



TOWN OF ENFIELD, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016



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TABLE OF CONTENTS

	PAGES
INDEPENDENT AUDITOR'S REPORT	1
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position (Exhibit 1)	9
Statement of Activities (Exhibit 2)	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds (Exhibit 3)	11
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position (Exhibit 4)	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit 5)	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit 6)	14
General Fund - Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) (Exhibit 7)	15
Sewer Fund – Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) (Exhibit 8)	16
Fiduciary Funds – Statement of Fiduciary Net Position (Exhibit 9)	17
Statement of Changes in Fiduciary Net Position (Exhibit 10)	18
NOTES TO THE FINANCIAL STATEMENTS	19
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Town's Proportionate Share of the Net Pension Liability (Exhibit 11)	38
Schedule of the Town's Pension Contributions (Exhibit 12)	39
Note to the Required Supplementary Information	40
COMBINING AND INDIVIDUAL FUND SCHEDULES	
Nonmajor Governmental Funds	
Combining Balance Sheet (Exhibit 13)	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 14)	42
General Fund	
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis) (Exhibit 15)	43
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis) (Exhibit 16)	44
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis) (Exhibit 17)	46
INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT	47



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Town Manager and Members of the Board of Selectmen
Town of Enfield
Enfield, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Governmental Activities

As discussed in Note I.B.3. to the financial statements, management has not determined its liability or annual cost for postemployment benefits other than pensions (OPEB) in governmental activities. Accounting principles generally accepted in the United States of America require that management recognize OPEB expense for the required contributions and a liability for unpaid required contributions, which would increase the liabilities, decrease net position, and increase expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.



Adverse Opinion

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on Governmental Activities" paragraphs, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Enfield, as of December 31, 2016, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of the Town of Enfield, as of December 31, 2016, and the respective changes in financial position thereof and budgetary comparisons of the major funds, 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 pension information on pages 38 thru 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting. 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.

The Town of Enfield has not presented a management's discussion and analysis. Accounting principles generally accepted in the United States of America have determined that the management's discussion and analysis is necessary to supplement, but is not required to be part of, the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Enfield's basic financial statements. The combining nonmajor and individual general fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and individual general fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Roberts & Aune, PLLC

Concord, New Hampshire
January 25, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Enfield, we offer readers this narrative overview and analysis of the financial activities of the Town of Enfield, New Hampshire for the year ended December 31, 2015.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net position presents information on all 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 is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as 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 future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally 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 governmental activities include general government, public safety, highways and streets, water distribution and treatment, sanitation, welfare, culture and recreation, and economic development.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and fiduciary 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 near-term inflows and outflows 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total assets exceeded liabilities by \$6,712,653 (i.e., net position), an increase of \$269,308 in comparison to the prior year restated balance.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$1,797,684, an increase of \$412,777 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the general fund was \$(767,905), a change of \$72,658 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable and capital leases) at the close of the current fiscal year was \$4,551,651, a change of \$462,230 in comparison to the prior year.



C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data comparing current and prior fiscal year:

STATEMENT OF NET POSITION

	2016	2015
Current and other assets	\$ 7,885,924	\$ 6,806,142
Capital assets	11,673,104	11,273,010
Deferred outflows of resources	790,150	304,553
Total assets and deferred outflows of resources	20,349,178	18,383,705
Long-term liabilities outstanding	8,070,375	6,816,513
Other liabilities	5,354,989	4,702,999
Deferred inflows of resources	211,161	3,340
Total liabilities and deferred inflows of resources	13,636,525	11,522,852
Net position:		
Net investment in capital assets	7,121,453	7,183,589
Restricted	680,526	525,478
Unrestricted	(1,089,326)	(1,265,722)
Total net position	\$ 6,712,653	\$ 6,443,345

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$6,712,653, a change of \$269,308 from the prior year.

The largest portion of net position \$7,121,453 reflects our investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$680,526 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$(1,089,326) may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted balance is negative because of the effects of the compensated absences and net pension liability.



CHANGES IN NET POSITION

	<u>2016</u>	<u>2015</u>
Revenues:		
Program revenues:		
Charges of services	\$ 653,112	\$ 635,679
Operating grants and contributions	169,804	156,895
General revenues:		
Property and other taxes	4,085,314	3,765,830
Licenses and permits	1,065,068	999,021
Grant and contributions not restricted to specific programs	239,415	221,834
Miscellaneous	<u>231,992</u>	<u>81,298</u>
Total revenues	<u>6,444,705</u>	<u>5,860,557</u>
Expenses:		
General government	2,015,671	1,911,051
Public safety	1,168,612	985,607
Highways and streets	1,200,890	1,158,019
Sanitation	1,080,591	981,301
Water distribution and treatment	174,513	189,349
Health	2,151	2,926
Welfare	27,652	27,838
Culture and recreation	319,279	252,518
Conservation	3,515	6,595
Economic development	10,001	21,923
interest on long-term debt	128,637	122,308
Capital outlay	<u>43,885</u>	<u>40,943</u>
Total expenses	<u>6,175,397</u>	<u>5,700,378</u>
Increase in net position	<u>269,308</u>	<u>160,179</u>
Net position, January 1	<u>6,443,345</u>	<u>6,283,166</u>
Net position, December 31	<u>\$6,712,653</u>	<u>\$6,443,345</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

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



As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$1,797,684, a change of \$412,777 in comparison with the prior year. Key elements of this change are as follows:

General fund operations, discussed further in section E	\$72,658
Sewer fund expenditures exceeded revenues	(112,468)
Expendable trust fund revenues in excess of expenditures	211,173
Nonmajor fund revenues exceeded expenditures	<u>241,414</u>
Total	<u>\$412,777</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$(864,862), while total fund balance was \$(767,905). \$742,293 of the deficit is the result of the application of the “60-day rule” in accordance with GAAP.

The fund balance of the general fund changed by \$72,658 during the current fiscal year. Key factors in this change are as follows:

Unexpended balance of appropriation	\$449,448
Revenue shortfall	(330,944)
Increase in deferred tax revenue	(44,784)
Capital outlay activity from lease proceeds on hand, net of income	(1,062)

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues (5,450,035) for the general fund for the current fiscal year were in excess of budgeted revenues (5,387,009) in the amount of \$63,026.

Actual expenditures (5,377,867) for the general fund for the current fiscal year were in less than budgeted expenditures (5,826,955) in the amount of \$449,088.

The result is an excess of revenues over expenditures of \$512,114.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Total investment in capital assets for governmental activities at year end amounted to \$11,673,104 (net of accumulated depreciation), a change of \$400,094 from the prior year. This investment in capital assets includes land, buildings and systems, improvements, machinery, and equipment.

The following major capital assets were purchased during the current fiscal year:

Mascoma Lake Boat Ramp & Dock	Department of Public Works	155,000
Road Improvements	Department of Public Works	115,717
Boys Camp Road Bridge	Department of Public Works	130,000
Ford F550 Dump w/ Plow, Wing & Sander	Department of Public Works	81,635
Dump Body Replacement (2)	Department of Public Works	41,000
Ford Explorer Cruiser (outfitted)	Police Department	35,110
Ford Explorer Cruiser (outfitted)	Police Department	35,110
Zoll Defibrillator	Ambulance	31,788
Jaws of Life Combi-Tool	Fire Department	10,287
Polaris Ranger	6X6 UTV	22,000



The remaining change resulted from depreciation expense.

Additional information on capital assets can be found in the footnotes to the financial statements.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$4,551,651, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the footnotes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Enfield's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Town Manager
23 Main Street, PO Box 373
Enfield, New Hampshire 03748



BASIC FINANCIAL STATEMENTS



EXHIBIT 1
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Net Position
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 4,660,841
Investments	1,820,442
Intergovernmental receivable	66,349
Other receivables, net of allowance for uncollectibles	1,303,472
Tax deeded property held for resale	34,820
Capital assets, not being depreciated:	
Land	1,856,134
Construction in progress	411,086
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	1,715,405
Machinery, vehicles and equipment	1,535,764
Infrastructure	6,154,715
Total assets	<u>19,559,028</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	<u>790,150</u>
LIABILITIES	
Accounts payable	322,389
Accrued payroll and benefits	47,484
Contract payable	55,993
Accrued interest payable	97,396
Intergovernmental payable	4,831,727
Noncurrent obligations:	
Due within one year:	
Bonds and notes payable	141,133
Capital leases payable	103,153
Compensated absences payable	10,639
Due in more than one year:	
Bonds and notes payable	3,528,636
State revolving fund loan payable	257,096
Capital leases payable	521,633
Compensated absences payable	117,263
Net pension liability	3,390,822
Total liabilities	<u>13,425,364</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	207,536
Unearned revenue	3,625
Total deferred inflows of resources	<u>211,161</u>
NET POSITION	
Net investment in capital assets	7,121,453
Restricted for:	
Endowments:	
Nonexpendable	204,101
Expendable	31,050
Other purposes	445,375
Unrestricted	(1,089,326)
Total net position	<u>\$ 6,712,653</u>

The notes to the financial statements are an integral part of this statement.



EXHIBIT 2
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2016

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 2,015,671	\$ 9,446	\$ -	\$ (2,006,225)
Public safety	1,168,612	3,641	26,483	(1,138,488)
Highways and streets	1,200,890	82	143,321	(1,057,487)
Sanitation	1,080,591	395,775	-	(684,816)
Water distribution and treatment	174,513	201,331	-	26,818
Health	2,151	-	-	(2,151)
Welfare	27,652	-	-	(27,652)
Culture and recreation	319,279	42,737	-	(276,542)
Conservation	3,515	100	-	(3,415)
Economic development	10,001	-	-	(10,001)
Interest on long-term debt	128,637	-	-	(128,637)
Capital outlay	43,885	-	-	(43,885)
Total primary government	<u>\$ 6,175,397</u>	<u>\$ 653,112</u>	<u>\$ 169,804</u>	<u>(5,352,481)</u>
General revenues:				
Property taxes				3,939,050
Other taxes				146,264
Licenses and permits				1,065,068
Grants and contributions not restricted to specific programs				239,415
Miscellaneous				231,992
Total general revenues				<u>5,621,789</u>
Change in net position				269,308
Net position, beginning				<u>6,443,345</u>
Net position, ending				<u>\$ 6,712,653</u>



EXHIBIT 3
TOWN OF ENFIELD, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2016

	General	Sewer	Expendable Trust	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,996,052	\$ -	\$ 363,163	\$ 1,301,626	\$ 4,660,841
Investments	252,886	-	1,138,894	428,662	1,820,442
Receivables, net of allowance for uncollectibles:					
Taxes	926,568	-	-	-	926,568
Accounts	205,119	118,779	-	53,006	376,904
Intergovernmental	-	-	-	56,309	56,309
Interfund receivable	694,913	-	-	5,440	700,353
Tax deeded property held for resale	34,820	-	-	-	34,820
Total assets	<u>\$ 5,110,358</u>	<u>\$ 118,779</u>	<u>\$ 1,502,057</u>	<u>\$ 1,845,043</u>	<u>\$ 8,576,237</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 223,566	\$ 95,567	\$ -	\$ 3,256	\$ 322,389
Accrued salaries and benefits	45,413	973	-	1,098	47,484
Contracts payable	-	-	-	55,993	55,993
Intergovernmental payable	4,831,727	-	-	-	4,831,727
Interfund payable	4,388	636,592	8,726	50,647	700,353
Total liabilities	<u>5,105,094</u>	<u>733,132</u>	<u>8,726</u>	<u>110,994</u>	<u>5,957,946</u>
Deferred inflows of resources:					
Deferred revenue	<u>773,169</u>	<u>30,962</u>	<u>-</u>	<u>16,476</u>	<u>820,607</u>
Fund balances:					
Nonspendable	34,820	-	-	204,101	238,921
Restricted	55,629	-	165,985	421,097	642,711
Committed	-	-	1,327,346	1,141,386	2,468,732
Assigned	6,508	-	-	-	6,508
Unassigned	(864,862)	(645,315)	-	(49,011)	(1,559,188)
Total fund balances	<u>(767,905)</u>	<u>(645,315)</u>	<u>1,493,331</u>	<u>1,717,573</u>	<u>1,797,684</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,110,358</u>	<u>\$ 118,779</u>	<u>\$ 1,502,057</u>	<u>\$ 1,845,043</u>	<u>\$ 8,576,237</u>



EXHIBIT 4
TOWN OF ENFIELD, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
December 31, 2016

Total fund balances of governmental funds (Exhibit 3)		\$ 1,797,684
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 16,415,604	
Less accumulated depreciation	<u>(4,742,500)</u>	11,673,104
Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds		
Long-term intergovernmental receivable		10,040
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (700,353)	
Payables	<u>700,353</u>	-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Deferred tax revenue	\$ 742,293	
Deferred ambulance revenue	27,251	
Deferred water charges	16,476	
Deferred sewer charges	<u>30,962</u>	816,982
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(97,396)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes outstanding	\$ 3,669,769	
State revolving fund loan payable	257,096	
Capital leases outstanding	624,786	
Compensated absences payable	127,902	
Net pension liability	<u>3,390,822</u>	(8,070,375)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 790,150	
Deferred inflows of resources related to pensions	<u>(207,536)</u>	582,614
Total net position of governmental activities (Exhibit 1)		<u>\$ 6,712,653</u>



EXHIBIT 5
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General	Sewer	Expendable Trust	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 3,715,799	\$ -	\$ -	\$ 324,731	\$ 4,040,530
Licenses, permits and fees	1,065,068	-	-	-	1,065,068
Intergovernmental	382,736	-	-	26,483	409,219
Charges for services	99,922	394,809	-	203,708	698,439
Miscellaneous	141,864	-	11,151	153,450	306,465
Total revenues	<u>5,405,389</u>	<u>394,809</u>	<u>11,151</u>	<u>708,372</u>	<u>6,519,721</u>
Expenditures:					
Current:					
General government	1,939,703	-	2,800	1,590	1,944,093
Public safety	1,040,990	-	-	24,893	1,065,883
Highways and streets	1,131,508	-	-	-	1,131,508
Sanitation	511,778	497,373	-	-	1,009,151
Water distribution and treatment	-	-	-	157,497	157,497
Health	2,151	-	-	-	2,151
Welfare	27,178	-	-	-	27,178
Culture and recreation	244,992	-	1,470	72,952	319,414
Conservation	1,515	-	-	2,000	3,515
Economic development	10,001	-	-	-	10,001
Debt service:					
Principal	148,842	6,484	-	86,031	241,357
Interest on long-term debt	27,553	3,420	-	91,974	122,947
Interest on tax anticipation note	4,112	-	-	-	4,112
Capital outlay	487,384	-	-	286,849	774,233
Total expenditures	<u>5,577,707</u>	<u>507,277</u>	<u>4,270</u>	<u>723,786</u>	<u>6,813,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(172,318)</u>	<u>(112,468)</u>	<u>6,881</u>	<u>(15,414)</u>	<u>(293,319)</u>
Other financing sources (uses):					
Transfers in	138,959	-	342,983	1,052	482,994
Transfers out	(342,983)	-	(138,691)	(1,320)	(482,994)
Long-term debt issued	250,000	-	-	257,096	507,096
Inception of capital leases	199,000	-	-	-	199,000
Total other financing sources and uses	<u>244,976</u>	<u>-</u>	<u>204,292</u>	<u>256,828</u>	<u>706,096</u>
Net change in fund balances	72,658	(112,468)	211,173	241,414	412,777
Fund balances, beginning	(840,563)	(532,847)	1,282,158	1,476,159	1,384,907
Fund balances, ending	<u>\$ (767,905)</u>	<u>\$ (645,315)</u>	<u>\$ 1,493,331</u>	<u>\$ 1,717,573</u>	<u>\$ 1,797,684</u>



EXHIBIT 6
TOWN OF ENFIELD, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016

Net change in fund balances of governmental funds (Exhibit 5)		\$ 412,777
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 914,743	
Depreciation expense	<u>(367,028)</u>	547,715
The net effect of other transactions involving capital assets is to decrease net position.		(147,621)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (482,994)	
Transfers out	<u>482,994</u>	-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in deferred tax revenue	\$ 44,784	
Change in deferred ambulance fees	(15,141)	
Change in deferred water charges	(2,377)	
Change in deferred sewer charges	<u>(8,449)</u>	18,817
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of bonds	\$ (250,000)	
State revolving loan draws	(257,096)	
Inception of capital lease	(199,000)	
Repayment of bonds and notes principal	160,936	
Amortization of loan forgiveness	(2,510)	
Repayment of capital lease principal	<u>82,930</u>	(464,740)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest expense	\$ (1,577)	
Increase in compensated absences payable	<u>(10,618)</u>	(12,195)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
Town pension contributions	\$ 262,220	
Cost of benefits earned, net of employee contributions	<u>(347,665)</u>	(85,445)
Change in net position of governmental activities (Exhibit 2)		<u>\$ 269,308</u>



EXHIBIT 7
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,766,313	\$ 3,760,583	\$ (5,730)
Licenses, permits and fees	1,058,130	1,065,068	6,938
Intergovernmental	382,736	382,736	-
Charges for services	107,430	99,922	(7,508)
Miscellaneous	72,400	141,726	69,326
Total revenues	<u>5,387,009</u>	<u>5,450,035</u>	<u>63,026</u>
EXPENDITURES			
Current:			
General government	2,103,118	1,938,863	164,255
Public safety	1,029,090	1,040,990	(11,900)
Highways and streets	1,162,141	1,131,508	30,633
Sanitation	544,872	511,778	33,094
Health	2,495	2,151	344
Welfare	34,954	27,178	7,776
Culture and recreation	249,514	244,992	4,522
Conservation	2,150	1,515	635
Economic development	10,000	10,001	(1)
Debt service:			
Principal	130,088	148,842	(18,754)
Interest on long-term debt	25,418	25,165	253
Interest on tax anticipation note	-	4,112	(4,112)
Other debt service	2,388	2,388	-
Capital outlay	<u>530,727</u>	<u>288,384</u>	<u>242,343</u>
Total expenditures	<u>5,826,955</u>	<u>5,377,867</u>	<u>449,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(439,946)</u>	<u>72,168</u>	<u>512,114</u>
Other financing sources (uses):			
Transfers in	333,929	138,959	(194,970)
Transfers out	(342,983)	(342,983)	-
Long-term debt issued	250,000	250,000	-
Inception of capital lease	<u>199,000</u>	<u>-</u>	<u>(199,000)</u>
Total other financing sources and uses	<u>439,946</u>	<u>45,976</u>	<u>(393,970)</u>
Net change in fund balance	<u>\$ -</u>	<u>118,144</u>	<u>\$ 118,144</u>
Decrease in nonspendable fund balance		43	
Decrease in restricted fund balance		2,600	
Unassigned fund balance, beginning		<u>(243,356)</u>	
Unassigned fund balance, ending		<u>\$ (122,569)</u>	



EXHIBIT 8
TOWN OF ENFIELD, NEW HAMPSHIRE
Sewer Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 508,100	\$ 394,809	\$ (113,291)
EXPENDITURES			
Current:			
Sanitation	498,196	497,373	823
Debt service:			
Principal	6,484	6,484	-
Interest	3,420	3,420	-
Total expenditures	508,100	507,277	823
Net change in fund balance	\$ -	(112,468)	\$ (112,468)
Unreserved fund balance, beginning		(532,847)	
Unreserved fund balance, ending		\$ (645,315)	



EXHIBIT 9
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2016

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ 3,171	\$ 3,322
Investments	48,157	-
Total assets	<u>51,328</u>	<u>3,322</u>
Liabilities:		
Accounts payable	108	-
Due to other governmental units	598	-
Due to developers	-	3,322
Total liabilities	<u>706</u>	<u>3,322</u>
Net position:		
Held in trust for specific purposes	<u>\$ 50,622</u>	<u>\$ -</u>



EXHIBIT 10
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2016

	Private Purpose Trust
Additions:	
New funds	\$ 96
Interest and dividends	802
Total additions	<u>898</u>
Deductions:	
Trust distributions	<u>802</u>
Change in net position	96
Net position, beginning	50,526
Net position, ending	<u><u>\$ 50,622</u></u>



NOTES TO THE BASIC FINANCIAL STATEMENT



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Enfield (the Town) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended December 31, 2016.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

The Town of Enfield is a municipal corporation governed by a board of selectmen consisting of three members elected by the voters. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on the stated criteria, the Town's financial statements do not include any component units.

I.B.2. *Government-Wide and Fund Financial Statements*

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities. Individual funds are not displayed.

The statement of activities reports the direct expenses of a given function offset by program revenues directly connected with the functional program. Direct expenses are those that are clearly identifiable with a specific function. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the Town's services and operating grants and contributions, which finance annual operating activities including restricted investment income. These revenues are subject to externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual, governmental funds are reported in separate columns in the basic fund financial statements with composite columns for nonmajor funds.

I.B.3. *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The financial statements of the Town are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, except that the Town has not reported its annual cost for postemployment benefits other than pension (OPEB) or its net OPEB obligation liability, if any, in the government-wide financial statements as required by GASB Statement No. 45.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Fiduciary fund financial statements also report using this same basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met.

The agency funds are custodial in nature and do not measure results of operations.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within sixty days of the end of the fiscal year. However, on the budgetary basis, tax revenue is not so deferred in accordance with the instructions of the State of New Hampshire Department of Revenue Administration. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond and note principal and interest, which are reported as expenditures in the year due.

Major revenues susceptible to accrual are property taxes, intergovernmental amounts and investment income. In general, other revenues are recognized when cash is received.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

I.B.4. Fund Types and Major Funds

Governmental Funds

The Town reports the following major governmental funds:

General Fund – Reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds

Sewer Fund – Accounts for all revenues and expenditures related to the Town’s sewage disposal operations.

Expendable Trust Fund – This fund is operated as a capital project fund and used to account for funds established by Town Meeting as capital reserve or other expendable trust funds for the purpose of future capital outlays.

The Town also reports seven nonmajor governmental funds.

Fiduciary Funds

The Town reports the following fiduciary funds:

Private Purpose Trust Funds – Account for financial resources of the Town used only for the benefit of other entities or individuals.

Agency Funds – Account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town’s agency funds are used to account for performance bonds held in escrow.

I.C. Assets, Liabilities, and Net Position or Fund Equity

I.C.1. Cash and Investments

The laws of the State of New Hampshire require that the Town’s treasurer have custody of all monies belonging to the Town, other than those held by the trustees of trust funds and library trustees, and pay out the same only upon orders of the Board of Selectmen. The treasurer shall deposit all monies in participation units in the public deposit investment pool established pursuant to N.H. RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge or deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations, or obligations of the State of New



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

Hampshire in value at least equal to the amount of the deposit in each case.

Investments are stated at fair value based on quoted market prices.

New Hampshire law authorizes the Town to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the Town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

I.C.2. *Capital Assets and Depreciation*

Generally, the Town's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Town generally capitalizes assets with cost of \$10,000 or more as purchases and construction outlays occur. The cost of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective account, and the resulting gain or loss is recorded in operations. Estimated useful lives, for depreciable assets are as follow:

	<u>Years</u>
Buildings and building improvements	20-50
Machinery, vehicles and equipment	5-20
Infrastructure	30-75

I.C.3. *Long-Term Liabilities*

In the government-wide financial statements, outstanding debt is reported as liabilities. The balance of long-term debt and other long-term liabilities are not reported in the governmental funds.



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

I.C.4. *Compensated Absences*

Eligible employees earn vacation benefits in varying amounts depending on the number of years of employment, and can carry no more than the number of hours earned in the prior year. Employees are entitled to their vacation leave upon termination.

Eligible employees are granted sick leave benefits at the rate of eight (8) hours, (proportioned for less than full-time employees), for each calendar month of continuous employment, to a maximum accrual of 480 hours. Employees are entitled to 50% of their unused sick leave upon termination of employment if the employee is at least 55 years old or has had at least 20 years of Town employment.

I.C.5. *Equity*

The government-wide statement of net position reports net position in the following components:

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for endowments, which consists of the balance of the permanent funds where the principal must be permanently invested, and the income is allowed to be used only for the purpose of the fund.
- Restricted for other purposes, which consists of the balance of the library fund and grants fund whose purpose is restricted by state law or outside grantors and donors, and the restricted lease escrow account.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of endowments in the permanent funds, and tax deeded property held by the Town for resale.
- Restricted, representing the expendable income portion of the permanent funds, the library fund, grants and donations received, but not yet spent, and the balance of the capital lease escrow account.
- Committed, representing the balances for which the intended use has been established by Town Meeting vote, and would normally require an equally formal action to remove those commitments.



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

- Assigned, which consists of balances for which the intended use is established by the Board of Selectmen in the form of an encumbrance.
- Unassigned, which consists of the deficit balances of the General Fund, Sewer Fund and nonmajor Capital Project Fund.

I.C.6. *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

An annual budget was adopted on a basis consistent with generally accepted accounting principles for the General and Sewer Funds, as well as some of the nonmajor funds. Unless encumbered, all governmental fund appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2016, there was no fund balance from 2015 to use.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as commitments or assignments of fund balances and do not constitute expenditures or liabilities because they will be added to the appropriations voted in the subsequent year.

Revenues are budgeted by source. Expenditures in the General Fund are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, conservation, economic development, debt service and capital outlay. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

II.B. Reconciliation of General Fund Budgetary Basis to GAAP

The following reconciles the budgetary basis to the GAAP basis for the General Fund. There is no difference between budgetary basis and GAAP in the Sewer Fund. The Permanent Fund does not have a formal budget.

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 5,838,994
Adjustments:	
Basis difference:	
Capital lease inception	199,000
Tax revenue deferred in the prior year	697,509
Tax revenue deferred in the current year	(742,293)
Perspective difference:	
Interest earned on lease proceeds	138
Per Exhibit 5 (GAAP basis)	<u>\$ 5,993,348</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 5,720,850
Adjustments:	
Basis difference:	
Encumbrances, beginning	6,148
Encumbrances, ending	(6,508)
Capital lease inception	199,000
Perspective difference:	
Expenditure of lease proceeds held in escrow	1,200
Per Exhibit 5 (GAAP basis)	<u>\$ 5,920,690</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ (122,569)
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(742,293)
Per Exhibit 3 (GAAP basis)	<u>\$ (864,862)</u>

II.C. Deficit Fund Balances

The General Fund reports an unassigned fund deficit at year-end of \$864,862, which is mostly due to deferral of all taxes not collected within sixty days of year-end as required by generally accepted accounting principles for governments. On the budgetary basis, which is what the Town uses in setting the tax rate, such taxes are not deferred, and the deficit is \$122,569. The deficit was carried forward from prior years, and was reduced on the budgetary basis by \$120,787 from the prior year.

The Sewer Fund reports an unassigned fund deficit at year-end of \$645,315, and the nonmajor Capital Project Fund, \$49,011. These deficits will be made up by adjusting sewer user rates and a future transfer from the expendable trust fund, respectively.



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Investments

As of December 31, 2016, the Town's reporting entity had the following investments:

Certificates of Deposit	\$ 1,484,170
Mutual Funds	131,543
New Hampshire Public Deposit Investment Pool	252,886
	<u>\$ 1,868,599</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 1,820,442
Fiduciary funds - statement of fiduciary net position (Exhibit 7)	48,157
Total	<u>\$ 1,868,599</u>

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. New Hampshire law limits investments to those described in Note I.C.1. The Town's investment policy does not place any further restrictions on its investment choices.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town's investment policy limits concentration of investments with a specific maturity.

III.A.2. Receivables, Uncollectible Accounts and Deferred Revenue

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 12% per annum on all taxes not received by the due date. The first billing is an estimate only based on half of the previous year's billing.

The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien should be executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of lien taxes. Properties not redeemed within two years of the date of



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

the tax lien should be deeded to the Town. The tax collector executed a tax lien for uncollected 2014 property taxes on May 9, 2016.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Mascoma Valley Regional School District, Eastman Village District and Grafton County. The Town is responsible for the collection of all these taxes. During the annual tax rate setting process, the Town sets an amount for potential abatements and tax deedings, known as overlay. Overlay is raised through taxation and is reported as a reduction in tax revenue.

The net assessed valuation as of April 1, 2016, upon which the 2016 property tax levy was based was:

For the New Hampshire education tax	\$ 522,727,696
For all other taxes	\$ 529,481,096

The tax rates and amounts assessed for the year ended December 31, 2016 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$7.00	\$ 3,710,587
School portion:		
State of New Hampshire	\$2.38	1,242,817
Local	\$15.20	8,046,239
County portion	\$1.96	1,036,713
Precinct portion:		
Eastman Village	\$1.62	24,730
Total property taxes assessed		<u>\$ 14,061,086</u>

This note continues on the following page.



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

The following details the taxes receivable at year-end:

Property:	
Levy of 2016	\$ 572,420
Unredeemed (under tax lien):	
Levy of 2015	191,653
Levy of 2014	127,132
Levy of 2013	27,046
Levy of 2012	7,231
Levy of 2011	7,229
Levy of 2010	8,287
Excavation tax	570
Less: allowance for estimated uncollectible taxes	(15,000)
Net taxes receivable	<u>\$ 926,568</u>

Other Receivables

Other significant receivables include amounts due from customers for ambulance service, franchise fees, lease reimbursement, and the sale of town owned property in the General Fund, water and sewer charges in the Special Revenue Funds, and a draw from the State Revolving Fund for the sewer force main construction. The receivables are as follow:

Accounts	\$ 465,904
Intergovernmental	56,309
Less: allowance for uncollectible amounts	(89,000)
Net total receivables	<u>\$ 433,213</u>

Deferred Inflows of Resources

Deferred revenue in the governmental funds of \$820,607 at December 31, 2016 represents \$3,625 of prepaid taxes to be applied to subsequent levies, and \$742,293 of property taxes, \$27,251 of ambulance charges, \$30,962 of sewer rents and \$16,476 of water charges that were not collected within sixty days after the year ended, and therefore, are deferred in accordance with generally accepted accounting principles. In the Governmental Activities, only the prepaid taxes are reported as unearned revenue.



TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016

III.A.3. Capital Assets

Changes in Capital Assets

The following table provides a summary of changes in capital assets:

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 2,037,495	\$ -	\$ (181,361)	\$ 1,856,134
Construction in progress	153,990	257,096	-	411,086
Total capital assets not being depreciated	2,191,485	257,096	(181,361)	2,267,220
Being depreciated:				
Buildings and building improvements	2,426,518	-	(14,000)	2,412,518
Machinery, equipment and vehicles	4,076,350	256,930	(71,666)	4,261,614
Infrastructure	7,079,729	400,717	(6,194)	7,474,252
Total capital assets being depreciated	13,582,597	657,647	(91,860)	14,148,384
Total all capital assets	15,774,082	914,743	(273,221)	16,415,604
Less accumulated depreciation:				
Buildings and building improvements	(685,685)	(11,918)	490	(697,113)
Machinery, equipment and vehicles	(2,688,501)	(156,265)	118,916	(2,725,850)
Infrastructure	(1,126,886)	(198,845)	6,194	(1,319,537)
Total accumulated depreciation	(4,501,072)	(367,028)	125,600	(4,742,500)
Net book value, capital assets being depreciated	9,081,525	290,619	33,740	9,405,884
Net book value, all capital assets	\$ 11,273,010	\$ 547,715	\$ (147,621)	\$ 11,673,104

Depreciation Expense

Depreciation expense was charged to functions of the Town as follows:

General government	\$ 21,739
Public safety	51,146
Highways and streets	202,472
Sanitation	72,627
Water distribution	17,158
Culture and recreation	1,886
Total depreciation expense	<u>\$ 367,028</u>



TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016

III.B. Liabilities

III.B.1. Intergovernmental Payable

The amount due to other governments at December 31, 2016 of \$4,831,727 consists of \$4,828,963 due to the Mascoma Valley Regional School District representing the balance of the 2016-2017 district assessment, \$2,743 for state fees collected by the Town, and \$21 owed to the Village District of Eastman for the balance of the annual assessment.

III.B.2. Short-Term Borrowing

On June 6, 2016, the Town issued \$1,500,000 in a tax anticipation note, with an interest rate of 2.13%. This note was repaid on July 27, 2016. The Town paid \$4,112 in interest costs on this note.

III.B.3. Long-Term Liabilities

General obligation bonds and notes are approved by the voters and repaid with general revenues (property taxes). Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2016	Current Portion
General obligation bonds and notes payable:						
Drinking water	\$ 317,951	2002	2021	2.976-4.580	\$ 61,107	\$ 14,732
Clean water	\$ 291,820	2011	2030	2.864	225,840	13,340
Rt. 4 water/sewer extension	\$ 3,200,000	2013	2042	2.950-4.375	2,940,788	75,255
Jones Hill Road	\$ 265,000	2014	2024	2.763	212,000	26,500
Boys Camp Road Bridge	\$ 250,000	2016	2030	2.95	230,034	11,306
					<u>3,669,769</u>	<u>141,133</u>
State revolving fund loan					257,096	-
Capital leases payable:						
DPW vehicles	\$ 300,000	2013	2022	2.5	188,805	29,557
Cruiser	\$ 29,900	2013	2017	4.98	8,028	8,028
DPW vehicle and cruiser	\$ 290,000	2014	2024	2.78	228,953	31,802
Cruisers, F550, Truck Bodies	\$ 199,000	2016	2023	3.15	199,000	33,766
					<u>624,786</u>	<u>103,153</u>
Compensated absences payable:						
Vested sick leave					81,547	6,650
Accrued vacation leave					46,355	3,989
					<u>127,902</u>	<u>10,639</u>
Net pension liability					3,390,822	-
					<u>\$ 8,070,375</u>	<u>\$ 254,925</u>



TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2016:

	General Obligation Bonds and Notes Payable	State Revolving Fund Loan Payable	Capital Leases Payable	Compensated Absences Payable	Net Pension Liability	Total
Balance, beginning	\$ 3,580,705	\$ -	\$ 508,716	\$ 117,284	\$ 2,609,808	\$ 6,816,513
Additions	250,000	257,096	199,000	10,618	781,014	1,497,728
Reductions	(160,936)	-	(82,930)	-	-	(243,866)
Balance, ending	<u>\$ 3,669,769</u>	<u>\$ 257,096</u>	<u>\$ 624,786</u>	<u>\$ 127,902</u>	<u>\$ 3,390,822</u>	<u>\$ 8,070,375</u>

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for bonds and notes as of year-end are as follow:

Year Ending December 31,	Principal	Interest	Total
2017	\$ 141,133	\$ 113,423	\$ 254,556
2018	133,799	147,384	281,183
2019	136,633	142,721	279,354
2020	139,181	137,369	276,550
2021	137,830	129,969	267,799
2022-2026	667,901	571,497	1,239,398
2027-2031	675,197	440,522	1,115,719
2032-2036	650,026	304,078	954,104
2037-2041	805,242	148,863	954,105
2042	182,827	7,998	190,825
Totals	<u>\$ 3,669,769</u>	<u>\$ 2,143,824</u>	<u>\$ 5,813,593</u>

The annual debt service requirements to maturity for the capital leases are as follow:

Year Ending December 31,	Principal	Interest	Total
2017	\$ 103,153	\$ 17,754	\$ 120,907
2018	97,811	14,668	112,479
2019	92,548	11,904	104,452
2020	95,166	9,285	104,451
2021	80,581	6,592	87,173
2022-2024	155,527	7,256	162,783
Totals	<u>\$ 624,786</u>	<u>\$ 67,459</u>	<u>\$ 692,245</u>



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

Bonds and notes authorized and unissued as of December 31, 2016 were as follow:

Per Town Meeting Vote of	Purpose	Authorized Amount	Unissued Amount
March 12, 2016	Lakeview Condominium Sewer Force Main	\$ 2,500,000	\$ 2,242,904

III.C. Balances and Transfers – Payments Within the Reporting Entity

III.C.1. *Receivables and Payables*

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as “interfund receivables/payables.”

The following reports the interfund receivables and payables at year-end:

Receivable Fund	Payable Fund	Amount
General	Sewer	\$ 636,592
General	Expendable trust	8,726
General	Nonmajor	49,595
Nonmajor	General	4,388
Nonmajor	Nonmajor	1,052
		<u>\$ 700,353</u>

The amounts due to the General Fund represent reimbursements for expenditures paid on behalf of other funds. The amount due to the General Fund from the Nonmajor Funds represents a reimbursement of an overpayment made to the Conservation Commission Fund, and the amount due to the Nonmajor Funds from the Nonmajor Funds represents the distribution of Permanent Fund income to the Library Fund.

III.C.2. *Transfers*

Transfers within the reporting entity are substantially for the purposes of distributing taxes to the fund for which the appropriation was made, funding capital projects, and making additions to and using capital reserve accounts. The government-wide statement of activities eliminates transfers reported within the activities columns.



TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016

The following reports transfers within the reporting entity:

	Transfers In:			
	General Fund	Expendable Trust Fund	Nonmajor Funds	Total
Transfers out:				
General fund	\$ -	\$ 342,983	\$ -	\$ 342,983
Expendable trust fund	138,691	-	-	138,691
Nonmajor funds	268	-	1,052	1,320
	<u>\$ 138,959</u>	<u>\$ 342,983</u>	<u>\$ 1,052</u>	<u>\$ 482,994</u>

The transfers from the General Fund to the Expendable Trust Fund and from the Expendable Trust Fund to the General Fund, represent voted appropriations. The amount transferred from the Nonmajor Funds to the General Fund and Nonmajor Funds represents the distribution of income earned on Permanent Funds.

III.D. Components of Fund Balance

Fund balance is categorized in the following components as detailed in Note I.C.5:

	General Fund	Sewer Fund	Expendable Trust Fund	Nonmajor Funds
Nonspendable:				
Endowments	\$ -	\$ -	\$ -	\$ 204,101
Tax deeded property	34,820	-	-	-
Total nonspendable	<u>34,820</u>	<u>-</u>	<u>-</u>	<u>204,101</u>
Restricted:				
General government	301	-	-	31,050
Public safety	-	-	-	8,113
Culture and recreation	-	-	-	381,934
Capital outlay	55,328	-	165,985	-
Total restricted	<u>55,629</u>	<u>-</u>	<u>165,985</u>	<u>421,097</u>
Committed:				
Water distribution and treatment	-	-	-	379,394
Conservation	-	-	-	10,755
Capital outlay	-	-	1,327,346	751,237
Total committed	<u>-</u>	<u>-</u>	<u>1,327,346</u>	<u>1,141,386</u>
Assigned for general government	6,508	-	-	-
Unassigned	(864,862)	(645,315)	-	(49,011)
Total fund balance	<u>\$ (767,905)</u>	<u>\$ (645,315)</u>	<u>\$ 1,493,331</u>	<u>\$ 1,717,573</u>



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

IV. Other Information

IV.A. Risk Management

The Town's risk management activities are reported with governmental activities and recorded in the General Fund. During the year, the Town was a member of the NH Public Risk Management Exchange (Primex), which is organized to provide certain property and liability protection to member towns, cities and other qualified political subdivisions of New Hampshire. As a member of Primex, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 through June 30 for property/liability and workers' compensation insurance. Contributions billed for 2016 to be recorded as an insurance expenditure/expense totaled \$46,704 for property/liability and \$65,567 for workers' compensation. The Town also paid \$2,579 for unemployment compensation. The member agreement permits Primex to make additional assessments to members should there be a deficiency in trust assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for the Town's police officers, fire personnel and other employees, and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at www.nhrs.org or by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rates of contribution for police officers, firefighters and other employees were 11.55%, 11.80% and 7.0% of gross earnings, respectively. The rates of contribution from the Town of Enfield were 26.38% for police, 29.16% for fire personnel, and 11.17% for other employees, which are actuarially determined to generate an amount that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Town during the years 2014, 2015, and 2016 were \$243,441, \$257,878, and \$262,220, respectively. The amounts are paid on a monthly basis as due.



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At December 31, 2016, the Town reported a liability of \$3,390,822 for its proportionate share of the net pension liability. The net pension liability is based upon the June 30, 2015 actuarial valuation, rolled forward to determine the net pension liability as of June 30, 2016. The roll-forward of the total pension liability from June 30, 2015 to June 30, 2016 reflects expected service and interest costs reduced by the actual benefit payments, refunds, and administrative expenses for the plan year. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2016, the Town's proportion was 0.0638%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2015.

For the year 2016, the Town recognized pension expense of \$347,665. At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ -	\$ 164,718
Net differences between projected and actual earnings on pension plan investments	212,147	-
Changes in assumptions	417,302	
Differences between expected and actual experience	9,423	42,818
Town contributions subsequent to the measurement date	<u>151,278</u>	<u>-</u>
	<u>\$ 790,150</u>	<u>\$ 207,536</u>

The Town reported \$151,278 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year 2017.



TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follow:

Year Ended June 30,	
2017	\$ 71,002
2018	71,002
2019	149,142
2020	133,634
2021	6,556
	<u>\$ 431,336</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 to June 30, 2015. The following actuarial assumptions were applied to all periods included in the June 30, 2016 measurement:

Inflation	2.5%
Salary increases	5.6% average, including inflation
Investment rate of return	7.25% per year

Mortality rates were based on the RP-2014 Mortality Table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of net pension liability	\$ 4,356,975	\$ 3,390,822	\$ 2,589,551

Other actuarial assumptions, as well as detailed information about the pension plan's fiduciary net position, is available in the separately issued NHRS report.



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

IV.C. Contingent Liabilities

Amounts received from grantor agencies are subject to audit and adjustments by such agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.



REQUIRED SUPPLEMENTARY INFORMATION



EXHIBIT 15
TOWN OF ENFIELD, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

For Tte Year Ended December 31,	Town's Proportion of Net Pension Liability	Town's Proportionate Share of the Net Pension Liability	Town's Covered- Employee Payroll	Town's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0690%	\$ 2,590,863	\$ 1,668,595	155.27%	66.3%
2015	0.0659%	\$ 2,609,808	\$ 1,749,061	149.21%	65.5%
2016	0.0638%	\$ 3,390,822	\$ 1,727,692	196.26%	58.3%



EXHIBIT 16
TOWN OF ENFIELD, NEW HAMPSHIRE
Schedule of the Town's Pension Contributions
New Hampshire Retirement System

For the Year Ended December 31,	Contractually Required Contribution	Contribution in Relation to the Contractually Required Contribution	Contribution Deficiency	Town's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 243,441	\$ (243,441)	\$ -	\$ 1,668,595	14.59%
2015	\$ 257,878	\$ (257,878)	\$ -	\$ 1,749,061	14.74%
2016	\$ 262,220	\$ (262,220)	\$ -	\$ 1,727,692	15.18%



**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

The Schedule of the Town's Proportionate Share of the Net Pension Liability and the Schedule of the Town's Pension Contributions are meant to present related information for ten years. Because this is the second year that the Town has presented the pension schedules, only three years are presented. An additional year's information will be added each year until there are ten years shown.



COMBINING AND INDIVIDUAL FUND SCHEDULES



EXHIBIT 13
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2016

	Special Revenue Funds				Capital Project Fund	Permanent Fund	Total
	Library	Grants	Conservation Commission	Water	TIF District		
ASSETS							
Cash and cash equivalents	\$ 174,083	\$ 8,113	\$ 6,367	\$ 347,218	\$ 751,237	\$ 14,608	\$ 1,301,626
Investments	206,799	-	-	-	-	221,863	428,662
Receivables, net of allowance for uncollectibles:							
Accounts	-	-	-	53,006	-	-	53,006
Intergovernmental	-	-	-	-	-	-	56,309
Interfund receivable	1,052	-	4,388	-	-	-	5,440
Total assets	<u>\$ 381,934</u>	<u>\$ 8,113</u>	<u>\$ 10,755</u>	<u>\$ 400,224</u>	<u>\$ 751,237</u>	<u>\$ 236,471</u>	<u>\$ 1,845,043</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	-	-	-	3,256	-	-	3,256
Accrued salaries and benefits	-	-	-	1,098	-	-	1,098
Contracts payable	-	-	-	-	55,993	-	55,993
Interfund payable	-	-	-	-	49,327	1,320	50,647
Total liabilities	-	-	-	<u>4,354</u>	<u>105,320</u>	<u>1,320</u>	<u>110,994</u>
Deferred inflows of resources:							
Deferred revenue	-	-	-	16,476	-	-	16,476
Fund balances:							
Nonspendable	-	-	-	-	-	204,101	204,101
Restricted	381,934	8,113	-	-	-	31,050	421,097
Committed	-	-	10,755	379,394	751,237	-	1,141,386
Unassigned	-	-	-	-	-	-	(49,011)
Total fund balances	<u>381,934</u>	<u>8,113</u>	<u>10,755</u>	<u>379,394</u>	<u>751,237</u>	<u>235,151</u>	<u>1,717,573</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 381,934</u>	<u>\$ 8,113</u>	<u>\$ 10,755</u>	<u>\$ 400,224</u>	<u>\$ 751,237</u>	<u>\$ 236,471</u>	<u>\$ 1,845,043</u>



EXHIBIT 14
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2016

	Special Revenue Funds					TIF District	Capital Project Fund	Permanent Fund	Total
	Library	Grants	Conservation Commission	Water					
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,731	\$ -	\$ -	\$ 324,731
Intergovernmental	-	26,483	-	-	-	-	-	-	26,483
Charges for services	-	-	-	203,708	-	-	-	-	203,708
Miscellaneous	138,975	11,231	3	-	-	-	-	3,241	153,450
Total revenues	138,975	37,714	3	203,708	-	324,731	-	3,241	708,372
EXPENDITURES									
Current:									
General government	-	1,590	-	-	-	-	-	-	1,590
Public safety	-	24,893	-	-	-	-	-	-	24,893
Water distribution and treatment	-	-	-	157,497	-	-	-	-	157,497
Culture and recreation	50,341	22,611	-	-	-	-	-	-	72,952
Conservation	-	-	2,000	-	-	-	-	-	2,000
Debt service:									
Principal	-	-	-	12,724	73,307	-	-	-	86,031
Interest	-	-	-	3,035	88,939	-	-	-	91,974
Capital outlay	-	-	-	-	29,753	257,096	-	-	286,849
Total expenditures	50,341	49,094	2,000	173,256	191,999	257,096	-	-	723,786
Excess (deficiency) of revenues over (under) expenditures	88,634	(11,380)	(1,997)	30,452	132,732	(257,096)	-	3,241	(15,414)
Other financing sources (uses):									
Transfers in	1,052	-	-	-	-	-	-	-	1,052
Transfers out	-	-	-	-	-	-	-	(1,320)	(1,320)
Long-term debt issued	-	-	-	-	-	257,096	-	-	257,096
Total other financing sources and uses	1,052	-	-	-	-	257,096	-	(1,320)	256,828
Net change in fund balances	89,686	(11,380)	(1,997)	30,452	132,732	-	-	1,921	241,414
Fund balances, beginning	292,248	19,493	12,752	348,942	618,505	(49,011)	-	233,230	1,476,159
Fund balances, ending	\$ 381,934	\$ 8,113	\$ 10,755	\$ 379,394	\$ 751,237	\$ (49,011)	\$ -	\$ 235,151	\$ 1,717,573



EXHIBIT 15
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2016

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 3,621,413	\$ 3,614,319	\$ (7,094)
Land use change	22,400	22,403	3
Timber	6,000	5,947	(53)
Excavation	1,500	754	(746)
Payments in lieu of taxes	-	4,000	4,000
Interest and penalties on delinquent taxes	115,000	113,160	(1,840)
Total taxes	<u>3,766,313</u>	<u>3,760,583</u>	<u>(5,730)</u>
Licenses, permits and fees:			
Business licenses and permits	530	529	(1)
Motor vehicle permits	975,000	974,854	(146)
Building permits	9,500	14,419	4,919
Other	73,100	75,266	2,166
Total licenses, permits and fees	<u>1,058,130</u>	<u>1,065,068</u>	<u>6,938</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	239,415	239,415	-
Highway block grant	143,321	143,321	-
Total intergovernmental	<u>382,736</u>	<u>382,736</u>	<u>-</u>
Charges for services:			
Income from departments	88,000	80,562	(7,438)
Other charges	19,430	19,360	(70)
Total charges for services	<u>107,430</u>	<u>99,922</u>	<u>(7,508)</u>
Miscellaneous:			
Sale of property	23,500	127,867	104,367
Interest on investments	2,900	2,739	(161)
Rent of property	-	5,450	5,450
Insurance dividends and reimbursements	46,000	5,841	(40,159)
Other	-	(171)	(171)
Total miscellaneous	<u>72,400</u>	<u>141,726</u>	<u>69,326</u>
Other financing sources:			
Transfers in:			
Expendable trust fund	328,405	138,691	(189,714)
Nonmajor funds	5,524	268	(5,256)
Long-term debt issued	250,000	250,000	-
Inception of capital lease	199,000	-	(199,000)
Total other financing sources	<u>782,929</u>	<u>388,959</u>	<u>(393,970)</u>
Total revenues and other financing sources	<u>\$ 6,169,938</u>	<u>\$ 5,838,994</u>	<u>\$ (330,944)</u>



EXHIBIT 16
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2016

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 251,688	\$ 233,532	\$ -	\$ 18,156
Election and registration	-	89,210	83,551	-	5,659
Financial administration	-	231,724	208,328	6,400	16,996
Revaluation of property	6,148	30,000	36,040	108	-
Legal	-	12,000	10,306	-	1,694
Personnel administration	-	1,065,496	1,023,261	-	42,235
Planning and zoning	-	86,844	87,504	-	(660)
General government buildings	-	196,050	169,487	-	26,563
Cemeteries	-	7,100	8,536	-	(1,436)
Insurance, not otherwise allocated	-	50,250	48,058	-	2,192
Advertising and regional associations	-	36,705	29,900	-	6,805
Other	-	46,051	-	-	46,051
Total general government	6,148	2,103,118	1,938,503	6,508	164,255
Public safety:					
Police	-	654,163	657,993	-	(3,830)
Ambulance	-	121,614	127,171	-	(5,557)
Fire	-	120,412	111,940	-	8,472
Building inspection	-	56,241	66,051	-	(9,810)
Emergency management	-	2,500	-	-	2,500
Other	-	74,160	77,835	-	(3,675)
Total public safety	-	1,029,090	1,040,990	-	(11,900)
Highways and streets:					
Administration	-	560,491	550,406	-	10,085
Highways and streets	-	571,650	557,555	-	14,095
Street lighting	-	30,000	23,547	-	6,453
Total highways and streets	-	1,162,141	1,131,508	-	30,633
Sanitation:					
Administration	-	92,700	79,239	-	13,461
Solid waste collection	-	309,300	311,405	-	(2,105)
Solid waste disposal	-	134,000	121,134	-	12,866
Sewage collection and disposal	-	8,872	-	-	8,872
Total sanitation	-	544,872	511,778	-	33,094
Health:					
Administration	-	395	151	-	244
Pest control	-	2,100	2,000	-	100
Total health	-	2,495	2,151	-	344
Welfare:					
Administration and direct assistance	-	34,954	27,178	-	7,776

(continued)



EXHIBIT 16 (continued)
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2016

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	82,460	82,164	-	296
Public library	-	160,194	160,117	-	77
Patriotic purposes	-	750	602	-	148
Other	-	6,110	2,109	-	4,001
Total culture and recreation	-	249,514	244,992	-	4,522
Conservation	-	2,150	1,515	-	635
Economic development	-	10,000	10,001	-	(1)
Debt service:					
Principal	-	130,088	148,842	-	(18,754)
Interest on long-term debt	-	25,418	25,165	-	253
Interest on tax anticipation note	-	-	4,112	-	(4,112)
Other debt service	-	2,388	2,388	-	-
Total debt service	-	157,894	180,507	-	(22,613)
Capital outlay:					
Machinery, vehicles and equipment	-	255,863	18,274	-	237,589
Improvements other than buildings	-	274,864	270,110	-	4,754
Total capital outlay	-	530,727	288,384	-	242,343
Other financing uses:					
Transfers out:					
Expendable trust funds	-	342,983	342,983	-	-
Total encumbrances, appropriations, expenditures and other financing uses	\$ 6,148	\$ 6,169,938	\$ 5,720,490	\$ 6,508	\$ 449,088



EXHIBIT 17
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2016

Unassigned fund balance, beginning		\$ (243,356)
Changes:		
Budget summary:		
Revenue shortfall (Exhibit 15)	\$ (330,944)	
Unexpended balance of appropriations (Exhibit 16)	<u>449,088</u>	
Budget surplus		118,144
Decrease in nonspendable fund balance		43
Decrease in restricted fund balance		<u>2,600</u>
Unassigned fund balance, ending		<u><u>\$ (122,569)</u></u>



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

To the Town Manager and Members of the Board of Selectmen
Town of Enfield
Enfield, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

General Fund Deficit – Repeat Finding

As noted in Note II.C. of the Financial Report, the General Fund is reporting a deficit unassigned fund balance at December 31, 2016 of \$864,862. The deficit is the result of the Town overexpending its budget in 2012, 2013 and 2014, as well as a budgeting error in 2014 and 2016. In 2015, there was a revenue shortfall in multiple line items resulting in a budget deficit. We recommend the Town take steps to reduce the deficit in accordance with RSA 41:9.

Sewer Deficit – Repeat Finding

The Sewer Fund reported a net decrease in fund balance during 2016 of \$112,468, and an ending deficit fund balance of \$645,315. This is the seventh year that this fund has reported significant losses in net income and deficit fund balances. We recommend that the Town continue to analyze its billing rates and structure to determine if rates are sufficient to support its operating activities, and if necessary, consider an annual General Fund appropriation to cover the budget deficit.



Capital Project Fund Deficit – Repeat Finding

The Capital Project Fund reported an ending deficit fund balance of \$49,011. This is the result of projects completed in past years. We recommend the Town transfer funds to close the projects out, as no future activity is expected.

This communication is intended solely for the information and use of management, the board of selectmen, and others within the Town of Enfield, and is not intended to be, and should not be, used by anyone other than these specified parties.

Roberts & Greene, PLLC

Concord, New Hampshire

January 25, 2018