

TOWN OF ENFIELD, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022

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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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Enfield and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

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misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 4 through 9 and 44 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

December 7, 2023

Roberts & Heune, PLLC

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, 2022.

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 \$15,734,045 (i.e., net position), an increase of \$842,147 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 \$7,501,494, an increase of \$186,437 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 \$1,741,030, a change of (\$111,592) 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 \$5,842,224, a decrease of \$330,674 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

	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>
Current and other assets:		
Capital assets, net	\$ 16,561,829	\$ 14,133,809
Other assets	<u>15,475,589</u>	<u>16,438,222</u>
Total assets	<u>32,037,418</u>	<u>30,572,031</u>
 Deferred Outflows of Resources	 <u>782,251</u>	 <u>791,702</u>
 Long-term liabilities	 10,172,795	 9,567,462
Other liabilities	<u>5,785,474</u>	<u>5,516,775</u>
Total liabilities	<u>15,958,269</u>	<u>15,084,237</u>
 Deferred Inflows of Resources	 <u>1,127,355</u>	 <u>1,389,080</u>
 Net position:		
Net investment in capital assets	10,719,605	10,265,324
Restricted	1,148,374	1,152,331
Unrestricted	<u>3,866,066</u>	<u>3,472,761</u>
Total net position	<u>\$ 15,734,045</u>	<u>\$ 14,890,416</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 \$15,734,045, a change of \$842,147 from the prior year's restated net position. See Note III.D. for further information on the restatement.

The largest portion of net position \$10,719,605 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 \$1,148,374 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$3,866,066 may be used to meet the government's ongoing obligations to citizens and creditors.

CHANGES IN NET POSITION

	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>
Program revenues:		
Charges for services	\$ 2,603,991	\$ 2,517,533
Operating grants and contributions	50,547	31,555
Capital grants and contributions	238,185	282,835
General revenues:		
Property Taxes – General Purpose	4,764,876	4,538,101
Other Taxes	102,272	160,444
Grants and Contributions	394,270	346,697
Miscellaneous	<u>96,002</u>	<u>182,960</u>
Total Revenues	<u>8,250,143</u>	<u>8,060,125</u>
Program expenses:		
General government	2,108,628	1,943,847
Public safety	1,174,937	1,182,107
Highways and streets	1,584,778	1,522,646
Sanitation	1,398,487	1,326,891
Water distribution and treatment	278,039	240,174
Health	135	2,327
Welfare	41,576	51,361
Culture and recreation	292,613	330,675
Conservation	2,349	11,874
Economic development	1,229	314
Interest and fiscal charges	172,590	171,661
Capital Outlay	<u>352,635</u>	<u>21,163</u>
Total expenses	<u>7,407,996</u>	<u>6,805,040</u>
Change in position	842,147	1,255,085
Net Position - beginning of year	<u>14,890,416</u>	<u>13,688,282</u>
Restatement	<u>1,482</u>	<u>(52,951)</u>
Net Position - ending of year	<u>\$ 15,734,045</u>	<u>\$ 14,890,416</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 \$7,501,494, a change of \$186,437 in comparison with the prior year. Key elements of this change are as follows:

General fund operations, discussed further in section E	(\$111,592)
Transfers to the Expendable Trust Fund and investment income greater than Expenses	127,649
Tax proceeds in the TIF District over expenditures	147,710
Positive sewer operating results	84,968

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,566,625, while total fund balance was \$1,741,030.

The fund balance of the general fund changed by (\$111,592) during the current fiscal year. Key factors in this change are as follows:

Unexpended balance of appropriation	\$522,251
Revenue deficit	(249,070)
Increase in deferred tax revenue	(90,717)

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues of \$6,666,925 for the general fund for the current fiscal year were under the estimated revenues of \$6,915,995 in the amount of \$249,070. Of the total shortfall, \$244,064 is a withdrawal from the Library Building Capital Reserve Fund for the Whitney Hall renovation and expansion project which did not happen in 2022. These funds remain in reserves and will be withdrawn when needed to fund the project.

It continues to be 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: land use change tax (+\$15,610), timber yield taxes (+\$28,219), rooms & meals tax (+156,270), miscellaneous revenue from the State (+11,227), sale/lease of municipal property (\$+10,600), insurance dividends/reimbursements (\$+32,883).

Actual expenditures and encumbrances of \$6,812,360 for the general fund for the current fiscal year were in less than budgeted expenditures and prior year encumbrances of \$7,334,611 in the amount of \$522,251.

It continues to be 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: Personnel Administration (-\$117,029), , Police (-\$11,092), Ambulance (-\$22,501), Fire (-\$38,507), Highways & Streets Administration (-\$48,329), Direct Assistance (-\$21,860.23), Parks & Recreation (-\$13,941), Library (-\$27,121) and Capital Outlay (-\$179,810). It should be noted that the savings in Personnel Administration and Police are due in large part to unfilled positions due to the existing labor shortage throughout the year. Unexpended Capital Outlay was due to delayed capital projects, some of which have been tabled and others which will start or be completed in 2023.

The result is a budget surplus of \$273,181.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Total investment in capital assets for governmental activities at year end amounted to \$16,561,829 (net of accumulated depreciation), a change of \$123,607 from the prior year. This investment in capital assets includes land (at current value), 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
Union Street Paving	Roads	DPW	9/30/2022	15	20,500.00
Flanders Street Paving	Roads	DPW	9/30/2022	15	32,000.00
E-One Rescue Pumper	Vehicle	Fire	5/1/2022	25	570,000.00
10-Wheel Plow/Dump Truck	Vehicle	DPW	12/21/2022	20	195,000.00
Electronic Sidewalk Signs	Misc – Other	DPW	12/20/2022	15	11,684.00
Tractor/Roadside Mower	Vehicle	DPW	6/3/2022	20	99,000.00
Pillsbury St. Paving	Roads	DPW	9/30/2022	15	16,500.00
McConnell Rd. Paving	Roads	DPW	9/30/2022	15	25,000.00
Birch Ln. Paving	Roads	DPW	9/30/2022	15	25,000.00
Poplar Ln. Paving	Roads	DPW	9/30/2022	15	12,000.00
Mobile Home (Tax Deed)	Buildings	Admin	7/15/2022	50	16,100.00
Compactor	Equipment	DPW	2022	25	26935.00
Scott Air Packs	Misc – Other	Fire	3/1/2022	15	40,050.00
Oak Hill Rd Bridge (in progress)	Bridges	DPW	10/1/2022	50	94,750.00
Community Building Roof	Buildings	Admin	10/1/2022	40	31,866.00
Stryker Power Pro XT Cot	Misc – Other	Amb	2022	10	25,192.00
					<u>\$1,241,577.00</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 and capital leases outstanding was \$5,842,224, 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, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 10,703,397
Investments	2,311,768
Intergovernmental receivable	1,185,626
Other receivables, net of allowance for uncollectibles	1,224,953
Tax deeded property held for resale	49,845
Capital assets, not being depreciated:	
Land	1,926,201
Construction in progress	117,267
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	2,791,809
Machinery, vehicles and equipment	2,558,295
Infrastructure	9,168,257
Total assets	<u>32,037,418</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	535,112
Deferred amounts related to OPEB	247,139
Total deferred outflows of resources	<u>782,251</u>
LIABILITIES	
Accounts payable	422,985
Accrued payroll and benefits	138,211
Accrued interest payable	103,219
Intergovernmental payable	5,121,059
Noncurrent obligations:	
Due within one year:	
Bonds and notes payable	261,325
Capital leases payable	91,718
Due in more than one year:	
Bonds and notes payable	5,280,081
Capital leases payable	209,100
Compensated absences payable	220,552
Net pension liability	3,201,510
Other postemployment benefits liability	908,509
Total liabilities	<u>15,958,269</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	754,737
Deferred amounts related to pensions	144,951
Deferred amounts related to OPEB	227,667
Total deferred inflows of resources	<u>1,127,355</u>
NET POSITION	
Net investment in capital assets	10,719,605
Restricted for:	
Endowments:	
Nonexpendable	188,154
Expendable	14,646
Other purposes	945,574
Unrestricted	3,866,066
Total net position	<u>\$ 15,734,045</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, 2022

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 2,108,628	\$ 1,401,106	\$ (32,549)	\$ -	\$ (740,071)
Public safety	1,174,937	41,721	69,492	-	(1,063,724)
Highways and streets	1,584,778	-	-	142,328	(1,442,450)
Sanitation	1,398,487	866,338	-	15,588	(516,561)
Water distribution and treatment	278,039	243,973	-	80,269	46,203
Health	135	-	-	-	(135)
Welfare	41,576	-	-	-	(41,576)
Culture and recreation	292,613	50,853	-	-	(241,760)
Conservation	2,349	-	-	-	(2,349)
Economic development	1,229	-	-	-	(1,229)
Interest on long-term debt	172,590	-	13,604	-	(158,986)
Capital outlay	352,635	-	-	-	(352,635)
Total primary government	<u>\$ 7,407,996</u>	<u>\$ 2,603,991</u>	<u>\$ 50,547</u>	<u>\$ 238,185</u>	<u>(4,515,273)</u>
General revenues:					
Property taxes					4,764,876
Other taxes					102,272
Grants and contributions not restricted to specific programs					394,270
Miscellaneous					96,002
Total general revenues					<u>5,357,420</u>
Change in net position					842,147
Net position, beginning, as restated, see Note III.D.					14,891,898
Net position, ending					<u>\$ 15,734,045</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, 2022

	General	Sewer	Grants	TIF District	Expendable Trust	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 6,187,361	\$ -	\$ 666,657	\$ 1,817,892	\$ 1,170,872	\$ 860,615	\$ 10,703,397
Investments	271,009	-	-	-	1,473,157	567,602	2,311,768
Receivables, net of allowance for uncollectibles:							
Taxes	884,526	-	-	-	-	-	884,526
Accounts	19,126	237,613	-	-	-	83,688	340,427
Intergovernmental	44	-	65,591	-	-	-	65,635
Interfund receivable	292,647	-	-	-	-	1,077	293,724
Prepaid items	-	-	-	-	-	82,816	82,816
Tax deeded property held for resale	49,845	-	-	-	-	-	49,845
Total assets	<u>\$ 7,704,558</u>	<u>\$ 237,613</u>	<u>\$ 732,248</u>	<u>\$ 1,817,892</u>	<u>\$ 2,644,029</u>	<u>\$ 1,595,798</u>	<u>\$ 14,732,138</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 256,545	\$ 120,415	\$ -	\$ 11,684	\$ -	\$ 34,341	\$ 422,985
Accrued salaries and benefits	128,219	4,130	-	-	-	5,862	138,211
Intergovernmental payable	5,121,059	-	-	-	-	-	5,121,059
Interfund payable	376	180,314	-	-	112,155	879	293,724
Total liabilities	<u>5,506,199</u>	<u>304,859</u>	<u>-</u>	<u>11,684</u>	<u>112,155</u>	<u>41,082</u>	<u>5,975,979</u>
Deferred inflows of resources:							
Deferred revenue	<u>457,329</u>	<u>39,186</u>	<u>745,475</u>	<u>-</u>	<u>-</u>	<u>12,675</u>	<u>1,254,665</u>
Fund balances:							
Nonspendable	49,845	-	-	-	-	270,970	320,815
Restricted	-	-	-	-	-	877,404	877,404
Committed	124,560	-	-	1,806,208	2,531,874	393,667	4,856,309
Unassigned	1,566,625	(106,432)	(13,227)	-	-	-	1,446,966
Total fund balances	<u>1,741,030</u>	<u>(106,432)</u>	<u>(13,227)</u>	<u>1,806,208</u>	<u>2,531,874</u>	<u>1,542,041</u>	<u>7,501,494</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,704,558</u>	<u>\$ 237,613</u>	<u>\$ 732,248</u>	<u>\$ 1,817,892</u>	<u>\$ 2,644,029</u>	<u>\$ 1,595,798</u>	<u>\$ 14,732,138</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, 2022

Total fund balances of governmental funds (Exhibit 3)		\$ 7,501,494
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	\$ 22,901,332	
Less accumulated depreciation	<u>(6,339,503)</u>	
		16,561,829
Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Long-term intergovernmental receivable		1,119,991
Payments on long-term debt 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	\$ (293,724)	
Payables	<u>293,724</u>	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	\$ 440,295	
Unavailable ambulance revenue	7,772	
Unavailable water charges	12,675	
Unavailable sewer charges	<u>39,186</u>	
		499,928
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(103,219)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes outstanding	\$ 5,541,406	
Capital leases outstanding	300,818	
Compensated absences payable	220,552	
Net pension liability	3,201,510	
Total OPEB liability	<u>908,509</u>	
		(10,172,795)
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	\$ 535,112	
Deferred outflows of resources related to OPEB	247,139	
Deferred inflows of resources related to pensions	(144,951)	
Deferred inflows of resources related to OPEB	<u>(227,667)</u>	
		409,633
Total net position of governmental activities (Exhibit 1)		<u>\$ 15,734,045</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, 2022

	General	Sewer	Grants	TIF District	Expendable Trust	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 4,346,153	\$ -	\$ -	\$ 407,170	\$ -	\$ -	\$ 4,753,323
Licenses, permits and fees	1,189,300	-	-	-	-	-	1,189,300
Intergovernmental	547,825	-	138,534	25,373	-	41,842	753,574
Charges for services	124,281	832,379	-	-	-	430,634	1,387,294
Miscellaneous	96,434	-	4,088	-	(9,532)	(23,527)	67,463
Total revenues	<u>6,303,993</u>	<u>832,379</u>	<u>142,622</u>	<u>432,543</u>	<u>(9,532)</u>	<u>448,949</u>	<u>8,150,954</u>
Expenditures:							
Current:							
General government	2,172,980	-	1,264	-	19,161	-	2,193,405
Public safety	1,142,127	-	3,001	-	-	-	1,145,128
Highways and streets	1,463,850	-	-	-	-	-	1,463,850
Sanitation	561,283	711,621	-	-	-	-	1,272,904
Water distribution and treatment	-	-	-	-	-	259,322	259,322
Health	135	-	-	-	-	-	135
Welfare	41,576	-	-	-	-	-	41,576
Culture and recreation	251,806	-	30,850	-	1,112	3,379	287,147
Conservation	2,349	-	-	-	-	-	2,349
Economic development	1,229	-	-	-	-	-	1,229
Debt service:							
Principal	61,945	8,567	-	199,955	181,337	133,510	585,314
Interest	4,063	2,223	-	73,194	44,821	63,472	187,773
Loan fees	1,552	-	-	-	-	-	1,552
Capital outlay	451,761	-	134,269	11,684	197,156	-	794,870
Total expenditures	<u>6,156,656</u>	<u>722,411</u>	<u>169,384</u>	<u>284,833</u>	<u>443,587</u>	<u>459,683</u>	<u>8,236,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>147,337</u>	<u>109,968</u>	<u>(26,762)</u>	<u>147,710</u>	<u>(453,119)</u>	<u>(10,734)</u>	<u>(85,600)</u>
Other financing sources (uses):							
Transfers in	178	-	-	-	580,768	1,077	582,023
Transfers out	(531,144)	(25,000)	-	-	-	(25,879)	(582,023)
Long-term debt issued	272,037	-	-	-	-	-	272,037
Total other financing sources and uses	<u>(258,929)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>580,768</u>	<u>(24,802)</u>	<u>272,037</u>
Net change in fund balances	(111,592)	84,968	(26,762)	147,710	127,649	(35,536)	186,437
Fund balances, beginning, as restated, see note III.D.	1,852,622	(191,400)	13,535	1,658,498	2,404,225	1,577,577	7,315,057
Fund balances, ending	<u>\$ 1,741,030</u>	<u>\$ (106,432)</u>	<u>\$ (13,227)</u>	<u>\$ 1,806,208</u>	<u>\$ 2,531,874</u>	<u>\$ 1,542,041</u>	<u>\$ 7,501,494</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, 2022

Net change in fund balances of governmental funds (Exhibit 5)		\$ 186,437
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 depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 678,585	
Depreciation expense	<u>(542,693)</u>	
		135,892
The net effect of the disposal of capital assets is to decrease net position.		(12,285)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (582,023)	
Transfers out	<u>582,023</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	\$ 90,717	
Change in unavailable ambulance revenue	376	
Change in unavailable water charges	3,814	
Change in unavailable sewer charges	14,482	
Change in unavailable state aid	<u>(38,023)</u>	
		71,366
The issuance of long-term debt provides current financial resources to government 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	\$ (272,037)	
Repayment of bond/note principal	480,689	
Repayment of capital lease principal	<u>122,022</u>	
		330,674
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	\$ (662)	
Increase in compensated absences payable	2,509	
Increase in OPEB related balances	<u>(36,971)</u>	
		(35,124)
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	\$ 346,219	
Cost of benefits earned, net of employee contributions	<u>(181,032)</u>	
		165,187
Change in net position of governmental activities (Exhibit 2)		<u><u>\$ 842,147</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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 4,427,123	\$ 4,427,123	\$ 4,436,870	\$ 9,747
Licenses, permits and fees	1,224,089	1,224,089	1,189,300	(34,789)
Intergovernmental	615,594	615,594	547,825	(67,769)
Charges for services	95,588	95,588	124,281	28,693
Miscellaneous	37,500	37,500	96,434	58,934
Total revenues	6,399,894	6,399,894	6,394,710	(5,184)
EXPENDITURES				
Current:				
General government	2,244,327	2,244,327	2,135,212	109,115
Public safety	1,187,192	1,187,192	1,119,143	68,049
Highways and streets	1,487,158	1,487,158	1,458,040	29,118
Sanitation	560,965	560,965	561,283	(318)
Health	665	665	135	530
Welfare	65,374	65,374	41,541	23,833
Culture and recreation	291,904	291,904	250,135	41,769
Conservation	2,725	2,349	2,349	-
Economic development	850	850	1,229	(379)
Debt service:				
Principal	41,343	41,343	61,945	(20,602)
Interest on long-term debt	15,070	15,070	4,063	11,007
Interest on tax anticipation note	1	1	-	1
Loan fees	1,552	1,552	1,552	-
Capital outlay	494,064	766,101	505,973	260,128
Total expenditures	6,393,190	6,664,851	6,142,600	522,251
Excess (deficiency) of revenues over (under) expenditures	6,704	(264,957)	252,110	517,067
Other financing sources (uses):				
Transfers in	244,064	244,064	178	(243,886)
Transfers out	(530,768)	(531,144)	(531,144)	-
Long-term debt issued	-	272,037	272,037	-
Total other financing sources and uses	(286,704)	(15,043)	(258,929)	(243,886)
Net change in fund balance	\$ (280,000)	\$ (280,000)	(6,819)	\$ 273,181
Increase in nonspendable fund balance			(2,037)	
Decrease in restricted fund balance			9,815	
Unassigned fund balance, beginning, as restated			2,005,961	
Unassigned fund balance, ending			\$ 2,006,920	

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

EXHIBIT 8
TOWN OF ENFIELD, NEW HAMPSHIRE
Sewer Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 869,140	\$ 832,379	\$ (36,761)
EXPENDITURES			
Current:			
Sanitation	786,084	711,621	74,463
Debt service:			
Principal	32,987	8,567	24,420
Interest	25,069	2,223	22,846
Total expenditures	844,140	722,411	121,729
Excess of revenues over expenditures	25,000	109,968	84,968
Other financing uses:			
Transfers out	(25,000)	(25,000)	-
Net change in fund balance	\$ -	84,968	\$ 84,968
Fund balance, beginning		(191,400)	
Fund balance, ending		\$ (106,432)	

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

EXHIBIT 9
TOWN OF ENFIELD, NEW HAMPSHIRE
TIF District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 274,911	\$ 407,170	\$ 132,259
Intergovernmental	-	25,373	25,373
Total revenues	<u>274,911</u>	<u>432,543</u>	<u>157,632</u>
EXPENDITURES			
Debt service:			
Principal	199,955	199,955	-
Interest	74,956	73,194	1,762
Capital outlay	-	11,684	(11,684)
Total expenditures	<u>274,911</u>	<u>284,833</u>	<u>(9,922)</u>
Net change in fund balance	<u>\$ -</u>	147,710	<u>\$ 147,710</u>
Fund balance, beginning		1,658,498	
Fund balance, ending		<u>\$ 1,806,208</u>	

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

EXHIBIT 10
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Private Purpose Trust	Custodial
Assets:		
Cash and cash equivalents	\$ 6,518	\$ 64,829
Investments	41,223	-
Total assets	<u>47,741</u>	<u>64,829</u>
Liabilities:		
Accounts payable	72	632
Due to other governmental units	402	-
Total liabilities	<u>474</u>	<u>632</u>
Net position:		
Held for specific purposes	<u>\$ 47,267</u>	<u>\$ 64,197</u>

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

EXHIBIT 11
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Private Purpose Trust	Custodial
Additions:		
New funds	\$ 65	\$ 6,898
Upper Valley Prosecutorial Association member contributions	-	58,828
Investment earnings:		
Interest and dividends	856	2
Net change in fair value of investments	(8,496)	-
Total additions	<u>(7,575)</u>	<u>65,728</u>
Deductions:		
Payments to developers	-	7,293
Upper Valley Prosecutorial Association payments	-	5,704
Trust distributions	539	-
Total deductions	<u>539</u>	<u>12,997</u>
Change in net position	(8,114)	52,731
Net position, beginning	<u>55,381</u>	<u>11,466</u>
Net position, ending	<u><u>\$ 47,267</u></u>	<u><u>\$ 64,197</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

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, 2022.

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, and a Town Manager appointed by the board of selectmen. 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, 2022**

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.

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, 2022**

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 – Reports as a Special Revenue Fund and accounts for all revenues and expenditures related to the Town’s sewage treatment and disposal operations.

Grants Fund – Reports as a Special Revenue Fund and accounts for all revenues and expenditures related to Federal, State, and local grant programs.

TIF District Fund – Reports as a Special Revenue Fund and used to account 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 five 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.

Custodial Funds – Account for amounts held by the Town and belonging to other individuals or governments. These assets are therefore not available to support the Town’s own programs. The Town’s custodial 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

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022

pay out the same only upon orders of the Town Manager. The treasurer shall deposit all monies in participation units in the public deposit investment pool established pursuant to N.H. RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge or deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations, or obligations of the State of New 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, 2022**

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 balances of the library fund and grants fund whose purposes are restricted by state law or outside grantors and donors, and betterment assessments received to be used for future debt service.
- 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 in the General Fund.
- Restricted, representing the balance of the expendable income portion of the permanent fund; the library fund; betterment assessments received to be used for future debt service payments; and grants 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, 2022**

- Unassigned, which consists of the remaining balance of the General Fund, and the deficit balance in the Sewer and Grants Funds.

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 Fund, as well as some of the nonmajor funds. Project length budgets were adopted for the Capital Project Fund. Unless encumbered, all governmental fund appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2022, \$280,000 of the fund balance from 2021 was so used.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as commitments 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. The Board of Selectman 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.

The notes continue on the following page.

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

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

The following reconciles the budgetary basis to the GAAP basis for the General Fund.

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 6,666,925
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	349,578
Tax revenue deferred in the current year	(440,295)
Per Exhibit 5 (GAAP basis)	<u>\$ 6,576,208</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 6,673,744
Adjustments:	
Basis difference:	
Encumbrances, beginning	138,616
Encumbrances, ending	(124,560)
Per Exhibit 5 (GAAP basis)	<u>\$ 6,687,800</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 2,006,920
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(440,295)
Per Exhibit 3 (GAAP basis)	<u>\$ 1,566,625</u>

There is no difference between budgetary basis and GAAP in the Sewer Fund, TIF District Fund, and Expendable Trust Fund.

II.C. Deficit Fund Balance

The Sewer Fund reports an unassigned fund deficit at year-end of \$106,432. The deficit was reduced by \$84,968 from the prior year, and has been reduced in each of the last five years, due to continued spending control and rate increases. The Town expects to continue to reduce the deficit in future years by managing expenditures.

The Grants Fund reports an unassigned fund deficit at year-end of \$13,227. The deficit was the result of the deferral of some revenues as unavailable. The deficit will be made up when revenues are recognized upon receipt.

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III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Investments

As of December 31, 2022, the Town's reporting entity had the following investments:

Certificates of Deposit	\$ 391,728
Fixed Income Funds	100,920
Mutual Funds	18,078
Common Stock	111,013
Corporate Bonds	1,460,243
New Hampshire Public Deposit Investment Pool	271,009
	<u>\$ 2,352,991</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 2,311,768
Fiduciary funds - statement of fiduciary net position (Exhibit 9)	41,223
Total	<u>\$ 2,352,991</u>

Fair Value Measurement

The Town categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of December 31, 2021:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Corporate bonds	\$ 1,460,243	\$ -	\$ 1,460,243
Common stock	111,013	-	111,013
Fixed income funds	100,920	-	100,920
Mutual funds	18,078	-	18,078
Certificates of deposit	-	391,728	391,728
New Hampshire Public Deposit Investment Pool	-	271,009	271,009
	<u>\$ 1,690,254</u>	<u>\$ 662,737</u>	<u>\$ 2,352,991</u>

The Town classifies its investments into Level 1, which refers to investments traded in an active market; and Level 2, which refers to investments not traded on an active market but for which observable market inputs are readily available. The levels relate to valuation only and do not necessarily indicate a measure of risk.

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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. The Town's credit rating quality of investments as of December 31, 2022 is as follows:

	Fair Value
Aa	\$ 291,337
A	1,168,906
Exempt from disclosure	892,748
	<u>\$ 2,352,991</u>

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. The Town's sensitivity of the fair value of the Town's investments to market interest rate fluctuations is as follows:

	Fair Value	Investment maturity (in years)	
		Less than 1	1 to 5
Certificates of Deposit	\$ 391,728	\$ -	\$ 391,728
Corporate Bonds	1,460,243	248,255	1,211,988
	<u>\$ 1,851,971</u>	<u>\$ 248,255</u>	<u>\$ 1,603,716</u>

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 18% per annum is charged upon redemption of lien taxes levied prior to 2019, and 14% per annum upon those levied thereafter. 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 2021 property taxes on April 28th.

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

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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, 2022, upon which the 2022 property tax levy was based was:

For the New Hampshire education tax	\$ 585,163,772
For local taxes	\$ 593,941,222

The tax rates and amounts assessed for the year ended December 31, 2022 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	<u>\$7.47</u>	\$ 4,440,550
School portion:		
State of New Hampshire	\$1.42	830,303
Local	\$15.06	8,946,775
County portion	\$1.80	1,066,331
Precinct portion:		
Eastman Village District	\$2.58	38,356
Total property taxes assessed		<u><u>\$ 15,322,315</u></u>

The following details the taxes receivable at year-end:

Property:	
Levy of 2022	\$ 775,658
Unredeemed (under tax lien):	
Levy of 2020	74,331
Levy of 2019	41,400
Levy of 2018	3,424
Levy of 2017	4,624
Timber	89
Less: allowance for estimated uncollectible taxes	(15,000)
Net taxes receivable	<u><u>\$ 884,526</u></u>

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Other Receivables

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

Accounts	\$ 347,024
Intergovernmental	65,635
Less: allowance for uncollectible amounts	(6,597)
Net total receivables	<u>\$ 406,062</u>

Deferred Inflows of Resources

Deferred revenue in the governmental funds of \$1,254,665 at December 31, 2022 represents \$9,262 of prepaid taxes to be applied to subsequent levies, \$745,475 of grants and transfers received for future periods, and \$440,295 of property taxes, \$7,772 of ambulance charges, \$39,186 of sewer rents and \$12,675 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 and unearned grants and transfers are reported as unearned revenue.

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	\$ 1,905,736	\$ 20,465	\$ -	\$ 1,926,201
Construction in progress	580,833	106,434	(570,000)	117,267
Total capital assets not being depreciated	<u>2,486,569</u>	<u>126,899</u>	<u>(570,000)</u>	<u>2,043,468</u>
Being depreciated:				
Buildings and building improvements	3,103,228	34,509	-	3,137,737
Machinery, vehicles and equipment	4,885,191	956,177	(40,950)	5,800,418
Infrastructure	11,788,709	131,000	-	11,919,709
Total capital assets being depreciated	<u>19,777,128</u>	<u>1,121,686</u>	<u>(40,950)</u>	<u>20,857,864</u>
Total all capital assets	<u>22,263,697</u>	<u>1,248,585</u>	<u>(610,950)</u>	<u>22,901,332</u>
Less accumulated depreciation:				
Buildings and building improvements	(329,271)	(16,657)	-	(345,928)
Machinery, vehicles and equipment	(3,019,547)	(251,241)	28,665	(3,242,123)
Infrastructure	(2,476,657)	(274,795)	-	(2,751,452)
Total accumulated depreciation	<u>(5,825,475)</u>	<u>(542,693)</u>	<u>28,665</u>	<u>(6,339,503)</u>
Net book value, capital assets being depreciated	<u>13,951,653</u>	<u>578,993</u>	<u>(12,285)</u>	<u>14,518,361</u>
Net book value, all capital assets	<u>\$ 16,438,222</u>	<u>\$ 705,892</u>	<u>\$ (582,285)</u>	<u>\$ 16,561,829</u>

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Depreciation Expense

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

General government	\$ 35,908
Public safety	86,806
Highways and streets	265,888
Sanitation	128,999
Water distribution and treatment	21,058
Culture and recreation	4,034
Total depreciation expense	<u>\$ 542,693</u>

III.B. Liabilities

III.B.1. Intergovernmental Payable

The amount due to other governments at December 31, 2022 of \$5,121,059 represents the balance of the 2022-2023 district assessment owed to the Mascoma Valley Regional School District.

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 12/31/2022	Current Portion
General obligation bonds/notes payable:						
Clean water	\$ 291,820	2011	2030	2.864	\$ 139,846	\$ 15,803
Rt. 4 water/sewer extension	\$ 3,200,000	2013	2042	2.950-4.375	2,205,553	89,866
Jones Hill Road	\$ 265,000	2014	2024	2.763	53,000	26,500
Boys Camp Road bridge	\$ 250,000	2016	2030	2.95	141,536	16,212
Wastewater loan	\$ 1,560,778	2018	2038	2.232	951,487	-
USDA loan	\$ 1,172,000	2018	2046	2.30	973,547	33,682
George Hill Road improvement	\$ 250,000	2019	2034	3.25	195,229	16,667
Fire truck	\$ 570,000	2021	2031	2.85	541,500	28,500
DPW truck	\$ 48,450	2021	2025	2.40	36,338	12,113
Police cruiser	\$ 47,000	2021	2024	2.50	31,333	15,666
Oak Hill bridge	\$ 94,750	2022	2032	3.05	94,750	6,316
DPW truck	\$ 177,287	2022	2030	3.40	177,287	-
					<u>5,541,406</u>	<u>261,325</u>

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Capital leases payable:							
DPW vehicles and cruiser	\$	290,000	2014	2024	2.78	44,029	21,713
Cruisers, F550, truck bodies	\$	199,000	2016	2023	3.15	9,602	9,602
Cruiser, excavator, trailer, roller, FD truck	\$	200,000	2017	2027	3.8	90,170	16,714
DPW truck	\$	170,000	2018	2025	3.96	78,544	25,171
DPW trucks	\$	130,000	2019	2026	3.86	78,473	18,518
						<u>300,818</u>	<u>91,718</u>
Compensated absences payable:							
Vested sick leave						123,046	-
Accrued vacation leave						97,506	-
						<u>220,552</u>	<u>-</u>
Net pension liability						3,201,510	-
OPEB liability						908,509	-
	\$					<u>10,172,795</u>	<u>\$ 353,043</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2022:

	General Obligation Bonds and Notes Payable	Capital Leases Payable	Compensated Absences Payable	Net Pension Liability	OPEB Liability	Total
Balance, beginning	\$ 5,750,058	\$ 422,840	\$ 223,061	\$ 2,558,269	\$ 993,907	\$ 9,948,135
Additions	272,037	-	-	643,241	-	915,278
Reductions	(480,689)	(122,022)	(2,509)	-	(85,398)	(690,618)
Balance, ending	<u>\$ 5,541,406</u>	<u>\$ 300,818</u>	<u>\$ 220,552</u>	<u>\$ 3,201,510</u>	<u>\$ 908,509</u>	<u>\$ 10,172,795</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
2023	\$ 261,325	\$ 133,200	\$ 394,525
2024	347,979	155,129	503,108
2025	312,223	145,586	457,809
2026	307,043	136,704	443,747
2027	313,984	128,103	442,087
2028-2032	1,794,453	498,862	2,293,315
2033-2037	1,283,600	277,631	1,561,231
2038-2042	787,398	104,838	892,236
2043-2046	133,401	8,287	141,688
Totals	<u>\$ 5,541,406</u>	<u>\$ 1,588,340</u>	<u>\$ 7,129,746</u>

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

Year Ending December 31,	Principal	Interest	Total
2023	\$ 91,718	\$ 11,092	\$ 102,810
2024	85,067	7,839	92,906
2025	65,189	4,781	69,970
2026	39,440	2,249	41,689
2027	19,404	737	20,141
Totals	\$ 300,818	\$ 26,698	\$ 327,516

Bonds Authorized but Unissued

Bonds and notes authorized but unissued as of December 31, 2022 were as follow:

Per Town Meeting Vote of	Purpose	Unissued Amount
July 11, 2020	Bridge Replacement	\$55,250
July 11, 2020	Sidewalk Replacement	\$40,000
May 3, 2021	10 Wheel Dump Truck	\$17,713
May 3, 2021	Public Works Facility	\$129,584
May 3, 2021	Water System Improvements	\$1,800,000
May 3, 2021	Sewer System Improvements	\$1,900,000
April 30, 2022	Renovate Town Offices and Library	\$5,558,086
April 30, 2022	Public Safety Facility	\$7,259,066

Line of Credit

On June 23, 2022, the Town entered into a general obligation note line of credit rider of \$7,259,066 for the Public Safety Facility as noted above. The line of credit will convert to a general obligation note upon completion of all drawdowns, or June 30, 2024, whichever is earlier. No drawdowns were taken in 2022. The interest rate for the future general obligation note will be 3.15%, with a final maturity date of 2052.

Subsequent Event

On February 9, 2023, the Town entered into a general obligation note line of credit rider of \$5,558,086 for the renovation of the Town offices and library. The line of credit will convert to a general obligation note upon completion of all drawdowns, or February 9, 2025, whichever is earlier. The interest rate for the future general obligation note will be 4.00%, with a final maturity date of 2053.

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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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sewer	\$ 180,314
General	Expendable trust	112,155
General	Nonmajor	178
Nonmajor	General	376
Nonmajor	Nonmajor	701
		<u><u>\$ 293,724</u></u>

The amounts due to the General Fund from the Sewer, Expendable Trust, and Nonmajor Funds represent overdrafts of pooled cash and reimbursements for expenditures paid on behalf of these funds. 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 capital reserve accounts. The government-wide statement of activities eliminates transfers reported within the governmental activities column.

The following reports transfers within the reporting entity:

	<u>Transfers In:</u>			
	<u>General Fund</u>	<u>Expendable Trust Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers out:				
General fund	\$ -	\$ 530,768	\$ 376	\$ 531,144
Sewer fund	-	25,000	-	25,000
Nonmajor funds	178	25,000	701	25,879
	<u><u>\$ 178</u></u>	<u><u>\$ 580,768</u></u>	<u><u>\$ 1,077</u></u>	<u><u>\$ 582,023</u></u>

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The transfers from the General Fund, Sewer 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 amounts transferred from the Nonmajor Funds to the Nonmajor Funds represents the distribution of income earned in the Permanent Fund.

III.D. Restatement of Beginning Net Position

Beginning equity at January 1, 2022 was restated as follows:

	Governmental Activities	General Fund	Sewer Fund	Grants Fund	Nonmajor Funds
To correct receivable	\$ 1,482	\$ 1,482	\$ -	\$ -	\$ -
To reclassify funds as a major fund	-	-	(191,400)	13,535	177,865
Net position/fund balance, as previously reported	14,890,416	1,851,140	-	-	1,399,712
Net position/fund balance, as restated	<u>\$ 14,891,898</u>	<u>\$ 1,852,622</u>	<u>\$ (191,400)</u>	<u>\$ 13,535</u>	<u>\$ 1,577,577</u>

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	Grants Fund	TIF District Fund	Expendable Trust Fund	Nonmajor Funds
Nonspendable:						
Endowments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,154
Prepaid items	-	-	-	-	-	82,816
Tax deeded property	49,845	-	-	-	-	-
Total nonspendable	<u>49,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,970</u>
Restricted:						
General government	-	-	-	-	-	14,646
Culture and recreation	-	-	-	-	-	503,935
Capital outlay	-	-	-	-	-	358,823
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>877,404</u>
Committed:						
Water distribution and treatment	-	-	-	-	-	376,924
Conservation	-	-	-	-	-	16,743
Capital outlay	124,560	-	-	1,806,208	2,531,874	-
Total committed	<u>124,560</u>	<u>-</u>	<u>-</u>	<u>1,806,208</u>	<u>2,531,874</u>	<u>393,667</u>
Unassigned	<u>1,566,625</u>	<u>(106,432)</u>	<u>(13,227)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 1,741,030</u>	<u>\$ (106,432)</u>	<u>\$ (13,227)</u>	<u>\$ 1,806,208</u>	<u>\$ 2,531,874</u>	<u>\$ 1,542,041</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

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(Primex), which is organized to provide certain property and liability protection to member towns, cities and other qualified political subdivisions of New Hampshire. As a member of Primex, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 through June 30. Primex provided property and employer's liability coverage in varying amounts, and statutory coverage for workers' compensation. Contributions billed for 2022 to be recorded as an insurance expenditure/expense totaled \$56,032 for property/liability and \$59,260 for workers' compensation. The member agreement permits Primex to make additional assessments to members should there be a deficiency in 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 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 were 33.88% for police and 14.06% 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 2020, 2021, and 2022 were \$279,882, \$291,312, and \$346,219, 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, 2022, the Town reported a liability of \$3,201,510 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, 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

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June 30, 2022, the Town's proportion was 0.0558%, which was a decrease of 0.0019% from its proportion measured as of June 30, 2021.

For the year 2022, the Town recognized pension expense of \$181,032. 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	\$ -	\$ 132,661
Net differences between projected and actual earnings on pension plan investments	121,333	-
Changes in assumptions	170,295	-
Differences between expected and actual experience	60,087	12,290
Town contributions subsequent to the measurement date	183,397	-
	<u>\$ 535,112</u>	<u>\$ 144,951</u>

The Town reported \$183,397 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,	
2023	\$ 48,766
2024	86,338
2025	(78,287)
2026	149,947
	<u>\$ 206,764</u>

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Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, 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	Multiple periods of 18-20 years
Asset Valuation Method	5-year smoothed market for funding purposes; 20% corridor
Price Inflation	2.00% per year
Wage Inflation	2.75% per year
Salary Increases	5.4% average, including inflation
Municipal Bond Rate	3.69% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2015-2019 experience study.
Mortality	Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each member classification and projected fully generational mortality improvements using Scale MP-2019

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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 6.75%, 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 (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of net pension liability	\$ 4,295,619	\$ 3,201,510	\$ 2,291,859

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

**TOWN OF ENFIELD, NEW HAMPSHIRE
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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.

IV.D. Other Postemployment Benefits

Plan Description

The Town is part of two different OPEB plans, one that is a retiree healthcare 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 of the NHRS Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan which is available on the NHRS website at www.nhrs.org.

Benefits provided to retirees follow RSA 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

**TOWN OF ENFIELD, NEW HAMPSHIRE
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as payments are made. For the year ended December 31, 2022, 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. If the health insurance premium is less than the medical 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 \$908,509 consists of \$732,815 for the implicit rate subsidy which was determined by an actuarial valuation as of January 1, 2022, and \$175,694 for the medical insurance subsidy, determined by an actuarial valuation as of June 30, 2021, 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:

Actuarial Cost Method	Entry-Age Normal
Payroll Growth	3.00%
Discount Rate	3.72% per year
Healthcare Cost Trend Rate	2022 11.70%
	2023 7.50%
	Ultimate Trend 4.54%, reached in 2090
Mortality	Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021.

The assumptions for the medical subsidy are the same used in the pension liability as described in Note IV.B.

Discount Rate

The discount rate for the implicit rate subsidy was based on the *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of December 31, 2022.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022

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 (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Town's total OPEB liability	\$ 823,068	\$ 732,815	\$ 655,869

Medical Rate Subsidy	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's total OPEB liability	\$ 190,745	\$ 175,694	\$ 162,585

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 (10.70%)	Current Healthcare Cost Trend Rate (11.70%)	1% Increase (12.70%)
Town's total OPEB liability	\$ 623,721	\$ 732,815	\$ 866,426

This note continues on the following page.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Town recognized OPEB expense of \$85,197. 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
Net differences between projected and actual earnings on OPEB plan investments	\$ 480	\$ -
Changes in assumptions	-	227,667
Differences between expected and actual experience	236,221	-
Town contributions subsequent to the measurement date	10,438	-
	<u>\$ 247,139</u>	<u>\$ 227,667</u>

The Town reported \$10,438 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 2023.

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

Year Ending December 31,	
2023	\$ 1,780
2024	1,721
2025	1,511
2026	2,268
2027	1,700
Thereafter	54
	<u>\$ 9,034</u>

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 12
TOWN OF ENFIELD, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of net pension liability	0.0558%	0.0577%	0.0578%	0.0579%	0.0645%	0.0721%	0.0638%	0.0659%	0.0690%
Town's proportionate share of the net pension liability	\$ 3,201,510	\$ 2,558,269	\$ 3,697,985	\$ 2,784,830	\$ 3,106,373	\$ 3,544,697	\$ 3,390,822	\$ 2,609,808	\$ 2,590,863
Town's covered-employee payroll	\$ 1,914,562	\$ 1,760,163	\$ 1,825,918	\$ 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	167.22%	145.34%	202.53%	160.65%	176.46%	199.57%	196.26%	149.21%	155.27%
Plan fiduciary position as a percentage of the total pension liability	65.12%	72.22%	58.72%	65.59%	64.73%	62.66%	58.30%	65.47%	66.32%

EXHIBIT 13
TOWN OF ENFIELD, NEW HAMPSHIRE
Schedule of the Town's Pension Contributions
New Hampshire Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 346,219	\$ 291,312	\$ 259,762	\$ 256,936	\$ 285,642	\$ 282,411	\$ 262,220	\$ 257,878	\$ 243,441
Contribution in relation to the contractually required contribution	(346,219)	(291,312)	(259,762)	(256,936)	(285,642)	(282,411)	(262,220)	(257,878)	(243,441)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 1,914,562	\$ 1,760,163	\$ 1,825,918	\$ 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	18.08%	16.55%	14.23%	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 14
TOWN OF ENFIELD
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios

	2022	2021	2020	2019
Total OPEB liability:				
Service cost	\$ 41,725	\$ 59,667	\$ 38,832	\$ 37,862
Interest	40,228	29,080	31,717	31,903
OPEB plan net investment income	1,311	(4,738)	(193)	(962)
OPEB plan administrative costs	(132)	76	63	80
Changes of assumptions				
and differences between expected and actual experience	(130,622)	152,755	(4,964)	(3,476)
Net amortization of deferred amounts from changes in proportion,				
differences between employer contributions and proportionate				
share of contributions	9,975	(7,147)	(7,147)	(40,984)
Benefit payments	(47,883)	(43,130)	(57,715)	(57,259)
Net change in total OPEB liability	(85,398)	186,563	593	(32,836)
Total OPEB liability, beginning	993,907	807,344	806,751	839,587
Total OPEB liability, ending	<u>\$ 908,509</u>	<u>\$ 993,907</u>	<u>\$ 807,344</u>	<u>\$ 806,751</u>
Covered-employee payroll	\$ 1,509,409	\$ 1,465,446	\$ 1,444,250	\$ 1,415,931
Total OPEB liability as a percentage of covered-employee payroll	60.19%	67.82%	55.90%	56.98%

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

EXHIBIT 15
TOWN OF ENFIELD
Schedule of the Town's OPEB Contributions

	2022	2021	2020	2019
Actuarially determined contribution	\$ 92,186	\$ 115,289	\$ 90,499	\$ 87,978
Contributions in relation to the actuarially determined contribution	(47,093)	(49,759)	(57,715)	(56,209)
Contribution deficiency	<u>\$ 45,093</u>	<u>\$ 65,530</u>	<u>\$ 32,784</u>	<u>\$ 31,769</u>
Covered-employee payroll	\$ 1,465,446	\$ 1,465,446	\$ 1,444,250	\$ 1,415,931
Contributions as a percentage of covered-employee payroll	6.29%	7.87%	6.27%	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
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The Pension and OPEB schedules are meant to present related information for ten years. Because this is the eighth year that the Town has presented the pension schedules and third year presenting the OPEB schedules, only nine years and four years, 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 16
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Special Revenue Funds			Capital	Permanent	
	Water	Library	Conservation Commission	Project Fund	Fund	Total
ASSETS						
Cash and cash equivalents	\$ 363,161	\$ 111,506	\$ 16,367	\$ 341,776	\$ 27,805	\$ 860,615
Investments	-	391,728	-	-	175,874	567,602
Accounts receivable, net of allowance for uncollectibles	66,641	-	-	17,047	-	83,688
Interfund receivable	-	701	376	-	-	1,077
Prepaid items	-	-	-	82,816	-	82,816
Total assets	<u>\$ 429,802</u>	<u>\$ 503,935</u>	<u>\$ 16,743</u>	<u>\$ 441,639</u>	<u>\$ 203,679</u>	<u>\$ 1,595,798</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 34,341	\$ -	\$ -	\$ -	\$ -	\$ 34,341
Accrued salaries and benefits	5,862	-	-	-	-	5,862
Interfund payable	-	-	-	-	879	879
Total liabilities	<u>40,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>879</u>	<u>41,082</u>
Deferred inflows of resources:						
Deferred revenue	<u>12,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,675</u>
Fund balances:						
Nonspendable	-	-	-	82,816	188,154	270,970
Restricted	-	503,935	-	358,823	14,646	877,404
Committed	<u>376,924</u>	<u>-</u>	<u>16,743</u>	<u>-</u>	<u>-</u>	<u>393,667</u>
Total fund balances	<u>376,924</u>	<u>503,935</u>	<u>16,743</u>	<u>441,639</u>	<u>202,800</u>	<u>1,542,041</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 429,802</u>	<u>\$ 503,935</u>	<u>\$ 16,743</u>	<u>\$ 441,639</u>	<u>\$ 203,679</u>	<u>\$ 1,595,798</u>

EXHIBIT 17
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	Special Revenue Funds			Capital Project Fund	Permanent Fund	Total
	Water	Library	Conservation Commission			
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 41,842	\$ -	\$ 41,842
Charges for services	240,159	1,846	-	188,629	-	430,634
Miscellaneous	-	8,073	3	946	(32,549)	(23,527)
Total revenues	<u>240,159</u>	<u>9,919</u>	<u>3</u>	<u>231,417</u>	<u>(32,549)</u>	<u>448,949</u>
EXPENDITURES						
Current:						
Water distribution and treatment	259,322	-	-	-	-	259,322
Culture and recreation	-	3,379	-	-	-	3,379
Debt service:						
Principal	886	-	-	132,624	-	133,510
Interest	444	-	-	63,028	-	63,472
Total expenditures	<u>260,652</u>	<u>3,379</u>	<u>-</u>	<u>195,652</u>	<u>-</u>	<u>459,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,493)</u>	<u>6,540</u>	<u>3</u>	<u>35,765</u>	<u>(32,549)</u>	<u>(10,734)</u>
Other financing sources (uses):						
Transfers in	-	701	376	-	-	1,077
Transfers out	(25,000)	-	-	-	(879)	(25,879)
Total other financing sources and uses	<u>(25,000)</u>	<u>701</u>	<u>376</u>	<u>-</u>	<u>(879)</u>	<u>(24,802)</u>
Net change in fund balances	(45,493)	7,241	379	35,765	(33,428)	(35,536)
Fund balances, beginning	422,417	496,694	16,364	405,874	236,228	1,577,577
Fund balances, ending	<u>\$ 376,924</u>	<u>\$ 503,935</u>	<u>\$ 16,743</u>	<u>\$ 441,639</u>	<u>\$ 202,800</u>	<u>\$ 1,542,041</u>

EXHIBIT 18
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 4,316,772	\$ 4,334,598	\$ 17,826
Land use change	28,700	27,610	(1,090)
Timber	30,021	34,219	4,198
Excavation	110	110	-
Interest and penalties on delinquent taxes	51,520	40,333	(11,187)
Total taxes	4,427,123	4,436,870	9,747
Licenses, permits and fees:			
Business licenses and permits	470	558	88
Motor vehicle permits	1,128,000	1,096,807	(31,193)
Building permits	12,000	19,007	7,007
Other	83,619	72,928	(10,691)
Total licenses, permits and fees	1,224,089	1,189,300	(34,789)
Intergovernmental:			
State sources:			
Meals and rooms distributions	394,270	394,270	-
Highway block grant	142,882	142,328	(554)
Water pollution grant	67,215	-	(67,215)
NHRS contribution	11,227	11,227	-
Total intergovernmental	615,594	547,825	(67,769)
Charges for services:			
Income from departments	95,588	124,281	28,693
Miscellaneous:			
Sale of property	27,000	30,600	3,600
Interest on investments	3,000	7,244	4,244
Rent of property	7,500	8,725	1,225
Insurance dividends and reimbursements	-	48,863	48,863
Contributions and donations	-	1,000	1,000
Other	-	2	2
Total miscellaneous	37,500	96,434	58,934
Other financing sources:			
Transfers in:			
Nonmajor funds	244,064	178	(243,886)
Long-term debt issued	272,037	272,037	-
Total other financing sources	516,101	272,215	(243,886)
Total revenues and other financing sources	6,915,995	\$ 6,666,925	\$ (249,070)
Use of fund balance	280,000		
Total revenues, other financing sources and use of fund balance	\$ 7,195,995		

EXHIBIT 19
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ 12,000	\$ 233,782	\$ 246,645	\$ -	\$ (863)
Election and registration	-	113,354	107,540	-	5,814
Financial administration	1,745	288,609	284,447	-	5,907
Revaluation of property	23,317	35,000	58,104	-	213
Legal	-	15,000	11,689	-	3,311
Personnel administration	-	1,222,977	1,100,284	-	122,693
Planning and zoning	66	94,293	91,400	-	2,959
General government buildings	190	145,350	179,612	-	(34,072)
Cemeteries	450	9,280	7,227	-	2,503
Insurance, not otherwise allocated	-	49,282	56,032	-	(6,750)
Other	-	37,400	30,000	-	7,400
Total general government	37,768	2,244,327	2,172,980	-	109,115
Public safety:					
Police	-	718,885	709,316	-	9,569
Ambulance	7,152	144,250	128,592	-	22,810
Fire	11,132	132,700	105,326	-	38,506
Building inspection	-	90,857	84,108	-	6,749
Emergency management	4,700	2,500	14,367	-	(7,167)
Other	-	98,000	100,418	-	(2,418)
Total public safety	22,984	1,187,192	1,142,127	-	68,049
Highways and streets:					
Administration	-	770,658	722,329	-	48,329
Highways and streets	5,810	686,500	700,450	-	(8,140)
Street lighting	-	30,000	41,071	-	(11,071)
Total highways and streets	5,810	1,487,158	1,463,850	-	29,118
Sanitation:					
Administration	-	53,890	50,931	-	2,959
Solid waste collection	-	351,475	356,501	-	(5,026)
Solid waste disposal	-	155,600	153,851	-	1,749
Total sanitation	-	560,965	561,283	-	(318)
Health:					
Administration	-	665	135	-	530
Welfare:					
Administration	35	16,025	14,087	-	1,973
Direct assistance	-	22,100	240	-	21,860
Intergovernmental welfare payments	-	27,249	27,249	-	-
Total welfare	35	65,374	41,576	-	23,833

(continued)

EXHIBIT 19 (continued)
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund

Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	1,671	105,304	92,761	-	14,214
Public library	-	180,590	154,181	-	26,409
Patriotic purposes	-	750	934	-	(184)
Other	-	5,260	3,930	-	1,330
Total culture and recreation	<u>1,671</u>	<u>291,904</u>	<u>251,806</u>	<u>-</u>	<u>41,769</u>
Conservation	-	2,349	2,349	-	-
Economic development	-	850	1,229	-	(379)
Debt service:					
Principal	-	41,343	61,945	-	(20,602)
Interest on long-term debt	-	15,070	4,063	-	11,007
Interest on tax anticipation note	-	1	-	-	1
Loan fees	-	1,552	1,552	-	-
Total debt service	<u>-</u>	<u>57,966</u>	<u>67,560</u>	<u>-</u>	<u>(9,594)</u>
Capital outlay:					
Machinery, vehicles and equipment	-	297,287	279,387	-	17,900
Buildings	-	244,064	41,512	-	202,552
Improvements other than buildings	70,348	224,750	130,862	124,560	39,676
Total capital outlay	<u>70,348</u>	<u>766,101</u>	<u>451,761</u>	<u>124,560</u>	<u>260,128</u>
Other financing uses:					
Transfers out:					
Expendable trust fund	-	530,768	530,768	-	-
Nonmajor funds	-	376	376	-	-
Total other financing uses	<u>-</u>	<u>531,144</u>	<u>531,144</u>	<u>-</u>	<u>-</u>
Total encumbrances, appropriations, expenditures and other financing uses	<u>\$ 138,616</u>	<u>\$ 7,195,995</u>	<u>\$ 6,687,800</u>	<u>\$ 124,560</u>	<u>\$ 522,251</u>

EXHIBIT 20
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

Unassigned fund balance, beginning, as restated		\$ 2,005,961
Changes:		
Unassigned fund balance used to reduce tax rate		(280,000)
Budget summary:		
Revenue shortfall (Exhibit 17)	\$ (249,070)	
Unexpended balance of appropriations (Exhibit 18)	<u>522,251</u>	
Budget surplus		273,181
Increase in nonspendable fund balance		(2,037)
Decrease in restricted fund balance		<u>9,815</u>
Unassigned fund balance, ending		<u><u>\$ 2,006,920</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, 2022, 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 and, therefore, material weaknesses 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.

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.

December 7, 2023

Roberts & Greene, PLLC