

TOWN OF EXETER, RHODE ISLAND

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2017

TOWN OF EXETER, RHODE ISLAND

ANNUAL FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2017

Maria Lawler
Treasurer

Kevin P. McGovern
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, 2017

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 AUDITED FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2017

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LIST OF TOWN OFFICIALS

TOWN OF EXETER, RHODE ISLAND

TOWN COUNCIL

Kevin P. McGovern, President
Daniel W. Patterson, Vice-President
Raymond A. Morrissey, Jr., Member
Frank A. Maher, Jr., Member
Calvin A. Ellis, Member

TREASURER

Maria Lawler

TOWN CLERK

Lynn Hawkins

FINANCIAL SECTION

**THIS SECTION CONTAINS
THE FOLLOWING SUBSECTIONS:**

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Annual Supplemental Transparency Information

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Exeter, Rhode Island, as of and for the year ended June 30, 2017, 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, 2017, 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 6, 2017, on our consideration of the Town of Exeter, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Exeter, Rhode Island's internal control over financial reporting and compliance.

NADÉAU WADDICK LLP

West Warwick, Rhode Island
November 6, 2017

TOWN OF EXETER, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited
For the Fiscal Year Ended June 30, 2017

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, 2017. 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 2017 and 2016.

FINANCIAL HIGHLIGHTS

- ❖ On the government-wide basis, the assets of the Town of Exeter exceeded its liabilities at the close of the most recent fiscal year ended by \$9,511,181. Of that amount, \$3,686,256 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 \$302,677 or approximately 3.3% through current year activities. This increase was mainly due to favorable General Fund spending.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,368,445. Approximately 40.9% of this amount, \$1,377,728 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 \$1,377,728, or 9.8% 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 \$84,703 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, 2017

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, 2017.

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, 2017, 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, 2017

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 new 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 \$9,511,181 as of June 30, 2017. This reflects an increase of \$302,677 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>2017</u>	<u>2016</u>
ASSETS		
Current Assets	\$ 3,984,813	\$ 3,715,705
Capital Assets	<u>6,854,607</u>	<u>6,957,091</u>
TOTAL ASSETS	<u>10,839,420</u>	<u>10,672,796</u>
 LIABILITIES		
Current Liabilities	490,125	446,984
Long-term Liabilities	<u>838,114</u>	<u>1,017,308</u>
TOTAL LIABILITIES	<u>1,328,239</u>	<u>1,464,292</u>
 NET POSITION		
Net invested in Capital Assets	5,824,925	5,734,694
Restricted	1,963,795	1,839,849
Permanent	26,922	26,855
Unrestricted	<u>1,695,539</u>	<u>1,607,106</u>
TOTAL NET POSITION	<u>\$ 9,511,181</u>	<u>\$ 9,208,504</u>

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

Unaudited

For the Fiscal Year Ended June 30, 2017

The largest portion of the Town's net position \$5,842,925 (61.2%) 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, 2017. Governmental activities increased the Town's net position by \$302,677 for the current period.

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

	Governmental Activities	
	2017	2016
REVENUES		
Program revenues:		
Charges for services	\$ 394,960	\$ 401,659
Operating grants and contributions	266,460	279,257
Capital grants and contributions	77,057	48,280
General Revenues:		
Property taxes, levied for general purposes	14,066,154	13,516,345
Grants and contributions	285,168	305,742
Investment earnings	104,965	115,401
Other general revenues	-	-
TOTAL REVENUES	15,194,764	14,666,684
 EXPENSES		
General government	1,787,889	1,780,199
Public works	1,396,715	1,437,982
Public safety	51,814	81,650
Social services	14,571	14,894
Public health and welfare	56,680	68,974
Education	11,549,016	10,964,656
Capital Outlay	5,717	44,950
Interest	29,685	30,873
TOTAL EXPENSES	14,892,087	14,424,178
 CHANGE IN NET POSITION	 302,677	 242,506
Net Position - July 1st	9,208,504	8,965,998
Net Position - June 30th	\$ 9,511,181	\$ 9,208,504

TOWN OF EXETER, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Unaudited
For the Fiscal Year Ended June 30, 2017

FINANCIAL ANALYSIS OF THE TOWN OF EXETER'S FUNDS

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,368,445. Approximately 40.9% of the total amount, or \$1,377,728 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 \$84,703.

Reserved Fund Balances:

Contingency appropriations	\$575,000
Re-appropriated for fiscal year 2017/2018	\$ -0-

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget for the Town's General Fund reflected total revenues and re-appropriations of \$14,923,096 and total expenditures and transfers to other funds of \$14,923,096. Actual total revenues were \$14,849,744 and total expenditures were \$14,103,049 which included transfers to other funds of \$661,992 resulted in a surplus of \$84,703.

REVENUES

Revenues on a budgetary basis were \$76,648 over budget due to some of the following conditions:

- Property taxes were over budget by \$17,792 as a result of timely collections and increased collections of delinquent taxes.
- Fines and interest on late payments were over budget by \$31,832 as a result of increased collections of delinquent taxes

EXPENDITURES

Expenditures on a budgetary basis were \$158,055 under budget due to some of the following conditions:

- The Deputy Town Treasurer's salary expense was under budget by \$15,000 as a result of the position being vacant.
- The Tax Collector Clerical salary expense was under budget by \$15,280 as a result of the position being vacant.
- The Tax Assessors Clerical salary expense was under budget by \$18,931 as a result of the clerical assistant being promoted to tax assessor.
- Legal expenses were over budget by \$10,063 as a result of increased in legal matters.
- Blue Cross/Dental expenses were under budget by \$26,566 as a result of anticipated employee addition into the plan. The employee later decided not to be added to the Blue Cross Family plan.
- Town retirement expenses were over budget by \$26,721 as a result of an increase in employees' salaries and overtime expenses.

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

Unaudited

For the Fiscal Year Ended June 30, 2017

- Town Clerk expenses were under budget by \$37,207 as a result of costs savings on the Town Clerk's billing and equipment contracts.
- Contingency Fund expenses were under budget by \$20,000 as a result of minimal unanticipated expenses requiring Town Council approval.
- Public Work overtime expenses were under budget by \$13,935 as a result of decreased overtime due to mild winter conditions.

CAPITAL ASSETS

The Town of Exeter's investment in capital assets for its governmental activities amounts to \$6,854,607, net of accumulated depreciation at June 30, 2017. 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, 2017).

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

	2017	2016
Land	\$ 253,701	\$ 253,701
Development rights - Schartner Farms	3,450,000	3,450,000
Buildings and improvements	1,338,220	1,390,904
Motor vehicles	502,416	421,213
Machinery and equipment	390,467	492,890
Infrastructure	919,803	948,383
	\$ 6,854,607	\$ 6,957,091

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

DEBT ADMINISTRATION

At the end of the current fiscal year, the Town of Exeter had a total bonded debt of \$557,074. All bonded debt is backed by the full faith and credit of the Town.

TOWN OF EXETER, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Unaudited
For the Fiscal Year Ended June 30, 2017

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

	2017	2016
Public library bond	\$ 289,017	\$ 350,644
Development rights bond	268,057	308,430
Landfill post-closure care costs	204,107	204,107
Compensated absences	81,038	75,443
Capital lease obligation	187,463	283,774
	\$ 1,029,682	\$ 1,222,398

The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Exeter's limit is \$24,570,003 (based on net assessed valuation at December 31, 2015 of \$839,460,191) at June 30, 2017. The town's outstanding general obligation debt is \$557,074 at June 30, 2017, which is \$24,012,929 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 2017-2018 is \$15,516,947 which is an increase of \$593,852 over the fiscal 2016-2017 budget of \$14,923,095. Of the Town's 2017-2018 budget, \$3,693,987 or 23.8% is budgeted for the general government and \$11,822,960 or 76.2% is budgeted for education. The State of Rhode Island is budgeted to contribute \$396,924 in State aid.

The Town's tax rate for fiscal 2017-2018 is \$16.23 per thousand, with 24.0% allocated for general government and 76.0% allocated for education. For fiscal 2016-2017 the Town's tax rate was \$15.94 per thousand with 19.0% allocated for general government and 81.0% allocated for education. The increase in tax rates from \$15.94 to \$16.23 resulted in a \$0.29 increase or 1.8% 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, 2017

	Governmental Activities
ASSETS	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 3,487,700
Accounts receivable:	
Property taxes, net of allowance for doubtful accounts of \$127,979	407,315
Tax title property	14,469
Other receivables	75,329
Prepays	-
<i>Total Current Assets</i>	3,984,813
 <i>Noncurrent Assets</i>	
Capital assets not being depreciated	3,703,701
Capital assets being depreciated, net of depreciation	3,150,906
<i>Total Noncurrent Assets</i>	6,854,607
 TOTAL ASSETS	 10,839,420
 LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable and accrued items	178,588
Due to Agency Funds	105,500
General obligations bonds	105,683
Capital leases	73,205
Compensated absences payable	12,680
Other liabilities	14,469
<i>Total Current Liabilities</i>	490,125
 <i>Noncurrent Liabilities</i>	
General obligations bonds	451,391
Capital leases	114,258
Landfill postclosure care costs	204,107
Compensated absences payable	68,358
<i>Total Noncurrent Liabilities</i>	838,114
 TOTAL LIABILITIES	 1,328,239
 NET POSITION	
Net invested in capital assets	5,824,925
Restricted:	
Grants and other statutory restrictions	1,963,795
Permanent funds:	
Nonexpendable	26,922
Unrestricted	1,695,539
 TOTAL NET POSITION	 \$ 9,511,181

See notes to basic financial statements.

TOWN OF EXETER, RHODE ISLAND
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General government	\$ 1,787,889	\$ 266,905	\$ 27,244	\$ -	\$ (1,493,740)
Public works	1,396,715	-	152,106	-	(1,244,609)
Public safety	51,814	-	24,209	77,057	49,452
Social services	14,571	128,055	3,000	-	116,484
Public health and welfare	56,680	-	59,901	-	3,221
Education	11,549,016	-	-	-	(11,549,016)
Capital Outlay	5,717	-	-	-	(5,717)
Interest	29,685	-	-	-	(29,685)
Total Activities	\$ 14,892,087	\$ 394,960	\$ 266,460	\$ 77,057	(14,153,610)

General Revenues:

Property taxes	14,066,154
Grants and contributions not restricted to specific purposes	285,168
Investment Earnings	104,965
Other general revenues	-
Total General Revenues	14,456,287

Increase in Net Position	302,677
Net Position - July 1, 2016	9,208,504
Net Position - June 30, 2017	\$ 9,511,181

TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2017

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 3,096,450	\$ -	\$ 391,250	\$ 3,487,700
Property tax receivable	407,315	-	-	407,315
Other - accounts receivable	-	-	75,329	75,329
Due from other funds	139,226	86,751	1,030,875	1,256,852
Tax title property	14,469	-	-	14,469
TOTAL ASSETS	\$ 3,657,460	\$ 86,751	\$ 1,497,454	\$ 5,241,665
LIABILITIES				
Accounts payable and accrued items	\$ 149,326	\$ -	\$ 29,262	\$ 178,588
Due to other funds	1,117,626	-	139,226	1,256,852
Due to Agency Funds	105,500	-	-	105,500
Other liabilities	14,469	-	-	14,469
TOTAL LIABILITIES	1,386,921	-	168,488	1,555,409
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	317,811	-	-	317,811
TOTAL DEFERRED INFLOWS OF RESOURCES	317,811	-	-	317,811
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	139,715	139,715
Committed	-	86,751	206,337	293,088
Assigned	575,000	-	982,914	1,557,914
Unassigned	1,377,728	-	-	1,377,728
TOTAL FUND BALANCES	1,952,728	86,751	1,328,966	3,368,445
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	\$ 3,657,460	\$ 86,751	\$ 1,497,454	\$ 5,241,665

TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 June 30, 2017

Total Fund Balances for Governmental Funds	\$	3,368,445
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Assets used in governmental activities which are not financial resources and, therefore, are not reported in the funds:

Capital assets, net		6,854,607
Deferred revenue		<u>317,811</u>
		<u>7,172,418</u>

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

General obligation bonds		(557,074)
Capital leases		(187,463)
Landfill postclosure care costs		(204,107)
Compensated absences payable		<u>(81,038)</u>
		<u>(1,029,682)</u>

Net Position of Governmental Activities	\$	<u>9,511,181</u>
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TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2017

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Property taxes	\$ 14,065,248	\$ -	\$ -	\$ 14,065,248
Intergovernmental revenues	413,223	-	33,509	446,732
Departmental revenues	161,721	-	-	161,721
Licenses and permits	62,066	-	-	62,066
Interest and investment income	7,536	-	597	8,133
Fines and interest on late payments	96,832	-	-	96,832
Other revenues	43,118	-	294,483	337,601
TOTAL REVENUES	14,849,744	-	328,589	15,178,333
<u>EXPENDITURES</u>				
<u>Current:</u>				
General government	1,586,656	-	124,047	1,710,703
Public works	700,993	-	496,394	1,197,387
Public safety	23,245	-	28,569	51,814
Social services	8,471	-	6,100	14,571
Public health and welfare	6,672	-	34,483	41,155
Education	11,549,016	-	-	11,549,016
Capital outlay	-	-	174,152	174,152
<u>Debt service:</u>				
Principal	198,311	-	-	198,311
Interest	29,685	-	-	29,685
TOTAL EXPENDITURES	14,103,049	-	863,745	14,966,794

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, 2017

	GENERAL FUND	LANDFILL CLOSURE FUND	NONMAJOR OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	746,695	-	(535,156)	211,539
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds	-	-	661,992	661,992
Transfers to other funds	(661,992)	-	-	(661,992)
TOTAL OTHER FINANCING SOURCES (USES)	(661,992)	-	661,992	-
Net Change in Fund Balances	84,703	-	126,836	211,539
FUND BALANCE - July 1, 2016	1,868,025	86,751	1,202,130	3,156,906
FUND BALANCE - June 30, 2017	<u>\$ 1,952,728</u>	<u>\$ 86,751</u>	<u>\$ 1,328,966</u>	<u>\$ 3,368,445</u>

TOWN OF EXETER RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$	211,539
<p>Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the increase in in capital outlays of \$168,435 was less than depreciation of \$270,919 in the current period.</p>		
		(102,484)
<p>Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statement, however they are recognized as revenues in the statement of activities.</p>		
		906
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the full accrual basis, expenses and liabilities are recorded regardless of when financial resources are available. This is the amount of increase in accrued compensated absences.</p>		
		(5,595)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the full accrual basis, expenses and liabilities are recorded regardless of when financial resources are available. This is the amount of principal payments made on long-term debt</p>		
		<u>198,311</u>
Change in Net Position of Governmental Activities in the Statement of Activities	\$	<u>302,677</u>

TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2017

	REYNOLDS FUND	EMILY J. ANTHONY FUNDS	AGENCY FUNDS
<u>ASSETS</u>			
Cash and cash equivalents	\$ 695,510	\$ 3,376	\$ 53,550
Investments	844,799	-	-
Due from General Fund	-	-	105,500
	1,540,309	3,376	159,050
<u>LIABILITIES</u>			
Deposits held in custody for others	-	-	159,050
	-	-	\$ 159,050
<u>NET ASSETS</u>			
Held in trust for specific purpose	1,540,309	3,376	
	\$ 1,540,309	\$ 3,376	

TOWN OF EXETER, RHODE ISLAND
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Fiscal Year Ended June 30, 2017

	REYNOLDS FUND	EMILY J. ANTHONY FUNDS
<u>ADDITIONS</u>		
Bequests	\$ -	\$ 2,185
Interest, dividends and gains	130,015	-
TOTAL ADDITIONS	130,015	2,185
<u>DEDUCTIONS</u>		
Scholarship expenses	-	2,100
Investment management fee	15,768	-
Support services	8,316	-
TOTAL DEDUCTIONS	24,084	2,100
INCREASE IN NET POSITION	105,931	85
NET POSITION - July 1, 2016	1,434,378	3,291
NET POSITION - June 30, 2017	\$ 1,540,309	\$ 3,376

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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, 2017

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, 2017, the Town implemented the following accounting pronouncements:

GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

GASB Statement No. 77 – *Tax Abatement Disclosures.*

GASB Statement No. 80 – *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14.*

GASB Statement No. 81 – *Irrevocable Split-Interest Agreements.*

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

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

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

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

GASB Statement No. 83 – *Certain Asset Retirement Obligations, effective for fiscal year ending June 30, 2019.*

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

GASB Statement No. 85 – *Omnibus 2017, effective for fiscal year ending June 30, 2018.*

GASB Statement No. 86 – *Certain Debt Extinguishment Issues, effective for fiscal year ending June 30, 2018.*

GASB Statement No. 87 – *Leases, 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.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

BASIS OF PRESENTATION

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for *fiduciary funds* (the activity of these funds are reported in the statement of fiduciary net position and changes in fiduciary net position). The government-wide financial statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Town had no business-type activities for the fiscal year ended June 30, 2017.

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.

TOWN OF EXETER, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

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

Permanent Funds – are used to account for assets held by the Town where the principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund. The Town’s only permanent fund is for perpetual care of cemeteries and was determined to be non-major.

Proprietary Fund Types

These fund types account for operations that are organized to be self-supporting through user charges. For the year ended June 30, 2017, 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:	Transfer Station; Animal Control; 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; Veterans’ Memorial.
Capital Projects Fund:	Vehicle Replacement; Public Works/Roads; Computer Upgrades; Public Works/Truck; Chelsea Park Renovation; Video Equipment; Office Equipment; GIS Mapping Systems; Transfer Station More, New Town Hall Fund.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

Permanent Fund: Cemetery Fund

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

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

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

- 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.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

Cash and Cash Equivalents – Cash and cash equivalents are carried at cost. Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased. Substantially all of the Town's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts which hold public funds in excess of \$250,000 which is guaranteed by the FDIC. The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in short-term treasury securities or as disclosed as part of the Town's investments. The Town had no cash equivalents at June 30, 2017.

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, 2016 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 \$127,979 at June 30, 2017. 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 98.1% of the total December 31, 2015 levy. The tax rate of the Town is established by the Town Council. The Town's fiscal 2017 property taxes were levied on July 1, 2016 on assessed valuation as of December 31, 2015. Upon levy, taxes are billed yearly and due quarterly on September 1st, December 1st, March 1st, and June 1st. A fifteen (15) day grace period from the due date is given. Failure to postmark payments by the 15th will result in a lien on taxpayer's property, and eventually to the sale of the same. A complete revaluation of all property was completed December 31, 2011 as per State requirements. On December 31, 2014, 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

TOWN OF EXETER, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

estimated historical cost (for certain assets acquired prior to 1960). Pursuant to the implementation of GASB Statement No. 34, the Town has chosen to prospectively report infrastructure assets as part of the governmental capital assets reported in the government-wide statements. Donated assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

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

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.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

Unearned Revenues – Represent funds received or billed in advance of being owed, or receivables, which will be collected and included in revenues of future fiscal years. In the General Fund, unearned revenue relates to property tax receivables which were assessed on or before December 31, 2015 and not collected within 60 days following June 30, 2017.

In the government-wide financial statements, unearned revenue represents funds received in advance of being earned/owed or receivables which will be collected and included in revenues of future fiscal years. In the General Fund, (of the financial statements), unearned revenue includes property taxes receivable which were assessed on December 31, 2015 and prior and are not collected within 60 days following June 30, 2017. Net unearned taxes included in the fund financial statements were \$317,811.

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

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

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

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

- *Invested in Capital Assets, Net of Related Debt* – represents the net book value of all capital assets less the outstanding balances of bonds and other debt used to acquire, construct or improve these assets.
- *Restricted* – consist of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- *Unrestricted* – Any other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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

- *Non-spendable* – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories.
- *Restricted* – requires that inflows and outflows of resources and balances be constrained to a specific purpose enabling legislation, external parties or constitutional provisions.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

- *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 6, 2017, which is the date the financial statements were available to be issued.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

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, 2017.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin – The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value that approximates \$24,570,003 based on the December 31, 2015 assessment. As of June 30, 2017, the Town's debt is under this limit by \$24,012,929.

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, 2017

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, 2017, all of the Town’s bank balance of \$3,629,015 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, 2017:

<u>Cash and Cash Equivalents</u>	
Deposits with financial institutions	\$ 3,629,015
 <u>Investments</u>	
Fixed Income	695,510
Common stock	<u>844,799</u>
<i>Total Cash and Investments</i>	<u>\$ 5,169,324</u>

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

<u>Statement of Net Position</u>	
Cash and cash equivalents	\$ 3,487,700
 <u>Fiduciary Funds</u>	
Cash and cash equivalents	752,436
Investments	<u>844,799</u>
<i>Total Cash and Investments</i>	<u>\$ 5,084,935</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, 2017

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, 2015. 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 2016-2017. The assessed value of motor vehicles is determined annually at 100% of retail market value, net of State of Rhode Island credits. Taxes are due in equal quarterly installments on September 1st, December 1st, March 1st, and June 1st during the fiscal year. A fifteen (15) day grace period from the due date is given before penalties and interest are incurred.

The Town entered into a contractual relationship with a law firm to act as a collection agency to pursue delinquent tangible and personal property accounts. The Town has forwarded past due accounts for collection. At June 30, 2017, an allowance for doubtful accounts totaling \$127,979 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, 2017 consists of \$445,790 of property taxes not collected within 60 days following year end, net an allowance of \$127,979, resulting in \$317,811.

Net property taxes levied for the fiscal year 2016-2017 were based on an assessed value of approximately \$839,460,191 at December 31, 2015 and amounted to \$14,110,221. Total property tax recognized for the current fiscal year amounted to \$13,836,158 which represents 98.1% of the total 2017 levy. Of that amount, \$89,504 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, 2017 totaled \$36,075.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE 6 – INFORMATION ABOUT CAPITAL ASSETS

Capital asset activity consists of the following at June 30, 2017:

	Primary Government			Ending Balances
	Beginning Balances	Increases	Decreases	
Governmental activities				
Capital assets not being depreciated				
Land	\$ 253,701	\$ -	\$ -	\$ 253,701
Development rights - Schartner Farms	3,450,000	-	-	3,450,000
Total capital assets not being depreciated	<u>3,703,701</u>	<u>-</u>	<u>-</u>	<u>3,703,701</u>
Other capital assets:				
Buildings and improvements	2,182,274	-	-	2,182,274
Motor vehicles	1,331,316	168,435	96,500	1,403,251
Machinery and equipment	1,554,005	-	-	1,554,005
Office furniture and equipment	161,180	-	-	161,180
Infrastructure	1,143,216	-	-	1,143,216
Total other capital assets at historical cost	<u>6,371,991</u>	<u>168,435</u>	<u>96,500</u>	<u>6,443,926</u>
Less accumulated depreciation for:				
Buildings and improvements	791,370	52,684	-	844,054
Motor vehicles	910,103	87,232	96,500	900,835
Machinery and equipment	1,064,756	100,238	-	1,164,994
Office furniture and equipment	157,539	2,185	-	159,724
Infrastructure	194,833	28,580	-	223,413
Total accumulated depreciation	<u>3,118,601</u>	<u>270,919</u>	<u>96,500</u>	<u>3,293,020</u>
Governmental activities capital assets, net	<u>\$ 6,957,091</u>	<u>\$ (102,484)</u>	<u>\$ -</u>	<u>\$ 6,854,607</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 71,591
Public works	199,328
Total governmental activities depreciation expense	<u>\$ 270,919</u>

Included within the capital assets are leased assets. Machinery and equipment includes \$304,295 of leased equipment with accumulated depreciation of \$103,061 as of June 30, 2017. Vehicles include \$189,566 of leased vehicles with accumulated depreciation of \$34,754 as of June 30, 2017. Additional information on the capital leases is located in Note 7.

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE 7 – INFORMATION ABOUT LONG-TERM LIABILITIES

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities					
Exeter public library bond	\$ 350,644	\$ -	\$ 61,627	289,017	\$ 63,960
Exeter development rights bond	308,430	-	40,373	268,057	41,723
Total bonds and notes payable	659,074	-	102,000	557,074	105,683
Capital lease obligation - grader	25,158	-	25,158	-	-
Capital lease obligation - plow truck	109,078	-	35,297	73,781	36,349
Capital lease obligation - plow truck	149,538	-	35,856	113,682	36,856
Total capital leases payable	283,774	-	96,311	187,463	73,205
Landfill post closure care costs (Note 11)	204,107	-	-	204,107	-
Compensated absences	75,443	7,550	1,955	81,038	12,680
Total other long-term debt	279,550	7,550	1,955	285,145	12,680
Total Governmental Activities	\$ 1,222,398	\$ 7,550	\$ 200,266	\$ 1,029,682	\$ 191,568

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

	Interest Rates	Principal	Due Dates
Exeter public library bond	3.67%	\$ 289,017	2017-2022
Exeter development rights bond	3.25%	\$ 268,057	2017-2023
Capital lease obligations	various	\$ 187,463	2017-2020

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

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

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

Fiscal Year Ended June 30	Governmental Long-term Liabilities		
	Principal	Interest	Total
2018	105,683	17,881	123,564
2019	109,500	14,064	123,564
2020	113,429	10,135	123,564
2021	117,553	6,011	123,564
2022	65,886	2,452	68,338
2023	45,023	746	45,769
	\$ 557,074	\$ 51,289	\$ 608,363

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, 2017

NOTE 8 – CAPITAL LEASE

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

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

On August 25, 2016, the Town entered into a lease agreement for financing the acquisition of a 2017 International dump truck for the Department of Public Works in the amount of \$189,566. The lease bears interest of 2.79% per annum. Principal and interest payments of \$40,028 are due annually on the 25th of August through fiscal year 2020. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2017 are as follows:

Year Ending June 30	
2018	\$ 78,575
2019	78,575
2020	<u>40,028</u>
Total minimum lease payments	197,178
Less: Amount representing interest	<u>(9,715)</u>
Present value of minimum lease payments	<u>\$ 187,463</u>

NOTE 9 – NET POSITION/FUND BALANCE

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

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

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

financial position and activities in accordance with three classifications of fund balance: restricted, committed and assigned.

	Restricted Purposes	Committed Purposes	Assigned Purposes
<u>General Fund</u>			
Contingency Appropriation	\$ -	\$ -	\$ 575,000
Re-appropriated Fiscal Year 2017/2018	-	-	-
<u>Major Fund</u>			
Landfill Closure	-	86,751	-
<u>Nonmajor Funds</u>			
Transfer Station	-	14,889	-
Animal Shelter Fund	-	(51,430)	-
Preservation and Technology Fund	-	14,451	-
RIEMA FEMA Grant	32,774	-	-
Planning Board Project Review Fee	-	11,263	-
Capital Facilities Impact Fees	-	217,164	-
CDBG	80,019	-	-
Property Revaluation Fund	-	-	121,940
Spay/Neuter Fund	-	-	5,733
Memorial Day Parade	-	-	665
Pension Liability Fund	-	-	22,210
Historic Preservation Fund	-	-	33,821
Veteran's Memorial Fund	-	-	14,791
Vehicle Replacement Fund	-	-	174,625
Public Works/Road	-	-	(11,971)
Computer Upgrade Fund	-	-	29,720
Public Works/Equipment	-	-	30,063
Town Hall Renovations Fund	-	-	126,438
Chelsea Park Fund	-	-	38,240
Video Equipment	-	-	3,503
Office Equipment	-	-	37,961
GIS Mapping System	-	-	10,000
Transfer Station Move	-	-	275,000
New Town Hall	-	-	62,000
Comprehensive Town Plan	-	-	8,175
Cemetery Fund	26,922	-	-
	<u>\$ 139,715</u>	<u>\$ 293,088</u>	<u>\$ 1,557,914</u>

TOWN OF EXETER, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

NOTE 10 – NET ASSETS - RESTRICTED

As of June 30, 2017, the Town has restricted \$1,990,717 of its General, Landfill Closure, and Special Revenue funds for contingency appropriations as follows:

General Fund balance	\$	575,000
Landfill Closure Fund balance		86,751
Special Revenue Funds balance		<u>1,328,966</u>
	\$	<u>1,990,717</u>

Deficit Fund Equity – As of June 30, 2017, deficit fund balances consisted of the following:

Special Revenue Funds		
Animal Shelter Fund	\$	50,863
Public Works/Roads		<u>11,971</u>
	\$	<u>62,834</u>

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

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, 2017 are as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 139,226	\$ 1,117,626
Landfill Closure Fund	86,751	-
Special Revenue Funds	225,334	139,226
Capital Projects Funds	<u>805,541</u>	<u>-</u>
	<u>\$ 1,256,852</u>	<u>\$ 1,256,852</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.

TOWN OF EXETER, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

Transfers between funds during the fiscal year ended June 30, 2017 are as follows:

Fund	Transfers from (to) other funds
General Fund	\$ (661,992)
Special Revenue Funds	88,035
Capital Projects Funds	573,957
	\$ -

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 2017, no payments for survey, site preparation and remedial work occurred, leaving a closure cost balance of \$204,107 at June 30, 2017.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

At June 30, 2017, the Town had several lawsuits pending and had been placed on written notice of potential claims. The Town intends to vigorously pursue its claims and/or defend its position with respect to each matter. In the opinion of the Town’s legal counsel, the Town’s liability with respect to these cases, if any, was not determinable. It is the opinion of Town management, based in part on the advice of legal counsel, that settlement on the above lawsuits will not materially affect the Town’s financial position.

NOTE 14 – RISK MANAGEMENT

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

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

TOWN OF EXETER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE 15 – PENSION PLAN

Effective October 1, 1979, the Town established a defined contribution plan, the Town of Exeter Money Purchase Pension Plan, to provide retirement benefits to all eligible employees as approved by the Town Council. The plan provides for employer only contributions made at rate of 8.0% of total compensation. Eligibility requirements call for employees to have completed one year and one thousand hours of service. Contributions are made by the Town on behalf of eligible employees in accordance with a vesting schedule documented within the retirement plan. Any 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, 2017, the plan had 24 active participants and made contributions totaling \$94,810.

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, 2017.

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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Property taxes	\$ 14,047,456	\$ 14,047,456	\$ 14,065,248	\$ 17,792
Intergovernmental revenues	396,924	396,924	413,223	16,299
Departmental revenues	162,000	162,000	161,721	(279)
Building permits and inspection fees	64,000	64,000	62,066	(1,934)
Interest and investment income	3,000	3,000	7,536	4,536
Fines and interest on late payments	65,000	65,000	96,832	31,832
Other revenue	34,716	34,716	43,118	8,402
TOTAL REVENUES	<u>14,773,096</u>	<u>14,773,096</u>	<u>14,849,744</u>	<u>76,648</u>
EXPENDITURES				
General government	1,729,312	1,729,312	1,586,656	142,656
Public works	710,302	710,302	700,993	9,309
Public safety	25,176	25,176	23,245	1,931
Social services	11,471	11,471	8,471	3,000
Public health and welfare	7,450	7,450	6,672	778
Education	11,549,364	11,549,364	11,549,016	348
Capital outlay	-	-	-	-
Debt service expenditures	228,029	228,029	227,996	33
TOTAL EXPENDITURES	<u>14,261,104</u>	<u>14,261,104</u>	<u>14,103,049</u>	<u>158,055</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES	<u>511,992</u>	<u>511,992</u>	<u>746,695</u>	<u>234,703</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES (USES)				
Re-appropriation of Fund Balance	150,000	150,000	-	(150,000)
Transfer to other funds	(661,992)	(661,992)	(661,992)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(511,992)</u>	<u>(511,992)</u>	<u>(661,992)</u>	<u>(150,000)</u>
 EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES AND USES	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 84,703</u>	 <u>\$ 84,703</u>

OTHER SUPPLEMENTARY INFORMATION

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

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>				
<u>PROPERTY TAX REVENUES</u>				
Property taxes	\$ 14,047,456	\$ 14,047,456	\$ 14,065,248	\$ 17,792
TOTAL PROPERTY TAX REVENUES	14,047,456	14,047,456	14,065,248	17,792
<u>INTERGOVERNMENTAL</u>				
State Motor Vehicle tax phase-out program	92,110	92,110	93,419	1,309
Public service corporate tax	82,701	82,701	85,909	3,208
State meal tax	99,510	99,510	105,840	6,330
State aid to libraries	46,635	46,635	52,087	5,452
Library bond reimbursement	75,968	75,968	75,968	-
TOTAL INTERGOVERNMENTAL REVENUES	396,924	396,924	413,223	16,299
<u>DEPARTMENTAL REVENUES</u>				
Town clerk collections	153,000	153,000	151,409	(1,591)
Planning board fees	5,000	5,000	5,512	512
Zoning fees	4,000	4,000	4,800	800
TOTAL DEPARTMENTAL REVENUES	162,000	162,000	161,721	(279)
<u>LICENSES AND PERMITS</u>	64,000	64,000	62,066	(1,934)
<u>INTEREST AND INVESTMENT INCOME</u>	3,000	3,000	7,536	4,536
<u>FINES AND INTEREST ON LATE PAYMENTS</u>	65,000	65,000	96,832	31,832
<u>OTHER REVENUE</u>	34,716	34,716	43,118	8,402
<u>OTHER FINANCING SOURCES</u>				
Re-appropriation of Fund Balance	150,000	150,000	-	(150,000)
TOTAL OTHER FINANCING SOURCES	150,000	150,000	-	(150,000)
TOTAL REVENUE AND OTHER FINANCING SOURCES	\$ 14,923,096	\$ 14,923,096	\$ 14,849,744	\$ (73,352)

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, 2017

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>				
<u>GENERAL GOVERNMENT</u>				
<u>SALARIES AND WAGES</u>				
Town Treasurer	\$ 39,625	\$ 39,625	\$ 39,800	\$ (175)
Deputy Town Treasurer	15,000	15,000	-	15,000
Town Moderator	478	478	478	-
Town Clerk	47,894	47,894	48,146	(252)
Deputy Town Clerk	38,759	38,759	39,182	(423)
911 Coordinator	3,439	3,439	3,452	(13)
Town Clerical Salaries	32,648	32,648	33,493	(845)
Town Council Stipend	14,500	14,500	14,506	(6)
Council Assistant	27,389	27,389	27,508	(119)
Tax Collector	43,145	43,145	43,336	(191)
Tax Collector Clerical	15,280	15,280	-	15,280
Board of Canvassers	9,507	9,507	9,545	(38)
Board of Canvassers Clerk	5,000	5,000	2,771	2,229
Tax Assessor	42,132	42,132	40,408	1,724
Tax Assessor Clerical	33,056	33,056	14,125	18,931
Library Director	60,090	60,090	60,336	(246)
Library Staff	60,031	60,031	58,896	1,135
Planning Board	14,211	14,211	14,222	(11)
Planning Board Clerk	17,956	17,956	17,993	(37)
Town Planner	35,872	35,872	36,018	(146)
Zoning Inspector	12,104	12,104	12,153	(49)
Zoning Board	14,063	14,063	14,119	(56)
Zoning Board Clerk	14,012	14,012	14,105	(93)
Town Sergeant	10,957	10,957	11,082	(125)
Town Constable	5,425	5,425	5,525	(100)
Building Inspector	32,000	32,000	32,988	(988)
TOTAL SALARIES AND WAGES	<u>644,573</u>	<u>644,573</u>	<u>594,187</u>	<u>50,386</u>
<u>GENERAL EXPENSES</u>				
Support Services	-	-	-	-
Treasurer Expense	11,000	11,000	7,639	3,361
Mileage Reimbursement	3,500	3,500	2,989	511
Postage	13,000	13,000	14,792	(1,792)
Advertising Expense	9,000	9,000	3,383	5,617
Legal Fees	63,300	63,300	73,363	(10,063)
Life Insurance Premium	1,317	1,317	1,106	211
Town FICA Expense	85,724	85,724	79,856	5,868
Blue Cross/Dental Expenses	362,560	362,560	335,994	26,566
Town Retirement Expense	68,089	68,089	94,810	(26,721)
Longevity	10,500	10,500	9,000	1,500
Insurance Expense	90,763	90,763	91,869	(1,106)
Auditing Expense	15,250	15,250	15,250	-
Washington County Regional Planning	3,000	3,000	3,000	-
Town Clerk Expense	110,810	110,810	73,603	37,207
Municipal Fuel Costs	5,000	5,000	-	5,000
Collection Fees	6,000	6,000	15,417	(9,417)
Contingency Fund	20,000	20,000	-	20,000

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, 207

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
RI League of Cities and Towns	2,407	2,407	-	2,407
Council Expenses	1,500	1,500	227	1,273
Town Council Assistant Expense	1,000	1,000	749	251
Computer Support	49,500	49,500	44,350	5,150
Website	300	300	-	300
Tax Collector Expense	5,800	5,800	5,291	509
Board of Canvassers Expense	20,400	20,400	14,295	6,105
Tax Assessor Expenses	12,465	12,465	13,117	(652)
Exeter Public Library	76,935	76,935	71,988	4,947
Planning Board Expense	4,500	4,500	1,849	2,651
Planning Office Expense	1,567	1,567	710	857
Zoning Inspector Expenses	500	500	500	-
Zoning Board Expense	5,750	5,750	543	5,207
Town Sergeant Expense	5,000	5,000	-	5,000
Building Inspector Expense	3,000	3,000	1,477	1,523
Animal Control Officer	15,302	15,302	15,302	-
TOTAL GENERAL EXPENSE	1,084,739	1,084,739	992,469	92,270
TOTAL GENERAL GOVERNMENT	1,729,312	1,729,312	1,586,656	142,656
<u>PUBLIC WORKS</u>				
<u>SALARIES AND WAGES</u>				
Director of Public Works	64,829	64,829	65,094	(265)
Highway Workers	332,573	332,573	332,063	510
Highway Workers - OT	41,348	41,348	27,413	13,935
TOTAL SALARIES AND WAGES	438,750	438,750	424,570	14,180
<u>PUBLIC WORKS EXPENSES</u>				
Highway Department	271,552	271,552	276,423	(4,871)
TOTAL PUBLIC WORKS EXPENSES	271,552	271,552	276,423	(4,871)
TOTAL PUBLIC WORKS	710,302	710,302	700,993	9,309
<u>PUBLIC SAFETY</u>				
<u>SALARIES AND WAGES</u>				
Exeter Emergency Director	11,176	11,176	11,256	(80)
Exeter Emergency Assistant Director	5,000	5,000	3,400	1,600
TOTAL SALARIES AND WAGES	16,176	16,176	14,656	1,520
<u>PUBLIC SAFETY EXPENSES</u>				
Exeter Emergency Management	9,000	9,000	8,589	411
TOTAL PUBLIC SAFETY EXPENSES	9,000	9,000	8,589	411
TOTAL PUBLIC SAFETY	25,176	25,176	23,245	1,931

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, 207

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>SOCIAL SERVICES</u>				
<u>SALARIES AND WAGES</u>				
Welfare Director	5,771	5,771	5,795	(24)
TOTAL SALARIES AND WAGES	5,771	5,771	5,795	(24)
<u>SOCIAL SERVICES EXPENSES</u>				
Community Youth Programs	4,500	4,500	2,000	2,500
Juvenile Hearing Board	500	500	76	424
Public Access Television	700	700	600	100
TOTAL SOCIAL SERVICES EXPENSES	5,700	5,700	2,676	3,024
TOTAL SOCIAL SERVICES	11,471	11,471	8,471	3,000
<u>PUBLIC HEALTH AND WELFARE</u>				
Public Welfare Expense	6,000	6,000	5,999	1
Veterans Graves	1,450	1,450	673	777
TOTAL PUBLIC HEALTH & WELFARE	7,450	7,450	6,672	778
TOTAL EDUCATION - REGIONAL SCHOOL DISTRICT	11,549,364	11,549,364	11,549,016	348
TOTAL CAPITAL OUTLAY	-	-	-	-
<u>DEBT SERVICE</u>				
Public Library Bond	73,633	73,633	73,633	-
Development Rights Bond	49,931	49,931	49,931	-
Capital Lease Payments - 2013 Volvo Road Grader	25,877	25,877	25,877	-
Capital Lease Payments - Street Sweeper	38,560	38,560	38,547	13
Capital Lease Payments - Street Sweeper	40,028	40,028	40,008	20
TOTAL DEBT SERVICE	228,029	228,029	227,996	33
TOTAL EXPENDITURES	14,261,104	14,261,104	14,103,049	158,055
<u>OTHER FINANCING USES</u>				
Transfer to Animal Shelter	66,835	66,835	66,835	-
Transfer to Property Revaluation	10,000	10,000	10,000	-
Transfer to Public Works/Roads	320,957	320,957	320,957	-
Transfer to Public Works/Equipment	115,500	115,500	115,500	-
Transfer to Library/Chelsea Park Renovation	2,500	2,500	2,500	-
Transfer to Office Equipment	3,000	3,000	3,000	-
Transfer to Town Hall Renovation	40,000	40,000	40,000	-
Transfer to Historical Preservation	10,000	10,000	10,000	-
Transfer to Transfer Station Move	50,000	50,000	50,000	-
Transfer to New Town Hall Fund	30,000	30,000	30,000	-
Transfer to Comprehensive Plan	12,000	12,000	12,000	-
Transfer to Memorial Day Parade	1,200	1,200	1,200	-
TOTAL OTHER FINANCING USES	661,992	661,992	661,992	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 14,923,096	\$ 14,923,096	\$ 14,765,041	\$ 158,055

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON – GENERAL FUND
June 30, 2017

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

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

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

NONMAJOR OTHER GOVERNMENTAL FUNDS

Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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, 2017

	SPECIAL REVENUE FUNDS						
	Transfer Station Fund	Animal Shelter Fund	Preservation and Technology Fund	RIEMA FEMA Grant	Planning Board Project Review Fees	Capital Facilities Impact Fees	CDBG
ASSETS							
Cash and cash equivalents	\$ 92,666	\$ 14,285	\$ 11,790	\$ -	\$ -	\$ 217,164	\$ 4,690
Accounts receivable	-	-	-	-	-	-	75,329
Due from other funds	-	-	2,661	32,774	11,263	-	-
TOTAL ASSETS	\$ 92,666	\$ 14,285	\$ 14,451	\$ 32,774	\$ 11,263	\$ 217,164	\$ 80,019
LIABILITIES							
Accounts payable and accrued expenses	\$ 7,032	\$ 443	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	70,745	65,272	-	-	-	-	-
TOTAL LIABILITIES	77,777	65,715	-	-	-	-	-
FUND BALANCE (DEFICIT)							
Restricted	-	-	-	32,774	-	-	80,019
Committed	14,889	(51,430)	14,451	-	11,263	217,164	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE (DEFICIT)	14,889	(51,430)	14,451	32,774	11,263	217,164	80,019
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 92,666	\$ 14,285	\$ 14,451	\$ 32,774	\$ 11,263	\$ 217,164	\$ 80,019

TOWN OF EXETER, RHODE ISLAND
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING BALANCE SHEET
 NON-MAJOR OTHER GOVERNMENTAL FUNDS
 June 30, 2017

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS
	Property Revaluation Fund	Spay/Neuter Fund	Memorial Day Parade	Pension Liability Fund	Historic Preservation Fund	Veteran's Memorial	Vehicle Replacement Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ 8,810	\$ -	\$ -	\$ -	\$ 14,791	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	121,940	-	665	22,210	33,821	-	174,625
TOTAL ASSETS	\$ 121,940	\$ 8,810	\$ 665	\$ 22,210	\$ 33,821	\$ 14,791	\$ 174,625
LIABILITIES							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	3,077	-	-	-	-	-
TOTAL LIABILITIES	-	3,077	-	-	-	-	-
FUND BALANCE (DEFICIT)							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	121,940	5,733	665	22,210	33,821	14,791	174,625
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE (DEFICIT)	121,940	5,733	665	22,210	33,821	14,791	174,625
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 121,940	\$ 8,810	\$ 665	\$ 22,210	\$ 33,821	\$ 14,791	\$ 174,625

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR OTHER GOVERNMENTAL FUNDS
June 30, 2017

	CAPITAL PROJECTS FUNDS						
	Public Works/ Road	Computer Upgrades Fund	Public Works/ Equipment	Town Hall Renovations Fund	Chelsea Park Fund	Video Equipment	Office Equipment
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	9,816	29,720	30,063	126,438	38,240	3,503	37,961
TOTAL ASSETS	\$ 9,816	\$ 29,720	\$ 30,063	\$ 126,438	\$ 38,240	\$ 3,503	\$ 37,961
LIABILITIES							
Accounts payable and accrued expenses	\$ 21,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	21,787	-	-	-	-	-	-
FUND BALANCE (DEFICIT)							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	(11,971)	29,720	30,063	126,438	38,240	3,503	37,961
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE (DEFICIT)	(11,971)	29,720	30,063	126,438	38,240	3,503	37,961
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 9,816	\$ 29,720	\$ 30,063	\$ 126,438	\$ 38,240	\$ 3,503	\$ 37,961

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR OTHER GOVERNMENTAL FUNDS
June 30, 2017

	CAPITAL PROJECTS FUNDS				PERMANENT FUND	Total Non-Major Governmental Funds
	GIS Mapping System	Transfer Station Move	New Town Hall	Comprehensive Town Plan	Cemetery Fund	
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 27,054	\$ 391,250
Accounts receivable	-	-	-	-	-	75,329
Due from other funds	10,000	275,000	62,000	8,175	-	1,030,875
TOTAL ASSETS	\$ 10,000	\$ 275,000	\$ 62,000	\$ 8,175	\$ 27,054	\$ 1,497,454
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,262
Due to other funds	-	-	-	-	132	139,226
TOTAL LIABILITIES	-	-	-	-	132	168,488
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	26,922	139,715
Committed	-	-	-	-	-	206,337
Assigned	10,000	275,000	62,000	8,175	-	982,914
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCE (DEFICIT)	10,000	275,000	62,000	8,175	26,922	1,328,966
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 10,000	\$ 275,000	\$ 62,000	\$ 8,175	\$ 27,054	\$ 1,497,454

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, 2017

	SPECIAL REVENUE FUNDS						
	Transfer Station Fund	Animal Shelter Fund	Preservation and Technology Fund	RIEMA FEMA Grant	Planning Board Project Review Fees	Capital Facilities Impact Fees	CDBG
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 4,168	\$ -	\$ -	\$ -
Earnings on investments	-	-	4	-	-	508	3
Other revenues	152,106	24,209	7,244	-	-	20,000	38,156
TOTAL REVENUES	152,106	24,209	7,248	4,168	-	20,508	38,159
EXPENDITURES							
General government	42,494	63,042	-	-	-	-	-
Public works	114,553	-	-	-	-	-	-
Public safety	-	28,569	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	33,200
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	157,047	91,611	-	-	-	-	33,200
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(4,941)	(67,402)	7,248	4,168	-	20,508	4,959
OTHER FINANCING SOURCES (USES)							
Transfer from other funds	-	66,835	-	-	-	-	-
Transfer to other funds	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	66,835	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	(4,941)	(567)	7,248	4,168	-	20,508	4,959
FUND BALANCE (DEFICIT) - July 1, 2016	19,830	(50,863)	7,203	28,606	11,263	196,656	75,060
FUND BALANCE (DEFICIT) - June 30, 2017	\$ 14,889	\$ (51,430)	\$ 14,451	\$ 32,774	\$ 11,263	\$ 217,164	\$ 80,019

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, 2017

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS
	Property Revaluation Fund	Spay/Neuter Fund	Memorial Day Parade	Pension Liability Fund	Historic Preservation Fund	Veteran's Memorial	Vehicle Replacement Fund
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	15	-
Other revenues	-	2,052	3,000	-	-	-	15,216
TOTAL REVENUES	-	2,052	3,000	-	-	15	15,216
EXPENDITURES							
General government	14,686	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Social services	-	-	5,875	-	-	225	-
Public health and welfare	-	1,283	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	32,185
TOTAL EXPENDITURES	14,686	1,283	5,875	-	-	225	32,185
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(14,686)	769	(2,875)	-	-	(210)	(16,969)
OTHER FINANCING SOURCES (USES)							
Transfer from other funds	10,000	-	1,200	-	10,000	-	-
Transfer to other funds	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	10,000	-	1,200	-	10,000	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	(4,686)	769	(1,675)	-	10,000	(210)	(16,969)
FUND BALANCE (DEFICIT) - July 1, 2016	126,626	4,964	2,340	22,210	23,821	15,001	191,594
FUND BALANCE (DEFICIT) - June 30, 2017	\$ 121,940	\$ 5,733	\$ 665	\$ 22,210	\$ 33,821	\$ 14,791	\$ 174,625

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, 2017

	CAPITAL PROJECTS FUNDS						
	Public Works/ Road	Computer Upgrades Fund	Public Works/ Equipment	Town Hall Renovations Fund	Chelsea Park Fund	Video Equipment	Office Equipment
REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ 29,341	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-	-
Other revenues	32,500	-	-	-	-	-	-
TOTAL REVENUES	32,500	-	29,341	-	-	-	-
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public works	381,841	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	136,370	900	4,697	-	-
TOTAL EXPENDITURES	381,841	-	136,370	900	4,697	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(349,341)	-	(107,029)	(900)	(4,697)	-	-
OTHER FINANCING SOURCES (USES)							
Transfer from other funds	320,957	-	115,500	40,000	2,500	-	3,000
Transfer to other funds	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	320,957	-	115,500	40,000	2,500	-	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	(28,384)	-	8,471	39,100	(2,197)	-	3,000
FUND BALANCE (DEFICIT) - July 1, 2016	16,413	29,720	21,592	87,338	40,437	3,503	34,961
FUND BALANCE (DEFICIT) - June 30, 2017	\$ (11,971)	\$ 29,720	\$ 30,063	\$ 126,438	\$ 38,240	\$ 3,503	\$ 37,961

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, 2017

	CAPITAL PROJECTS FUNDS				PERMANENT FUND	Total NonMajor Governmental Funds
	GIS Mapping System	Transfer Station Move	New Town Hall	Comprehensive Town Plan	Cemetery Fund	
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,509
Earnings on investments	-	-	-	-	67	597
Other revenues	-	-	-	-	-	294,483
TOTAL REVENUES	-	-	-	-	67	328,589
EXPENDITURES						
General government	-	-	-	3,825	-	124,047
Public works	-	-	-	-	-	496,394
Public safety	-	-	-	-	-	28,569
Social services	-	-	-	-	-	6,100
Public health and welfare	-	-	-	-	-	34,483
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	174,152
TOTAL EXPENDITURES	-	-	-	3,825	-	863,745
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-	-	-	(3,825)	67	(535,156)
OTHER FINANCING SOURCES (USES)						
Transfer from other funds	-	50,000	30,000	12,000	-	661,992
Transfer to other funds	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	50,000	30,000	12,000	-	661,992
Excess (Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	-	50,000	30,000	8,175	67	126,836
FUND BALANCE (DEFICIT) - July 1, 2016	10,000	225,000	32,000	-	26,855	1,202,130
FUND BALANCE (DEFICIT) - June 30, 2017	\$ 10,000	\$ 275,000	\$ 62,000	\$ 8,175	\$ 26,922	\$ 1,328,966

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, 2017

	BALANCE July 1, 2016	ADDITIONS	DEDUCTIONS	BALANCE June 30, 2017
<u>OPEN SPACE DEDICATION</u>				
<u>ASSETS</u>				
Cash	\$ 46,693	\$ 116	\$ -	\$ 46,809
TOTAL ASSETS	<u>\$ 46,693</u>	<u>\$ 116</u>	<u>\$ -</u>	<u>\$ 46,809</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 46,693	\$ 116	\$ -	\$ 46,809
TOTAL LIABILITIES	<u>\$ 46,693</u>	<u>\$ 116</u>	<u>\$ -</u>	<u>\$ 46,809</u>
<u>SURETY BONDS ESCROW</u>				
<u>ASSETS</u>				
Due from other funds	\$ 105,500	\$ -	\$ -	\$ 105,500
TOTAL ASSETS	<u>\$ 105,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,500</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 105,500	\$ -	\$ -	\$ 105,500
TOTAL LIABILITIES	<u>\$ 105,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,500</u>
<u>BRAYMAN ESCROW</u>				
<u>ASSETS</u>				
Cash	\$ 6,728	\$ 13	\$ -	\$ 6,741
TOTAL ASSETS	<u>\$ 6,728</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 6,741</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 6,728	\$ 13	\$ -	\$ 6,741
TOTAL LIABILITIES	<u>\$ 6,728</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 6,741</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 53,421	129	-	\$ 53,550
Due from other funds	105,500	-	-	105,500
TOTAL ASSETS	<u>\$ 158,921</u>	<u>\$ 129</u>	<u>\$ -</u>	<u>\$ 159,050</u>
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 158,921	\$ 129	\$ -	\$ 159,050
TOTAL LIABILITIES	<u>\$ 158,921</u>	<u>\$ 129</u>	<u>\$ -</u>	<u>\$ 159,050</u>

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPERTY TAX RECEIVABLES
For the Fiscal Year Ended June 30, 2017

TAX ROLL YEAR	BALANCE July 1, 2016	CURRENT YEAR ASSESSMENT	ADDITIONS AND ADJUSTMENTS	REFUNDS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE June 30, 2017
2016	\$ -	\$ 14,110,221	\$ 20,587	\$ 6,162	\$ 14,968	\$ 14,122,002	\$ 13,836,158	\$ 285,844
2015	241,103	-	(12)	10,190	5,155	246,126	219,375	26,751
2014	33,692	-	214	-	1,564	32,342	5,190	27,152
2013	28,768	-	181	-	1,789	27,160	2,851	24,309
2012	26,381	-	14	-	2,982	23,413	3,045	20,368
2011	29,445	-	14	-	1,940	27,519	1,586	25,933
2010	27,177	-	-	-	46	27,131	892	26,239
2009	17,739	-	-	-	48	17,691	1,032	16,659
2008	19,925	-	-	-	66	19,859	1,024	18,835
2007	15,718	-	-	-	183	15,535	945	14,590
2006	10,553	-	-	-	7,334	3,219	462	2,757
2005	8,292	-	-	-	-	8,292	-	8,292
2004	5,397	-	1	-	-	5,398	116	5,282
2003 and prior	32,282	-	-	-	-	32,282	-	32,282
	<u>\$ 496,472</u>	<u>\$ 14,110,221</u>	<u>\$ 20,999</u>	<u>\$ 16,352</u>	<u>\$ 36,075</u>	<u>\$ 14,607,969</u>	<u>\$ 14,072,676</u>	<u>\$ 535,293</u>
								Less: Allowance for Uncollectable Taxes
								<u>127,979</u>
								<u>\$ 407,314</u>

FY2017 CASH COLLECTIONS SUMMARY			
JULY-AUGUST 2016 COLLECTIONS SUBJECT TO 60-DAY FY16 ACCRUAL	SEPTEMBER - JUNE 2017 COLLECTIONS	TOTAL FY2017 CASH COLLECTIONS	JULY-AUGUST 2017 COLLECTIONS SUBJECT TO 60-DAY FY17 ACCRUAL
\$ -	\$ 13,836,158	\$ 13,836,158	\$ 86,713
78,894	140,481	219,375	2,325
674	4,516	5,190	209
-	2,851	2,851	-
282	2,763	3,045	24
37	1,549	1,586	48
65	827	892	-
420	612	1,032	-
45	979	1,024	185
79	866	945	-
99	363	462	-
-	-	-	-
98	18	116	-
-	-	-	-
<u>\$ 80,693</u>	<u>\$ 13,991,983</u>	<u>\$ 14,072,676</u>	<u>\$ 89,504</u>

DESCRIPTION OF PROPERTY	SCHEDULE OF NET ASSESSED PROPERTY, VALUED BY CATEGORY	
	VALUATIONS DECEMBER 31, 2015	LEVY JULY 1, 2016
Real property - Residential	\$ 675,991,400	\$ 10,607,130
Real property - Commercial	69,035,300	1,098,324
Real property - Frozen (Market Value)	189,800	422
Motor vehicles	73,317,421	2,070,754
Tangible personal property	20,926,270	333,591
TOTAL	839,460,191	14,110,221
Less: Exemptions	20,460,107	-
NET ASSESSED VALUE	<u>\$ 819,000,084</u>	<u>\$ 14,110,221</u>

RECONCILIATION OF CURRENT YEAR PROPERTY TAX REVENUE	
Current year collections	\$ 14,072,676
Add: Revenue collected within 60 days subsequent fiscal year ended June 30, 2017, net municipal lien certificates	89,504
Less: Prior year revenue received in current year	(80,693)
Less: Refunds and other adjustments	(16,239)
CURRENT YEAR PROPERTY TAX REVENUE	<u>\$ 14,065,248</u>

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES
For the Fiscal Year Ended June 30, 2017

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding July 1, 2016</u>	<u>Additions</u>	<u>Reductions During Year</u>	<u>Outstanding June 30, 2017</u>	<u>Interest Paid During Year</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL LONG-TERM LIABILITIES										
<u>BONDS AND NOTES PAYABLE</u>										
Exeter public library bond	9/16/2011	3.67%	9/16/2021	\$ 614,000	\$ 350,644	\$ -	\$ 61,627	\$ 289,017	\$ 12,006	\$ 63,960
Exeter development rights bond	5/15/2013	3.25%	5/18/2023	<u>424,819</u>	<u>308,430</u>	<u>-</u>	<u>40,373</u>	<u>268,057</u>	<u>9,558</u>	<u>41,723</u>
TOTAL BONDS AND NOTES PAYABLE				1,038,819	659,074	-	102,000	557,074	21,564	105,683
<u>CAPITAL LEASES PAYABLE</u>										
Capital lease obligation - grader	3/1/2013				25,158	-	25,158	-	718	-
Capital lease obligation - street sweeper	10/1/2014				109,078	-	35,297	73,781	3,251	36,349
Capital lease obligation - plow truck	8/25/2015				<u>149,538</u>	<u>-</u>	<u>35,856</u>	<u>113,682</u>	<u>4,152</u>	<u>36,856</u>
TOTAL CAPITAL LEASES PAYABLE					283,774	-	96,311	187,463	8,121	73,205
<u>OTHER LONG-TERM LIABILITIES</u>										
Landfill post closure care costs (Note 12)					204,107	-	-	204,107	-	-
Compensated absences					<u>75,443</u>	<u>7,550</u>	<u>1,955</u>	<u>81,038</u>	<u>-</u>	<u>12,680</u>
TOTAL OTHER LONG-TERM LIABILITIES				-	279,550	7,550	1,955	285,145	-	12,680
TOTAL GOVERNMENTAL LONG-TERM LIABILITIES				\$ 1,038,819	\$ 1,222,398	\$ 7,550	\$ 200,266	\$ 1,029,682	\$ 29,685	\$ 191,568

TOWN OF EXETER, RHODE ISLAND
 OTHER SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM LIABILITIES - DEBT SERVICE REQUIREMENTS
 GOVERNMENTAL ACTIVITIES
 June 30, 2017

Maturing in Fiscal Year	General Obligation Bonds	Total Interest	Total Principal & Interest
2018	\$ 105,683	\$ 17,881	\$ 123,564
2019	109,500	14,064	123,564
2020	113,429	10,135	123,564
2021	117,553	6,011	123,564
2022	65,886	2,452	68,338
2023	45,023	746	45,769
	<u>\$ 557,074</u>	<u>\$ 51,289</u>	<u>\$ 608,363</u>

TOWN OF EXETER, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2017

TAXABLE ASSESSED VALUE

Gross assessed value	\$ 839,460,191
Less exemptions	<u>(20,460,107)</u>
TOTAL TAXABLE ASSESSED VALUE	<u>\$ 819,000,084</u>

TOTAL DEBT MARGIN

Debt Limit - 3 percent of total assessed value	\$ 24,570,003
Total bonded debt	<u>(557,074)</u>
TOTAL DEBT MARGIN	<u>\$ 24,012,929</u>

ANNUAL SUPPLEMENTAL TRANSPARENCY INFORMATION

*The information provided herein contains the new
Supplemental Annual Transparency Report (MTP2) and
its related notes as required by the State of Rhode Island.*

Town of Exeter
Annual Supplemental Transparency Report (MTP2)
For the Fiscal Year Ended June 30, 2017

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Property Tax Collection	\$ 13,916,709	\$ -
Prior Year Property Tax Collection	148,539	-
Interest & Penalty	96,832	-
PILOT & Tax Treaty (excluded from certified levy)	-	-
Other Local Property Taxes	-	-
Licenses and Permits	62,066	-
Fines and Forfeitures	-	-
Investment Income	7,536	-
Departmental	338,036	-
Rescue Run Revenue	-	-
Police & Fire Detail	15,216	-
Other Local Non Property Tax Revenues	-	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	-
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	-
CDBG	6,159	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	29,341	-
MV Excise Tax Reimbursement	93,419	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	52,087	-
Library Construction Aid	75,968	-
Public Service Corporation Tax	85,909	-
Meals & Beverage Tax	105,840	-
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	75,618	-
Local Appropriation for Education	-	-
Regional Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 15,109,275</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, 2017

EXPENDITURES	General Government	Finance	Social Services	Information Technology	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation Group A	\$ 350,315	\$ 39,800	\$ 5,795	\$ -	\$ 68,233	\$ 119,232	\$ 436,642	\$ -	\$ -
Compensation Group B	-	-	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-	-	-
Overtime - Group A	-	-	-	-	-	-	27,413	-	-
Overtime - Group B	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	78,827	19,707	-	-	19,707	19,707	157,655	-	-
Active Medical Insurance - Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance - Group A	5,171	1,293	-	-	1,293	1,293	10,343	-	-
Active Dental Insurance - Group B	-	-	-	-	-	-	-	-	-
Payroll Taxes	38,264	1,664	1,664	-	16,637	3,327	16,318	-	-
Life Insurance	435	40	40	-	79	79	316	-	-
Defined Contribution - Group A	25,139	3,963	-	-	7,269	8,734	46,848	-	-
Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
Other Benefits - Group A	3,000	-	-	-	600	600	4,199	-	-
Other Benefits - Group B	-	-	-	-	-	-	-	-	-
Local Pension - Group A	-	-	-	-	-	-	-	-	-
Local Pension - Group B	-	-	-	-	-	-	-	-	-
State Pension - Group A	-	-	-	-	-	-	-	-	-
State Pension - Group B	-	-	-	-	-	-	-	-	-
Other Pension	-	-	-	-	-	-	-	-	-
Purchased Services	100,292	21,488	-	26,305	1,211	-	1,000	-	-
Materials/Supplies	42,837	1,401	-	-	1,348	32,207	26,745	-	-
Software Licenses	10,316	-	-	18,045	-	2,440	-	-	-
Capital Outlays	-	-	-	-	-	-	136,370	-	-
Insurance	26,833	1,349	1,349	-	2,697	2,697	47,636	-	-
Maintenance	792	-	-	-	-	5,604	26,850	-	-
Vehicle Operations	-	-	-	-	-	-	104,957	-	-
Utilities	33,571	-	-	-	-	13,632	5,500	-	-
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal - Raw Material & External Contracts	-	-	-	-	-	-	92,921	-	-
Trash Removal & Recycling	-	-	-	-	-	-	114,553	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	8,675	-	-	-	-	-	-
Other Operations Expenditures	36,138	-	673	-	-	18,105	400,291	-	-
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	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 751,930	\$ 90,703	\$ 18,195	\$ 44,350	\$ 119,074	\$ 227,657	\$ 1,656,557	\$ -	\$ -

Town of Exeter
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
For the Fiscal Year Ended June 30, 2017

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	\$ 14,849,744	\$ -	\$ 14,103,049	\$ 661,992	\$ 84,703	\$ 1,868,025	\$ 1,952,728
Transfer Station Fund	152,106	-	157,047	-	(4,941)	19,830	14,889
Animal Shelter Fund	24,209	66,835	91,611	-	(567)	(50,863)	(51,430)
CDBG Grants	38,159	-	33,200	-	4,959	75,060	80,019
Vehicle Replacement Fund	15,216	-	32,185	-	(16,969)	191,594	174,625
Public Works - Roads Fund	32,500	320,957	381,841	-	(28,384)	16,413	(11,971)
Public Works - Equipment Fund	<u>29,341</u>	<u>115,500</u>	<u>136,370</u>	<u>-</u>	<u>8,471</u>	<u>21,592</u>	<u>30,063</u>
Totals per audited financial statements	<u>\$ 15,141,275</u>	<u>\$ 503,292</u>	<u>\$ 14,935,303</u>	<u>\$ 661,992</u>	<u>\$ 47,272</u>	<u>\$ 2,141,651</u>	<u>\$ 2,188,923</u>
<u>Reconciliation from financial statements to MPT2</u>							
Eliminate transfers between General Fund and Other Funds	\$ -	\$ (503,292)	\$ -	\$ (503,292)	\$ -	\$ -	\$ -
Program activity in CDBG Funds not reported on the MTP2 because they are for program revenues & expenditures and not for administration expenditures	(32,000)	-	(32,000)	-	-	-	-
Rounding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals Per MTP2	<u>\$ 15,109,275</u>	<u>\$ -</u>	<u>\$ 14,903,303</u>	<u>\$ 158,700</u>	<u>\$ 47,272</u>	<u>\$ 2,141,651</u>	<u>\$ 2,188,923</u>

Town of Exeter
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
For the Fiscal Year Ended June 30, 2017

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, 2017

NOTE 1 – BASIS OF PRESENTATION

The *Annual Supplemental Transparency Report (MTP2)* is a new supplemental schedule required by the State of Rhode Island, as a result of newly enacted legislation, Article 8 of the Appropriations Act (2016 House Bill 7454 sub A as amended). This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) on the Division of Municipal Finance 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 reasonable allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4 – EMPLOYEE GROUPS

Group A - This item includes compensation (salaries, longevity, stipends, clothing, shift differential, out-of-rank, holiday pay, and bonuses) and benefits (medical and dental insurance, pension contributions, OPEB (pay-go and ADC contributions) for the primary work force of the department (Police Department: Police Officers, Fire Department: Fire Fighters, Education Department: Certified Employees, and Other Departments: All Employees).

Group B - This item would only include compensation (salaries, longevity, stipend, clothing, shift differential, out-of-rank, holiday pay, and bonuses) and benefits (medical and dental insurance, pension contributions, OPEB (pay-go and ADC contributions) for administrative and civilian dispatch employees in Police and Fire Departments and Non-Certified employees for Education Department.

TOWN OF EXETER, RHODE ISLAND
ANNUAL SUPPLEMENTARY INFORMATION
NOTES TO THE ANNUAL SUPPLEMENTARY REPORT (MTP2) (CONTINUED)
June 30, 2017

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/>. (Documents pertaining to the Transparency Portal will be posted in January 2017).

***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, 2017, 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 6, 2017.

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

NADÉAU WAROVICK LLP

West Warwick, Rhode Island
November 6, 2017