

TOWN OF EXETER, RHODE ISLAND

BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2020

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

***BASIC FINANCIAL STATEMENTS***

***For the Fiscal Year Ended June 30, 2020***

***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, 2020

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 AUDITED FINANCIAL STATEMENTS  
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TOWN OF EXETER, RHODE ISLAND  
AUDITED FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2020

*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 Auditor's Report*

*Management's Discussion and Analysis*

*Basic Financial Statements*

*Required Supplementary Information*

*Other Supplementary Information*

*Annual Supplemental Transparency Report*

## INDEPENDENT AUDITOR'S 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, 2020, 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, 2020, 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 2, 2020, 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.

WADDOVICK + COMPANY

West Warwick, Rhode Island  
November 2, 2020

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Unaudited  
For the Fiscal Year Ended June 30, 2020

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, 2020. 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 2020 and 2019.

**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 \$10,473,899. Of that amount, \$4,480,805 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 \$200,601 or approximately 1.9% 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 \$4,254,743. Approximately 38.9% of this amount, \$1,656,785 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 \$1,656,785, or 10.2% 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 \$34,031 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, 2020

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, 2020.

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, 2020, 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, 2020

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 \$10,473,899 as of June 30, 2020. This reflects an increase of \$200,601 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>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets	\$ 4,790,043	\$ 4,736,788
Capital Assets	<u>6,504,294</u>	<u>6,542,444</u>
TOTAL ASSETS	<u>11,294,337</u>	<u>11,279,232</u>
 <b>LIABILITIES</b>		
Current Liabilities	436,723	495,431
Long-term Liabilities	<u>383,715</u>	<u>510,503</u>
TOTAL LIABILITIES	<u>820,438</u>	<u>1,005,934</u>
 <b>NET POSITION</b>		
Net invested in Capital Assets	5,993,094	5,876,794
Restricted	2,570,857	2,502,491
Permanent	27,101	27,057
Unrestricted	<u>1,882,847</u>	<u>1,866,956</u>
TOTAL NET POSITION	<u>\$ 10,473,899</u>	<u>\$ 10,273,298</u>

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Unaudited  
For the Fiscal Year Ended June 30, 2020

The largest portion of the Town's net position \$5,993,094 (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, 2020. Governmental activities increased the Town's net position by \$200,601 for the current period.

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

	Governmental Activities	
	2020	2019
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 635,052	\$ 642,236
Operating grants and contributions	170,330	80,515
Capital grants and contributions	43,842	16,099
General revenues:		
Property taxes, levied for general purposes	14,539,049	14,323,158
Grants and contributions	910,768	766,114
Investment earnings	100,406	94,815
TOTAL REVENUES	16,399,447	15,922,937
<b>EXPENSES</b>		
General government	2,370,327	2,231,474
Public works	1,322,746	1,217,655
Public safety	39,300	27,862
Social services	112,848	36,811
Public health and welfare	9,957	7,174
Education	12,300,326	12,164,473
Capital Outlay	32,121	2,324
Interest	11,221	17,322
TOTAL EXPENSES	16,198,846	15,705,095
 CHANGE IN NET POSITION	 200,601	 217,842
Net Position - July 1st	10,273,298	10,055,456
Net Position - June 30th	\$ 10,473,899	\$ 10,273,298

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Unaudited  
For the Fiscal Year Ended June 30, 2020

**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 \$4,254,743. Approximately 38.9% of the total amount, or \$1,656,785 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 \$34,031.

**Reserved Fund Balances:**

Contingency appropriations	\$575,000
Re-appropriated for fiscal year 2020/2021	\$ -0-

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended budget for the Town's General Fund reflected total revenues and re-appropriations of \$16,239,046 and total expenditures and transfers to other funds of \$16,239,046. Actual total revenues were \$16,202,860 which includes transfers from other funds of \$-0- and total expenditures were \$15,599,056 which included transfers to other funds of \$569,773 resulted in a surplus of \$34,031.

**REVENUES**

Revenues on a budgetary basis were \$163,814 over budget due to some of the following conditions:

- Property taxes were over budget by \$61,555 as a result of timely collections and increased collections of delinquent taxes
- The State motor vehicle tax phase-out program was over budget by \$36,278 as a result of a late change in the State of Rhode Island's governors' budget which increased the amount owed.
- Town clerk collections were over budget by \$19,070 as a result of increased activity in Town Clerk's office.
- Animal shelter was under budget by \$10,630 as a result of restrictions placed on out-of-state adoptions due to COVID-19.
- Planning board fees were under budget \$11,655 as a result of decreased development projects by taxpayers.
- License and permits were over budget by \$56,021 as a result of an increased construction by taxpayers.
- Fines and interest on late payments were over budget by \$20,498 as a result of collection efforts.

**EXPENDITURES**

Expenditures on a budgetary basis were \$80,657 under budget due to some of the following conditions:

- The Deputy Town Clerk salary was under budget by \$11,169 as a result of the position being vacant for a period of time.
- The Town Clerical salaries were over budget by \$13,533 as a result of coverage and differential for the absence of a Deputy Town Clerk.
- The Tax Collector Clerical salary expense was under budget by \$16,453 as a result of vacant position.

TOWN OF EXETER, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Unaudited  
For the Fiscal Year Ended June 30, 2020

- Medical and dental expenses were under budget by \$35,146 as a result of employees changing their plans from family to individual during the year and an employee retiring.
- The Building Inspector's salary expense was over budget by \$34,009 as a result of additional compensation for increased inspections.
- Legal expenses were over budget by \$57,173 as a result of increased in legal matters.
- Town FICA expense was under budget by \$29,636 as a result of overall decrease in salaries mostly from vacancies in certain positions.
- Insurance expense was over budget by \$15,049 as a result of additional payments of deductible for which the town was responsible.
- Town Clerk expenses were under budget by \$11,744 as a result of costs savings on the Town Clerk's billing and equipment contracts.
- Animal Shelter expense was under budget by \$10,237 as a result of limited activity due to COVID-19.
- Computer support was under budget by \$14,666 as a result of a decrease in the annual support cost due to hiring an IT Director, thereby needing less support from outside vendors.
- Board of Canvassers expense was under budget by \$10,584 as a result of limited activity in the office due to COVID-19 and the fact that it was not an elections year.
- Highway workers' overtime was under budget by \$21,420 as a result of a mild winter.

**CAPITAL ASSETS**

The Town of Exeter's investment in capital assets for its governmental activities amounts to \$6,504,294, net of accumulated depreciation at June 30, 2020. 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, 2020).

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

	2020	2019
Land	\$ 253,701	\$ 253,701
Development rights - Schartner Farms	3,450,000	3,450,000
Buildings and improvements	1,247,479	1,300,558
Motor vehicles	480,640	408,931
Machinery and equipment	238,413	266,612
Infrastructure	834,061	862,642
	\$ 6,504,294	\$ 6,542,444

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 \$228,461. 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, 2020

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

	2020	2019
Public library bond	\$ 89,794	\$ 158,676
Development rights bond	138,667	183,215
Landfill post-closure care costs	201,838	201,838
Compensated absences	80,901	82,980
Capital lease obligation	-	38,941
	\$ 511,200	\$ 665,650

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 \$26,305,155 (based on net assessed valuation at December 31, 2018 of \$905,264,768) at June 30, 2020. The town's outstanding general obligation debt is \$228,461 at June 30, 2020, which is \$26,076,694 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 2020-2021 is \$16,120,488 which is a decrease of \$118,558 over the fiscal 2019-2020 budget of \$16,239,046. Of the Town's 2020-2021 budget, \$3,820,162 or 23.7% is budgeted for the general government and \$12,300,326 or 76.3% is budgeted for education. The State of Rhode Island is budgeted to contribute \$1,136,032 in State aid.

The Town's tax rate for fiscal 2020-2021 is \$15.57 per thousand, with 24.2% allocated for general government and 75.8% allocated for education. For fiscal 2019-2020 the Town's tax rate was \$15.69 per thousand, with 25.0% allocated for general government and 75.0% allocated for education. The increase in tax rates from \$15.69 to \$15.57 resulted in a \$0.12 increase or 1.0% 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, 2020

	Governmental Activities
<b><u>ASSETS</u></b>	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 4,352,306
Accounts receivable:	
Property taxes, net of allowance for doubtful accounts of \$111,084	353,342
Tax title property	14,469
Other receivables	69,926
<i>Total Current Assets</i>	4,790,043
 <i>Noncurrent Assets</i>	
Capital assets not being depreciated	3,703,701
Capital assets being depreciated, net of depreciation	2,800,593
<i>Total Noncurrent Assets</i>	6,504,294
 TOTAL ASSETS	 11,294,337
 <b><u>LIABILITIES</u></b>	
<i>Current Liabilities</i>	
Accounts payable and accrued items	189,269
Due to Agency Funds	105,500
General obligations bonds	117,563
Compensated absences payable	9,922
Other liabilities	14,469
<i>Total Current Liabilities</i>	436,723
 <i>Noncurrent Liabilities</i>	
General obligations bonds	110,898
Landfill postclosure care costs	201,838
Compensated absences payable	70,979
<i>Total Noncurrent Liabilities</i>	383,715
 TOTAL LIABILITIES	 820,438
 <b><u>NET POSITION</u></b>	
Net invested in capital assets	5,993,094
Restricted:	
Grants and other statutory restrictions	2,570,857
Permanent funds:	
Nonexpendable	27,101
Unrestricted	1,882,847
 TOTAL NET POSITION	 \$ 10,473,899

TOWN OF EXETER, RHODE ISLAND  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2020

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	\$ 2,370,327	\$ 635,052	\$ 71,771	\$ 43,447	\$ (1,620,057)
Public works	1,322,746	-	-	-	(1,322,746)
Public safety	39,300	-	-	-	(39,300)
Social services	112,848	-	100	395	(112,353)
Public health and welfare	9,957	-	98,459	-	88,502
Education	12,300,326	-	-	-	(12,300,326)
Capital Outlay	32,121	-	-	-	(32,121)
Interest	11,221	-	-	-	(11,221)
<b>Total Activities</b>	<b>\$ 16,198,846</b>	<b>\$ 635,052</b>	<b>\$ 170,330</b>	<b>\$ 43,842</b>	<b>(15,349,622)</b>
<i>General Revenues:</i>					
Property taxes					14,539,049
Grants and contributions not restricted to specific purposes					910,768
Investment Earnings					100,406
<b>Total General Revenues</b>					<b>15,550,223</b>
Increase in Net Position					200,601
Net Position - July 1, 2019					10,273,298
Net Position - June 30, 2020					<b>\$ 10,473,899</b>

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 June 30, 2020

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,946,224	\$ -	\$ 406,082	\$ 4,352,306
Property tax receivable	353,342	-	-	353,342
Other - accounts receivable	-	-	69,926	69,926
Due from other funds	12,424	84,482	1,474,892	1,571,798
Tax title property	14,469	-	-	14,469
TOTAL ASSETS	<u>\$ 4,326,459</u>	<u>\$ 84,482</u>	<u>\$ 1,950,900</u>	<u>\$ 6,361,841</u>
<u>LIABILITIES</u>				
Accounts payable and accrued items	\$ 189,269	\$ -	\$ -	\$ 189,269
Due to other funds	1,559,374	-	12,424	1,571,798
Due to Agency Funds	105,500	-	-	105,500
Other liabilities	14,469	-	-	14,469
TOTAL LIABILITIES	<u>1,868,612</u>	<u>-</u>	<u>12,424</u>	<u>1,881,036</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes	226,062	-	-	226,062
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>226,062</u>	<u>-</u>	<u>-</u>	<u>226,062</u>
<u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted	-	-	139,857	139,857
Committed	-	84,482	337,924	422,406
Assigned	575,000	-	1,460,695	2,035,695
Unassigned	1,656,785	-	-	1,656,785
TOTAL FUND BALANCES	<u>2,231,785</u>	<u>84,482</u>	<u>1,938,476</u>	<u>4,254,743</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	<u>\$ 4,326,459</u>	<u>\$ 84,482</u>	<u>\$ 1,950,900</u>	<u>\$ 6,361,841</u>

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 June 30, 2020

Total Fund Balances for Governmental Funds	\$	4,254,743
Assets used in governmental activities which are not financial resources and, therefore, are not reported in the funds:		
Capital assets, net		6,504,294
Deferred revenue		226,062
		6,730,356
Liabilities not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds		(228,461)
Landfill postclosure care costs		(201,838)
Compensated absences payable		(80,901)
		(511,200)
Net Position of Governmental Activities	\$	10,473,899

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, 2020

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Property taxes	\$ 14,557,189	\$ -	\$ -	\$ 14,557,189
Intergovernmental revenues	1,038,991	-	2,349	1,041,340
Departmental revenues	352,563	-	-	352,563
Licenses and permits	120,021	-	-	120,021
Interest and investment income	6,352	-	556	6,908
Fines and interest on late payments	93,498	-	-	93,498
Other revenues	34,246	-	211,823	246,069
<b>TOTAL REVENUES</b>	<b>16,202,860</b>	<b>-</b>	<b>214,728</b>	<b>16,417,588</b>
<b>EXPENDITURES</b>				
<u>Current:</u>				
General government	2,321,229	-	17,537	2,338,766
Public works	755,011	-	394,621	1,149,632
Public safety	39,300	-	-	39,300
Social services	12,118	-	100,730	112,848
Public health and welfare	7,480	-	2,477	9,957
Education	12,300,326	-	-	12,300,326
Capital outlay	-	-	200,726	200,726
<u>Debt service:</u>				
Principal	152,371	-	-	152,371
Interest	11,221	-	-	11,221
<b>TOTAL EXPENDITURES</b>	<b>15,599,056</b>	<b>-</b>	<b>716,091</b>	<b>16,315,147</b>

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2020

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	603,804	-	(501,363)	102,441
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds	-	-	569,773	569,773
Transfers to other funds	(569,773)	-	-	(569,773)
TOTAL OTHER FINANCING SOURCES (USES)	(569,773)	-	569,773	-
Net Change in Fund Balances	34,031	-	68,410	102,441
FUND BALANCE - July 1, 2019	2,197,754	84,482	1,870,066	4,152,302
FUND BALANCE - June 30, 2020	\$ 2,231,785	\$ 84,482	\$ 1,938,476	\$ 4,254,743



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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	102,441
<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 capital outlays of \$198,715 is less than depreciation of \$236,865 in the current period.</p>		
		(38,150)
<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 decreased.</p>		
		(18,140)
<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>		
		2,079
<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>		
		152,371
Change in Net Position of Governmental Activities in the Statement of Activities	\$	200,601

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 June 30, 2020

	<u>REYNOLDS FUND</u>	<u>EMILY J. ANTHONY FUNDS</u>	<u>AGENCY FUNDS</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 885,589	\$ 3,007	\$ 53,871
Investments	862,325	-	-
Due from General Fund	-	-	105,500
	<u>1,747,914</u>	<u>3,007</u>	<u>159,371</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,747,914</u></b>	<b><u>\$ 3,007</u></b>	<b><u>\$ 159,371</u></b>
<u>LIABILITIES</u>			
Deposits held in custody for others	-	-	159,371
	<u>-</u>	<u>-</u>	<u>159,371</u>
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>\$ 159,371</u></b>
<u>NET ASSETS</u>			
Held in trust for specific purpose	<u>1,747,914</u>	<u>3,007</u>	
<b>TOTAL NET POSITION</b>	<b><u>\$ 1,747,914</u></b>	<b><u>\$ 3,007</u></b>	

TOWN OF EXETER, RHODE ISLAND  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Fiscal Year Ended June 30, 2020

	REYNOLDS FUND	EMILY J. ANTHONY FUNDS
<u>ADDITIONS</u>		
Bequests	\$ -	\$ 5,648
Interest, dividends and gains	103,514	-
TOTAL ADDITIONS	103,514	5,648
<u>DEDUCTIONS</u>		
Scholarship expenses	-	5,733
Investment management fee	17,474	-
Support services	33,869	-
TOTAL DEDUCTIONS	51,343	5,733
CHANGE IN NET POSITION	52,171	(85)
NET POSITION - July 1, 2019	1,695,743	3,092
NET POSITION - June 30, 2020	\$ 1,747,914	\$ 3,007

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

**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, 2020

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, 2020, the Town implemented the following accounting pronouncements:

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period, effective for fiscal year ending June 30, 2022.*

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance, effective for fiscal year ending June 30, 2020*

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, 2021.*

GASB Statement No. 87 – *Leases, effective for fiscal year ending June 30, 2022.*

GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61, effective for fiscal year ending June 30, 2021.*

GASB Statement No. 91 – *Conduit Debt Obligation – an amendment of GASB Statements No. 14 and No. 61, effective for fiscal year ending June 30, 2023.*

GASB Statement No. 93 – *Replacement of Interbank Offered Rates, effective for fiscal year ending June 30, 2023*

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for fiscal year ending June 30, 2023*

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements, effective for fiscal year ending June 30, 2023*

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRS Code Sec. 457 Deferred Compensation Plans, effective for fiscal year ending June 30, 2021*

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

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

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, 2020.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. 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

TOWN OF EXETER, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2020

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, 2020, the Town held no proprietary funds.

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 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, Transfer Station Improvements, Website Development, Economic Development and Library Fund.
Permanent Fund:	Cemetery Fund

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

***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:

- 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



TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

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, 2020.

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, 2019 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 \$111,084 at June 30, 2020. 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 98.0% of the total December 31, 2018 levy. The tax rate of the Town is established by the Town Council. The Town's fiscal 2020 property taxes were levied on July 1, 2019 on assessed valuation as of December 31, 2018. Upon levy, taxes are billed yearly and due quarterly on September 1<sup>st</sup>, December 1<sup>st</sup>, March 1<sup>st</sup>, and June 1<sup>st</sup>. A fifteen (15) day grace period from the due date is given. Failure to postmark payments by the 15<sup>th</sup> will result in a lien on taxpayer's property, and eventually to the sale of the same. A complete revaluation of all property was completed December 31, 2011 as per State requirements. On December 31, 2018, 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

TOWN OF EXETER, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2020

governmental capital assets reported in the government-wide statements. Donated assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant and equipment are valued at historical costs. 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

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

relates to property tax receivables which were assessed on or before December 31, 2018 and not collected within 60 days following June 30, 2020.

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 fund financial statements), unearned revenue includes property taxes receivable which were assessed on December 31, 2018 and prior and are not collected within 60 days following June 30, 2020. Net unearned taxes included in the fund financial statements were \$226,062.

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:

- *Net Invested in Capital Assets* – 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.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

- *Committed* – are balances with constraints imposed by the government’s highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority.
- *Assigned* – are balances intended for a specific purpose by the government’s management and are also appropriations of existing fund balances.
- *Unassigned* – are balances available for any purpose. They are not precluded by a management decision, law constitutional provisions in the general fund.

The Town has 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 2, 2020, which is the date the financial statements were available to be issued.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

**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 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, 2020.

**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 \$26,305,155 based on the December 31, 2018 assessment. As of June 30, 2020, the Town’s debt is under this limit by \$26,076,694.

**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

TOWN OF EXETER, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2020

operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools. This only applies to investments held by Citizens Bank on behalf of the Reynolds Fund.

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

Custodial Credit Risk:

Deposits – This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2020, all of the Town’s bank balance of \$4,549,086 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, 2020:

<u>Cash and Cash Equivalents</u>	
Deposits with financial institutions	\$ 4,549,086
 <u>Investments</u>	
Fixed Income	885,589
Common stock	<u>862,325</u>
<i>Total Cash and Investments</i>	<u>\$ 6,297,000</u>

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

<u>Statement of Net Position</u>	
Cash and cash equivalents	\$ 4,352,306
 <u>Fiduciary Funds</u>	
Cash and cash equivalents	942,467
Investments	<u>862,325</u>
<i>Total Cash and Investments</i>	<u>\$ 6,157,098</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.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

Credit Risk – Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure. The Town did not have any debt type investments that were exposed to credit risk as defined by GASB Statement No. 40.

**NOTE 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, 2018. 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 2019-2020. The assessed value of motor vehicles is determined annually at 100% of retail market value, net of State of Rhode Island credits. Taxes are due in equal quarterly installments on September 1<sup>st</sup>, December 1<sup>st</sup>, March 1<sup>st</sup>, and June 1<sup>st</sup> during the fiscal year. A fifteen (15) day grace period from the due date is given before penalties and interest are incurred.

The Town entered into a contractual relationship with a law firm to act as a collection agency to pursue delinquent tangible and personal property accounts. The Town has forwarded past due accounts for collection. At June 30, 2020, an allowance for doubtful accounts totaling \$111,084 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, 2020 consists of \$337,146 of property taxes not collected within 60 days following year end, net an allowance of \$118,084, resulting in \$226,062.

Net property taxes levied for the fiscal year 2019-2020 were based on an assessed value of approximately \$876,838,507 at December 31, 2018 and amounted to \$14,552,730. Total property tax recognized for the current fiscal year amounted to \$14,254,701 which represents 98.0% of the total 2020 levy. Of that amount, \$127,280 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, 2020 totaled \$29,266.

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

**NOTE 6 – INFORMATION ABOUT CAPITAL ASSETS**

Capital asset activity consists of the following at June 30, 2020:

	Primary Government			Ending Balances
	Beginning Balances	Increases	Decreases	
Governmental activities				
Capital assets not being depreciated				
Land	\$ 253,701	\$ -	\$ -	\$ 253,701
Development rights - Schartner Farms	<u>3,450,000</u>	<u>-</u>	<u>-</u>	<u>3,450,000</u>
Total capital assets not being depreciated	<u>3,703,701</u>	<u>-</u>	<u>-</u>	<u>3,703,701</u>
Other capital assets:				
Buildings and improvements	2,250,263	-	-	2,250,263
Motor vehicles	1,470,043	160,769	-	1,630,812
Machinery and equipment	1,580,980	26,851	-	1,607,831
Office furniture and equipment	161,180	11,095	-	172,275
Infrastructure	<u>1,143,216</u>	<u>-</u>	<u>-</u>	<u>1,143,216</u>
Total other capital assets at historical cost	<u>6,605,682</u>	<u>198,715</u>	<u>-</u>	<u>6,804,397</u>
Less accumulated depreciation for:				
Buildings and improvements	949,705	53,079	-	1,002,784
Motor vehicles	1,061,112	89,060	-	1,150,172
Machinery and equipment	1,314,368	65,354	-	1,379,722
Office furniture and equipment	161,180	792	-	161,972
Infrastructure	<u>280,574</u>	<u>28,580</u>	<u>-</u>	<u>309,154</u>
Total accumulated depreciation	<u>3,766,939</u>	<u>236,865</u>	<u>-</u>	<u>4,003,804</u>
Governmental activities capital assets, net	<u>\$ 6,542,444</u>	<u>\$ (38,150)</u>	<u>\$ -</u>	<u>\$ 6,504,294</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 63,751
Public works	<u>173,114</u>
Total governmental activities depreciation expense	<u>\$ 236,865</u>

Included within the capital assets are leased assets. Vehicles include \$189,566 for the 2016 International dump truck with accumulated depreciation of \$91,624 as of June 30, 2020. Additional information on the capital leases is located in Note 7.



TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

**NOTE 7 – INFORMATION ABOUT LONG-TERM LIABILITIES**

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Amounts Due Within One Year
<b>Governmental Activities</b>					
Exeter public library bond	\$ 158,676	\$ -	\$ 68,882	89,794	\$ 71,511
Exeter development rights bond	183,215	-	44,548	138,667	46,052
<b>Total bonds and notes payable</b>	<b>341,891</b>	<b>-</b>	<b>113,430</b>	<b>228,461</b>	<b>117,563</b>
Capital lease obligation - plow truck	38,941	-	38,941	-	-
<b>Total capital leases payable</b>	<b>38,941</b>	<b>-</b>	<b>38,941</b>	<b>-</b>	<b>-</b>
Landfill post closure care costs (Note 11)	201,838	-	-	201,838	-
Compensated absences	82,980	5,638	7,717	80,901	9,922
<b>Total other long-term debt</b>	<b>284,818</b>	<b>5,638</b>	<b>7,717</b>	<b>282,739</b>	<b>9,922</b>
<b>Total Governmental Activities</b>	<b>\$ 665,650</b>	<b>\$ 5,638</b>	<b>\$ 160,088</b>	<b>\$ 511,200</b>	<b>\$ 127,485</b>

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

	Interest Rates	Principal	Due Dates
Exeter public library bond	3.67%	\$ 89,794	2020-2022
Exeter development rights bond	3.25%	\$ 138,667	2020-2023

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
2021	117,553	6,011	123,564
2022	65,886	2,452	68,338
2023	45,022	746	45,768
	<u>\$ 228,461</u>	<u>\$ 9,209</u>	<u>\$ 237,670</u>

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, 2020

**NOTE 8 – CAPITAL LEASE**

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 25<sup>th</sup> of August through fiscal year 2020. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments. As of June 30, 2020 the lease was fully repaid.

**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, 2020

	Restricted Purposes	Committed Purposes	Assigned Purposes
<u>General Fund</u>			
Contingency Appropriation	\$ -	\$ -	\$ 575,000
Re-appropriated Fiscal Year 2020/2021	-	-	-
<u>Major Fund</u>			
Landfill Closure	-	84,482	-
<u>Nonmajor Funds</u>			
Preservation and Technology Fund	-	35,770	-
RIEMA FEMA Grant	37,649	-	-
Planning Board Project Review Fee	-	11,263	-
Capital Facilities Impact Fees	-	290,891	-
CDBG	75,107	-	-
Property Revaluation Fund	-	-	126,472
Spay/Neuter Fund	-	-	8,436
Memorial Day Parade	-	-	5,448
Pension Liability Fund	-	-	22,210
Historic Preservation Fund	-	-	56,321
Veteran's Memorial Fund	-	-	28,941
Animal Shelter Donations Fund	-	-	32,565
Vehicle Replacement Fund	-	-	213,778
Public Works/Road	-	-	77,469
Computer Upgrade Fund	-	-	26,081
Public Works/Equipment	-	-	93,667
Town Hall Renovations Fund	-	-	88,010
Chelsea Park Fund	-	-	44,195
Video Equipment	-	-	3,478
Office Equipment	-	-	46,808
GIS Mapping System	-	-	10,000
Transfer Station Move	-	-	350,000
New Town Hall	-	-	152,000
Comprehensive Town Plan	-	-	26,715
Animal Shelter Improvements	-	-	11,206
Transfer Station Improvements	-	-	30,000
Website Development Fund	-	-	5,000
Economic Development Fund	-	-	1,500
Library Fund	-	-	395
Cemetery Fund	27,101	-	-
	<u>\$ 139,857</u>	<u>\$ 422,406</u>	<u>\$ 2,035,695</u>

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

**NOTE 10 – NET ASSETS - RESTRICTED**

As of June 30, 2020, the Town has restricted \$2,597,958 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
Non-Major Governmental Fund Balance		<u>1,938,476</u>
	\$	<u><u>2,597,958</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, 2020 are as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 12,424	\$ 1,559,374
Landfill Closure Fund	84,482	-
Special Revenue Funds	294,590	12,424
Capital Projects Funds	<u>1,180,302</u>	<u>-</u>
	<u>\$ 1,571,798</u>	<u>\$ 1,571,798</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, 2020 are as follows:

<u>Fund</u>	<u>Transfers from other funds</u>	<u>Transfers to other funds</u>
General Fund	\$ -	\$ (569,773)
Special Revenue Funds	31,490	-
Capital Projects Funds	<u>538,283</u>	<u>-</u>
	<u>\$ 569,773</u>	<u>\$ (569,773)</u>

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

**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 2020, no expenses were paid for survey, site preparation or remedial work occurred, leaving a closure cost balance of \$201,838 at June 30, 2020.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

At June 30, 2020, 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.

The World Health Organization has declared a public health emergency due to the COVID-19 outbreak. Disruptions to the Town’s operations could occur due to certain operating restrictions locally and nationally. The disruption is expected to affect the Town’s cash flows and ability to meet its objectives in the short term. Given the uncertainty, any financial impact cannot be estimated at this time.

**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

TOWN OF EXETER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2020

Council. The plan provides for employer only contributions made at rate of 8.0% of total compensation. Eligibility requirements call for employees to have completed one year and one thousand hours of service. Contributions are made by the Town on behalf of eligible employees in accordance with a vesting schedule documented within the retirement plan. Any amends to the plan require authorization from the Town Council. As of November 1, 2010, the Town retained the services of the International City County Management Association (ICMA) to administer the plan on an ongoing basis. All assets were transferred to ICMA who handles distributions, plan administration, investing, etc. As of June 30, 2020, the plan had 20 active participants and made contributions totaling \$95,942.

**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, 2020.

## ***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, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>REVENUES</u>				
Property taxes	\$ 14,495,634	\$ 14,495,634	\$ 14,557,189	\$ 61,555
Intergovernmental revenues	1,003,888	1,003,888	1,038,991	35,103
Departmental revenues	358,632	358,632	352,563	(6,069)
Building permits and inspection fees	64,000	64,000	120,021	56,021
Interest and investment income	6,000	6,000	6,352	352
Fines and interest on late payments	73,000	73,000	93,498	20,498
Other revenue	37,892	37,892	34,246	(3,646)
TOTAL REVENUES	<u>16,039,046</u>	<u>16,039,046</u>	<u>16,202,860</u>	<u>163,814</u>
<u>EXPENDITURES</u>				
General government	2,388,244	2,388,244	2,321,229	67,015
Public works	776,541	776,541	755,011	21,530
Public safety	30,144	30,144	39,300	(9,156)
Social services	12,566	12,566	12,118	448
Public health and welfare	8,300	8,300	7,480	820
Education	12,300,326	12,300,326	12,300,326	-
Capital outlay	-	-	-	-
Debt service expenditures	163,592	163,592	163,592	-
TOTAL EXPENDITURES	<u>15,679,713</u>	<u>15,679,713</u>	<u>15,599,056</u>	<u>80,657</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES	<u>359,333</u>	<u>359,333</u>	<u>603,804</u>	<u>244,471</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, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>OTHER FINANCING SOURCES (USES)</b>				
Re-appropriation of Fund Balance	200,000	200,000	-	(200,000)
Transfer to other funds	(559,333)	(559,333)	(569,773)	(10,440)
TOTAL OTHER FINANCING SOURCES (USES)	(359,333)	(359,333)	(569,773)	(210,440)
 <b>EXCESS OF REVENUES OVER</b>				
<b>EXPENDITURES AND OTHER SOURCES AND USES</b>	\$ -	\$ -	\$ 34,031	\$ 34,031

## ***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, 2020

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>				
<u>PROPERTY TAX REVENUES</u>				
Property taxes	\$ 14,495,634	\$ 14,495,634	\$ 14,557,189	\$ 61,555
TOTAL PROPERTY TAX REVENUES	<u>14,495,634</u>	<u>14,495,634</u>	<u>14,557,189</u>	<u>61,555</u>
<u>INTERGOVERNMENTAL</u>				
State Motor Vehicle tax phase-out program	671,816	671,816	708,094	36,278
Public service corporate tax	84,777	84,777	85,216	439
State meal tax	120,260	120,260	117,458	(2,802)
State aid to libraries	51,067	51,067	52,255	1,188
Library bond reimbursement	75,968	75,968	75,968	-
TOTAL INTERGOVERNMENTAL REVENUES	<u>1,003,888</u>	<u>1,003,888</u>	<u>1,038,991</u>	<u>35,103</u>
<u>DEPARTMENTAL REVENUES</u>				
Town clerk collections	153,000	153,000	172,070	19,070
Transfer station	159,672	159,672	157,218	(2,454)
Animal shelter	21,960	21,960	11,330	(10,630)
Planning board fees	20,000	20,000	8,345	(11,655)
Zoning fees	4,000	4,000	3,600	(400)
TOTAL DEPARTMENTAL REVENUES	<u>358,632</u>	<u>358,632</u>	<u>352,563</u>	<u>(6,069)</u>
<u>LICENSES AND PERMITS</u>	64,000	64,000	120,021	56,021
<u>INTEREST AND INVESTMENT INCOME</u>	6,000	6,000	6,352	352
<u>FINES AND INTEREST ON LATE PAYMENTS</u>	73,000	73,000	93,498	20,498
<u>OTHER REVENUE</u>	37,892	37,892	34,246	(3,646)
<u>OTHER FINANCING SOURCES</u>				
Re-appropriation of Fund Balance	200,000	200,000	-	(200,000)
TOTAL OTHER FINANCING SOURCES	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
TOTAL REVENUE AND OTHER FINANCING SOURCES	<u>\$ 16,239,046</u>	<u>\$ 16,239,046</u>	<u>\$ 16,202,860</u>	<u>\$ (36,186)</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, 2020

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>				
<u>GENERAL GOVERNMENT</u>				
<u>SALARIES AND WAGES</u>				
Town Treasurer	\$ 50,823	\$ 50,823	\$ 51,172	\$ (349)
Town Moderator	514	514	514	-
Town Clerk	63,525	63,525	64,019	(494)
Deputy Town Clerk	41,742	41,742	30,573	11,169
911 Coordinator	5,000	5,000	5,014	(14)
Town Clerical Salaries	35,527	35,527	49,060	(13,533)
Town Council Stipend	15,225	15,225	15,351	(126)
Council Assistant	33,216	33,216	33,475	(259)
Tax Collector	52,822	52,822	53,233	(411)
Tax Collector Clerical	16,453	16,453	-	16,453
Board of Canvassers	10,238	10,238	10,316	(78)
Board of Canvassers Clerk	5,125	5,125	4,131	994
Tax Assessor	51,096	51,096	51,490	(394)
Tax Assessor Clerical	16,452	16,452	15,529	923
Library Director	64,711	64,711	65,204	(493)
Library Staff	79,130	79,130	84,379	(5,249)
Planning Board	15,304	15,304	14,141	1,163
Planning Board Clerk	14,481	14,481	17,355	(2,874)
Town Planner	37,688	37,688	38,009	(321)
Zoning Inspector	16,144	16,144	16,277	(133)
Zoning Board	15,144	15,144	15,258	(114)
Zoning Board Clerk	15,089	15,089	15,241	(152)
Town Sergeant	11,800	11,800	12,520	(720)
Town Constable	8,550	8,550	10,029	(1,479)
Animal Shelter	74,961	74,961	78,311	(3,350)
Transfer station	41,177	41,177	42,761	(1,584)
Building Inspector	32,000	32,000	66,009	(34,009)
IT Director	20,000	20,000	16,700	3,300
TOTAL SALARIES AND WAGES	843,937	843,937	876,071	(32,134)
<u>GENERAL EXPENSES</u>				
Treasurer Expense	11,400	11,400	11,861	(461)
Mileage Reimbursement	3,500	3,500	3,733	(233)
Postage	13,000	13,000	5,004	7,996
Advertising Expense	7,000	7,000	2,974	4,026
Legal Fees	90,000	90,000	147,173	(57,173)
Life Insurance Premium	1,317	1,317	1,143	174
Town FICA Expense	139,978	139,978	110,342	29,636
Blue Cross/Dental Expenses	413,825	413,825	378,679	35,146
Town Retirement Expense	101,530	101,530	95,942	5,588
Longevity	18,000	18,000	19,000	(1,000)
Insurance Expense	135,830	135,830	150,879	(15,049)
Auditing Expense	15,650	15,650	15,650	-
Town Clerk Expense	110,749	110,749	99,005	11,744
Animal Shelter Expense	37,350	37,350	27,113	10,237
Transfer Station Expense	159,650	159,650	150,126	9,524
Municipal Fuel Costs	5,000	5,000	3,342	1,658
Collection Fees	9,000	9,000	8,234	766
Contingency Fund	30,000	30,000	28,840	1,160

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, 2020

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
RI League of Cities and Towns	2,527	2,527	-	2,527
Council Expenses	1,500	1,500	515	985
Town Council Assistant Expense	1,000	1,000	1,300	(300)
Computer Support	105,360	105,360	90,694	14,666
Website	300	300	-	300
Tax Collector Expense	9,935	9,935	1,703	8,232
Board of Canvassers Expense	13,100	13,100	2,516	10,584
Tax Assessor Expenses	12,050	12,050	6,337	5,713
Exeter Public Library	69,332	69,332	70,653	(1,321)
Planning Board Expense	5,000	5,000	145	4,855
Planning Office Expense	1,800	1,800	164	1,636
Zoning Inspector Expenses	600	600	102	498
Zoning Board Expense	5,750	5,750	2,003	3,747
Town Sergeant Expense	5,200	5,200	3,866	1,334
Building Inspector Expense	6,924	6,924	5,775	1,149
Land Trust Expense	1,150	1,150	345	-
TOTAL GENERAL EXPENSE	<u>1,544,307</u>	<u>1,544,307</u>	<u>1,445,158</u>	<u>98,344</u>
 TOTAL GENERAL GOVERNMENT	 <u>2,388,244</u>	 <u>2,388,244</u>	 <u>2,321,229</u>	 <u>66,210</u>
 <u>PUBLIC WORKS</u>				
<u>SALARIES AND WAGES</u>				
Director of Public Works	73,260	73,260	73,524	(264)
Highway Workers	367,202	367,202	367,347	(145)
Highway Workers - OT	42,382	42,382	20,962	21,420
TOTAL SALARIES AND WAGES	<u>482,844</u>	<u>482,844</u>	<u>461,833</u>	<u>21,011</u>
 <u>PUBLIC WORKS EXPENSES</u>				
Highway Department	293,697	293,697	293,178	519
TOTAL PUBLIC WORKS EXPENSES	<u>293,697</u>	<u>293,697</u>	<u>293,178</u>	<u>519</u>
 TOTAL PUBLIC WORKS	 <u>776,541</u>	 <u>776,541</u>	 <u>755,011</u>	 <u>21,530</u>
 <u>PUBLIC SAFETY</u>				
<u>SALARIES AND WAGES</u>				
Exeter Emergency Director	16,144	16,144	21,341	(5,197)
Exeter Emergency Assistant Director	5,000	5,000	4,867	133
TOTAL SALARIES AND WAGES	<u>21,144</u>	<u>21,144</u>	<u>26,208</u>	<u>(5,064)</u>
 <u>PUBLIC SAFETY EXPENSES</u>				
Exeter Emergency Management	9,000	9,000	13,092	(4,092)
TOTAL PUBLIC SAFETY EXPENSES	<u>9,000</u>	<u>9,000</u>	<u>13,092</u>	<u>(4,092)</u>
 TOTAL PUBLIC SAFETY	 <u>30,144</u>	 <u>30,144</u>	 <u>39,300</u>	 <u>(9,156)</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, 2020

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>SOCIAL SERVICES</u>				
<u>SALARIES AND WAGES</u>				
Welfare Director	6,366	6,366	6,418	(52)
TOTAL SALARIES AND WAGES	6,366	6,366	6,418	(52)
<u>SOCIAL SERVICES EXPENSES</u>				
Community Youth Programs	5,000	5,000	5,000	-
Juvenile Hearing Board	500	500	-	500
Public Access Television	700	700	700	-
TOTAL SOCIAL SERVICES EXPENSES	6,200	6,200	5,700	500
TOTAL SOCIAL SERVICES	12,566	12,566	12,118	448
<u>PUBLIC HEALTH AND WELFARE</u>				
Public Welfare Expense	7,500	7,500	7,425	75
Veterans Graves	800	800	55	745
TOTAL PUBLIC HEALTH & WELFARE	8,300	8,300	7,480	820
<u>TOTAL EDUCATION - REGIONAL SCHOOL DISTRICT</u>	12,300,326	12,300,326	12,300,326	-
<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 - Plow Truck	40,028	40,028	40,028	-
TOTAL DEBT SERVICE	163,592	163,592	163,592	-
TOTAL EXPENDITURES	15,679,713	15,679,713	15,599,056	79,852
<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	347,145	347,145	347,145	-
Transfer to Public Works/Equipment	127,338	127,338	127,338	-
Transfer to Library/Chelsea Park Renovation	2,500	2,500	2,500	-
Transfer to Office Equipment	5,000	5,000	5,000	-
Transfer to Transfer Station Improvements	10,000	10,000	10,000	-
Transfer to Historical Preservation	7,500	7,500	7,500	-
Transfer to New Town Hall Fund	30,000	30,000	30,000	-
Transfer to Comprehensive Plan	4,300	4,300	4,300	-
Transfer to Impact Fees	-	-	10,440	(10,440)
Transfer to Economic Development	1,500	1,500	1,500	-
Transfer to Website Development	5,000	5,000	5,000	-
Transfer to Memorial Day Parade	3,550	3,550	3,550	-
TOTAL OTHER FINANCING USES	559,333	559,333	569,773	(10,440)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 16,239,046	\$ 16,239,046	\$ 16,168,829	\$ 69,412

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON – GENERAL FUND  
June 30, 2020

**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.

***Website Development Fund*** – To set aside funds to develop a professional website for the town and subsequently for future updates that may be needed.

***Economic Development Fund*** – A fund established to accumulate and serve to offset expenses incurred for economic development throughout the town.

***Library Fund*** – The board of the library voted to allow certain money received such as grants or other funds that the library board deems appropriate to be held by the Town of Exeter to accumulate and be used for capital projects to be determined by the Library Board as they are identified and approved.

### **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, 2020

	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	Memorial Day Parade
<u>ASSETS</u>								
Cash and cash equivalents	\$ 33,108	\$ -	\$ -	\$ 298,727	\$ 5,181	\$ -	\$ 12,892	\$ -
Accounts receivable	-	-	-	-	69,926	-	-	-
Due from other funds	2,662	37,649	11,263	-	-	126,472	-	5,448
<b>TOTAL ASSETS</b>	<u>\$ 35,770</u>	<u>\$ 37,649</u>	<u>\$ 11,263</u>	<u>\$ 298,727</u>	<u>\$ 75,107</u>	<u>\$ 126,472</u>	<u>\$ 12,892</u>	<u>\$ 5,448</u>
<u>LIABILITIES</u>								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	7,836	-	-	4,456	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,836</u>	<u>-</u>	<u>-</u>	<u>4,456</u>	<u>-</u>
<u>FUND BALANCE</u>								
Restricted	-	37,649	-	-	75,107	-	-	-
Committed	35,770	-	11,263	290,891	-	-	-	-
Assigned	-	-	-	-	-	126,472	8,436	5,448
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>35,770</u>	<u>37,649</u>	<u>11,263</u>	<u>290,891</u>	<u>75,107</u>	<u>126,472</u>	<u>8,436</u>	<u>5,448</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 35,770</u>	<u>\$ 37,649</u>	<u>\$ 11,263</u>	<u>\$ 298,727</u>	<u>\$ 75,107</u>	<u>\$ 126,472</u>	<u>\$ 12,892</u>	<u>\$ 5,448</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET  
NON-MAJOR OTHER GOVERNMENTAL FUNDS  
June 30, 2020

	SPECIAL REVENUE FUNDS				CAPITAL PROJECT FUNDS			
	Pension Liability Fund	Historic Preservation Fund	Veteran's Memorial	Animal Shelter Donations	Vehicle Replacement Fund	Public Works/ Road	Computer Upgrades Fund	Public Works/ Equipment
<u>ASSETS</u>								
Cash and cash equivalents	\$ -	\$ -	\$ 28,941	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-	-
Due from other funds	22,210	56,321	-	32,565	213,778	77,469	26,081	93,667
<b>TOTAL ASSETS</b>	<b>\$ 22,210</b>	<b>\$ 56,321</b>	<b>\$ 28,941</b>	<b>\$ 32,565</b>	<b>\$ 213,778</b>	<b>\$ 77,469</b>	<b>\$ 26,081</b>	<b>\$ 93,667</b>
<u>LIABILITIES</u>								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>FUND BALANCE</u>								
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	22,210	56,321	28,941	32,565	213,778	77,469	26,081	93,667
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>22,210</b>	<b>56,321</b>	<b>28,941</b>	<b>32,565</b>	<b>213,778</b>	<b>77,469</b>	<b>26,081</b>	<b>93,667</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 22,210</b>	<b>\$ 56,321</b>	<b>\$ 28,941</b>	<b>\$ 32,565</b>	<b>\$ 213,778</b>	<b>\$ 77,469</b>	<b>\$ 26,081</b>	<b>\$ 93,667</b>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET  
NON-MAJOR OTHER GOVERNMENTAL FUNDS  
June 30, 2020

	CAPITAL PROJECTS FUNDS							
	Town Hall Renovations Fund	Chelsea Park Fund	Video Equipment	Office Equipment	GIS Mapping System	Transfer Station Move	New Town Hall	Comprehensive Town Plan
<u>ASSETS</u>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-	-
Due from other funds	88,010	44,195	3,478	46,808	10,000	350,000	152,000	26,715
<b>TOTAL ASSETS</b>	<u>\$ 88,010</u>	<u>\$ 44,195</u>	<u>\$ 3,478</u>	<u>\$ 46,808</u>	<u>\$ 10,000</u>	<u>\$ 350,000</u>	<u>\$ 152,000</u>	<u>\$ 26,715</u>
<u>LIABILITIES</u>								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>								
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	88,010	44,195	3,478	46,808	10,000	350,000	152,000	26,715
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>88,010</u>	<u>44,195</u>	<u>3,478</u>	<u>46,808</u>	<u>10,000</u>	<u>350,000</u>	<u>152,000</u>	<u>26,715</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 88,010</u>	<u>\$ 44,195</u>	<u>\$ 3,478</u>	<u>\$ 46,808</u>	<u>\$ 10,000</u>	<u>\$ 350,000</u>	<u>\$ 152,000</u>	<u>\$ 26,715</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET  
NON-MAJOR OTHER GOVERNMENTAL FUNDS  
June 30, 2020

	CAPITAL PROJECTS FUNDS					PERMANENT FUND	Total Non-Major Governmental Funds
	Animal Shelter Improvements	Transfer Station Improvements	Website Development	Economic Development	Library Fund	Cemetery Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,233	\$ 406,082
Accounts receivable	-	-	-	-	-	-	69,926
Due from other funds	11,206	30,000	5,000	1,500	395	-	1,474,892
<b>TOTAL ASSETS</b>	<b>\$ 11,206</b>	<b>\$ 30,000</b>	<b>\$ 5,000</b>	<b>\$ 1,500</b>	<b>\$ 395</b>	<b>\$ 27,233</b>	<b>\$ 1,950,900</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	132	12,424
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>12,424</b>
<b>FUND BALANCE</b>							
Restricted	-	-	-	-	-	27,101	139,857
Committed	-	-	-	-	-	-	337,924
Assigned	11,206	30,000	5,000	1,500	395	-	1,460,695
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>11,206</b>	<b>30,000</b>	<b>5,000</b>	<b>1,500</b>	<b>395</b>	<b>27,101</b>	<b>1,938,476</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 11,206</b>	<b>\$ 30,000</b>	<b>\$ 5,000</b>	<b>\$ 1,500</b>	<b>\$ 395</b>	<b>\$ 27,233</b>	<b>\$ 1,950,900</b>

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, 2020

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	Memorial Day Parade
<b>REVENUES</b>								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	15	-	-	424	38	-	6	-
Other revenues	7,272	-	-	55,000	97,357	-	1,102	100
<b>TOTAL REVENUES</b>	<b>7,287</b>	<b>-</b>	<b>-</b>	<b>55,424</b>	<b>97,395</b>	<b>-</b>	<b>1,108</b>	<b>100</b>
<b>EXPENDITURES</b>								
General government	-	-	-	10,440	-	3,602	-	-
Public works	-	-	-	7,836	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Social services	-	-	-	-	100,730	-	-	-
Public health and welfare	-	-	-	-	-	-	480	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,276</b>	<b>100,730</b>	<b>3,602</b>	<b>480</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	7,287	-	-	37,148	(3,335)	(3,602)	628	100
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer from other funds	-	-	-	10,440	-	10,000	-	3,550
Transfer to other funds	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,440</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>3,550</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	7,287	-	-	47,588	(3,335)	6,398	628	3,650
FUND BALANCE - July 1, 2019	28,483	37,649	11,263	243,303	78,442	120,074	7,808	1,798
FUND BALANCE - June 30, 2020	\$ 35,770	\$ 37,649	\$ 11,263	\$ 290,891	\$ 75,107	\$ 126,472	\$ 8,436	\$ 5,448

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, 2020

	SPECIAL REVENUE FUNDS				CAPITAL PROJECT FUNDS			
	Pension Liability Fund	Historic Preservation Fund	Veteran's Memorial	Animal Shelter Donations	Vehicle Replacement Fund	Public Works/Road	Computer Upgrades Fund	Public Works/Equipment
<b>REVENUES</b>								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 2,349	\$ -	\$ -	\$ -
Earnings on investments	-	-	29	-	-	-	-	-
Other revenues	-	-	-	9,499	40,598	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>9,499</b>	<b>42,947</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>								
General government	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	386,785	-	-
Public safety	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	3,639	171,773
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>386,785</b>	<b>3,639</b>	<b>171,773</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-	-	29	9,499	42,947	(386,785)	(3,639)	(171,773)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer from other funds	-	7,500	-	-	-	347,145	-	127,338
Transfer to other funds	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>7,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347,145</b>	<b>-</b>	<b>127,338</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	-	7,500	29	9,499	42,947	(39,640)	(3,639)	(44,435)
FUND BALANCE - July 1, 2019	22,210	48,821	28,912	23,066	170,831	117,109	29,720	138,102
FUND BALANCE - June 30, 2020	\$ 22,210	\$ 56,321	\$ 28,941	\$ 32,565	\$ 213,778	\$ 77,469	\$ 26,081	\$ 93,667



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, 2020

CAPITAL PROJECTS FUNDS

	Town Hall Renovations Fund	Chelsea Park Fund	Video Equipment	Office Equipment	GIS Mapping System	Transfer Station Move	New Town Hall	Comprehensive Town Plan
<b>REVENUES</b>								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-	-	-
Other revenues	-	500	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>								
General government	-	-	-	-	-	-	-	3,495
Public works	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-
Public health and welfare	-	1,997	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	22,020	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>22,020</b>	<b>1,997</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,495</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(22,020)	(1,497)	-	-	-	-	-	(3,495)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer from other funds	-	2,500	-	5,000	-	-	30,000	4,300
Transfer to other funds	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>2,500</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>4,300</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	(22,020)	1,003	-	5,000	-	-	30,000	805
FUND BALANCE - July 1, 2019	110,030	43,192	3,478	41,808	10,000	350,000	122,000	25,910
FUND BALANCE - June 30, 2020	\$ 88,010	\$ 44,195	\$ 3,478	\$ 46,808	\$ 10,000	\$ 350,000	\$ 152,000	\$ 26,715

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, 2020

	CAPITAL PROJECTS FUNDS					PERMANENT FUND	Total NonMajor Governmental Funds
	Animal Shelter Improvements	Transfer Station Improvements	Website Development	Economic Development	Library Fund	Cemetery Fund	
<b>REVENUES</b>							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,349
Earnings on investments	-	-	-	-	-	44	556
Other revenues	-	-	-	-	395	-	211,823
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>395</b>	<b>44</b>	<b>214,728</b>
<b>EXPENDITURES</b>							
General government	-	-	-	-	-	-	17,537
Public works	-	-	-	-	-	-	394,621
Public safety	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	100,730
Public health and welfare	-	-	-	-	-	-	2,477
Debt service	-	-	-	-	-	-	-
Capital outlay	3,294	-	-	-	-	-	200,726
<b>TOTAL EXPENDITURES</b>	<b>3,294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>716,091</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(3,294)	-	-	-	395	44	(501,363)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer from other funds	5,500	10,000	5,000	1,500	-	-	569,773
Transfer to other funds	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,500</b>	<b>10,000</b>	<b>5,000</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>569,773</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	2,206	10,000	5,000	1,500	395	44	68,410
FUND BALANCE - July 1, 2019	9,000	20,000	-	-	-	27,057	1,870,066
FUND BALANCE - June 30, 2020	<b>\$ 11,206</b>	<b>\$ 30,000</b>	<b>\$ 5,000</b>	<b>\$ 1,500</b>	<b>\$ 395</b>	<b>\$ 27,101</b>	<b>\$ 1,938,476</b>

## ***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, 2020

	BALANCE July 1, 2019	ADDITIONS	DEDUCTIONS	BALANCE June 30, 2020
<u><i>OPEN SPACE DEDICATION</i></u>				
<u>ASSETS</u>				
Cash	\$ 47,043	\$ 76	\$ -	\$ 47,119
TOTAL ASSETS	<u>\$ 47,043</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 47,119</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 47,043	\$ 76	\$ -	\$ 47,119
TOTAL LIABILITIES	<u>\$ 47,043</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 47,119</u>
 <u><i>SURETY BONDS ESCROW</i></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><i>BRAYMAN ESCROW</i></u>				
<u>ASSETS</u>				
Cash	\$ 6,748	\$ 4	\$ -	\$ 6,752
TOTAL ASSETS	<u>\$ 6,748</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6,752</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 6,748	\$ 4	\$ -	\$ 6,752
TOTAL LIABILITIES	<u>\$ 6,748</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6,752</u>
 <u><i>TOTAL AGENCY FUNDS</i></u>				
<u>ASSETS</u>				
Cash	\$ 53,912	80	-	\$ 53,871
Due from other funds	105,500	-	-	105,500
TOTAL ASSETS	<u>\$ 159,412</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 159,371</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 159,412	\$ 80	\$ -	\$ 159,371
TOTAL LIABILITIES	<u>\$ 159,412</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 159,371</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPERTY TAX RECEIVABLES  
For the Fiscal Year Ended June 30, 2020

TAX ROLL YEAR	BALANCE July 1, 2019	CURRENT YEAR ASSESSMENT	ADDITIONS AND ADJUSTMENTS	REFUNDS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE June 30, 2020	FY2020 CASH COLLECTIONS SUMMARY			
									JULY-AUGUST 2019 COLLECTIONS SUBJECT TO 60-DAY FY19 ACCRUAL	SEPTEMBER - JUNE 2020 COLLECTIONS	TOTAL FY2020 CASH COLLECTIONS	JULY-AUGUST 2020 COLLECTIONS SUBJECT TO 60-DAY FY20 ACCRUAL
2019	\$ -	\$ 14,552,730	\$ 25,623	\$ 2,575	\$ 21,973	\$ 14,558,955	\$ 14,254,701	\$ 304,254	\$ -	\$ 14,254,701	\$ 14,254,701	\$ 124,219
2018	297,318	-	(214)	3,632	1,280	299,456	283,086	16,370	117,099	165,987	283,086	1,277
2017	18,161	-	-	50	141	18,070	7,292	10,778	1,837	5,455	7,292	687
2016	17,743	-	-	-	-	17,743	5,468	12,275	1,009	4,459	5,468	722
2015	16,093	-	-	-	36	16,057	3,527	12,530	229	3,298	3,527	192
2014	19,474	-	-	-	-	19,474	2,483	16,991	24	2,459	2,483	127
2013	18,285	-	50	-	25	18,310	2,588	15,722	59	2,529	2,588	-
2012	12,229	-	57	-	233	12,053	319	11,734	6	313	319	-
2011	16,187	-	65	-	882	15,370	452	14,918	101	351	452	-
2010	16,441	-	73	-	880	15,634	266	15,368	152	114	266	9
2009	8,701	-	-	-	3,816	4,885	53	4,832	-	53	53	-
2008	3,626	-	-	-	-	3,626	-	3,626	-	-	-	-
2007	1,403	-	-	-	-	1,403	-	1,403	-	-	-	-
2006	796	-	-	-	-	796	304	492	-	304	304	47
2005	1,459	-	-	-	-	1,459	-	1,459	-	-	-	-
2004	845	-	-	-	-	845	-	845	-	-	-	-
2003 and prior	20,829	-	-	-	-	20,829	-	20,829	-	-	-	-
	\$ 469,590	\$ 14,552,730	\$ 25,654	\$ 6,257	\$ 29,266	\$ 15,024,965	\$ 14,560,539	\$ 464,426	\$ 120,516	\$ 14,440,023	\$ 14,560,539	\$ 127,280
Less: Allowance for Uncollectible Taxes	104,872							111,084				
	\$ 364,718							\$ 353,342				

SCHEDULE OF NET ASSESSED PROPERTY, VALUED BY CATEGORY			RECONCILIATION OF CURRENT YEAR PROPERTY TAX REVENUE	
DESCRIPTION OF PROPERTY	VALUATIONS	LEVY	Current year collections	\$ 14,560,539
	DECEMBER 31, 2018	JULY 1, 2019		
Real property - Residential	\$ 746,670,100	\$ 11,526,009	Add: Revenue collected within 60 days subsequent fiscal year ended June 30, 2019, net municipal lien certificates	127,280
Real property - Commercial	73,042,400	1,143,544	Less: Prior year revenue received in current year	(120,516)
Real property - Frozen (Market Value)	-	-	Less: Refunds and other adjustments	(10,114)
Motor vehicles	63,253,258	1,533,286	CURRENT YEAR PROPERTY TAX REVENUE	\$ 14,557,189
Tangible personal property	22,299,010	349,891		
TOTAL	905,264,768	14,552,730		
Less: Exemptions	28,426,261	-		
NET ASSESSED VALUE	\$ 876,838,507	\$ 14,552,730		

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES  
For the Fiscal Year Ended June 30, 2020

	Date of Issuance	Interest Rate	Date of Maturity	Authorized and Issued	Outstanding July 1, 2019	Additions	Reductions During Year	Outstanding June 30, 2020	Interest Paid During Year	Amounts Due Within One Year
<b>GOVERNMENTAL LONG-TERM LIABILITIES</b>										
<u>BONDS AND NOTES PAYABLE</u>										
Exeter public library bond	9/16/2011	3.67%	9/16/2021	\$ 614,000	\$ 158,676	\$ -	\$ 68,882	\$ 89,794	\$ 4,751	\$ 71,511
Exeter development rights bond	5/15/2013	3.25%	5/18/2023	424,819	183,215	-	44,548	138,667	5,383	46,052
TOTAL BONDS AND NOTES PAYABLE				1,038,819	341,891	-	113,430	228,461	10,134	117,563
<u>CAPITAL LEASES PAYABLE</u>										
Capital lease obligation - plow truck	8/25/2015				38,941	-	38,941	-	1,087	-
TOTAL CAPITAL LEASES PAYABLE					38,941	-	38,941	-	1,087	-
<u>OTHER LONG-TERM LIABILITIES</u>										
Landfill post closure care costs (Note 12)					201,838	-	-	201,838	-	-
Compensated absences					82,980	5,638	7,717	80,901	-	9,922
TOTAL OTHER LONG-TERM LIABILITIES				-	284,818	5,638	7,717	282,739	-	9,922
TOTAL GOVERNMENTAL LONG-TERM LIABILITIES				\$ 1,038,819	\$ 665,650	\$ 5,638	\$ 160,088	\$ 511,200	\$ 11,221	\$ 127,485

TOWN OF EXETER, RHODE ISLAND  
 OTHER SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM LIABILITIES - DEBT SERVICE REQUIREMENTS  
 GOVERNMENTAL ACTIVITIES  
 June 30, 2020

Maturing in Fiscal Year	General Obligation Bonds	Total Interest	Total Principal & Interest
2021	117,553	6,011	123,564
2022	65,886	2,452	68,338
2023	45,022	746	45,768
2024	-	-	-
	<u>\$ 228,461</u>	<u>\$ 9,209</u>	<u>\$ 237,670</u>

TOWN OF EXETER, RHODE ISLAND  
OTHER SUPPLEMENTARY INFORMATION  
COMPUTATION OF LEGAL DEBT MARGIN  
June 30, 2020

TAXABLE ASSESSED VALUE

Gross assessed value	\$ 905,264,768
Less exemptions	<u>(28,426,261)</u>
 TOTAL TAXABLE ASSESSED VALUE	 <u>\$ 876,838,507</u>

TOTAL DEBT MARGIN

Debt Limit - 3 percent of total assessed value	\$ 26,305,155
Total bonded debt	<u>(228,461)</u>
 TOTAL DEBT MARGIN	 <u>\$ 26,076,694</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, 2020

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Property Tax Collection	\$ 14,557,189	\$ -
Prior Year Property Tax Collection	-	-
Interest & Penalty	93,498	-
PILOT & Tax Treaty (excluded from certified levy)	4,392	-
Other Local Property Taxes	-	-
Licenses and Permits	120,021	-
Fines and Forfeitures	-	-
Investment Income	6,352	-
Departmental	352,563	-
Rescue Run Revenue	-	-
Police & Fire Detail	167,738	-
Other Local Non Property Tax Revenues	-	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	-
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	-
CDBG	97,395	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	-
MV Excise Tax Reimbursement	708,094	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	52,255	-
Library Construction Aid	75,968	-
Public Service Corporation Tax	85,216	-
Meals & Beverage Tax	117,458	-
Hotel Tax	-	-
LEA Aid	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	-
Other Revenue	29,854	-
Local Appropriation for Education	-	-
Regional Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 16,467,993</u>	<u>\$ -</u>
Transfer from Capital Projects Funds	\$ -	\$ -
Transfer from Other Funds	-	-
Debt Proceeds	-	-
Other Financing Sources	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>

Town of Exeter  
Annual Supplemental Report (MTP2)  
For the Fiscal Year Ended June 30, 2020

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Information Technology	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation Group A	\$ 445,490	\$ 51,172	\$ 6,418	\$ 16,700	\$ 69,505	\$ 149,583	\$ 483,632	\$ -	\$ -
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-	-	-
Overtime - Group A	-	-	-	-	-	-	20,962	-	-
Overtime - Group B	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	113,686	22,736	-	-	22,737	22,737	181,897	-	-
Active Medical Insurance - Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance - Group A	4,652	930	-	-	930	930	7,443	-	-
Active Dental Insurance - Group B	-	-	-	-	-	-	-	-	-
Payroll Taxes	52,872	2,299	2,299	-	22,988	4,598	18,390	-	-
Life Insurance	490	41	41	-	82	82	327	-	-
Defined Contribution - Group A	29,818	5,315	-	-	3,969	10,414	44,328	-	-
Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
Other Benefits - Group A	6,333	-	-	-	1,267	1,267	8,865	-	-
Other Benefits - Group B	-	-	-	-	-	-	-	-	-
Local Pension - Group A	-	-	-	-	-	-	-	-	-
Local Pension - Group B	-	-	-	-	-	-	-	-	-
State Pension - Group A	-	-	-	-	-	-	-	-	-
State Pension - Group B	-	-	-	-	-	-	-	-	-
Other Pension	-	-	-	-	-	-	-	-	-
Purchased Services	163,892	24,632	-	90,694	-	1,647	350	-	-
Materials/Supplies	61,812	2,879	-	-	-	32,841	29,001	-	-
Software Licenses	3,056	-	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	175,375	-	-
Insurance	150,879	-	-	-	-	-	-	-	-
Maintenance	2,550	-	-	-	-	16,729	17,267	-	-
Vehicle Operations	3,342	-	-	-	-	-	36,048	-	-
Utilities	35,117	-	-	-	-	6,665	7,504	-	-
Contingency	28,840	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal, Raw Material & External Contracts	-	-	-	-	-	-	26,731	-	-
Trash Removal & Recycling	858	-	-	-	-	1,095	149,021	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	100,730	-	13,125	-	-	-	-	-	-
Other Operations Expenditures	19,435	-	55	-	309	11,676	564,166	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional 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	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,223,851</b>	<b>\$ 110,004</b>	<b>\$ 21,938</b>	<b>\$ 107,394</b>	<b>\$ 121,787</b>	<b>\$ 260,264</b>	<b>\$ 1,771,307</b>	<b>\$ -</b>	<b>\$ -</b>



Town of Exeter  
Combining Schedule of  
Reportable Government Services with  
Reconciliation to MTP2  
Municipal  
For the Fiscal Year Ended June 30, 2020

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
General Fund	\$ 16,202,860	\$ -	\$ 15,599,056	\$ 569,773	\$ 34,031	\$ 2,197,754	\$ 2,231,785
CDBG Grants	97,395	-	100,730	-	(3,335)	78,442	75,107
Property Revaluation Fund	-	10,000	3,602	-	6,398	120,074	126,472
Vehicle Replacement Fund	42,947	-	-	-	42,947	170,831	213,778
Public Works - Roads Fund	-	347,145	386,785	-	(39,640)	117,109	77,469
Public Works - Equipment Fund	-	127,338	171,773	-	(44,435)	138,102	93,667
Totals per audited financial statements	<u>\$ 16,343,202</u>	<u>\$ 484,483</u>	<u>\$ 16,261,946</u>	<u>\$ 569,773</u>	<u>\$ (4,034)</u>	<u>\$ 2,822,312</u>	<u>\$ 2,818,278</u>
<u>Reconciliation from financial statements to MPT2</u>							
Eliminate transfers between Funds reported on MTP2:							
- from School Tax Relief Fund to General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- from Transfer Station Fund to General Fund	-	-	-	-	-	-	-
- from General Fund to Animal Shelter Fund	-	-	-	-	-	-	-
- from General Fund to Public Works - Roads Fund	-	(347,145)	-	(347,145)	-	-	-
- from General Fund to Public Works - Equipment Fund	-	(127,338)	-	(127,338)	-	-	-
- from General Fund to Property Revaluation Fund	-	(10,000)	-	(10,000)	-	-	-
To gross police detail (income/expense) net in financial statements	<u>124,791</u>	<u>-</u>	<u>124,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals Per MTP2	<u>\$ 16,467,993</u>	<u>\$ -</u>	<u>\$ 16,386,737</u>	<u>\$ 85,290</u>	<u>\$ (4,034)</u>	<u>\$ 2,822,312</u>	<u>\$ 2,818,278</u>

Town of Exeter  
Combining Schedule of  
Reportable Government Services with  
Reconciliation to MTP2  
Education Department  
For the Fiscal Year Ended June 30, 2020

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>
<u>Reconciliation from financial statements to MPT2</u>							
Municipal appropriation for Education reported as a transfer on financial statements but an expenditure on MTP2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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 MTP2	<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, 2020

**NOTE 1 – BASIS OF PRESENTATION**

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

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

**NOTE 2 – REPORTABLE GOVERNMENT SERVICES**

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

**NOTE 3 – ALLOCATIONS**

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

**NOTE 4 – EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS**

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

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

- Group A: This group consists of employees who serve the primary function of the department.
- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
  - Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
  - Centralized Dispatch Department - civilian dispatchers only
  - Education Department - professional staff providing direct services to students
  - 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, 2020

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

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

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

**NOTE 5 – EDUCATION REVENUE AND EXPENDITURES**

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

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



***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, 2020, 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 2, 2020.

**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

WADOVICK + COMPANY

West Warwick, Rhode Island  
November 2, 2020