,919	(8,254)
Municipal Fuel Costs	5,000	5,000	5,000	-
Collection Fees	9,000	9,000	14,524	(5,524)

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, 2019

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Contingency Fund	30,000	30,000	5,335	24,665
RI League of Cities and Towns	2,407	2,407	5,506	(3,099)
Council Expenses	1,500	1,500	443	1,057
Town Council Assistant Expense	1,000	1,000	1,000	-
Computer Support	57,387	57,387	42,942	14,445
Website	300	300	700	(400)
Tax Collector Expense	5,935	5,935	5,935	-
Board of Canvassers Expense	12,030	12,030	10,403	1,627
Tax Assessor Expenses	12,050	12,050	12,050	-
Exeter Public Library	66,030	66,030	68,678	(2,648)
Planning Board Expense	6,150	6,150	2,508	3,642
Planning Office Expense	1,700	1,700	553	1,147
Zoning Inspector Expenses	600	600	221	379
Zoning Board Expense	5,750	5,750	3,970	1,780
Town Sergeant Expense	5,000	5,000	3,548	1,452
Building Inspector Expense	12,500	12,500	10,271	2,229
TOTAL GENERAL EXPENSE	<u>1,373,879</u>	<u>1,373,879</u>	<u>1,372,864</u>	<u>1,015</u>
 TOTAL GENERAL GOVERNMENT	 <u>2,202,735</u>	 <u>2,202,735</u>	 <u>2,172,971</u>	 <u>29,764</u>
 <u>PUBLIC WORKS</u>				
<u>SALARIES AND WAGES</u>				
Director of Public Works	69,772	69,772	69,708	64
Highway Workers	358,246	358,246	298,289	59,957
Highway Workers - OT	42,382	42,382	29,209	13,173
TOTAL SALARIES AND WAGES	<u>470,400</u>	<u>470,400</u>	<u>397,206</u>	<u>73,194</u>
 <u>PUBLIC WORKS EXPENSES</u>				
Highway Department	282,401	282,401	285,603	(3,202)
TOTAL PUBLIC WORKS EXPENSES	<u>282,401</u>	<u>282,401</u>	<u>285,603</u>	<u>(3,202)</u>
 TOTAL PUBLIC WORKS	 <u>752,801</u>	 <u>752,801</u>	 <u>682,809</u>	 <u>69,992</u>
 <u>PUBLIC SAFETY</u>				
<u>SALARIES AND WAGES</u>				
Exeter Emergency Director	15,750	15,750	15,747	3
Exeter Emergency Assistant Director	5,000	5,000	2,870	2,130
TOTAL SALARIES AND WAGES	<u>20,750</u>	<u>20,750</u>	<u>18,617</u>	<u>2,133</u>
 <u>PUBLIC SAFETY EXPENSES</u>				
Exeter Emergency Management	9,000	9,000	9,245	(245)
TOTAL PUBLIC SAFETY EXPENSES	<u>9,000</u>	<u>9,000</u>	<u>9,245</u>	<u>(245)</u>
 TOTAL PUBLIC SAFETY	 <u>29,750</u>	 <u>29,750</u>	 <u>27,862</u>	 <u>1,888</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, 2019

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>SOCIAL SERVICES</u>				
<u>SALARIES AND WAGES</u>				
Welfare Director	6,063	6,063	6,260	(197)
TOTAL SALARIES AND WAGES	6,063	6,063	6,260	(197)
<u>SOCIAL SERVICES EXPENSES</u>				
Community Youth Programs	5,500	5,500	4,000	1,500
Juvenile Hearing Board	500	500	-	500
Public Access Television	700	700	-	700
TOTAL SOCIAL SERVICES EXPENSES	6,700	6,700	4,000	2,700
TOTAL SOCIAL SERVICES	12,763	12,763	10,260	2,503
<u>PUBLIC HEALTH AND WELFARE</u>				
Public Welfare Expense	6,200	6,200	6,200	-
Veterans Graves	1,450	1,450	349	1,101
TOTAL PUBLIC HEALTH & WELFARE	7,650	7,650	6,549	1,101
<u>TOTAL EDUCATION - REGIONAL SCHOOL DISTRICT</u>	12,164,473	12,164,473	12,164,473	-
<u>TOTAL CAPITAL OUTLAY</u>	-	-	-	-
<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 - Street Sweeper	38,560	38,560	38,547	13
Capital Lease Payments - Street Sweeper	40,028	40,028	40,028	-
TOTAL DEBT SERVICE	202,152	202,152	202,139	13
TOTAL EXPENDITURES	15,372,324	15,372,324	15,267,063	105,261
<u>OTHER FINANCING USES</u>				
Transfer to Animal Shelter Improvements	5,500	5,500	5,500	-
Transfer to Property Revaluation	10,000	10,000	10,000	-
Transfer to Public Works/Roads	333,795	333,795	333,795	-
Transfer to Public Works/Equipment	121,275	121,275	121,275	-
Transfer to Library/Chelsea Park Renovation	2,500	2,500	2,500	-
Transfer to Office Equipment	3,000	3,000	3,000	-
Transfer to Transfer Station Improvements	10,000	10,000	10,000	-
Transfer to Historical Preservation	7,500	7,500	7,500	-
Transfer to Transfer Station Move	25,000	25,000	25,000	-
Transfer to New Town Hall Fund	30,000	30,000	30,000	-
Transfer to Comprehensive Plan	14,000	14,000	14,000	-
Transfer to Memorial Day Parade	2,400	2,400	2,400	-
TOTAL OTHER FINANCING USES	564,970	564,970	564,970	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 15,937,294	\$ 15,937,294	\$ 15,832,033	\$ 105,261

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON – GENERAL FUND
June 30, 2019

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.

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.

School Tax Relief Fund – This fund accounts for the amounts appropriated for the purpose of providing relief towards the Town's education costs.

Animal Shelter Donations Fund – This fund accounts for all appropriations and donations made to the shelter by residents.

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.

Comprehensive Town Plan – This fund accounts for the amounts appropriated to be expended for the Town's comprehensive plan.

Animal Shelter Improvements Fund – This fund accounts for the amounts appropriated to be expended for improvements to the animal shelter facility.

Transfer Station Improvements Fund – This fund accounts for the amounts appropriated to be expended for improvements to the transfer station.

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
 NON-MAJOR OTHER GOVERNMENTAL FUNDS
 June 30, 2019

	SPECIAL REVENUE FUNDS						
	Preservation and Technology Fund	RIEMA FEMA Grant	Planning Board Project Review Fees	Capital Facilities Impact Fees	CDBG	Property Revaluation Fund	Spay/Neuter Fund
ASSETS							
Cash and cash equivalents	\$ 25,821	\$ -	\$ -	\$ 243,303	\$ 14,390	\$ -	\$ 11,784
Accounts receivable	-	-	-	-	64,052	-	-
Due from other funds	2,662	37,649	11,263	-	-	120,074	-
TOTAL ASSETS	\$ 28,483	\$ 37,649	\$ 11,263	\$ 243,303	\$ 78,442	\$ 120,074	\$ 11,784
LIABILITIES							
Accounts payable and accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	3,976
TOTAL LIABILITIES	-	-	-	-	-	-	3,976
FUND BALANCE							
Restricted	-	37,649	-	-	78,442	-	-
Committed	28,483	-	11,263	243,303	-	-	-
Assigned	-	-	-	-	-	120,074	7,808
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE	28,483	37,649	11,263	243,303	78,442	120,074	7,808
TOTAL LIABILITIES AND FUND BALANCE	\$ 28,483	\$ 37,649	\$ 11,263	\$ 243,303	\$ 78,442	\$ 120,074	\$ 11,784

TOWN OF EXETER, RHODE ISLAND
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING BALANCE SHEET
 NON-MAJOR OTHER GOVERNMENTAL FUNDS
 June 30, 2019

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS
	Memorial Day Parade	Pension Liability Fund	Historic Preservation Fund	Veteran's Memorial	School Tax Relief Fund	Animal Shelter Donations	Vehicle Replacement Fund
<u>ASSETS</u>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 28,912	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	1,798	22,210	48,821	-	-	23,066	170,831
TOTAL ASSETS	\$ 1,798	\$ 22,210	\$ 48,821	\$ 28,912	\$ -	\$ 23,066	\$ 170,831
<u>LIABILITIES</u>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
<u>FUND BALANCE</u>							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	1,798	22,210	48,821	28,912	-	23,066	170,831
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE	1,798	22,210	48,821	28,912	-	23,066	170,831
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,798	\$ 22,210	\$ 48,821	\$ 28,912	\$ -	\$ 23,066	\$ 170,831

TOWN OF EXETER, RHODE ISLAND
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING BALANCE SHEET
 NON-MAJOR OTHER GOVERNMENTAL FUNDS
 June 30, 2019

	CAPITAL PROJECTS FUNDS						
	Public Works/ Road	Computer Upgrades Fund	Public Works/ Equipment	Town Hall Renovations Fund	Chelsea Park Fund	Video Equipment	Office Equipment
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	117,109	29,720	138,102	110,030	43,192	3,478	41,808
TOTAL ASSETS	\$ 117,109	\$ 29,720	\$ 138,102	\$ 110,030	\$ 43,192	\$ 3,478	\$ 41,808
LIABILITIES							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCE							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	117,109	29,720	138,102	110,030	43,192	3,478	41,808
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE	117,109	29,720	138,102	110,030	43,192	3,478	41,808
TOTAL LIABILITIES AND FUND BALANCE	\$ 117,109	\$ 29,720	\$ 138,102	\$ 110,030	\$ 43,192	\$ 3,478	\$ 41,808

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR OTHER GOVERNMENTAL FUNDS
June 30, 2019

	CAPITAL PROJECTS FUNDS						PERMANENT FUND	Total Non-Major Governmental Funds
	GIS Mapping System	Transfer Station Move	New Town Hall	Comprehensive Town Plan	Animal Shelter Improvements	Transfer Station Improvements	Cemetery Fund	
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,189	\$ 351,399
Accounts receivable	-	-	-	-	-	-	-	64,052
Due from other funds	10,000	350,000	122,000	25,910	9,000	20,000	-	1,458,723
TOTAL ASSETS	\$ 10,000	\$ 350,000	\$ 122,000	\$ 25,910	\$ 9,000	\$ 20,000	\$ 27,189	\$ 1,874,174
LIABILITIES								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	132	4,108
TOTAL LIABILITIES	-	-	-	-	-	-	132	4,108
FUND BALANCE								
Restricted	-	-	-	-	-	-	27,057	143,148
Committed	-	-	-	-	-	-	-	283,049
Assigned	10,000	350,000	122,000	25,910	9,000	20,000	-	1,443,869
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	10,000	350,000	122,000	25,910	9,000	20,000	27,057	1,870,066
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,000	\$ 350,000	\$ 122,000	\$ 25,910	\$ 9,000	\$ 20,000	\$ 27,189	\$ 1,874,174

TOWN OF EXETER, RHODE ISLAND
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR OTHER GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2019

	SPECIAL REVENUE FUNDS						
	Preservation and Technology Fund	RIEMA FEMA Grant	Planning Board Project Review Fees	Capital Facilities Impact Fees	CDBG	Property Revaluation Fund	Spray/Neuter Fund
REVENUES							
Intergovernmental revenues	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	12	-	-	573	208	-	6
Other revenues	6,569	-	-	40,000	4,800	-	1,676
TOTAL REVENUES	6,581	5,000	-	40,573	5,008	-	1,682
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Social services	-	-	-	18,075	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	625
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	18,075	-	-	625
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	6,581	5,000	-	22,498	5,008	-	1,057
OTHER FINANCING SOURCES (USES)							
Transfer from other funds	-	-	-	-	-	10,000	-
Transfer to other funds	-	-	-	(26,940)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(26,940)	-	10,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	6,581	5,000	-	(4,442)	5,008	10,000	1,057
FUND BALANCE (DEFICIT) - July 1, 2018	21,902	32,649	11,263	247,745	73,434	110,074	6,751
FUND BALANCE - June 30, 2019	\$ 28,483	\$ 37,649	\$ 11,263	\$ 243,303	\$ 78,442	\$ 120,074	\$ 7,808

TOWN OF EXETER, RHODE ISLAND
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR OTHER GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2019

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS
	Memorial Day Parade	Pension Liability Fund	Historic Preservation Fund	Veteran's Memorial	School Tax Relief Fund	Animal Shelter Donations	Vehicle Replacement Fund
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	27	-	-	-
Other revenues	5,796	-	-	4,077	-	12,597	16,099
TOTAL REVENUES	5,796	-	-	4,104	-	12,597	16,099
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Social services	8,476	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	36,418
TOTAL EXPENDITURES	8,476	-	-	-	-	-	36,418
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(2,680)	-	-	4,104	-	12,597	(20,319)
OTHER FINANCING SOURCES (USES)							
Transfer from other funds	2,400	-	7,500	-	-	-	-
Transfer to other funds	-	-	-	-	(64,500)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,400	-	7,500	-	(64,500)	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	(280)	-	7,500	4,104	(64,500)	12,597	(20,319)
FUND BALANCE (DEFICIT) - July 1, 2018	2,078	22,210	41,321	24,808	64,500	10,469	191,150
FUND BALANCE - June 30, 2019	\$ 1,798	\$ 22,210	\$ 48,821	\$ 28,912	\$ -	\$ 23,066	\$ 170,831

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR OTHER GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	CAPITAL PROJECTS FUNDS						
	Public Works/ Road	Computer Upgrades Fund	Public Works/ Equipment	Town Hall Renovations Fund	Chelsea Park Fund	Video Equipment	Office Equipment
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public works	360,633	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	49,393	8,800	-	-	2,324
TOTAL EXPENDITURES	360,633	-	49,393	8,800	-	-	2,324
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(360,633)	-	(49,393)	(8,800)	-	-	(2,324)
OTHER FINANCING SOURCES (USES)							
Transfer from other funds	333,795	-	121,275	-	2,500	-	3,000
Transfer to other funds	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	333,795	-	121,275	-	2,500	-	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	(26,838)	-	71,882	(8,800)	2,500	-	676
FUND BALANCE (DEFICIT) - July 1, 2018	143,947	29,720	66,220	118,830	40,692	3,478	41,132
FUND BALANCE - June 30, 2019	\$ 117,109	\$ 29,720	\$ 138,102	\$ 110,030	\$ 43,192	\$ 3,478	\$ 41,808

TOWN OF EXETER, RHODE ISLAND
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR OTHER GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2019

	CAPITAL PROJECTS FUNDS						PERMANENT FUND	Total NonMajor Governmental Funds
	GIS Mapping System	Transfer Station Move	New Town Hall	Comprehensive Town Plan	Animal Shelter Improvements	Transfer Station Improvements	Cemetery Fund	
REVENUES								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Earnings on investments	-	-	-	-	-	-	67	893
Other revenues	-	-	-	-	-	-	-	91,614
TOTAL REVENUES	-	-	-	-	-	-	67	97,507
EXPENDITURES								
General government	-	-	-	3,195	-	-	-	3,195
Public works	-	-	-	-	-	-	-	360,633
Public safety	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	26,551
Public health and welfare	-	-	-	-	-	-	-	625
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	96,935
TOTAL EXPENDITURES	-	-	-	3,195	-	-	-	487,979
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-	-	-	(3,195)	-	-	67	(390,432)
OTHER FINANCING SOURCES (USES)								
Transfer from other funds	-	25,000	30,000	14,000	5,500	10,000	-	564,970
Transfer to other funds	-	-	-	-	-	-	-	(91,440)
TOTAL OTHER FINANCING SOURCES (USES)	-	25,000	30,000	14,000	5,500	10,000	-	473,530
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	-	25,000	30,000	10,805	5,500	10,000	67	83,098
FUND BALANCE (DEFICIT) - July 1, 2018	10,000	325,000	92,000	15,105	3,500	10,000	26,990	1,786,968
FUND BALANCE - June 30, 2019	\$ 10,000	\$ 350,000	\$ 122,000	\$ 25,910	\$ 9,000	\$ 20,000	\$ 27,057	\$ 1,870,066

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, 2019

	BALANCE July 1, 2018	ADDITIONS	DEDUCTIONS	BALANCE June 30, 2019
<u>OPEN SPACE DEDICATION</u>				
<u>ASSETS</u>				
Cash	\$ 46,926	\$ 117	\$ -	\$ 47,043
TOTAL ASSETS	<u>\$ 46,926</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ 47,043</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 46,926	\$ 117	\$ -	\$ 47,043
TOTAL LIABILITIES	<u>\$ 46,926</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ 47,043</u>
<u>SURETY BONDS ESCROW</u>				
<u>ASSETS</u>				
Due from other funds	\$ 105,500	\$ -	\$ -	\$ 105,500
TOTAL ASSETS	<u>\$ 105,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,500</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 105,500	\$ -	\$ -	\$ 105,500
TOTAL LIABILITIES	<u>\$ 105,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,500</u>
<u>BRAYMAN ESCROW</u>				
<u>ASSETS</u>				
Cash	\$ 6,744	\$ 4	\$ -	\$ 6,748
TOTAL ASSETS	<u>\$ 6,744</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6,748</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 6,744	\$ 4	\$ -	\$ 6,748
TOTAL LIABILITIES	<u>\$ 6,744</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6,748</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 53,670	121	-	\$ 53,791
Due from other funds	105,500	-	-	105,500
TOTAL ASSETS	<u>\$ 159,170</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ 159,291</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 159,170	\$ 121	\$ -	\$ 159,291
TOTAL LIABILITIES	<u>\$ 159,170</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ 159,291</u>

**TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPERTY TAX RECEIVABLES
For the Fiscal Year Ended June 30, 2019**

TAX ROLL YEAR	BALANCE July 1, 2018	CURRENT YEAR ASSESSMENT	ADDITIONS AND ADJUSTMENTS	REFUNDS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE June 30, 2019
2018	\$ -	\$ 14,358,898	\$ 26,054	\$ 7,237	\$ 36,952	\$ 14,355,237	\$ 14,057,919	\$ 297,318
2017	333,146	-	9,997	4,608	5,181	342,570	324,409	18,161
2016	27,663	-	3,210	-	4,521	26,352	8,609	17,743
2015	19,211	-	3,544	-	3,889	18,866	2,773	16,093
2014	24,513	-	3,793	-	5,055	23,251	3,777	19,474
2013	21,993	-	3,817	-	5,190	20,620	2,335	18,285
2012	17,915	-	-	-	5,227	12,688	459	12,229
2011	22,755	-	-	-	4,780	17,975	1,788	16,187
2010	21,710	-	(70)	-	4,468	17,172	731	16,441
2009	13,542	-	-	-	4,295	9,247	546	8,701
2008	15,980	-	-	-	12,132	3,848	222	3,626
2007	6,871	-	-	-	5,468	1,403	-	1,403
2006	2,757	-	-	-	1,961	796	-	796
2005	6,360	-	-	-	4,838	1,522	63	1,459
2004	3,729	-	-	-	2,884	845	-	845
2003 and prior	30,813	-	-	-	9,984	20,829	-	20,829
	<u>\$ 568,958</u>	<u>\$ 14,358,898</u>	<u>\$ 50,345</u>	<u>\$ 11,845</u>	<u>\$ 116,825</u>	<u>\$ 14,873,221</u>	<u>\$ 14,403,631</u>	<u>\$ 469,590</u>
Less: Allowance for Uncollectible Taxes	145,379							104,872
	<u>\$ 423,579</u>							<u>\$ 364,718</u>

FY2019 CASH COLLECTIONS SUMMARY			
JULY-AUGUST 2018 COLLECTIONS SUBJECT TO 60-DAY FY18 ACCRUAL	SEPTEMBER - JUNE 2019 COLLECTIONS	TOTAL FY2019 CASH COLLECTIONS	JULY-AUGUST 2019 COLLECTIONS SUBJECT TO 60-DAY FY19 ACCRUAL
\$ -	\$ 14,057,919	\$ 14,057,919	\$ 117,100
173,420	150,989	324,409	1,837
3,230	5,379	8,609	1,009
1,595	1,178	2,773	229
2,175	1,602	3,777	24
1,930	405	2,335	59
65	394	459	6
706	1,082	1,788	100
-	731	731	152
170	376	546	-
12	210	222	-
-	-	-	-
-	-	-	-
50	13	63	-
-	-	-	-
-	-	-	-
<u>\$ 183,353</u>	<u>\$ 14,220,278</u>	<u>\$ 14,403,631</u>	<u>\$ 120,516</u>

SCHEDULE OF NET ASSESSED PROPERTY, VALUED BY CATEGORY

DESCRIPTION OF PROPERTY	VALUATIONS		LEVY
	DECEMBER 31, 2017	JULY 1, 2018	JULY 1, 2018
Real property - Residential	\$ 678,348,300	\$ 678,348,300	\$ 11,222,115
Real property - Commercial	69,619,800	69,619,800	1,115,236
Real property - Frozen (Market Value)	-	-	-
Motor vehicles	75,800,524	75,800,524	1,676,845
Tangible personal property	23,329,550	23,329,550	344,702
TOTAL	847,098,174	847,098,174	14,358,898
Less: Exemptions	20,370,203	20,370,203	-
NET ASSESSED VALUE	<u>\$ 826,727,971</u>	<u>\$ 826,727,971</u>	<u>\$ 14,358,898</u>

RECONCILIATION OF CURRENT YEAR PROPERTY TAX REVENUE

Current year collections	\$ 14,403,631
Add: Revenue collected within 60 days subsequent fiscal year ended June 30, 2019, net municipal lien certificates	120,516
Less: Prior year revenue received in current year	(183,353)
Less: Refunds and other adjustments	(21,611)
CURRENT YEAR PROPERTY TAX REVENUE	<u>\$ 14,319,183</u>

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES
For the Fiscal Year Ended June 30, 2019

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding July 1, 2018</u>	<u>Additions</u>	<u>Reductions During Year</u>	<u>Outstanding June 30, 2019</u>	<u>Interest Paid During Year</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL LONG-TERM LIABILITIES										
<u>BONDS AND NOTES PAYABLE</u>										
Exeter public library bond	9/16/2011	3.67%	9/16/2021	\$ 614,000	\$ 225,057	\$ -	\$ 66,381	\$ 158,676	\$ 7,252	\$ 68,882
Exeter development rights bond	5/15/2013	3.25%	5/18/2023	<u>424,819</u>	<u>226,334</u>	<u>-</u>	<u>43,119</u>	<u>183,215</u>	<u>6,812</u>	<u>44,547</u>
TOTAL BONDS AND NOTES PAYABLE				1,038,819	451,391	-	109,500	341,891	14,064	113,429
<u>CAPITAL LEASES PAYABLE</u>										
Capital lease obligation - street sweeper	10/1/2014				37,432	-	37,432	-	1,115	-
Capital lease obligation - plow truck	8/25/2015				<u>76,826</u>	<u>-</u>	<u>37,885</u>	<u>38,941</u>	<u>2,143</u>	<u>38,941</u>
TOTAL CAPITAL LEASES PAYABLE					114,258	-	75,317	38,941	3,258	38,941
<u>OTHER LONG-TERM LIABILITIES</u>										
Landfill post closure care costs (Note 12)					201,838	-	-	201,838	-	-
Compensated absences					<u>87,517</u>	<u>8,426</u>	<u>12,963</u>	<u>82,980</u>	<u>-</u>	<u>2,777</u>
TOTAL OTHER LONG-TERM LIABILITIES				-	<u>289,355</u>	<u>8,426</u>	<u>12,963</u>	<u>284,818</u>	<u>-</u>	<u>2,777</u>
TOTAL GOVERNMENTAL LONG-TERM LIABILITIES				<u>\$ 1,038,819</u>	<u>\$ 855,004</u>	<u>\$ 8,426</u>	<u>\$ 197,780</u>	<u>\$ 665,650</u>	<u>\$ 17,322</u>	<u>\$ 155,147</u>

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM LIABILITIES - DEBT SERVICE REQUIREMENTS
GOVERNMENTAL ACTIVITIES
June 30, 2019

Maturing in Fiscal Year	General Obligation Bonds	Total Interest	Total Principal & Interest
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>\$ 341,891</u>	<u>\$ 19,344</u>	<u>\$ 361,235</u>

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2019

TAXABLE ASSESSED VALUE

Gross assessed value	\$ 847,098,174
Less exemptions	<u>(20,370,203)</u>
 TOTAL TAXABLE ASSESSED VALUE	 <u>\$ 826,727,971</u>

TOTAL DEBT MARGIN

Debt Limit - 3 percent of total assessed value	\$ 24,801,839
Total bonded debt	<u>(341,891)</u>
 TOTAL DEBT MARGIN	 <u>\$ 24,459,948</u>

ANNUAL SUPPLEMENTAL TRANSPARENCY INFORMATION

*The information provided herein contains the Annual
Supplemental Transparency Report Schedules and
its related notes as required by the State of
Rhode Island General Law.*

*Annual Supplemental Transparency Report (MTP2) – Revenue
Annual Supplemental Transparency Report (MTP2) – Expenditures
Combining Schedule of Reportable Government Services with
Reconciliation to MTP2 – Municipal
Combining Schedule of Reportable Government Services with
Reconciliation to MTP2 – Education Department*

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

Town of Exeter
Annual Supplemental Transparency Report (MTP2)
For the Fiscal Year Ended June 30, 2019

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Property Tax Collection	\$ 14,158,016	\$ -
Last Year's Levy Tax Collection	148,218	
Prior Year's Property Tax Collection	12,949	-
Interest & Penalty	80,778	-
PILOT & Tax Treaty (excluded from certified levy)	-	-
Other Local Property Taxes	-	-
Licenses and Permits	98,258	-
Fines and Forfeitures	-	-
Investment Income	13,144	-
Departmental	385,941	-
Rescue Run Revenue	-	-
Police & Fire Detail	91,175	-
Other Local Non Property Tax Revenues	-	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	-
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	-
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	-
MV Excise Tax Reimbursement	524,271	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	49,367	-
Library Construction Aid	75,968	-
Public Service Corporation Tax	84,777	-
Meals & Beverage Tax/Hotel Tax	116,801	-
LEA Aid	-	-
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	-
Motor Vehicle Phase Out	40,265	-
Other Revenue	32,702	-
Local Appropriation for Education	-	-
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education		
Regional Supplemental Appropriation for Education		
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 15,912,630	\$ -
Financing Resources: Transfer from Capital Funds	\$ -	\$ -
Financing Resources: Transfer from Other Funds	91,440	-
Financing Resources: Debt Proceeds	-	-
Financing Resources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 91,440	\$ -

Town of Exeter
Annual Supplemental Report (MTP2)
For the Fiscal Year Ended June 30, 2019

EXPENDITURES	General Government	Finance	Social Services	Information Technology	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation - Group A	\$ 521,110	\$ 46,230	\$ 6,260	\$ -	\$ 73,098	\$ 142,036	\$ 358,074	\$ -	\$ -
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-	-	-
Overtime - Group A	-	-	-	-	-	-	29,209	-	-
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	111,533	22,307	-	-	22,307	22,307	178,453	-	-
Active Medical Insurance - Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance - Group A	6,980	1,396	-	-	1,396	1,396	11,169	-	-
Active Dental Insurance - Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance - Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	46,145	2,006	2,006	-	20,063	4,013	16,050	-	-
Life Insurance	532	44	44	-	89	89	355	-	-
State Defined Contribution - Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits - Group A	5,499	-	-	-	7,621	9,877	38,533	-	-
Other Benefits - Group B	-	-	-	-	-	-	-	-	-
Other Benefits - Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	31,265	4,620	-	-	1,101	1,101	7,699	-	-
Purchased Services	153,476	24,561	-	32,666	300	2,122	1,352	-	-
Materials/Supplies	16,258	1,701	-	-	1,586	23,282	29,702	-	-
Software Licenses	18,624	-	-	10,276	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	49,393	-	-
Insurance	121,547	-	-	-	-	-	-	-	-
Maintenance	7,883	-	-	-	-	2,387	18,687	-	-
Vehicle Operations	5,000	-	-	-	-	-	26,499	-	-
Utilities	42,668	-	-	-	-	17,984	9,918	-	-
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal - Raw Material & External Contracts	-	-	-	-	-	-	88,366	-	-
Trash Removal & Recycling	-	-	-	-	-	-	75,360	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	10,200	-	-	-	-	-	-	-	-
Other Operation Expenditures	113,410	-	349	-	622	22,903	481,635	-	-
Tipping Fees	-	-	-	-	-	-	89,495	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt - Principal	-	-	-	-	-	-	-	-	-
Municipal Debt - Interest	-	-	-	-	-	-	-	-	-
School Debt - Principal	-	-	-	-	-	-	-	-	-
School Debt - Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance - Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance - Total	-	-	-	-	-	-	-	-	-
OPEB Contribution - Total	-	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,212,130	\$ 102,865	\$ 8,659	\$ 42,942	\$ 128,183	\$ 249,497	\$ 1,509,949	\$ -	\$ -

Town of Essex
Annual Supplemental Report (MTP2)
For the Fiscal Year Ended June 30, 2019

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal
Compensation - Group A	\$ -	\$ -	\$ 108,456	\$ -	\$ -	\$ -	\$ 1,255,264
Compensation - Group B	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-
Overtime - Group A	-	-	-	-	-	-	29,209
Overtime - Group B	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-
Active Medical Insurance - Group A	-	-	-	-	-	-	356,907
Active Medical Insurance - Group B	-	-	-	-	-	-	-
Active Medical Insurance - Group C	-	-	-	-	-	-	-
Active Dental Insurance - Group A	-	-	-	-	-	-	22,337
Active Dental Insurance - Group B	-	-	-	-	-	-	-
Active Dental Insurance - Group C	-	-	-	-	-	-	-
Payroll Taxes	-	-	6,019	-	-	-	96,302
Life Insurance	-	-	89	-	-	-	1,242
State Defined Contribution - Group A	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-
Other Benefits - Group A	-	-	1,101	-	-	-	62,631
Other Benefits - Group B	-	-	-	-	-	-	-
Other Benefits - Group C	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group A	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	45,786
Purchased Services	-	-	2,870	-	-	-	217,347
Materials/Supplies	-	-	474	-	-	-	73,003
Software Licenses	-	-	-	-	-	-	28,900
Capital Outlays	-	-	36,418	-	-	-	85,811
Insurance	-	-	-	-	-	-	121,547
Maintenance	-	-	-	-	-	-	28,937
Vehicle Operations	-	-	1,068	-	-	-	32,567
Utilities	-	-	8,771	-	-	-	79,341
Contingency	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Snow Removal - Raw Material & External Contracts	-	-	-	-	-	-	88,366
Trash Removal & Recycling	-	-	-	-	-	-	75,360
Claims & Settlements	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	10,200
Other Operation Expenditures	-	-	2,480	-	-	-	621,399
Tipping Fees	-	-	-	-	-	-	89,495
Local Appropriation for Education	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	12,164,473	-	-	12,164,473
Supplemental Appropriation for Education	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-
Municipal Debt - Principal	-	-	-	-	184,817	-	184,817
Municipal Debt - Interest	-	-	-	-	17,322	-	17,322
School Debt - Principal	-	-	-	-	-	-	-
School Debt - Interest	-	-	-	-	-	-	-
Retiree Medical Insurance - Total	-	-	-	-	-	-	-
Retiree Dental Insurance - Total	-	-	-	-	-	-	-
OPEB Contribution - Total	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 167,746	\$ 12,164,473	\$ 202,139	\$ -	\$ 15,788,583

Financing Uses: Transfer to Capital Funds	\$ 90,000
Financing Uses: Transfer to Other Funds	9,900
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
Total Other Financing Uses	\$ 99,900
Net Change in Fund Balance'	115,587
Fund Balance' - Beginning of year	\$ 2,701,717
Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior Period Adjustments	-
Misc. Adjustment	(73,434)
Fund Balance' - Beginning of Year Adjusted	2,628,283
Rounding	-
Fund Balance' - End of year	\$ 2,743,870

'and Net Position of Enterprise Fund activity is included in the transparency portal report

Town of Exeter
 Combining Schedule of
 Reportable Government Services with
 Reconciliation to MTP2
 Municipal
 For the Fiscal Year Ended June 30, 2019

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Fund Balance/ (Deficit) - Beginning	Prior Period Adjustment	Restated Fund Balance ¹ (Deficit) - Beginning	Fund Balance/ (Deficit) - Ending
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 2,701,717	-	\$ 2,701,717	
<i>CDMG fund balance from FY18 not removed from fund balance and adjustment reflected in FY19</i>						(73,434)	-	(73,434)	
<i>No funds added to RGS for Fiscal 2018</i>						-	-	-	
<i>No funds removed from RGS for Fiscal 2018</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 2,628,283</u>	<u>-</u>	<u>\$ 2,628,283</u>	
General Fund	\$ 15,821,455	\$ 91,440	\$ 15,267,063	\$ 564,970	\$ 80,862	\$ 2,116,892	\$ -	\$ 2,116,892	\$ 2,197,754
Property Revaluation Fund	-	10,000	-	-	10,000	110,074	-	110,074	120,074
Vehicle Replacement Fund	16,099	-	36,418	-	(20,319)	191,150	-	191,150	170,831
Public Works - Roads Fund	-	333,795	360,633	-	(26,838)	143,947	-	143,947	117,109
Public Works - Equipment Fund	-	121,275	49,393	-	71,882	66,220	-	66,220	138,102
	<u>\$ 15,837,554</u>	<u>\$ 556,510</u>	<u>\$ 15,713,507</u>	<u>\$ 564,970</u>	<u>\$ 115,587</u>	<u>\$ 2,628,283</u>	<u>\$ -</u>	<u>\$ 2,628,283</u>	<u>\$ 2,743,870</u>
Reconciliation from financial statements to MPT2									
Eliminate transfers between Funds reported on MTP2:									
- from General Fund to Public Works - Roads Fund	\$ -	\$ (333,795)	\$ -	\$ (333,795)	\$ -	\$ -	\$ -	\$ -	\$ -
- from General Fund to Public Works - Equipment Fund	-	(121,275)	-	(121,275)	-	-	-	-	-
- from General Fund to Property Revaluation Fund	-	(10,000)	-	(10,000)	-	-	-	-	-
To gross police detail (income/expense) net in financial statements	75,076	-	75,076	-	-	-	-	-	-
	<u>\$ 15,912,630</u>	<u>\$ 91,440</u>	<u>\$ 15,788,583</u>	<u>\$ 99,900</u>	<u>\$ 115,587</u>	<u>\$ 2,628,283</u>	<u>\$ -</u>	<u>\$ 2,628,283</u>	<u>\$ 2,743,870</u>

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

Town of Exeter
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
For the Fiscal Year Ended June 30, 2019

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance	Fund Balance/ (Deficit) - Beginning	Fund Balance/ (Deficit) - Ending
School Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Grants Fund	-	-	-	-	-	-	-
Non-major School Lunch Program	-	-	-	-	-	-	-
Totals per audited financial statements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Reconciliation from financial statements to MPT2

Municipal appropriation for Education reported as a transfer on financial statements but an expenditure on MPT2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program activity in CDBG Funds not reported on the MPT2 because they are for program revenues & expenditures and not for administration procedures	-	-	-	-	-	-	-
Miscellaneous variances between UCOA & FS	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-
Totals Per MPT2	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF EXETER, RHODE ISLAND
ANNUAL SUPPLEMENTARY INFORMATION
NOTES TO THE ANNUAL SUPPLEMENTARY REPORT (MTP2)
June 30, 2019

NOTE 1 – BASIS OF PRESENTATION

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

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

NOTE 2 – REPORTABLE GOVERNMENTAL SERVICES

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

NOTE 3 – ALLOCATIONS

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

NOTE 4 – EMPLOYEE GROUPS

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

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

- Group A: This group consists of employees who serve the primary function of the department:
- Police Department – police officers (e.g. uniform personnel – including leadership positions)
 - Fire Department – fire fighters (e.g. uniform personnel – including leadership positions)
 - Centralized Dispatch Department – civilian dispatchers only
 - Education Department – professional staff providing direct services to students
 - For the remaining departments – all employees’ compensation and benefits are reported under Group A

TOWN OF EXETER, RHODE ISLAND
ANNUAL SUPPLEMENTARY INFORMATION
NOTES TO THE ANNUAL SUPPLEMENTARY REPORT (MTP2)
June 30, 2019

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

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

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

NOTE 5 – EDUCATION REVENUE AND EXPENDITURES

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

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

***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, as of and for the year ended June 30, 2019, 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 4, 2019.

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

NADEAN WAGNER LLP

West Warwick, Rhode Island
November 4, 2019