

**TOWN OF ENFIELD,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006**

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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Enfield, which collectively comprise the Town's basic financial statements as of December 31, 2006 as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The government-wide statement of net assets does not include any of the Town's capital assets nor the accumulated depreciation on those assets; and the government-wide statement of activities does not include depreciation expense related to those assets. These amounts have not been determined. Therefore, in our opinion, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Enfield at December 31, 2006, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Enfield, as of December 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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 and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plodzik & Sanderson
Professional Association*

January 22, 2008

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Net Assets
December 31, 2006

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,271,413
Investments	1,463,332
Other receivables, net of allowance for uncollectible	967,381
Total assets	<u>6,702,126</u>
LIABILITIES	
Accounts payable	228,526
Intergovernmental payable	3,462,791
Accrued interest payable	6,201
Unearned revenue	73,746
Noncurrent obligations:	
Due within one year:	
Bonds and notes	128,117
Due in more than one year:	
Bonds and notes	593,682
Compensated absences	98,325
Total liabilities	<u>4,591,388</u>
NET ASSETS	
Invested in capital assets, net of related debt	(721,799)
Restricted for perpetual care	216,487
Unrestricted	2,616,050
Total net assets	<u>\$ 2,110,738</u>

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

EXHIBIT B
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2006

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Changes in
	Expenses	Services	Contributions	Net Assets
Governmental activities:				
Functions:				
General government	\$ 1,392,304	\$ 19,432	\$ 6,738	\$ (1,366,134)
Public safety	887,095	17,561	28,071	(841,463)
Highways and streets	941,136	7,602	125,077	(808,457)
Sanitation	655,146	225,571	-	(429,575)
Water distribution and treatment	121,464	202,925	-	81,461
Health	1,032	-	-	(1,032)
Welfare	25,969	-	-	(25,969)
Culture and recreation	199,139	3,921	3,116	(192,102)
Conservation	3,088	-	-	(3,088)
Interest on long-term debt	40,214	-	-	(40,214)
Capital outlay	524,721	-	-	(524,721)
Total governmental activities	<u>\$ 4,791,308</u>	<u>\$ 477,012</u>	<u>\$ 163,002</u>	<u>(4,151,294)</u>
General revenues:				
Taxes:				
Property				2,752,761
Other				163,822
Motor vehicle permit fees				777,946
Licenses and other fees				39,143
Grants and contributions not restricted to specific programs				239,529
Miscellaneous				185,382
Total general revenues				<u>4,158,583</u>
Change in net assets				7,289
Net assets, beginning				<u>2,103,449</u>
Net assets, ending				<u>\$ 2,110,738</u>

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

EXHIBIT C-1
TOWN OF ENFIELD, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2006

	General	Expendable Trust	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,712,350	\$ 8,178	\$ 550,885	\$ 4,271,413
Investments	232,623	975,113	255,596	1,463,332
Receivables, net of allowance for uncollectible:				
Taxes	868,552	-	-	868,552
Accounts	3,729	-	95,100	98,829
Interfund receivable	55,549	-	4,403	59,952
Total assets	<u>\$ 4,872,803</u>	<u>\$ 983,291</u>	<u>\$ 905,984</u>	<u>\$ 6,762,078</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 123,726	\$ -	\$ 104,800	\$ 228,526
Intergovernmental payable	3,462,791	-	-	3,462,791
Interfund payable	1,287	500	58,165	59,952
Deferred revenue	73,572	-	174	73,746
Total liabilities	<u>3,661,376</u>	<u>500</u>	<u>163,139</u>	<u>3,825,015</u>
Fund balances:				
Reserved for encumbrances	35,892	-	1,000	36,892
Reserved for endowments	-	-	205,330	205,330
Reserved for special purposes	-	-	11,157	11,157
Unreserved, undesignated, reported in:				
General fund	1,175,535	-	-	1,175,535
Special revenue funds	-	982,791	525,358	1,508,149
Total fund balances	<u>1,211,427</u>	<u>982,791</u>	<u>742,845</u>	<u>2,937,063</u>
Total liabilities and fund balances	<u>\$ 4,872,803</u>	<u>\$ 983,291</u>	<u>\$ 905,984</u>	<u>\$ 6,762,078</u>

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

EXHIBIT C-2
TOWN OF ENFIELD, NEW HAMPSHIRE
Reconciliation of Total Governmental Fund Balances to the Statement of Net Assets
December 31, 2006

Total fund balances of governmental funds (Exhibit C-1)			\$ 2,937,063
Amounts reported for governmental activities in the statement of net assets are different because:			
Interfund receivables and payables between governmental funds are eliminated on the statement of net assets.			
Receivables	\$ (59,952)		
Payables	<u>59,952</u>		
			-
Interest on long-term debt is not accrued in governmental funds.			
Accrued interest payable			(6,201)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds:			
Bonds and notes	\$ 721,799		
Compensated absences	<u>98,325</u>		
			(820,124)
Total net assets of governmental activities (Exhibit A)			<u>\$ 2,110,738</u>

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

EXHIBIT C-3
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2006

	General	Expendable Trust	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 2,883,971	\$ -	\$ 32,612	\$ 2,916,583
Licenses and permits	817,089	-	-	817,089
Intergovernmental	380,993	-	11,684	392,677
Charges for services	63,977	-	413,035	477,012
Miscellaneous	138,881	41,982	14,373	195,236
Total revenues	<u>4,284,911</u>	<u>41,982</u>	<u>471,704</u>	<u>4,798,597</u>
Expenditures:				
Current:				
General government	1,382,301	8,105	322	1,390,728
Public safety	856,888	-	11,684	868,572
Highways and streets	937,024	-	-	937,024
Water distribution and treatment	-	-	119,994	119,994
Sanitation	404,624	-	248,876	653,500
Health	1,032	-	-	1,032
Welfare	25,955	-	-	25,955
Culture and recreation	189,005	3,582	366	192,953
Conservation	-	-	3,088	3,088
Debt service:				
Principal	112,963	-	15,321	128,284
Interest	31,130	-	9,747	40,877
Capital outlay	427,179	-	97,542	524,721
Total expenditures	<u>4,368,101</u>	<u>11,687</u>	<u>506,940</u>	<u>4,886,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(83,190)</u>	<u>30,295</u>	<u>(35,236)</u>	<u>(88,131)</u>
Other financing sources (uses):				
Transfers in	141,166	221,000	4,991	367,157
Transfers out	<u>(222,875)</u>	<u>(140,372)</u>	<u>(3,910)</u>	<u>(367,157)</u>
Total other financing sources and uses	<u>(81,709)</u>	<u>80,628</u>	<u>1,081</u>	<u>-</u>
Net change in fund balances	(164,899)	110,923	(34,155)	(88,131)
Fund balances, beginning	1,376,326	871,868	777,000	3,025,194
Fund balances, ending	<u>\$ 1,211,427</u>	<u>\$ 982,791</u>	<u>\$ 742,845</u>	<u>\$ 2,937,063</u>

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

EXHIBIT C-4
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 Fiscal Year Ended December 31, 2006

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (88,131)
Amounts reported for governmental activities in the statement of activities are different because:		
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (367,157)	
Transfers out	<u>367,157</u>	
		-
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net assets.		
Repayment of bond and note principal		128,284
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.		
Decrease in accrued interest expense	\$ 663	
Increase in compensated absences payable	<u>(33,527)</u>	
		<u>(32,864)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 7,289</u>

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

EXHIBIT D
TOWN OF ENFIELD, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Assets
December 31, 2006

	<u>Agency</u>
ASSETS	
Cash and cash equivalents	\$ 90,018
Investments	<u>42,058</u>
Total assets	<u>132,076</u>
LIABILITIES	
Due to other governmental units	43,710
Escrow accounts payable	<u>88,366</u>
Total liabilities	<u>132,076</u>
NET ASSETS	<u><u>\$ -</u></u>

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

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Enfield, New Hampshire (the Town) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

1-A Reporting Entity

The Town of Enfield is a municipal corporation governed by an elected 3-member Board of Selectmen. The reporting entity is comprised of the primary government and any other organizations that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the Town is financially accountable. The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board, and (1) the Town is able to significantly influence the programs or services performed or provided by the organization; or (2) the Town is legally entitled to or can otherwise access the organization's resources; the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Town is obligated for the debt of the organization. Based on the foregoing criteria, no other organizations are included in the Town's financial reporting entity.

1-B Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities; and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Town as a whole. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed at this reporting level as all individual funds are consolidated as governmental activities.

The statement of net assets presents the financial position of the governmental activities of the Town at year-end. This statement includes all of the Town's assets, liabilities and net assets, with the exception of the capital assets and related accumulated depreciation which have been omitted because they have not been inventoried at historical cost.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with the function, and therefore, clearly identifiable to that particular function.

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. 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 the functional activity. Program revenues include: (1) charges for services, which include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) operating grants and contributions which finance annual operating activities including restricted investment income. These revenues are subject to externally imposed restrictions to the program uses.

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which functions *generate* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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Fund Financial Statements - During the year, the Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements are designed to present financial information of the Town at this more detailed level. Fund financial statements are provided for governmental and fiduciary funds.

Fund Accounting - The Town uses funds to maintain its financial records during the year. The Town uses two categories of funds: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The Town reports the difference between governmental fund assets and liabilities as fund balance. The following are the Town's major governmental funds:

General Fund - The general fund is the primary operating fund of the Town. All general revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. This fund accounts for general operating expenditures, fixed charges, and the capital improvement costs that are not reported in other funds.

Expendable Trust Fund - The expendable trust fund is used to account for monies established by Town Meeting to be held as capital reserve or other expendable funds for Town purposes.

The Town also reports eight nonmajor governmental funds.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets. The Town's fiduciary funds consist of agency funds. The agency funds are custodial in nature (assets equal liabilities), and do not involve the measurement of results of operations.

1-C Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Town are included on the statement of net assets, with the exception of the capital assets and the related accumulated depreciation which have been omitted because they have not been valued at historical cost. The statement of activities reports revenues, expenses and changes in net assets except for depreciation expense on the omitted assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Fiduciary funds use an economic resources measurement focus. These funds report all assets and liabilities on the statement of fiduciary net assets

1-D Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting, and fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of some deferred revenue, and in the presentation of expenses versus expenditures

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year, generally within sixty days of year-end.

Revenues - Nonexchange Transactions - Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all grantor imposed eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions also must be available (i.e., collected within 60 days) before it can be recognized, with the exception of property taxes which are recognized if expected to be collected in time to be used to pay the liability to the school district which is due over the next six months.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: taxes, charges for services, interest, and federal and state grants.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred revenue in the governmental funds, and as unearned revenue on the government-wide financial statements.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E Assets, Liabilities and Net Assets or Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town.

New Hampshire statutes require that the Town treasurer have custody of all moneys belonging to the Town and pay out the same only upon orders of the Town Manager. The treasurer shall deposit all such moneys 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 and 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 - Wherever the treasurer has in custody an excess of funds, which are not immediately needed for the purpose of expenditure, the treasurer shall, with the approval of the Town Manager, invest the excess funds.

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- 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.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Any person who directly or indirectly receives any such funds or moneys 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.

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

1-E-2 Receivables

Tax revenue is recorded when a warrant for collection is committed to the tax collector. Taxes receivable are reported net of an allowance established for potential abatements of the current uncollected balances. As prescribed by law, the tax collector executes a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum. If property is not redeemed within the 2-year redemption period, the property is tax dedeed to the Town.

Accounts receivable include various service charges which are recorded as revenue for the period when service was provided.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated on the statement of net assets.

1-E-4 Compensated Absences

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the Town's experience of making termination payments.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Town will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-E-5 Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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1-E-6 Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Equity for all other reporting is classified as "net assets."

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Because the Town has not recorded its capital assets, this balance shows a large negative balance. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1-E-7 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement of repayment are reported as interfund transfers. At the fund reporting level, interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

At the government-wide financial reporting level, transfers between funds that would be reported in the individual funds are eliminated.

1-E-8 Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DETAILED NOTES ON ALL FUNDS AND GOVERNMENT-WIDE STATEMENTS

2-A Custodial Credit Risk for Deposits and Investment Risks

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2006, \$32,546 of the Town's bank balances of \$4,395,295 was exposed to custodial credit risk as uninsured and uncollateralized.

As of December 31, 2006, the Town had the following investments:

Certificates of deposit	\$ 297,654
New Hampshire Public Deposit Investment Pool	1,207,736
Total	<u>\$ 1,505,390</u>

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006

The investments as of December 31, 2006, are classified in the accompanying financial statements as follows:

Governmental funds balance sheet (Exhibit C-1)	\$ 1,463,332
Fiduciary funds statement of fiduciary net assets (Exhibit D)	42,058
Total	<u>\$ 1,505,390</u>

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments to those described in Note 1-E-1. The Town has no investment policy that would further limit its investment choices.

Custodial Credit Risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Of the Town's \$1,505,390 in investments, \$64,849 is subject to custodial credit risk because the securities are held by the counter party's trust department or agent, not in the Town's name. The Town does not have policies for custodial credit risk.

2-B Taxes Receivable

The property tax year is from April 1 to March 31 and all property taxes are assessed on the inventory taken in April of that year. The net assessed valuation as of April 1, 2006, upon which the 2006 property tax levy was based is:

For the New Hampshire education tax	\$ 425,594,548
For all other taxes	\$ 428,211,348

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Under this method, tax bills are due on or around July 1 and December 1 of each year, with interest accruing at a rate of 12% on bills outstanding after the due date. The first billing is considered an estimate only and is one half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the New Hampshire Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for abatements and refunds of property taxes, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any tax allowances at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Mascoma Valley Regional School District, Eastman Village District and Grafton County, which are remitted as required by law. The ultimate responsibility for the collection of taxes rests with the Town.

The tax rates and amounts assessed for the year ended December 31, 2006, were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$6.64	\$ 3,846,698
School portion:		
State of New Hampshire	\$2.66	1,130,053
Local	\$11.76	5,034,755
County portion	\$1.33	569,184
Precinct portion	\$1.61	21,678
Total		<u>\$ 10,602,368</u>

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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During the current fiscal year, the tax collector executed a lien on April 19 for all uncollected 2005 property taxes.

Taxes receivable at December 31, 2006, are as follows:

Property:	
Levy of 2006	\$ 729,510
Unredeemed (under tax lien):	
Levy of 2005	134,557
Levy of 2004	54,938
Levy of 2003	7,064
Yield	2,998
Land use change	4,485
Less: allowance for estimated uncollectible taxes	(65,000)
Net taxes receivable	<u>\$ 868,552</u>

2-C Other Receivables

Other receivables at December 31, 2006, consisted of billings for water, sewer and police details.

Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectibility.

2-D Interfund Balances and Transfers

Interfund balances at December 31, 2006 represents overdrafts of pooled cash, budgetary transfers, the library's share of trust income and reimbursements of short-term loans. The composition of interfund balances as of December 31, 2006 is as follows:

Receivable fund	Payable fund	Amount
General	Expendable trust	\$ 500
	Nonmajor	55,049
Nonmajor	General	1,287
	Nonmajor	3,116
		<u>\$ 59,952</u>

Interfund transfers during the year consisted of voted appropriations and permanent fund interest being transferred to other funds and were as follows:

	Transfer In:			
	General Fund	Expendable Trust Fund	Nonmajor Funds	Total
Transfer out:				
General fund	\$ -	\$ 221,000	\$ 1,875	\$ 222,875
Expendable trust fund	140,372	-	-	140,372
Nonmajor funds	794	-	3,116	3,910
Total	<u>\$ 141,166</u>	<u>\$ 221,000</u>	<u>\$ 4,991</u>	<u>\$ 367,157</u>

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006

2-E Intergovernmental Payable

Amounts due to other governments at December 31, 2006 consist of:

Fees due to the State of New Hampshire	\$ 1,788
Balance of 2006-2007 district assessment due to the Mascoma Valley Regional School District	3,461,003
Total	<u>\$ 3,462,791</u>

2-F Deferred/Unearned Revenue

Deferred/unearned revenue at December 31, 2006 consists of prepayments of property taxes in the amount of \$8,924, proceeds from the sale of tax deeded property of \$64,648 for which the recognition of revenue is being deferred until the sales are settled, and \$174 of police grants received prior to eligible expenditures/expenses being made.

2-G Long-Term Liabilities

Changes in the Town's long-term obligations during the year ended December 31, 2006, consisted of the following:

	General Obligation Bonds/Notes Payable	Compensated Absences Payable	Total
Balance, beginning	\$ 850,083	\$ 64,798	\$ 914,881
Additions	-	33,527	33,527
Reductions	(128,284)	-	(128,284)
Balance, ending	<u>\$ 721,799</u>	<u>\$ 98,325</u>	<u>\$ 820,124</u>

Long-term liabilities payable are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2006	Current Portion
General obligation bonds/notes payable:						
Sewer	\$ 350,000	1989	2016	5.0	\$ 129,629	\$ 12,963
DPW facility	\$ 900,000	2002	2011	3.9	400,000	100,000
State Revolving Fund	\$ 270,258	2002	2021	3.9	192,170	15,154
					<u>721,799</u>	<u>128,117</u>
Compensated absences payable:						
Vested sick leave					31,727	-
Accrued vacation leave					66,598	-
					<u>98,325</u>	<u>-</u>
Total					<u>\$ 820,124</u>	<u>\$ 128,117</u>

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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The annual requirements to amortize all general obligation debt outstanding as of December 31, 2006, including interest payments, are as follows:

Annual Requirements To Amortize General Obligation Bonds/Notes Payable

Fiscal Year Ending December 31,	Principal	Interest	Total
2007	\$ 128,117	\$ 30,185	\$ 158,302
2008	127,938	10	127,948
2009	127,746	19,648	147,394
2010	127,536	14,413	141,949
2011	27,307	10,163	37,470
2012-2016	132,088	31,256	163,344
2017-2021	51,067	6,591	57,658
Totals	<u>\$ 721,799</u>	<u>\$ 112,266</u>	<u>\$ 834,065</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

Bonds and notes authorized and unissued as of December 31, 2006 were as follows:

Per Town Meeting vote of	Purpose	Unissued Amount
1999	Water improvements	\$ 100,000
2000	Water improvements	500,000
2000	New DPW facility	1,000,000
	Less: issued in 2002	(900,000)
		<u>\$ 700,000</u>

NOTE 3 - OTHER MATTERS

3-A Pensions

The Town of Enfield participates in the New Hampshire Retirement System (the System) which consists of a cost-sharing, multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Provisions for benefits and contributions are established and can be amended by the New Hampshire Legislature. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees except police officers are required to contribute 5% of earnable compensation. Police officers are required to contribute 9.3% of gross earnings. For 2006, the Town contributed 9.68% for police and 6.81% for other employees. The contribution requirements for the Town of Enfield for the fiscal years 2004, 2005 and 2006 were \$69,415, \$90,609 and \$97,743, respectively, which were paid in full in each year.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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The State of New Hampshire funds 35% of employer costs for police officers employed by the Town. This amount, \$16,387, is reported as an "on-behalf" payment," as an expenditure and revenue on the governmental fund operating statement, and as an expense and revenue on the government-wide statement of activities.

3-B Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2006, the Town was a member of the Local Government Center Property-Liability Trust, LLC, which is a Trust organized to provide certain property and liability insurance coverages to member towns, cities and other qualified political subdivisions of New Hampshire. As a member of the Local Government Center Property-Liability Trust, LLC, 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 to June 30. The program maintains a self-insured retention above which it purchases reinsurance and excess insurance. This policy covers property, auto physical damage, crime, general liability and public officials' liability subject to a \$1,000 deductible.

Contributions paid in 2006 for fiscal year 2007, ending June 30, 2007, to be recorded as an insurance expenditure totaled \$50,896. There were no unpaid contributions for the year ending June 30, 2007 and due in 2006. The Town also paid \$35,158 for workers' compensation for the year ended December 31, 2006. The trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of any additional assessments for past years.

3-C Contingent Liabilities

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E
TOWN OF ENFIELD, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2006

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 2,851,470	\$ 2,883,971	\$ 32,501
Licenses and permits	833,150	817,089	(16,061)
Intergovernmental	364,606	364,606	-
Charges for services	54,500	63,977	9,477
Miscellaneous	116,500	138,881	22,381
Total revenues	<u>4,220,226</u>	<u>4,268,524</u>	<u>48,298</u>
Expenditures:			
Current:			
General government	1,414,437	1,364,098	50,339
Public safety	889,994	838,765	51,229
Highways and streets	932,236	935,057	(2,821)
Sanitation	397,097	404,624	(7,527)
Health	2,000	1,032	968
Welfare	34,888	25,605	9,283
Culture and recreation	196,422	186,437	9,985
Economic development	1,000	-	1,000
Debt service:			
Principal	112,964	112,963	1
Interest	29,552	31,130	(1,578)
Capital outlay	226,000	198,276	27,724
Total expenditures	<u>4,236,590</u>	<u>4,097,987</u>	<u>138,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,364)</u>	<u>170,537</u>	<u>186,901</u>
Other financing sources (uses):			
Transfers in	110,239	141,166	30,927
Transfers out	(222,875)	(222,875)	-
Total other financing sources and uses	<u>(112,636)</u>	<u>(81,709)</u>	<u>30,927</u>
Net change in fund balances	<u>\$ (129,000)</u>	88,828	<u>\$ 217,828</u>
Unreserved fund balance, beginning		1,086,707	
Unreserved fund balance, ending		<u>\$ 1,175,535</u>	

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006

General Budget Policies	1
Budgetary Reconciliation	2

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006

1. General Budget Policies

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general fund, as well as the nonmajor water and sewer department funds. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In the fiscal year 2006, \$129,000 of the beginning general fund fund balance was applied for this purpose.

2. Budgetary Reconciliation

The following reconciles the general fund budgetary basis to the GAAP basis.

Revenues and other financing sources:	
Per Exhibit E (budgetary basis)	\$ 4,409,690
Adjustment:	
Basis difference:	
On-behalf retirement contributions made by the State of New Hampshire recognized as revenue on the GAAP basis, but not on the budgetary basis	16,387
Per Exhibit C-3 (GAAP Basis)	<u>\$ 4,426,077</u>
Expenditures and other financing uses:	
Per Exhibit E (budgetary basis)	\$ 4,320,862
Adjustments:	
Basis difference:	
Encumbrances, beginning	289,619
Encumbrances, ending	(35,892)
On-behalf retirement contributions made by the State of New Hampshire recognized as expenditures on the GAAP basis, but not on the budgetary basis	16,387
Per Exhibit C-3 (GAAP Basis)	<u>\$ 4,590,976</u>

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF ENFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2006

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 2,754,435	\$ 2,752,761	\$ (1,674)
Land use change	15,000	47,829	32,829
Yield	10,500	9,726	(774)
Excavation	1,500	1,374	(126)
Interest and penalties on taxes	70,035	72,281	2,246
Total taxes	<u>2,851,470</u>	<u>2,883,971</u>	<u>32,501</u>
Licenses, permits and fees:			
Business licenses, permits and fees	150	122	(28)
Motor vehicle permit fees	795,000	777,946	(17,054)
Building permits	15,000	15,635	635
Other	23,000	23,386	386
Total licenses, permits and fees	<u>833,150</u>	<u>817,089</u>	<u>(16,061)</u>
Intergovernmental:			
State:			
Shared revenue block grant	51,547	51,547	-
Meals and rooms distribution	187,982	187,982	-
Highway block grant	125,077	125,077	-
Total intergovernmental	<u>364,606</u>	<u>364,606</u>	<u>-</u>
Charges for services:			
Income from departments	<u>54,500</u>	<u>63,977</u>	<u>9,477</u>
Miscellaneous:			
Sale of municipal property	23,000	34,070	11,070
Interest on investments	80,000	91,115	11,115
Rent of property	-	4,323	4,323
Other	13,500	9,373	(4,127)
Total miscellaneous	<u>116,500</u>	<u>138,881</u>	<u>22,381</u>
Other financing sources:			
Transfers in:			
Expendable trust fund	107,839	140,372	32,533
Nonmajor funds	2,400	794	(1,606)
Total other financing sources	<u>110,239</u>	<u>141,166</u>	<u>30,927</u>
Total revenues and other financing sources	4,330,465	<u>\$ 4,409,690</u>	<u>\$ 79,225</u>
Unreserved fund balance used to reduce tax rate	129,000		
Total revenues, other financing sources and use of fund balance	<u>\$ 4,459,465</u>		

SCHEDULE 2
TOWN OF ENFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2006

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ 14,329	\$ 167,497	\$ 172,240	\$ -	\$ 9,586
Election and registration	-	59,898	58,795	-	1,103
Financial administration	4,335	169,713	157,906	2,000	14,142
Revaluation of property	10,558	30,000	29,785	10,773	-
Legal	-	21,000	20,594	-	406
Personnel administration	-	588,471	572,151	-	16,320
Planning and zoning	2,300	73,663	72,645	-	3,318
General government buildings	-	188,150	183,092	546	4,512
Cemeteries	-	545	650	-	(105)
Insurance, not otherwise allocated	-	50,000	48,943	-	1,057
Advertising and regional associations	-	46,500	46,500	-	-
Other	-	19,000	19,000	-	-
Total general government	31,522	1,414,437	1,382,301	13,319	50,339
Public safety:					
Police	11,074	588,379	597,853	-	1,600
Ambulance	-	58,200	47,119	-	11,081
Fire	12,785	106,217	66,526	22,123	30,353
Building inspection	-	54,748	51,848	-	2,900
Emergency management	-	9,950	12,521	-	(2,571)
Other	-	72,500	64,634	-	7,866
Total public safety	23,859	889,994	840,501	22,123	51,229
Highways and streets:					
Administration	-	481,816	460,479	-	21,337
Highways and streets	1,967	427,020	453,838	-	(24,851)
Street lighting	-	23,400	22,707	-	693
Total highways and streets	1,967	932,236	937,024	-	(2,821)
Sanitation:					
Administration	-	78,332	82,064	-	(3,732)
Solid waste collection	-	131,890	135,522	-	(3,632)
Solid waste disposal	-	186,875	187,038	-	(163)
Total sanitation	-	397,097	404,624	-	(7,527)
Health:					
Administration	-	500	663	-	(163)
Pest control	-	1,500	369	-	1,131
Total health	-	2,000	1,032	-	968
Welfare:					
Administration	350	13,438	12,641	-	1,147
Direct assistance	-	21,450	13,314	-	8,136
Total welfare	350	34,888	25,955	-	9,283

(continued)

SCHEDULE 2 (continued)
TOWN OF ENFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2006

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	37,358	39,811	-	(2,453)
Library	3,018	156,641	147,192	450	12,017
Patriotic purposes	-	1,000	639	-	361
Other	-	1,423	1,363	-	60
Total culture and recreation	<u>3,018</u>	<u>196,422</u>	<u>189,005</u>	<u>450</u>	<u>9,985</u>
Economic development	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Debt service:					
Principal of long-term debt	-	112,964	112,963	-	1
Interest on long-term debt	<u>-</u>	<u>29,552</u>	<u>31,130</u>	<u>-</u>	<u>(1,578)</u>
Total debt service	<u>-</u>	<u>142,516</u>	<u>144,093</u>	<u>-</u>	<u>(1,577)</u>
Capital outlay:					
Land and improvements	-	68,000	50,447	-	17,553
Machinery, vehicles and equipment	201,238	158,000	337,392	-	21,846
Improvements other than buildings	<u>27,665</u>	<u>-</u>	<u>39,340</u>	<u>-</u>	<u>(11,675)</u>
Total capital outlay	<u>228,903</u>	<u>226,000</u>	<u>427,179</u>	<u>-</u>	<u>27,724</u>
Other financing uses:					
Transfers out:					
Expendable trust fund	-	221,000	221,000	-	-
Nonmajor funds	<u>-</u>	<u>1,875</u>	<u>1,875</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>222,875</u>	<u>222,875</u>	<u>-</u>	<u>-</u>
Total appropriations, expenditures, other financing uses and encumbrances	<u>\$ 289,619</u>	<u>\$ 4,459,465</u>	<u>\$ 4,574,589</u>	<u>\$ 35,892</u>	<u>\$ 138,603</u>

*SCHEDULE 3
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Statement of Changes in Unreserved - Undesignated Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2006*

Unreserved, undesignated fund balance, beginning		\$ 1,086,707
Changes:		
Unreserved fund balance used to reduce 2006 tax rate		(129,000)
2006 Budget summary:		
Revenue surplus (Schedule 1)	\$ 79,225	
Unexpended balance of appropriations (Schedule 2)	<u>138,603</u>	
2006 Budget surplus		<u>217,828</u>
Unreserved, undesignated fund balance, ending		<u>\$ 1,175,535</u>

SCHEDULE 4

LIABILITIES AND FUND BALANCES

SCHEDULE 5
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds

	Special Revenue Funds								
	Conservation Commission	Water Department	Sewer Department	Public Library	Police Grants	TIF District	Capital Project Fund	Permanent Fund	Total
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,612	\$ -	\$ -	\$ 32,612
Intergovernmental	-	-	-	-	11,684	-	-	-	11,684
Charges for services	-	202,925	210,110	-	-	-	-	-	413,035
Miscellaneous	45	-	-	4,474	-	-	-	9,854	14,373
Total revenues	45	202,925	210,110	4,474	11,684	32,612	-	9,854	471,704
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	322	322
Public safety	-	-	-	-	11,684	-	-	-	11,684
Water distribution and treatment	-	119,994	-	-	-	-	-	-	119,994
Sanitation	-	-	248,876	-	-	-	-	-	248,876
Culture and recreation	-	-	-	366	-	-	-	-	366
Conservation	3,088	-	-	-	-	-	-	-	3,088
Debt service:									
Principal	-	15,321	-	-	-	-	-	-	15,321
Interest	-	9,747	-	-	-	-	-	-	9,747
Capital outlay	-	-	-	-	-	26,420	71,122	-	97,542
Total expenditures	3,088	145,062	248,876	366	11,684	26,420	71,122	322	506,940
Excess (deficiency) of revenues over (under) expenditures	(3,043)	57,863	(38,766)	4,108	-	6,192	(71,122)	9,532	(35,236)
Other financing sources (uses):									
Transfers in	1,875	-	-	3,116	-	-	-	-	4,991
Transfers out	-	-	-	-	-	-	-	(3,910)	(3,910)
Total other financing sources and uses	1,875	-	-	3,116	-	-	-	(3,910)	1,081
Net change in fund balances	(1,168)	57,863	(38,766)	7,224	-	6,192	(71,122)	5,622	(34,155)
Fund balances, beginning	13,775	208,318	216,377	54,205	-	2,338	71,122	210,865	777,000
Fund balances, ending	\$ 12,607	\$ 266,181	\$ 177,611	\$ 61,429	\$ -	\$ 8,530	\$ -	\$ 216,487	\$ 742,845



PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S COMMUNICATION OF CONTROL DEFICIENCIES AND OTHER MATTERS

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

In planning and reporting our audit of the financial statements of the Town of Enfield as of and for the fiscal year ended December 31, 2006, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Enfield's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Enfield's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Enfield's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Enfield's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Enfield's financial statements that is more than inconsequential will not be prevented or detected by the Town of Enfield's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Enfield's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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

*Plodzik & Sanderson
Professional Association*

January 22, 2008