

# TOWN OF ENFIELD, NEW HAMPSHIRE

## FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2019

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# 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, 2019, 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.

### ***Opinions***

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 Enfield, as of December 31, 2019, 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 management's discussion and analysis and pension and OPEB information on pages 3 through 9 and 43 through 46 be

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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.

*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 & Heene, PLLC*

Concord, New Hampshire  
June 25, 2020

## **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, 2019.

### **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 \$10,724,938 (i.e., net position), an increase of \$1,725,157 in comparison to the prior year restated balance (see Note III.D. of the financial statements).
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$5,001,612, an increase of \$1,104,840 in comparison with the prior year restated balance (see Note III.D. of the financial statements).
- At the end of the current fiscal year, fund balance for the general fund was \$542,978, a change of \$518,461 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 \$6,536,339, a change of \$248,196 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

	<b>Governmental Activities 2019</b>	<b>Governmental Activities 2018</b>
Current and Other Assets	\$ 10,602,566	\$ 9,655,428
Capital Assets, net of Depreciation	15,563,630	15,188,322
Deferred Outflows	<u>404,246</u>	<u>595,198</u>
Total Assets	<u>26,570,442</u>	<u>25,438,948</u>
Current Liabilities	5,006,352	5,163,608
Non-Current Liabilities	10,273,240	10,815,906
Deferred Inflows	<u>565,912</u>	<u>459,653</u>
Total Liabilities	<u>15,845,504</u>	<u>16,439,167</u>
Net Position:		
Investments in Capital Assets, Net of Related Debt	9,027,291	8,403,787
Restricted	994,910	899,196
Unrestricted	<u>702,737</u>	<u>(303,202)</u>
Total Net Position	<u>\$ 10,724,938</u>	<u>\$ 8,999,781</u>

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 \$10,724,938, a change of \$1,725,157 from the prior year's restated net position. See Note III.D. for further information on the restatement.

The largest portion of net position \$9,027,291 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 \$994,910 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$702,737 may be used to meet the government's ongoing obligations to citizens and creditors.



### CHANGES IN NET POSITION

	<b>Governmental Activities 2019</b>	<b>Governmental Activities 2018</b>
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,333,758	\$ 1,185,816
Operating Grants and Contributions	114,029	27,005
Capital Grants and Contributions	500,702	1,020,295
General Revenues:		
Property Taxes – General Purpose	4,553,041	4,294,968
Other Taxes	100,506	133,245
Licenses and Permits	1,142,255	1,133,353
Unrestricted Grants and Contributions	293,947	384,379
Miscellaneous	<u>272,793</u>	<u>258,067</u>
<b>Total Revenues</b>	<u>8,311,031</u>	<u>8,437,128</u>
Expenses:		
General Government and Administration	2,045,107	1,943,223
Public Safety–Police, Fire, Emerg. Mgmt	1,257,925	1,131,312
Highway Department	1,347,707	1,267,614
Sanitation	1,104,744	1,078,535
Water Distribution and Treatment	284,853	157,390
Health	2,192	2,203
Welfare	21,607	26,840
Culture and Recreation	254,073	260,977
Conservation	2,780	408
Economic Development	196	195
Interest and fees on Long-Term Debt	182,083	167,571
Capital Outlay	<u>82,607</u>	<u>22,600</u>
<b>Total Expenses</b>	<u>6,585,874</u>	<u>6,058,868</u>
Change in Net Position	1,725,157	2,378,260
Net Position – Beginning of Year, restated	<u>8,999,781</u>	<u>7,430,692</u>
<b>Net Position – End of Year</b>	<u>\$ 10,724,938</u>	<u>\$ 9,808,952</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 \$5,001,612, a change of \$1,104,840 in comparison with the prior year. Key elements of this change are as follows:

General fund operations, discussed further in section E	\$584,590
Sewer fund revenues over expenditures	162,455
Tax proceeds in the TIF District over expenditures	225,271
Investment earnings in Expendable Trust Funds	153,889

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$498,802, while total fund balance was \$542,978.

The fund balance of the general fund changed by \$518,461 during the current fiscal year. Key factors in this change are as follows:

Unexpended balance of appropriation	\$428,462
Revenue surplus	155,948
Decrease in deferred tax revenue	43,034

#### **E. GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual revenues of \$6,498,054 for the general fund for the current fiscal year were over the estimated revenues of \$6,342,106 in the amount of \$155,948.

As a result of actions under prior Town administration that resulted in a General Fund deficit, it is the practice of the present Town administration to conservatively estimate non-property tax revenues for the purpose of estimating and setting a property tax rate. Noteworthy areas where actual revenues eclipsed budgeted revenues include: penalties and interest on delinquent property taxes (+\$35,000), motor vehicle registration fees (+\$33,000), and ambulance transport revenue (+\$16,000), insurance reimbursements (+\$48,000) and unrestricted municipal aid (+\$55,000)

Actual expenditures and encumbrances of \$6,046,061 for the general fund for the current fiscal year were in less than budgeted expenditures and prior year encumbrances of \$6,474,703 in the amount of \$428,642.

As a result of actions under prior Town administration that resulted in a General Fund deficit, it is the practice of the present Town administration to strongly encourage department heads to exercise maximal restraint when it comes to expending funds (particularly during the last two months of the budget year). It is also the practice of Town administration to develop an expenditure budget that reflects the high level of municipal services the Town aims to provide, and ensure that adequate resources are available should some unexpected expenses arise. Noteworthy areas where actual expenditures came in below budgeted expenditures include: Finance & Administration (-\$50,000), Personnel Administration (-\$100,000), Planning & Zoning (\$18,000), Police (\$30,000), Highways a Streets Administration (-\$38,000), Recreation (\$40,000).

The result is a budget surplus of \$584,590.

#### **F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** Total investment in capital assets for governmental activities at year end amounted to \$15,563,630 (net of accumulated depreciation), a change of \$375,308 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:

Asset	Category	Dept	Acquired	Life	Value
Water Asset Mgt. Plan Municipal Facilities	Misc - Other	Water	5/23/2019	5	12,929.32
Optimization Study Wastewater Asset	Misc - Other	Admin	6/18/2019	5	25,355.41
Management	Misc - Other	Sewer	12/31/2019	5	31,038.01
Wastewater Planning	Misc - Other	Sewer	12/31/2019	5	49,655.80
2019 F-350 Flat Bed	Vehicle	DPW	10/16/2019	20	34,898.00
George Hill Road Reconstruction	Roads	DPW	9/1/2019	15	250,000.00
2018 Ford Interceptor Cruiser	Vehicle	Police	2/8/2019	10	41,659.07
2001 Caterpillar Motor Grader Overhaul	Vehicle	DPW	12/10/2019	7	13,817.49
Municipal Facilities Project	Misc - Other	Admin	12/5/2019	5	29,008.00
Upper Potato Road Culvert Replacement	Roads	DPW	9/26/19	15	53,250.00
Bog Road Culvert	Roads	DPW	11/30/2019	15	43,170.00
Lapan Circle Paving	Roads	DPW	8/1/19	15	25,000.00
Shaker Boulevard Paving	Roads	DPW	8/1/19	15	14,000.00
Sargent Street Paving	Roads	DPW	8/1/19	15	<u>16,000.00</u>
					<u><u>\$639,781.10</u></u>

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 \$6,536,339, 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, 2019**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,161,627
Investments	1,218,853
Intergovernmental receivable	44,793
Other receivables, net of allowance for uncollectibles	1,156,551
Tax deeded property held for resale	20,742
Capital assets, not being depreciated:	
Land	1,903,432
Construction in progress	357,627
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	2,071,211
Machinery, vehicles and equipment	1,731,068
Infrastructure	9,500,292
Total assets	<u>26,166,196</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	392,121
Deferred amounts related to OPEB	12,125
Total deferred outflows of resources	<u>404,246</u>
<b>LIABILITIES</b>	
Accounts payable	280,284
Accrued payroll and benefits	90,435
Accrued interest payable	108,120
Intergovernmental payable	4,527,513
Noncurrent obligations:	
Due within one year:	
Bonds and notes payable	198,403
Capital leases payable	161,674
Compensated absences payable	8,673
Due in more than one year:	
Bonds and notes payable	5,625,999
Capital leases payable	550,263
Compensated absences payable	136,647
Net pension liability	2,784,830
Other postemployment benefits liability	806,751
Total liabilities	<u>15,279,592</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unearned revenue	9,270
Deferred amounts related to pensions	551,558
Deferred amounts related to OPEB	5,084
Total deferred inflows of resources	<u>565,912</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,027,291
Restricted for:	
Endowments:	
Nonexpendable	204,101
Expendable	11,535
Other purposes	779,274
Unrestricted	702,737
Total net position	<u>\$ 10,724,938</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, 2019**

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
		for	Grants and	Grants and	Changes in Net
	Expenses	Services	Contributions	Contributions	Position
Governmental activities:					
General government	\$ 2,006,442	\$ 203,027	\$ 3,022	\$ -	\$ (1,800,393)
Public safety	1,257,925	100,415	85,604	-	(1,071,906)
Highways and streets	1,347,707	1,673	-	160,944	(1,185,090)
Sanitation	1,104,744	769,763	-	251,522	(83,459)
Water distribution and treatment	284,853	215,959	25,403	12,929	(30,562)
Health	2,192	-	-	-	(2,192)
Welfare	60,272	-	-	-	(60,272)
Culture and recreation	254,073	42,921	-	-	(211,152)
Conservation	2,780	-	-	-	(2,780)
Economic development	196	-	-	-	(196)
Interest on long-term debt	182,083	-	-	-	(182,083)
Capital outlay	82,607	-	-	75,307	(7,300)
Total primary government	<u>\$ 6,585,874</u>	<u>\$ 1,333,758</u>	<u>\$ 114,029</u>	<u>\$ 500,702</u>	<u>(4,637,385)</u>
General revenues:					
Property taxes					4,553,041
Other taxes					100,506
Licenses and permits					1,142,255
Grants and contributions not restricted to specific programs					293,947
Miscellaneous					272,793
Total general revenues					<u>6,362,542</u>
Change in net position					1,725,157
Net position, beginning, as restated, see Note III.D.					8,999,781
Net position, ending					<u>\$ 10,724,938</u>

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

**EXHIBIT 3**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

	General	Sewer	TIF District	Expendable Trust	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,410,562	\$ -	\$ 1,282,913	\$ 1,706,514	\$ 761,638	\$ 8,161,627
Investments	264,851	-	-	422,950	531,052	1,218,853
Receivables, net of allowance for uncollectibles:						
Taxes	789,800	-	-	-	-	789,800
Accounts	86,434	209,122	-	-	71,195	366,751
Intergovernmental	13,319	27,525	-	-	1,439	42,283
Interfund receivable	442,695	22,856	-	-	5,369	470,920
Prepaid items	-	-	-	-	82,816	82,816
Tax deeded property held for resale	20,742	-	-	-	-	20,742
Total assets	<u>\$ 6,028,403</u>	<u>\$ 259,503</u>	<u>\$ 1,282,913</u>	<u>\$ 2,129,464</u>	<u>\$ 1,453,509</u>	<u>\$ 11,153,792</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 146,181	\$ 129,091	\$ -	\$ -	\$ 5,012	\$ 280,284
Accrued salaries and benefits	85,078	1,964	-	-	3,393	90,435
Intergovernmental payable	4,527,513	-	-	-	-	4,527,513
Interfund payable	4,388	439,969	-	2,476	24,087	470,920
Total liabilities	<u>4,763,160</u>	<u>571,024</u>	<u>-</u>	<u>2,476</u>	<u>32,492</u>	<u>5,369,152</u>
Deferred inflows of resources:						
Deferred revenue	<u>722,265</u>	<u>43,916</u>	<u>-</u>	<u>-</u>	<u>16,847</u>	<u>783,028</u>
Fund balances:						
Nonspendable	20,742	-	-	-	286,917	307,659
Restricted	-	-	-	-	691,092	691,092
Committed	-	-	1,282,913	2,126,988	426,161	3,836,062
Assigned	23,434	-	-	-	-	23,434
Unassigned	498,802	(355,437)	-	-	-	143,365
Total fund balances	<u>542,978</u>	<u>(355,437)</u>	<u>1,282,913</u>	<u>2,126,988</u>	<u>1,404,170</u>	<u>5,001,612</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,028,403</u>	<u>\$ 259,503</u>	<u>\$ 1,282,913</u>	<u>\$ 2,129,464</u>	<u>\$ 1,453,509</u>	<u>\$ 11,153,792</u>

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



**EXHIBIT 4**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position**  
**December 31, 2019**

Total fund balances of governmental funds (Exhibit 3)		\$ 5,001,612
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	\$ 21,217,105	
Less accumulated depreciation	<u>(5,653,475)</u>	
		15,563,630
Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Long-term intergovernmental receivable		2,510
Payments not due until the subsequent period are recorded as prepaid in the governmental funds.		
Prepaid principal and interest on debt		(82,816)
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (470,920)	
Payables	<u>470,920</u>	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	\$ 643,158	
Unavailable ambulance revenue	69,837	
Unavailable water charges	16,847	
Unavailable sewer charges	<u>43,916</u>	
		773,758
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(108,120)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes outstanding	\$ 5,824,402	
Capital leases outstanding	711,937	
Compensated absences payable	145,320	
Net pension liability	2,784,830	
Total OPEB liability	<u>806,751</u>	
		(10,273,240)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 392,121	
Deferred outflows of resources related to OPEB	12,125	
Deferred inflows of resources related to pensions	(551,558)	
Deferred inflows of resources related to OPEB	<u>(5,084)</u>	
		(152,396)
Total net position of governmental activities (Exhibit 1)		<u>\$ 10,724,938</u>

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

**EXHIBIT 5**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	General	Sewer	TIF District	Expendable Trust	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 4,309,064	\$ -	\$ 387,517	\$ -	\$ -	\$ 4,696,581
Licenses, permits and fees	1,142,255	-	-	-	-	1,142,255
Intergovernmental	454,891	100,710	-	-	105,977	661,578
Charges for services	127,864	747,333	-	-	402,656	1,277,853
Miscellaneous	115,329	187	-	133,954	42,601	292,071
Total revenues	<u>6,149,403</u>	<u>848,230</u>	<u>387,517</u>	<u>133,954</u>	<u>551,234</u>	<u>8,070,338</u>
Expenditures:						
Current:						
General government	2,001,404	-	-	-	7,983	2,009,387
Public safety	1,107,755	-	-	-	79,371	1,187,126
Highways and streets	1,226,908	-	-	-	-	1,226,908
Sanitation	492,970	597,891	-	-	-	1,090,861
Water distribution and treatment	-	-	-	-	175,829	175,829
Health	2,192	-	-	-	-	2,192
Welfare	57,744	-	-	394	-	58,138
Culture and recreation	235,368	-	-	379	16,083	251,830
Conservation	2,780	-	-	-	-	2,780
Economic development	196	-	-	-	-	196
Debt service:						
Principal	86,015	8,321	80,037	184,452	12,021	370,846
Interest	66,632	3,218	82,209	37,401	1,654	191,114
Loan fees	250	-	-	-	-	250
Capital outlay	423,995	76,345	-	251,284	25,057	776,681
Total expenditures	<u>5,704,209</u>	<u>685,775</u>	<u>162,246</u>	<u>473,910</u>	<u>317,998</u>	<u>7,344,138</u>
Excess (deficiency) of revenues over (under) expenditures	<u>445,194</u>	<u>162,455</u>	<u>225,271</u>	<u>(339,956)</u>	<u>233,236</u>	<u>726,200</u>
Other financing sources (uses):						
Transfers in	143,045	-	-	497,168	2,231	642,444
Transfers out	(448,418)	-	-	(3,323)	(190,703)	(642,444)
Long-term debt issued	248,640	-	-	-	-	248,640
Inception of capital lease	130,000	-	-	-	-	130,000
Total other financing sources and uses	<u>73,267</u>	<u>-</u>	<u>-</u>	<u>493,845</u>	<u>(188,472)</u>	<u>378,640</u>
Net change in fund balances	518,461	162,455	225,271	153,889	44,764	1,104,840
Fund balances, beginning, as restated, see Note III.D.	24,517	(517,892)	1,057,642	1,973,099	1,359,406	3,896,772
Fund balances, ending	<u>\$ 542,978</u>	<u>\$ (355,437)</u>	<u>\$ 1,282,913</u>	<u>\$ 2,126,988</u>	<u>\$ 1,404,170</u>	<u>\$ 5,001,612</u>

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

**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, 2019**

Net change in fund balances of governmental funds (Exhibit 5)		\$ 1,104,840
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	\$ 829,240	
Depreciation expense	<u>(428,942)</u>	
		400,298
The net effect of the disposal of capital assets is to decrease net position.		(24,990)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (642,444)	
Transfers out	<u>642,444</u>	
		-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in unavailable tax revenue	\$ (43,034)	
Change in unavailable ambulance revenue	45,883	
Change in unavailable water charges	2,214	
Change in unavailable sewer charges	<u>7,808</u>	
		12,871
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	\$ (325,307)	
Grants received as loan forgiveness	321,895	
Amortization of loan forgiveness	(2,510)	
Inception of capital lease	(130,000)	
Repayment of bond/note principal	231,163	
Repayment of capital lease principal	<u>150,445</u>	
		245,686
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	\$ (1,481)	
Increase in compensated absences payable	(42,501)	
Decrease in OPEB related balances	<u>22,469</u>	
		(21,513)
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	\$ 256,936	
Cost of benefits earned, net of employee contributions	<u>(248,971)</u>	
		7,965
Change in net position of governmental activities (Exhibit 2)		<u><u>\$ 1,725,157</u></u>

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

**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, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 4,266,489	\$ 4,266,030	\$ (459)
Licenses, permits and fees	1,102,165	1,142,255	40,090
Intergovernmental	386,959	454,891	67,932
Charges for services	121,470	127,864	6,394
Miscellaneous	79,154	115,329	36,175
Total revenues	<u>5,956,237</u>	<u>6,106,369</u>	<u>150,132</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,185,124	1,981,608	203,516
Public safety	1,183,476	1,120,168	63,308
Highways and streets	1,238,659	1,226,908	11,751
Sanitation	521,266	492,970	28,296
Health	2,250	2,192	58
Welfare	74,958	57,744	17,214
Culture and recreation	290,570	237,505	53,065
Conservation	1,415	2,780	(1,365)
Economic development	195	196	(1)
Debt service:			
Principal	86,010	86,015	(5)
Interest on long-term debt	57,776	66,632	(8,856)
Interest on tax anticipation note	1	-	1
Loan fees	1,988	250	1,738
Capital outlay	<u>275,000</u>	<u>215,078</u>	<u>59,922</u>
Total expenditures	<u>5,918,688</u>	<u>5,490,046</u>	<u>428,642</u>
Excess of revenues over expenditures	<u>37,549</u>	<u>616,323</u>	<u>578,774</u>
Other financing sources (uses):			
Transfers in	135,869	143,045	7,176
Transfers out	(448,418)	(448,418)	-
Long-term debt issued	<u>250,000</u>	<u>248,640</u>	<u>(1,360)</u>
Total other financing sources and uses	<u>(62,549)</u>	<u>(56,733)</u>	<u>5,816</u>
Net change in fund balance	<u>\$ (25,000)</u>	559,590	<u>\$ 584,590</u>
Decrease in nonspendable fund balance		13,276	
Unassigned fund balance, beginning		<u>569,094</u>	
Unassigned fund balance, ending		<u>\$ 1,141,960</u>	

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

**EXHIBIT 8**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Sewer Department Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (GAAP Basis)**  
**For the Year Ended December 31, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 100,710	\$ 100,710
Charges for services	638,104	747,333	109,229
Miscellaneous	-	187	187
Total revenues	<u>638,104</u>	<u>848,230</u>	<u>210,126</u>
<b>EXPENDITURES</b>			
Current:			
Sanitation	625,965	597,891	28,074
Debt service:			
Principal	8,321	8,321	-
Interest	3,818	3,218	600
Capital outlay	75,000	76,345	(1,345)
Total expenditures	<u>713,104</u>	<u>685,775</u>	<u>27,329</u>
Excess (deficiency) of revenues over (under) expenditures	(75,000)	162,455	237,455
Other financing sources:			
Long-term debt issued	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Net change in fund balance	<u>\$ (75,000)</u>	162,455	<u>\$ 237,455</u>
Decrease in nonspendable fund balance		2,960	
Fund balance, beginning		(520,852)	
Fund balance, ending		<u>\$ (355,437)</u>	

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

**EXHIBIT 9**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2019**

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ 4,987	\$ 9,924
Investments	46,572	-
Total assets	<u>51,559</u>	<u>9,924</u>
Liabilities:		
Accounts payable	102	-
Due to other governmental units	560	-
Due to developers	-	9,924
Total liabilities	<u>662</u>	<u>9,924</u>
Net position:		
Held in trust for specific purposes	<u>\$ 50,897</u>	<u>\$ -</u>

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

**EXHIBIT 10**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2019**

	Private Purpose Trust
Additions:	
New funds	\$ 90
Investment earnings:	
Interest and dividends	752
Total additions	842
Deductions:	
Trust distributions	752
Change in net position	90
Net position, beginning	50,807
Net position, ending	\$ 50,897

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

## **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, 2019**

**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, 2019.

**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; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which finance the acquisition, construction, or rehabilitation of capital assets. 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, 2019**

*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.

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

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2019**

**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.

*TIF District Fund* – Accounts for incremental revenues generated within the Town’s tax increment financing district and expenditures related to debt service for capital improvements within the district.

*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 six 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,

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2019**

United States government or government agency obligations, or obligations of the State of New 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 acquisition 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, 2019**

**I.C.4. *Compensated Absences***

Eligible employees earn vacation benefits in varying amounts depending on their 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 fund 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 fund, prepaid items, and tax deeded property held by the Town for resale.
- Restricted, representing the balance of the expendable income portion of the permanent fund, the library fund, and grants and donations received, but not yet spent.
- 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, 2019**

- 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 remaining balance of the General Fund, and the deficit balance in the Sewer 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. Project length budget are adopted for Capital Project 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 2019, none of the fund balance from 2018 was so used, but \$25,000 was appropriated from fund balance.

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, 2019**

**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, TIF District Fund, and Expendable Trust Fund.

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 6,498,054
Adjustments:	
Basis difference:	
Capital lease inception	130,000
Tax revenue deferred in the prior year	686,192
Tax revenue deferred in the current year	(643,158)
Per Exhibit 5 (GAAP basis)	<u>\$ 6,671,088</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 5,938,464
Adjustments:	
Basis difference:	
Encumbrances, beginning	107,597
Encumbrances, ending	(23,434)
Capital lease inception	130,000
Per Exhibit 5 (GAAP basis)	<u>\$ 6,152,627</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 1,141,960
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(643,158)
Per Exhibit 3 (GAAP basis)	<u>\$ 498,802</u>

**II.C. Deficit Fund Balances**

The Sewer Fund reports an unassigned fund deficit at year-end of \$355,437. The deficit was reduced by \$162,455 from the prior year due to continued spending control. The Town expects to continue to reduce the deficit in future years.

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2019**

**III. Detailed Notes on Funds and Government-Wide Statements**

**III.A. Assets**

**III.A.1. Cash and Investments**

*Custodial Credit Risk for Deposits*

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2019, \$1,111,958 of the Town of Enfield's bank balances of \$8,239,031 was exposed to custodial credit risk as uninsured and uncollateralized.

As of December 31, 2019, the Town's reporting entity had the following investments:

Certificates of Deposit	\$ 962,733
Mutual Funds	37,841
New Hampshire Public Deposit Investment Pool	264,851
	<u>\$ 1,265,425</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 1,218,853
Fiduciary funds - statement of fiduciary net position (Exhibit 9)	46,572
Total	<u>\$ 1,265,425</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.

**Custodial Credit Risk** is the risk that in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the custody of an outside party. Of the Town's \$1,265,425 in investments, \$296,589 was exposed to custodial credit risk as uninsured and uncollateralized.



**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
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**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 8% 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 14% per annum is charged upon redemption of lien taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. The tax collector executed a tax lien for uncollected 2018 property taxes on May 14<sup>th</sup>.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Mascoma Valley Regional School District, the 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, 2019, upon which the 2019 property tax levy was based was:

For the New Hampshire education tax	\$ 571,523,447
For all other taxes	\$ 579,511,747

The tax rates and amounts assessed for the year ended December 31, 2019 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$7.33	\$ 4,252,328
School portion:		
State of New Hampshire	\$2.15	1,225,936
Local	\$13.71	7,943,462
County portion	\$1.86	1,077,868
Precinct portion:		
Eastman Village District	\$1.71	25,482
Total property taxes assessed		<u>\$ 14,525,076</u>

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The following details the taxes receivable at year-end:

Property:	
Levy of 2019	\$ 532,302
Unredeemed (under tax lien):	
Levy of 2018	143,583
Levy of 2017	124,112
Land use change	4,300
Timber	264
Excavation	239
Less: allowance for estimated uncollectible taxes	(15,000)
Net taxes receivable	<u><u>\$ 789,800</u></u>

*Other Receivables*

Other significant receivables include amounts due from customers for ambulance service, franchise fees, water and sewer charges in the Special Revenue Funds, and public safety grants. The receivables are as follow:

Accounts	\$ 529,084
Intergovernmental	42,283
Less: allowance for uncollectible amounts	(162,333)
Net total receivables	<u><u>\$ 409,034</u></u>

*Deferred Inflows of Resources*

Deferred revenue in the governmental funds of \$783,028 at December 31, 2019 represents \$9,270 of prepaid taxes to be applied to subsequent levies, and \$643,158 of property taxes, \$69,837 of ambulance charges, \$43,916 of sewer rents and \$16,847 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.

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**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
At cost:				
Not being depreciated:				
Land	\$ 1,774,832	\$ 128,600	\$ -	\$ 1,903,432
Construction in progress	153,990	203,637	-	357,627
Total capital assets not being depreciated	<u>1,928,822</u>	<u>332,237</u>	<u>-</u>	<u>2,261,059</u>
Being depreciated:				
Buildings and building improvements	2,797,518	10,094	-	2,807,612
Machinery, vehicles and equipment	4,680,189	128,659	(142,320)	4,666,528
Infrastructure	11,176,396	358,250	(52,740)	11,481,906
Total capital assets being depreciated	<u>18,654,103</u>	<u>497,003</u>	<u>(195,060)</u>	<u>18,956,046</u>
Total all capital assets	<u>20,582,925</u>	<u>829,240</u>	<u>(195,060)</u>	<u>21,217,105</u>
Less accumulated depreciation:				
Buildings and building improvements	(720,979)	(15,422)	-	(736,401)
Machinery, vehicles and equipment	(2,918,905)	(158,875)	142,320	(2,935,460)
Infrastructure	(1,754,719)	(254,645)	27,750	(1,981,614)
Total accumulated depreciation	<u>(5,394,603)</u>	<u>(428,942)</u>	<u>170,070</u>	<u>(5,653,475)</u>
Net book value, capital assets being depreciated	<u>13,259,500</u>	<u>68,061</u>	<u>(24,990)</u>	<u>13,302,571</u>
Net book value, all capital assets	<u>\$ 15,188,322</u>	<u>\$ 400,298</u>	<u>\$ (24,990)</u>	<u>\$ 15,563,630</u>

*Depreciation Expense*

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

General government	\$ 14,995
Public safety	55,809
Highways and streets	226,416
Sanitation	18,401
Water distribution and treatment	111,435
Culture and recreation	1,886
Total depreciation expense	<u>\$ 428,942</u>

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**III.B. Liabilities**

**III.B.1. Intergovernmental Payable**

The amount due to other governments at December 31, 2019 of \$4,527,513 consists of \$4,523,696 due to the Mascoma Valley Regional School District representing the balance of the 2019-2020 district assessment and \$3,817 for state fees collected by the Town.

**III.B.2. 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 12/31/2019	Current Portion
General obligation bonds/notes payable:						
Drinking water	\$ 317,951	2002	2021	2.976-4.580	\$ 19,004	\$ 12,012
Clean water	\$ 291,820	2011	2030	2.864	184,663	14,519
Rt. 4 water/sewer extension	\$ 3,200,000	2013	2042	2.950-4.375	2,707,778	82,366
Jones Hill Road	\$ 265,000	2014	2024	2.763	132,500	26,500
Boys Camp Road bridge	\$ 250,000	2016	2030	2.95	187,775	14,843
Wastewater loan	\$ 1,560,778	2018	2038	2.232	1,216,624	-
USDA loan	\$ 1,172,000	2018	2046	2.3	1,126,058	31,496
George Hill Road improvement	\$ 250,000	2019	2034	3.25	250,000	16,667
					<u>5,824,402</u>	<u>198,403</u>
Capital leases payable:						
DPW vehicles	\$ 300,000	2013	2022	2.5	97,898	31,830
DPW vehicles and cruiser	\$ 290,000	2014	2024	2.78	105,706	19,998
Cruisers, F550, truck bodies	\$ 199,000	2016	2023	3.15	75,000	47,062
Cruiser, excavator, trailer, roller, FD	\$ 200,000	2017	2027	3.8	154,883	23,852
DPW truck	\$ 170,000	2018	2025	3.96	148,450	22,403
DPW trucks	\$ 130,000	2019	2026	3.86	130,000	16,529
					<u>711,937</u>	<u>161,674</u>
Compensated absences payable:						
Vested sick leave					39,996	4,147
Accrued vacation leave					105,324	4,526
					<u>145,320</u>	<u>8,673</u>
Net pension liability					<u>2,784,830</u>	<u>-</u>
Total OPEB liability					<u>806,751</u>	<u>-</u>
					<u>\$ 10,273,240</u>	<u>\$ 368,750</u>

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*Changes in Long-Term Liabilities*

The following is a summary of changes in long-term liabilities for the year ended December 31, 2019:

	General Obligation Bonds and Notes Payable	Capital Leases Payable	Compensated Absences Payable	Net Pension Liability	OPEB Liability	Total
Balance, beginning	\$ 6,052,153	\$ 732,382	\$ 102,819	\$ 3,106,373	\$ 839,537	\$ 10,833,264
Additions	325,307	130,000	42,501	-	-	497,808
Reductions	(553,058)	(150,445)	-	(321,543)	(32,786)	(1,057,832)
Balance, ending	<u>\$ 5,824,402</u>	<u>\$ 711,937</u>	<u>\$ 145,320</u>	<u>\$ 2,784,830</u>	<u>\$ 806,751</u>	<u>\$ 10,273,240</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
2020	\$ 198,403	\$ 128,510	\$ 326,913
2021	252,842	150,104	402,946
2022	251,409	142,994	394,403
2023	256,903	136,225	393,128
2024	262,536	129,321	391,857
2025-2029	1,269,950	545,036	1,814,986
2030-2034	1,265,540	372,858	1,638,398
2035-2039	1,219,505	206,269	1,425,774
2040-2044	764,620	58,807	823,427
2045-2046	82,694	1,862	84,556
Totals	<u>\$ 5,824,402</u>	<u>\$ 1,871,986</u>	<u>\$ 7,696,388</u>

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

Year Ending December 31,	Principal	Interest	Total
2020	\$ 161,674	\$ 24,531	\$ 186,205
2021	127,422	19,263	146,685
2022	122,022	15,067	137,089
2023	91,718	11,092	102,810
2024	85,067	7,839	92,906
2025-2027	124,034	7,767	131,801
Totals	<u>\$ 711,937</u>	<u>\$ 85,559</u>	<u>\$ 797,496</u>

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*Bonds Authorized but Unissued*

Bonds and notes authorized but unissued as of December 31, 2019 were as follow:

Per Town Meeting Vote of	Purpose	Unissued Amount
March 17, 2018	Capital Improvements Program	\$97,500

**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	\$ 439,969
General	Nonmajor	250
Sewer	Nonmajor	22,856
General	Expendable trust	2,476
Nonmajor	Nonmajor	981
Nonmajor	General	4,388
		<u>\$ 470,920</u>

The amounts due to the General Fund represent overdrafts of pooled cash and reimbursements for expenditures paid on behalf of other funds. The amount due to the Sewer Fund from the Nonmajor Funds represents a reimbursement of a payment made out of the Sewer Fund from the Capital Project Fund. The amount due to the Nonmajor Funds from the General Fund represents an overpayment from a prior year, 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

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capital reserve accounts. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

The following reports transfers within the reporting entity:

	Transfers In:			Total
	General Fund	Expendable Trust Fund	Nonmajor Funds	
Transfers out:				
General fund	\$ -	\$ 447,168	\$ 1,250	\$ 448,418
Expendable trust fund	3,323	-	-	3,323
Nonmajor funds	139,722	50,000	981	190,703
	<u>\$ 143,045</u>	<u>\$ 497,168</u>	<u>\$ 2,231</u>	<u>\$ 642,444</u>

The transfers from the General Fund and Nonmajor Funds to the Expendable Trust Fund, and the amount transferred from the General Fund to the Nonmajor Funds, 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. Restatement of Beginning Net Position**

Beginning equity at January 1, 2019 was restated as follows:

	Govermental Activities	Nonmajor Funds
To record OPEB related balances	\$ (822,179)	\$ -
To correct balance of retainage payable	13,008	13,008
Net position/fund balance, as previously reported	9,808,952	1,346,398
Net position/fund balance, as restated	<u>\$ 8,999,781</u>	<u>\$ 1,359,406</u>

*The notes continue on the following page.*

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**III.E. Components of Fund Balance**

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

	General Fund	Sewer Fund	TIF District Fund	Expendable Trust Fund	Nonmajor Funds
Nonspendable:					
Endowments	\$ -	\$ -	\$ -	\$ -	\$ 204,101
Prepaid items	-	-	-	-	82,816
Tax deeded property	20,742	-	-	-	-
Total nonspendable	<u>20,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,917</u>
Restricted:					
General government	-	-	-	-	11,535
Culture and recreation	-	-	-	-	455,839
Capital outlay	-	-	-	-	223,718
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>691,092</u>
Committed:					
General government	-	-	-	-	16,901
Water distribution and treatment	-	-	-	-	394,994
Conservation	-	-	-	-	14,266
Capital outlay	-	-	1,282,913	2,126,988	-
Total committed	<u>-</u>	<u>-</u>	<u>1,282,913</u>	<u>2,126,988</u>	<u>426,161</u>
Assigned:					
General government	3,990	-	-	-	-
Public safety	12,413	-	-	-	-
Culture and recreation	2,377	-	-	-	-
Capital outlay	4,654	-	-	-	-
Total assigned	<u>23,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>498,802</u>	<u>(355,437)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 542,978</u>	<u>\$ (355,437)</u>	<u>\$ 1,282,913</u>	<u>\$ 2,126,988</u>	<u>\$ 1,404,170</u>

**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 January 1 through December 31. Primex provided property and employer's liability coverage in varying amounts, and statutory coverage for workers' compensation. Contributions billed for 2019 to be recorded as an insurance



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expenditure/expense totaled \$108,217 for property/liability and \$184,280 for workers' 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 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](http://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 and other employees were 11.55% and 7.0% of gross earnings, respectively. The rates of contribution from the Town of Enfield for the period January 1<sup>st</sup> to June 30<sup>th</sup> were 29.43% for police and 11.38% for other employees, decreasing on July 1<sup>st</sup> to 28.43% for police and 11.17% for other employees. The rates 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 for the pension and medical subsidy from the Town during the years 2017, 2018, and 2019 were \$282,411, \$285,642 and \$280,572, respectively. The amounts were paid on a monthly basis as due.

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

At December 31, 2019, the Town reported a liability of \$2,784,830 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2018, rolled forward. 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, 2019, the Town's proportion was 0.0579%, which was a decrease of 0.0066% from its proportion measured as of June 30, 2018.

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For the year 2019, the Town recognized pension expense of \$248,971. At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 145,116	\$ 468,928
Net differences between projected and actual earnings on pension plan investments	-	22,748
Changes in assumptions	99,919	-
Differences between expected and actual experience	15,398	59,882
Town contributions subsequent to the measurement date	131,688	-
	<u>\$ 392,121</u>	<u>\$ 551,558</u>

The Town reported \$131,688 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 following year.

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

Year Ending December 31,	
2020	\$ (3,392)
2021	(117,276)
2022	(125,846)
2023	(44,611)
	<u>\$ (291,125)</u>

*Actuarial Assumptions*

The total pension liability in the June 30, 2019 actuarial valuation was determined using the actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	21 years beginning July 1, 2018

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Asset Valuation Method	5-year smoothed market for funding purposes; 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% average, including inflation
Municipal Bond Rate	3.13% per year
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

*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	\$ 3,729,002	\$ 2,784,830	\$ 2,004,479

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

**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.

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**IV.D. Other Postemployment Benefits**

*Plan Description*

The Town is part of two different OPEB plans, one that is a retiree health care benefits program operating as a single-employer plan that is used to provide OPEB for all permanent full-time employees (implicit rate subsidy); and the other that consists of benefits to its retired employees and their beneficiaries as required by RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*. The latter are provided through the New Hampshire Retirement System (NHRS) operating as a cost-sharing, multiple-employer OPEB medical subsidy healthcare plan (medical insurance subsidy). Further information on this plan can be found in the audited report on the NHRS Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan which is available on the NHRS website at [www.nhrs.org](http://www.nhrs.org).

Benefits provided to retirees follow New Hampshire Revised Statutes Annotated 100-A:50 (Medical Insurance Coverage). This statute states that the Town “shall permit its employees upon retirement to continue to participate in the same medical insurance or health care group or plan as its active employees. Retired employees shall be deemed to be part of the same group as active employees of the same employer for purposes of determining medical insurance premiums. Coverage for spouses, other family members and beneficiaries of retirees shall also be permitted to the extent that coverage is provided for the spouses, other family members and beneficiaries of active employees...” In addition, the statute states “Each political subdivision, as employer, may elect to pay the full cost of group medical insurance or health care coverage for its retirees, or may require each retiree to pay any part or all of the cost of the retiree’s participation.”

Since the same premiums are charged to active employees and retirees, and the Town is unable to obtain age-adjusted premium information for the retirees, GAAP requires the Town to calculate age-adjusted premiums for the purpose of projecting future benefits for retirees.

The Town offers postemployment medical benefits to retirees and their covered dependents. The Town offers coverage to employees over the age of 62 and with at least 20 years of service, who elect to continue health and/or dental insurance at their cost, with approval of the insurance carrier.

Currently, there are 30 active and retired employees that receive health benefits from the Town. The Town recognizes the cost of providing health insurance annually as expenditures in the General Fund as payments are made. For the year ended December 31, 2019, the Town recognized nothing for its share of insurance premiums for currently enrolled retirees.

With the medical insurance subsidy plan, there is a payment made by the NHRS to the former employer or its insurance administrator toward the cost of health insurance for the qualified retiree, his/her qualified spouse, and dependent children with disability who are living in the retiree’s household and being cared for by the retiree. If the health insurance premium is less than the medical

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subsidy amount, then only the premium amount is paid by the NHRS. If the insurance premium is more than the medical subsidy amount, then the retiree or other qualified person is responsible for paying the balance of the premium. Benefits are based on age, creditable service, and retirement or hire dates. This plan is closed to new entrants.

*Total OPEB Liability*

The Town's total OPEB liability of \$806,751 consists of \$593,780 for the implicit rate subsidy which was determined by an actuarial valuation as of January 1, 2019, and \$212,971 for the medical insurance subsidy, determined by an actuarial valuation as of June 30, 2018, rolled forward to the measurement date using actuarial assumptions, applied to all periods included in the measurement.

*Actuarial Assumptions*

The total OPEB liability was determined using the following actuarial assumptions and inputs:

Implicit Rate Subsidy:		
Payroll Growth		2.00%
Discount Rate		2.74%
Inflation		5.00%
Investment Rate of Return		N/A
Mortality		SOA RP-2014 Total Dataset Mortality with Scale MP-2018
Healthcare Cost Trend Rates	2019	7.40%
	2020	9.50%
	2021	9.00%
	2022	8.50%
	2023	8.00%, reduced by .5% each year
Medical Insurance Subsidy:		
Payroll Growth		3.25%
Discount Rate		7.25%
Inflation		2.5%
Investment Rate of Return		7.25% per year, net of OPEB plan investment expense, including inflation
Mortality		RP-2014 Health Annuitant and Employee Generational Mortality Table for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015 based on the last experience study
Healthcare Cost Trend Rates		N/A, given that the benefits are fixed stipends

*Discount Rate*

The discount rate was based on the *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of December 31, 2019.

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*Sensitivity of Total OPEB Liability*

Assumptions and methods used to determine the total OPEB liability are sensitive to changes in the discount and healthcare cost trend rates. The following presents the total OPEB liability calculated using the current discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher.

Implicit Rate Subsidy	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Town's total OPEB liability	\$ 655,775	\$ 593,780	\$ 537,628

Medical Rate Subsidy	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Town's total OPEB liability	\$ 230,999	\$ 212,971	\$ 197,305

The following presents the total OPEB liability for the implicit rate subsidy calculated using the current healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher.

	1% Decrease (6.40%)	Current Healthcare Cost Trend Rate (7.40%)	1% Increase (8.40%)
Town's total OPEB liability	\$ 518,306	\$ 593,780	\$ 683,097

**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

*OPEB Expense and Deferred Inflows of Resources Related to OPEB*

For the year ended December 31, 2019 the Town recognized OPEB expense of \$68,883. At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ -	\$ 4,474
Net differences between projected and actual earnings on pension plan investments	-	239
Differences between expected and actual experience	-	371
Town contributions subsequent to the measurement date	12,125	-
	<u>\$ 12,125</u>	<u>\$ 5,084</u>

The Town reported \$12,125 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the total OPEB liability in 2020.

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follow:

Year Ending December 31,	
2020	\$ (5,003)
2021	(159)
2022	16
2023	62
	<u>\$ (5,084)</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**



**EXHIBIT 11**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of the Net Pension Liability*  
*New Hampshire Retirement System*

	2019	2018	2017	2016	2015	2014
Town's proportion of net pension liability	0.0579%	0.0645%	0.0721%	0.0638%	0.0659%	0.0690%
Town's proportionate share of the net pension liability	\$ 2,784,830	\$ 3,106,373	\$ 3,544,697	\$ 3,390,822	\$ 2,609,808	\$ 2,590,863
Town's covered-employee payroll	\$ 1,733,504	\$ 1,760,343	\$ 1,776,206	\$ 1,727,692	\$ 1,749,061	\$ 1,668,595
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	160.65%	176.46%	199.57%	196.26%	149.21%	155.27%
Plan fiduciary position as a percentage of the total pension liability	65.59%	64.73%	62.66%	58.30%	65.47%	66.32%

**EXHIBIT 12**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Schedule of the Town's Pension Contributions**  
**New Hampshire Retirement System**

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 256,936	\$ 285,642	\$ 282,411	\$ 262,220	\$ 257,878	\$ 243,441
Contribution in relation to the contractually required contribution	(256,936)	(285,642)	(282,411)	(262,220)	(257,878)	(243,441)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 1,733,504	\$ 1,760,343	\$ 1,776,206	\$ 1,727,692	\$ 1,749,061	\$ 1,668,595
Contributions as a percentage of covered-employee payroll	14.82%	16.23%	15.90%	15.18%	14.74%	14.59%

The note to the required supplementary information is an integral part of this schedule.

**EXHIBIT 13**  
**TOWN OF ENFIELD**  
***Schedule of Changes in the Town's Total OPEB Liability and Related Ratios***

	2019
Total OPEB liability:	
Service cost	\$ 37,862
Interest	31,903
OPEB plan net investment income	(962)
OPEB plan administrative costs	80
Changes of assumptions	
and differences between expected and actual experience	(3,476)
Net amortization of deferred amounts from changes in proportion and	
differences between employer contributions and proportionate share of contributions	(40,984)
Benefit payments	(57,259)
Net change in total OPEB liability	(32,836)
Total OPEB liability, beginning	839,587
Total OPEB liability, ending	\$ 806,751
 Covered-employee payroll	 \$ 1,415,931
 Total OPEB liability as a percentage of covered-employee payroll	 56.98%

The note to the required supplementary information is an integral part of this schedule.

**EXHIBIT 14**  
**TOWN OF ENFIELD**  
***Schedule of the Town's OPEB Contributions***

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	2019
Actuarially determined contribution	\$ 87,978
Contributions in relation to the actuarially determined contribution	(56,209)
Contribution deficiency	\$ 31,769
 Covered-employee payroll	 \$ 1,415,931
 Contributions as a percentage of covered-employee payroll	 6.21%

The note to the required supplementary information is an integral part of this schedule.

**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

The Pension and OPEB Schedules are meant to present related information for ten years. Because this is the fifth year that the Town has presented the pension schedules and first year presenting the OPEB schedules, only six years and one year, respectively, are presented. An additional year's information will be added each year until there are ten years shown.

## **COMBINING AND INDIVIDUAL FUND SCHEDULES**

**EXHIBIT 15**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2019**

	Special Revenue Funds				Capital Project Fund	Permanent Fund	Total
	Water	Grants	Library	Conservation Commission			
<b>ASSETS</b>							
Cash and cash equivalents	\$ 357,176	\$ 16,134	\$ 119,697	\$ 9,878	\$ 237,777	\$ 20,976	\$ 761,638
Investments	-	-	335,161	-	-	195,891	531,052
Receivables, net of allowance for uncollectibles:							
Accounts	62,398	-	-	-	8,797	-	71,195
Intergovernmental	-	1,439	-	-	-	-	1,439
Interfund receivable	-	-	981	4,388	-	-	5,369
Prepaid items	-	-	-	-	82,816	-	82,816
Total assets	<u>\$ 419,574</u>	<u>\$ 17,573</u>	<u>\$ 455,839</u>	<u>\$ 14,266</u>	<u>\$ 329,390</u>	<u>\$ 216,867</u>	<u>\$ 1,453,509</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 5,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,012
Accrued salaries and benefits	2,721	672	-	-	-	-	3,393
Interfund payable	-	-	-	-	22,856	1,231	24,087
Total liabilities	<u>7,733</u>	<u>672</u>	<u>-</u>	<u>-</u>	<u>22,856</u>	<u>1,231</u>	<u>32,492</u>
Deferred inflows of resources:							
Deferred revenue	<u>16,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,847</u>
Fund balances:							
Nonspendable	-	-	-	-	82,816	204,101	286,917
Restricted	-	-	455,839	-	223,718	11,535	691,092
Committed	<u>394,994</u>	<u>16,901</u>	<u>-</u>	<u>14,266</u>	<u>-</u>	<u>-</u>	<u>426,161</u>
Total fund balances	<u>394,994</u>	<u>16,901</u>	<u>455,839</u>	<u>14,266</u>	<u>306,534</u>	<u>215,636</u>	<u>1,404,170</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 419,574</u>	<u>\$ 17,573</u>	<u>\$ 455,839</u>	<u>\$ 14,266</u>	<u>\$ 329,390</u>	<u>\$ 216,867</u>	<u>\$ 1,453,509</u>

**EXHIBIT 16**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2019**

	Special Revenue Funds				Capital Project Fund	Permanent Fund	Total
	Water	Grants	Library	Conservation Commission			
<b>REVENUES</b>							
Intergovernmental	\$ 12,929	\$ 85,604	\$ -	\$ -	\$ 7,444	\$ -	\$ 105,977
Charges for services	213,745	-	-	-	188,911	-	402,656
Miscellaneous	237	10,000	25,621	1,004	2,717	3,022	42,601
Total revenues	<u>226,911</u>	<u>95,604</u>	<u>25,621</u>	<u>1,004</u>	<u>199,072</u>	<u>3,022</u>	<u>551,234</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	1,187	-	-	6,796	-	7,983
Public safety	-	79,371	-	-	-	-	79,371
Water distribution and treatment	175,829	-	-	-	-	-	175,829
Culture and recreation	-	10,130	5,953	-	-	-	16,083
Debt service:							
Principal	12,021	-	-	-	-	-	12,021
Interest	1,654	-	-	-	-	-	1,654
Capital outlay	12,405	-	-	-	12,652	-	25,057
Total expenditures	<u>201,909</u>	<u>90,688</u>	<u>5,953</u>	<u>-</u>	<u>19,448</u>	<u>-</u>	<u>317,998</u>
Excess of revenues over expenditures	<u>25,002</u>	<u>4,916</u>	<u>19,668</u>	<u>1,004</u>	<u>179,624</u>	<u>3,022</u>	<u>233,236</u>
Other financing sources (uses):							
Transfers in	-	-	981	1,250	-	-	2,231
Transfers out	(50,000)	-	-	-	(139,472)	(1,231)	(190,703)
Total other financing sources and uses	<u>(50,000)</u>	<u>-</u>	<u>981</u>	<u>1,250</u>	<u>(139,472)</u>	<u>(1,231)</u>	<u>(188,472)</u>
Net change in fund balances	(24,998)	4,916	20,649	2,254	40,152	1,791	44,764
Fund balances, beginning, as restated, see Note III.D.	419,992	11,985	435,190	12,012	266,382	213,845	1,359,406
Fund balances, ending	<u>\$ 394,994</u>	<u>\$ 16,901</u>	<u>\$ 455,839</u>	<u>\$ 14,266</u>	<u>\$ 306,534</u>	<u>\$ 215,636</u>	<u>\$ 1,404,170</u>



**EXHIBIT 17**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2019**

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 4,173,231	\$ 4,165,524	\$ (7,707)
Land use change	5,000	9,328	4,328
Timber	3,019	3,019	-
Excavation	239	239	-
Interest and penalties on delinquent taxes	85,000	87,920	2,920
Total taxes	<u>4,266,489</u>	<u>4,266,030</u>	<u>(459)</u>
<b>Licenses, permits and fees:</b>			
Business licenses and permits	165	201	36
Motor vehicle permits	1,025,000	1,058,990	33,990
Building permits	12,000	14,014	2,014
Other	65,000	69,050	4,050
Total licenses, permits and fees	<u>1,102,165</u>	<u>1,142,255</u>	<u>40,090</u>
<b>Intergovernmental:</b>			
State sources:			
Shared revenue	-	54,834	54,834
Meals and rooms distributions	239,113	239,113	-
Highway block grant	147,846	147,625	(221)
Federal sources:			
FEMA	-	13,319	13,319
Total intergovernmental	<u>386,959</u>	<u>454,891</u>	<u>67,932</u>
<b>Charges for services:</b>			
Income from departments	<u>121,470</u>	<u>127,864</u>	<u>6,394</u>
<b>Miscellaneous:</b>			
Sale of property	9,000	30,868	21,868
Interest on investments	9,106	12,929	3,823
Rent of property	7,000	10,295	3,295
Insurance dividends and reimbursements	53,498	61,232	7,734
Other	550	5	(545)
Total miscellaneous	<u>79,154</u>	<u>115,329</u>	<u>36,175</u>
<b>Other financing sources:</b>			
Transfers in:			
Nonmajor funds	135,869	143,045	7,176
Long-term debt issued	250,000	248,640	(1,360)
Total other financing sources	<u>385,869</u>	<u>391,685</u>	<u>5,816</u>
Total revenues and other financing sources	6,342,106	<u>\$ 6,498,054</u>	<u>\$ 155,948</u>
Use of fund balance	25,000		
Total revenues, other financing sources and use of fund balance	<u>\$ 6,367,106</u>		

**EXHIBIT 18**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2019**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 209,167	\$ 210,602	\$ 2,595	\$ (4,030)
Election and registration	-	82,248	84,011	-	(1,763)
Financial administration	1,000	308,840	259,563	1,395	48,882
Revaluation of property	22,786	40,000	45,186	-	17,600
Legal	-	21,000	12,205	-	8,795
Personnel administration	-	1,159,157	1,062,963	-	96,194
Planning and zoning	-	95,716	77,215	-	18,501
General government buildings	-	188,100	176,425	-	11,675
Cemeteries	-	7,100	3,415	-	3,685
Insurance, not otherwise allocated	-	46,796	42,819	-	3,977
Other	-	27,000	27,000	-	-
Total general government	23,786	2,185,124	2,001,404	3,990	203,516
Public safety:					
Police	-	729,249	701,253	2,750	25,246
Ambulance	-	156,450	140,742	-	15,708
Fire	-	126,462	97,187	9,663	19,612
Building inspection	-	87,315	87,765	-	(450)
Emergency management	-	2,500	-	-	2,500
Other	-	81,500	80,808	-	692
Total public safety	-	1,183,476	1,107,755	12,413	63,308
Highways and streets:					
Administration	-	629,159	588,640	-	40,519
Highways and streets	-	581,500	606,992	-	(25,492)
Street lighting	-	28,000	31,276	-	(3,276)
Total highways and streets	-	1,238,659	1,226,908	-	11,751
Sanitation:					
Administration	-	43,666	34,786	-	8,880
Solid waste collection	-	334,500	327,523	-	6,977
Solid waste disposal	-	143,100	130,661	-	12,439
Total sanitation	-	521,266	492,970	-	28,296
Health:					
Administration	-	250	192	-	58
Pest control	-	2,000	2,000	-	-
Total health	-	2,250	2,192	-	58
Welfare:					
Administration	-	15,193	13,910	-	1,283
Direct assistance	-	21,100	5,169	-	15,931
Intergovernmental welfare payments	-	38,665	38,665	-	-
Total welfare	-	74,958	57,744	-	17,214

(continued)

**EXHIBIT 18 (continued)**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**

**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2019**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	105,184	67,858	-	37,326
Public library	240	178,876	162,830	2,377	13,909
Patriotic purposes	-	750	579	-	171
Other	-	5,760	4,101	-	1,659
Total culture and recreation	<u>240</u>	<u>290,570</u>	<u>235,368</u>	<u>2,377</u>	<u>53,065</u>
Conservation	-	1,415	2,780	-	(1,365)
Economic development	-	195	196	-	(1)
Debt service:					
Principal	-	86,010	86,015	-	(5)
Interest on long-term debt	-	57,776	66,632	-	(8,856)
Interest on tax anticipation note	-	1	-	-	1
Loan fees	-	1,988	250	-	1,738
Total debt service	<u>-</u>	<u>145,775</u>	<u>152,897</u>	<u>-</u>	<u>(7,122)</u>
Capital outlay:					
Land	15,000	-	-	-	15,000
Buildings	9,500	-	-	-	9,500
Improvements other than buildings	59,071	275,000	293,995	4,654	35,422
Total capital outlay	<u>83,571</u>	<u>275,000</u>	<u>293,995</u>	<u>4,654</u>	<u>59,922</u>
Other financing uses:					
Transfers out:					
Expendable trust fund	-	447,168	447,168	-	-
Nonmajor funds	-	1,250	1,250	-	-
Total other financing uses	<u>-</u>	<u>448,418</u>	<u>448,418</u>	<u>-</u>	<u>-</u>
Total encumbrances, appropriations, expenditures and other financing uses	<u>\$ 107,597</u>	<u>\$ 6,367,106</u>	<u>\$ 6,022,627</u>	<u>\$ 23,434</u>	<u>\$ 428,642</u>

**EXHIBIT 19**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2019**

Unassigned fund balance, beginning		\$ 569,094
Changes:		
Unassigned fund balance appropriated		(25,000)
Budget summary:		
Revenue surplus (Exhibit 17)	\$ 155,948	
Unexpended balance of appropriations (Exhibit 18)	<u>428,642</u>	
Budget surplus		584,590
Decrease in nonspendable fund balance		<u>13,276</u>
Unassigned fund balance, ending		<u><u>\$ 1,141,960</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, 2019, 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.

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. 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.

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  
June 25, 2020