

TOWN OF ENFIELD, NEW HAMPSHIRE

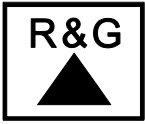
ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011

**TOWN OF ENFIELD, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

TABLE OF CONTENTS

	<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets (Exhibit 1)	10
Statement of Activities (Exhibit 2)	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds (Exhibit 3)	12
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Assets (Exhibit 4)	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit 5)	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit 6)	15
Fiduciary Funds – Statement of Fiduciary Net Assets (Exhibit 7)	16
Fiduciary Funds – Statement of Changes in Fiduciary Net Assets (Exhibit 8)	17
NOTES TO THE FINANCIAL STATEMENTS	18
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) (Exhibit 9)	34
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION	35
COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES	
Nonmajor Governmental Funds	
Combining Balance Sheet (Exhibit 10)	36
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 11)	37
Major General Fund	
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis) (Exhibit 12)	40
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis) (Exhibit 13)	41
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis) (Exhibit 14)	43
INDEPENDENT AUDITOR'S COMMUNICATION OF CONTROL DEFICIENCIES AND OTHER MATTERS	44



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield, New Hampshire as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Enfield'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.

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the financial position of the governmental activities of the Town of Enfield, New Hampshire as of December 31, 2011, 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, New Hampshire as of December 31, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 34 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Enfield's financial statements as a whole. The combining nonmajor and individual general fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They are the

responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

December 19, 2012

Roberts & Arnone, PLLC

MANAGEMENTS 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, 2011.

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 assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 of assets exceeded liabilities by \$9,317,166 (i.e. net assets), a change of \$597,387 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$2,219,292, a change of \$46,874 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$227,906, a change of \$14,272 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$492,916, a change of \$134,468 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.

	<u>2011</u>	<u>Government Activities</u> <u>2010</u> <u>Restated</u>
Current and other assets	6,865,485	6,926,345
Capital assets	6,885,896	6,450,028
Total assets	13,751,381	13,376,373
Long-term liabilities outstanding	602,247	740,537
Other liabilities	3,831,968	3,916,057
Total liabilities	4,434,215	4,656,594
Net assets:		
Invested in capital assets, net	6,392,980	5,822,644
Restricted	226,400	224,899
Unrestricted	2,697,786	2,672,236
Total net assets	9,317,166	8,719,779

CHANGES IN NET ASSETS

	<u>2011</u>	<u>Governmental Activities</u> <u>2010</u> <u>Restated</u>
Revenues:		
Program revenues:		
Charges for services	523,315	536,880
Operating grants and contributions	211,931	56,788
Capital grants and contributions	485,565	257,214
General revenues:		
Property taxes	3,339,632	3,255,896
Motor vehicle permits	801,379	762,209
Penalties and interest on taxes	163,120	103,810
Grants and contributions not restricted to specific programs	206,315	352,414
Miscellaneous	57,857	73,494
Total revenues	5,789,114	5,398,705

(continued)

	Governmental Activities	
	<u>2011</u>	<u>2010</u> <u>Restated</u>
Expenses:		
General government	1,575,801	1,520,391
Public safety	1,076,363	983,276
Highway and streets	1,225,189	1,079,487
Water distribution and treatment	160,196	134,385
Sanitation	872,751	849,836
Health	934	659
Welfare	40,949	34,571
Culture and recreation	214,086	199,798
Conservation	1,525	3,620
Economic development	9,085	9,093
Interest on long-term debt	11,175	21,412
Miscellaneous	3,673	122,729
Total expenses	<u>5,191,727</u>	<u>4,959,257</u>
Change in net assets before permanent fund contributions	597,387	439,448
Permanent fund contributions	-	-
Increase in net assets	<u>597,387</u>	<u>439,448</u>
Net assets – beginning of year	<u>8,719,779</u>	<u>8,280,331</u>
Net assets – end of year	<u>9,317,166</u>	<u>8,719,779</u>

As noted earlier, net assets 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 assets were \$9,317,166, a change of \$597,387 from the prior year.

The largest portion of net assets \$6,392,980 reflects our investment in capital assets (e.g., 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 assets \$226,400 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$2,697,786 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in a change in net assets of \$597,387. Key elements of this change are as follows:

General fund operations, discussed further in section D	\$(22,213)
Non major fund revenues exceed expenditures	(24,661)
Excess capitalized capital outlay over depreciation	435,868
Excess depreciation over principal debt service	131,958
Other	76,435
Total	<u><u>\$597,387</u></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 \$2,219,292, a change of \$46,874 in comparison with the prior year. Key elements of this change are as follows:

General fund operations, discussed further in section D	\$(22,213)
Non major fund revenues exceed expenditures	(24,661)
Total	<u><u>\$(46,874)</u></u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$227,906, while total fund balance was \$278,906. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 4.91 percent of total general fund expenditures, while total fund balance represents 6.01 percent of that same amount.

The fund balance of the general fund changed by \$22,213 during the current fiscal year. Key factors in this change are as follows:

Property tax revenues in excess of net tax warrant	\$(40,947)
State and local revenues in excess of budget	31,236
Expenditures less than budget	7,702
Use of fund balance as a funding source	(25,670)
Other	5,466
Total	<u><u>\$(22,213)</u></u>

E. GENERAL FUND BUDGETARY HIGHLIGHTS

There are no differences between the original budget and the final amended budget.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Total investment in capital assets for governmental activities at year end amounted to \$6,885,896 (net of accumulated depreciation), a change of \$435,868 from the prior year. This investment in capital assets includes land, buildings and systems, improvements, and machinery and equipment.

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

2011 Ford Crown Victoria Cruiser	Police Department	\$ 29,860
John Deere Tractor	Public Works Department	67,725
Ray-Tech Reclaimer	Public Works Department	24,950
Emergency Generator	Administrative	4,000
Shaker Bridge Replacement	Infrastructure	279,060
Route 4 Water/Sewer Replacement	Infrastructure	150,434
Main St. Water/Sewer Main Replacement	Infrastructure	16,292
Sewer Force Main Replacement	Infrastructure	22,546
Huse Park Drainage	Infrastructure	45,870
Hurricane Irene Repairs	Infrastructure	90,082
Anderson Hill Shim/Resurface	Road	20,500
Whaleback Mtn Road Shim/Resurface	Road	19,500
Methodist Hill Shim/Resurface	Road	46,000
Route 4 Design	Road	15,481
Grand Drape Restoration	Administrative	10,094
Outdoor Lighting Upgrade	Public Works Department	18,993

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

2002 Sidewalk Tractor	Public Works Department	\$ 77,871
1997 Dodge Pick-up	Public Works Department	10,000
2008 Ford Crown Victoria	Police Department	21,106
Boyd Mobile Home	Administrative	16,600

The remaining change resulted from depreciation expense.

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

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$492,916, all of which was backed by the full faith and credit of the government.

Additional information on capital assets and 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 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 Assets
December 31, 2011

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,926,316
Investments	1,485,208
Intergovernmental receivable	331,422
Other receivables, net of allowances for uncollectibles	1,115,389
Tax deeded property	7,150
Capital assets, not being depreciated:	
Land	1,675,595
Construction in progress	367,540
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	1,762,054
Machinery, vehicles and equipment	947,052
Infrastructure	2,133,655
Total assets	<u>13,751,381</u>
LIABILITIES	
Accounts payable	159,044
Accrued payroll and benefits	80,328
Accrued interest payable	6,166
Intergovernmental payable	3,580,352
Unearned revenue	6,078
Noncurrent obligations:	
Due within one year:	
Bonds payable	41,149
Compensated absences	10,933
Due in more than one year:	
Bonds payable	451,767
Compensated absences	98,398
Total liabilities	<u>4,434,215</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,392,980
Restricted for:	
Perpetual care:	
Nonexpendable	137,839
Expendable	20,034
Other purposes	68,527
Unrestricted	2,697,786
Total net assets	<u>\$ 9,317,166</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, 2011

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
	Expenses	for	Grants and	Grants and	Changes
		Services	Contributions	Contributions	in Net Assets
Governmental activities:					
General government	\$ 1,575,801	\$ 6,589	\$ 23,530	\$ -	\$ (1,545,682)
Public safety	1,076,363	15,566	28,525	-	(1,032,272)
Highways and streets	1,225,189	266	157,611	325,422	(741,890)
Sanitation	872,751	307,749	-	160,143	(404,859)
Water distribution and treatment	160,196	187,185	-	-	26,989
Health	934	-	-	-	(934)
Welfare	40,949	-	-	-	(40,949)
Culture and recreation	214,086	5,960	2,265	-	(205,861)
Conservation	1,525	-	-	-	(1,525)
Economic development	9,085	-	-	-	(9,085)
Interest on long-term debt	11,175	-	-	-	(11,175)
Capital outlay	3,673	-	-	-	(3,673)
Total governmental activities	<u>\$ 5,191,727</u>	<u>\$ 523,315</u>	<u>\$ 211,931</u>	<u>\$ 485,565</u>	<u>(3,970,916)</u>
General revenues:					
Property taxes					3,339,632
Other taxes					163,120
Licenses and permits					801,379
Grants and contributions not restricted to specific programs					206,315
Miscellaneous					57,857
Total general revenues					<u>4,568,303</u>
Change in net assets					597,387
Net assets, beginning, as restated, (see Note III.D.)					8,719,779
Net assets, ending					<u>\$ 9,317,166</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, 2011

	General	Capital Project Fund Expendable Trust	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,055,981	\$ 18,696	\$ 851,639	\$ 3,926,316
Investments	251,340	960,185	273,683	1,485,208
Receivables (net of allowance for uncollectibles):				
Taxes	942,889	-	-	942,889
Accounts	16,203	-	156,297	172,500
Intergovernmental	64,249	-	244,583	308,832
Interfund receivable	438,594	-	2,265	440,859
Tax deeded property for resale	7,150	-	-	7,150
Total assets	<u>\$ 4,776,406</u>	<u>\$ 978,881</u>	<u>\$ 1,528,467</u>	<u>\$ 7,283,754</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 88,507	\$ -	\$ 70,537	\$ 159,044
Accrued salaries and benefits	76,398	-	3,930	80,328
Intergovernmental payable	3,580,352	-	-	3,580,352
Interfund payable	-	1,573	439,286	440,859
Deferred revenue	752,243	-	51,636	803,879
Total liabilities	<u>4,497,500</u>	<u>1,573</u>	<u>565,389</u>	<u>5,064,462</u>
Fund balances:				
Nonspendable	7,150	-	204,101	211,251
Restricted	-	-	140,089	140,089
Committed	-	977,308	854,345	1,831,653
Assigned	43,850	-	-	43,850
Unassigned, reported in:				
General fund	227,906	-	-	227,906
Special revenue funds	-	-	(235,457)	(235,457)
Total fund balances	<u>278,906</u>	<u>977,308</u>	<u>963,078</u>	<u>2,219,292</u>
Total liabilities and fund balances	<u>\$ 4,776,406</u>	<u>\$ 978,881</u>	<u>\$ 1,528,467</u>	<u>\$ 7,283,754</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 Assets
December 31, 2011

Total fund balances of governmental funds (Exhibit 3)		\$ 2,219,292
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 10,408,106	
Less accumulated depreciation	<u>(3,522,210)</u>	
		6,885,896
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Long-term intergovernmental receivable		22,590
Interfund receivables and payables between governmental funds are eliminated on the statement of net assets.		
Receivables	\$ (440,859)	
Payables	<u>440,859</u>	
		-
Long-term revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Deferred tax revenue	746,165	
Deferred water user charges	22,879	
Deferred sewer user charges	<u>28,757</u>	
		797,801
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(6,166)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds outstanding	\$ 492,916	
Compensated absences payable	<u>109,331</u>	
		<u>(602,247)</u>
Total net assets of governmental activities (Exhibit 1)		<u>\$ 9,317,166</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, 2011

	General	Capital Project Fund Expendable Trust	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 3,253,322	\$ -	\$ 178,593	\$ 3,431,915
Licenses, permits and fees	801,379	-	-	801,379
Intergovernmental	449,881	-	446,954	896,835
Charges for services	67,971	-	451,501	519,472
Miscellaneous	42,691	11,664	10,478	64,833
Total revenues	<u>4,615,244</u>	<u>11,664</u>	<u>1,087,526</u>	<u>5,714,434</u>
Expenditures:				
Current:				
General government	1,544,895	2,131	23,025	1,570,051
Public safety	991,105	4,000	14,395	1,009,500
Highways and streets	1,081,501	-	-	1,081,501
Sanitation	454,993	-	403,694	858,687
Water distribution and treatment	-	-	148,357	148,357
Health	934	-	-	934
Welfare	40,949	-	-	40,949
Culture and recreation	205,624	2,650	10,266	218,540
Conservation	-	-	1,525	1,525
Economic development	9,085	-	-	9,085
Debt service:				
Principal	100,000	-	14,344	114,344
Interest	20,448	-	6,274	26,722
Capital outlay	111,273	-	569,840	681,113
Total expenditures	<u>4,560,807</u>	<u>8,781</u>	<u>1,191,720</u>	<u>5,761,308</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,437</u>	<u>2,883</u>	<u>(104,194)</u>	<u>(46,874)</u>
Other financing sources (uses):				
Transfers in	5,466	670	168,711	174,847
Transfers out	<u>(82,116)</u>	<u>(87,256)</u>	<u>(5,475)</u>	<u>(174,847)</u>
Total other financing sources and uses	<u>(76,650)</u>	<u>(86,586)</u>	<u>163,236</u>	<u>-</u>
Net change in fund balances	(22,213)	(83,703)	59,042	(46,874)
Fund balances, beginning, as restated, (see Note III.D.)	301,119	1,061,011	904,036	2,266,166
Fund balances, ending	<u>\$ 278,906</u>	<u>\$ 977,308</u>	<u>\$ 963,078</u>	<u>\$ 2,219,292</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, 2011

Net change in fund balances of governmental funds (Exhibit 5)		\$	(46,874)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.			
Capitalized capital outlay	\$	822,587	
Depreciation expense		<u>(378,443)</u>	
			444,144
The effect of the disposal of capital assets through trade-ins at less than book value is to decrease net assets			(8,276)
Transfers in and out between governmental funds are eliminated on the operating statement.			
Transfers in	\$	(174,847)	
Transfers out		<u>174,847</u>	
			-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.			
Change in deferred tax revenue		70,837	
Change in deferred water user charges		1,513	
Change in deferred sewer user charges		<u>2,330</u>	
			74,680
The amortization of loan forgiveness provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.			
Amortization of loan forgiveness	\$	(2,510)	
Repayment of bond principal		<u>134,468</u>	
			131,958
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 payable	\$	(2,067)	
Decrease in compensated absences payable		<u>3,822</u>	
			<u>1,755</u>
Change in net assets of governmental activities (Exhibit 2)		\$	<u>597,387</u>

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

EXHIBIT 7
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ -	\$ 15,054
Investments	51,413	-
Total assets	<u>51,413</u>	<u>15,054</u>
Liabilities:		
Accounts payable	234	-
Due to other governmental units	1,268	-
Due to developers	-	15,054
Total liabilities	<u>1,502</u>	<u>15,054</u>
Net assets:		
Held in trust for specific purposes	<u>\$ 49,911</u>	<u>\$ -</u>

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

EXHIBIT 8
TOWN OF ENFIELD, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2011

	Private Purpose Trust
Additions:	
Miscellaneous	\$ 197
Investment earnings:	
Interest	1,699
Total additions	<u>1,896</u>
Deductions:	
Trust distributions	<u>1,699</u>
Change in net assets	197
Net assets, beginning	49,714
Net assets, ending	<u><u>\$ 49,911</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

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, 2011.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

The Town of Enfield is a municipal corporation governed by a three-member board of selectmen 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 assets 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 expenses of a given function offset by program revenues directly connected with 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 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, 2011**

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual, governmental funds are reported in a separate column with composite columns for nonmajor funds.

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

The financial statements of the Town are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, except as noted below.

The Town has not reported its annual cost for postemployment benefits other than pensions (OPEB) or its net OPEB obligation liability, if any, in the government-wide financial statements as required by GASB Statement No. 45.

For 2011, the Town has implemented GASB Statement No. 54, which results in the Expendable Trust Funds being reported as a capital project fund, and governmental fund equity being reported in different components.

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

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. For property tax revenue recognition, the Town previously considered property tax revenues to be available if they were collected within the period the school tax liability was due rather than sixty days. This change was made to comply with a directive from GASB. However, for purposes of setting the tax rate, property tax revenues are recognized when committed, and no deferral is made.

Expenditures are recorded when the related fund liability is incurred, except for general obligation debt principal and interest which are reported as expenditures in the year due.

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

Major revenues susceptible to accrual are property taxes, intergovernmental amounts, charges for services, 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.

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.

Capital Project Fund - Expendable Trust – This fund is used to account for funds established at Town Meeting as capital reserve or other expendable trust funds for the purposes of future capital outlays.

The Town also reports eight nonmajor governmental funds.

Fiduciary Funds

The Town reports the following fiduciary funds:

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

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

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

I.C.1. *Cash and Investments*

The laws of the State of New Hampshire require that the Town's treasurer have custody of all monies belonging to the Town, other than those held by the trustees of trust funds and library trustees, and pay out the same only upon orders of the 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,

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

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 fair value on the date donated. The Town generally capitalizes assets with cost of \$5,000 or more as purchase and construction outlays occur. The costs 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 accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, 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 Debt*

In the government-wide financial statements, outstanding debt is reported as liabilities. The balance of long-term debt is 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, 2011**

I.C.4. *Compensated Absences*

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

Eligible employees are granted sick leave benefits at the rate of eight (8) hours, or proportional 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. *Fund Equity*

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

- Invested in capital assets, net of related debt, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for perpetual care, which consists of the balance of the permanent funds where the principal must be permanently invested, and the income is allowed to be used only for cemetery care.
- Restricted for other purposes, which consists of the balance of the permanent funds where the principal must be permanently invested, and the income is allowed to be used for other Town purposes.
- Unrestricted, which consists of the remaining balance of net assets.

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of endowments in the permanent funds, and the tax deeded property, held for resale.
- Restricted, which represents the expendable income from permanent funds, the library fund, grant and donations received but not yet spent, and funds held for future capital projects.
- Committed, which consists of balances for which the intended use has been established by Town Meeting vote, or by the Board of Selectmen, and would require an equally formal action to remove those commitments.
- Assigned, which consists of balances for which the intended use is established by the Board of Selectmen in the form of an encumbrance.

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

- Unassigned, which represents the remaining fund balance in the General Fund in excess of the nonspendable, restricted, committed and assigned balances, and the deficit fund balance in the Sewer Fund.

I.D. 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.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, as well as the nonmajor Water and Sewer Funds. Unless encumbered, all appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2011, \$25,670 of the fund balance of the General Fund from 2010 was used.

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

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

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Investments

As of December 31, 2011, the Town's reporting entity had the following investments:

Certificates of Deposit	\$ 1,285,281
New Hampshire Public Deposit Investment Pool	251,340
	<u>\$ 1,536,621</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 1,485,208
Fiduciary funds - statement of fiduciary net assets (Exhibit 7)	51,413
Total	<u>\$ 1,536,621</u>

Investment Risks

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 does not have an investment policy that places any further restrictions on its investment choices.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town does not have an investment policy that addresses limiting interest rate risk.

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

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 12% per annum on all taxes not received by the due date. The first billing is an estimate only based on half of the previous year's billing. The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien is executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of lien taxes. Properties not redeemed within two years of the date of the tax lien are deeded to the Town.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011

During the current year, the tax collector executed a lien for uncollected 2010 property taxes on May 2nd.

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

The net assessed valuation as of April 1, 2011, upon which the 2011 property tax levy was based was:

For the New Hampshire education tax	\$ 541,612,033
For all other taxes	\$ 544,400,433

The tax rates and amounts assessed for the year ended December 31, 2011 were as follow:

	<u>Per \$1,000 of Assessed Valuation</u>	
Municipal portion	\$5.95	\$ 3,238,589
School portion:		
State of New Hampshire	\$2.52	1,363,436
Local	\$10.64	5,792,021
County portion	\$1.50	819,021
Precinct portion:		
Eastman Village	\$1.51	23,498
Total property taxes assessed		<u>\$ 11,236,565</u>

The following details the taxes receivable at year-end:

Property:	
Levy of 2011	\$ 635,884
Levy of 2010	4,715
Unredeemed (under tax lien):	
Levy of 2010	208,031
Levy of 2009	104,880
Timber	379
Less: allowance for estimated uncollectible taxes	(11,000)
Net taxes receivable	<u>\$ 942,889</u>

Other Receivables

Significant receivables include amounts for water and sewer user charges.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011

Deferred Revenue

Deferred revenue in the General Fund of \$752,243 at December 31, 2011 represents \$746,165 of 2011 property taxes that were not collected within sixty days after the year ended, and therefore, are deferred in accordance with generally accepted accounting principles, and \$6,078 in prepayments received that will be applied to the 2012 property tax levy.

Deferred revenue in the Nonmajor Funds of \$51,636 represents \$22,879 and \$28,757 of 2011 water and sewer user charges, respectively, that were not collected within sixty days after the year ended.

III.A.3. Capital Assets

Changes in Capital Assets

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

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 1,675,595	\$ -	\$ -	\$ 1,675,595
Construction in progress	211,232	156,308	-	367,540
Total capital assets not being depreciated	<u>1,886,827</u>	<u>156,308</u>	<u>-</u>	<u>2,043,135</u>
Being depreciated:				
Buildings and building improvements	2,347,914	-	-	2,347,914
Machinery, vehicles and equipment	3,376,928	138,016	(125,577)	3,389,367
Infrastructure	2,060,627	567,063	-	2,627,690
Total capital assets being depreciated	<u>7,785,469</u>	<u>705,079</u>	<u>(125,577)</u>	<u>8,364,971</u>
Total all capital assets	<u>9,672,296</u>	<u>861,387</u>	<u>(125,577)</u>	<u>10,408,106</u>
Less accumulated depreciation:				
Buildings and building improvements	(539,980)	(45,880)	-	(585,860)
Machinery, vehicles and equipment	(2,271,274)	(249,542)	78,501	(2,442,315)
Infrastructure	(411,014)	(83,021)	-	(494,035)
Total accumulated depreciation	<u>(3,222,268)</u>	<u>(378,443)</u>	<u>78,501</u>	<u>(3,522,210)</u>
Net book value, capital assets being depreciated	<u>4,563,201</u>	<u>326,636</u>	<u>(47,076)</u>	<u>4,842,761</u>
Net book value, all capital assets	<u>\$ 6,450,028</u>	<u>\$ 482,944</u>	<u>\$ (47,076)</u>	<u>\$ 6,885,896</u>

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

Depreciation Expense

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

Governmental activities:	
General government	\$ 26,312
Public safety	94,803
Highways and streets	225,129
Sanitation	14,225
Water distribution and treatment	12,391
Culture and recreation	5,583
Total depreciation expense	<u>\$ 378,443</u>

III.A.4. *Restricted Net Assets*

The government-wide statement of net assets includes restricted net assets of \$157,873 for public trust funds reported as restricted to reflect perpetual care restrictions contained in trust indentures, and an amount of \$68,527 that represents other purpose restrictions contained in trust indentures.

III.B. *Liabilities*

III.B.1 *Intergovernmental Payable*

The amount due to other governments at December 31, 2011 consists of \$3,577,728 due to the Mascoma Valley Regional School District for the balance of the 2011-2012 district assessment, and \$2,624 for state fees collected by the Town.

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011

III.B.2 Long-Term Debt

Long-term 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 12/31/2011	Current Portion
General obligation bonds payable:						
Sewer	\$ 350,000	1989	2016	5.00	\$ 64,814	\$ 12,963
Drinking water loan	\$ 317,951	2002	2021	2.976-4.580	140,933	16,603
Clean water loan	\$ 291,820	2011	2030	2.864	287,169	11,583
					<u>492,916</u>	<u>41,149</u>
Compensated absences payable:						
Vested sick leave					49,016	4,902
Accrued vacation leave					60,315	6,031
					<u>109,331</u>	<u>10,933</u>
					<u>\$ 602,247</u>	<u>\$ 52,082</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2011:

	General Obligation Bonds Payable	State Revolving Loan Drawdowns	Compensated Absences Payable	Total
Balance, beginning	\$ 335,564	\$ 291,820	\$ 113,153	\$ 740,537
Additions	291,820	-	-	291,820
Reductions	(134,468)	(291,820)	(3,822)	(430,110)
Balance, ending	<u>\$ 492,916</u>	<u>\$ -</u>	<u>\$ 109,331</u>	<u>\$ 602,247</u>

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

Debt Service Requirements to Maturity

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

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 41,149	\$ 17,069	\$ 58,218
2013	41,202	15,429	56,631
2014	41,230	13,789	55,019
2015	41,222	12,154	53,376
2016	41,164	10,522	51,686
2017-2021	131,738	35,300	167,038
2022-2026	81,342	17,698	99,040
2027-2030	73,869	5,364	79,233
Totals	<u>\$ 492,916</u>	<u>\$ 127,325</u>	<u>\$ 620,241</u>

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 schedule reports receivables and payables within the reporting entity at fiscal year-end:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Capital project - expendable trust	\$ 1,573
General	Nonmajor	437,021
Nonmajor	Nonmajor	2,265
		<u>\$ 440,859</u>

The amount due to the General Fund from the nonmajor funds represents overdrafts of pooled cash. The amount due to the Capital Project Fund – Expendable Trust, and the nonmajor funds from the nonmajor funds represents distributions of income earned on Permanent Funds.

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

III.C.2. Transfers

Transfers within the reporting entity are substantially for the purposes of voted amounts, and distributing trust income to the applicable funds. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

The following schedule reports transfers within the reporting entity:

	Transfers In:		
	General Fund	Capital Project Fund	Nonmajor Funds
Transfers out:			
General fund	\$ -	\$ 670	\$ 81,446
Capital project fund	2,256	-	85,000
Nonmajor funds	3,210	-	2,265
	<u>\$ 5,466</u>	<u>\$ 670</u>	<u>\$ 168,711</u>
			<u>\$ 174,847</u>

III.D. Restatement of Beginning Equity

Net assets and fund balances at January 1, 2011 were restated to reflect the following adjustments:

	Governmental Activities	General Fund	Nonmajor Funds
To adjust basis for deferred tax revenue	\$ -	\$ (209,168)	\$ -
To capture expense in correct year	(59,346)	-	(59,346)
To correct accumulated depreciation	(363,829)	-	-
To reclassify prior year loan proceeds	(34,606)	-	-
To record construction in progress from prior year	43,996	-	-
Net assets/fund balances, as previously reported	<u>9,133,564</u>	<u>510,287</u>	<u>963,382</u>
Net assets/fund balances, as restated	<u>\$ 8,719,779</u>	<u>\$ 301,119</u>	<u>\$ 904,036</u>

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

III.E. Fund Equity

The components of fund balance, as described in Note I.C.5, are reported for the following purposes:

	General Fund	Capital Project Fund	Nonmajor Funds	Total
Nonspendable:				
Endowments	\$ -	\$ -	\$ 204,101	\$ 204,101
Tax deeded property	7,150	-	-	7,150
Total nonspendable	7,150	-	204,101	211,251
Restricted:				
General government	-	-	23,585	23,585
Culture and recreation	-	-	83,721	83,721
Capital outlay	-	-	32,783	32,783
Total restricted	-	-	140,089	140,089
Committed:				
Water treatment and distribution	-	-	371,296	371,296
Conservation	-	-	14,781	14,781
Capital outlay	-	977,308	468,268	1,445,576
Total committed	-	977,308	854,345	1,831,653
Assigned:				
General government	27,981	-	-	27,981
Highways and streets	9,899	-	-	9,899
Culture and recreation	1,970	-	-	1,970
Capital outlay	4,000	-	-	4,000
Total assigned	43,850	-	-	43,850
Unassigned	227,906	-	(235,457)	(7,551)
Total fund balance	\$ 278,906	\$ 977,308	\$ 963,078	\$ 2,219,292

III.F. Deficit Fund Balances

The sewer fund has a deficit fund balance at December 31, 2011 in the amount of \$235,457. The deficit will be made up by adjusting the sewer user rate and working with the City of Lebanon to stabilize operating costs.

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 fiscal year, the Town was a member of the Local Government Center Property-Liability Trust, Inc., which is considered a public entity risk pool, currently operating as common risk management and insurance programs for member governmental entities.

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

Local Government Center Property-Liability Trust, Inc. (the Trust) – This Trust 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 the Trust, 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.

Contributions paid in 2011 to be recorded as an insurance expenditure/expense totaled \$68,541. There were no unpaid contributions for the year ending June 30, 2012 and due in 2011. The Town also paid \$41,257 for workers' compensation, and \$4,395 for unemployment compensation. 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.

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 members and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available 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 rate of contribution for police employees for the period of January 1 to June 30 was 9.3% of gross earnings, and for the period of July 1 to December 31 was 11.55%. The rate of contribution for other employees for the period of January 1 to June 30 was 5% of gross earnings, and for the period of July 1 to December 31 was 7%.

For the period of January 1 to June 30, the rates of contribution for pension and the medical subsidy from the Town were 14.63% for police, which consisted of 75% of the total employer cost, and 9.16% for other employees, which consisted of 100% of the employer cost. In July, the rates of contribution for pension and the medical subsidy were 25.57% for police and 11.09% for other employees, and for the period of August 1 to December 31, the rates of contribution for pension and the medical subsidy were 19.95% for police and 8.80% for other employees, which were 100% of the total employer cost. The balance of the employer cost for police employees for the period of January 1 to June 30 was paid by the State of New Hampshire. Employer contributions from the Town during the years 2009, 2010 and 2011 were \$148,546, \$152,844 and \$178,005, respectively. The amounts are paid on a monthly basis as due. The amount paid by the State for 2011 was \$9,924. This amount has been reported as an expenditure/expense and revenue on the government-wide statement of activities and on the governmental funds statement of revenues, expenditures and changes in fund balances.

**TOWN OF ENFIELD, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

IV.C. Contingent Liabilities

The Town has received federal grants for specific purposes that are subject to review and possible audit by the grantor or pass-through agency. Any such audit may result in a requirement to reimburse the grantor agency for costs disallowed. The Town does not feel the chance of disallowance is likely, and if it should occur, the amount would not be material.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 9
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 3,294,269	\$ 3,294,269	\$ 3,325,705	\$ 31,436
Licenses, permits and fees	773,970	773,970	801,379	27,409
Intergovernmental	352,324	437,942	439,957	2,015
Charges for services	42,350	42,350	67,971	25,621
Miscellaneous	66,500	66,500	42,691	(23,809)
Total revenues	<u>4,529,413</u>	<u>4,615,031</u>	<u>4,677,703</u>	<u>62,672</u>
EXPENDITURES				
Current:				
General government	1,664,262	1,664,262	1,554,318	109,944
Public safety	943,892	943,892	957,763	(13,871)
Highways and streets	995,701	995,701	1,082,210	(86,509)
Sanitation	498,128	498,128	454,993	43,135
Health	2,380	2,380	934	1,446
Welfare	44,826	44,826	40,949	3,877
Culture and recreation	209,556	209,556	206,969	2,587
Economic development	9,000	9,000	9,085	(85)
Debt service:				
Principal	112,963	112,963	100,000	12,963
Interest	9,205	9,205	20,448	(11,243)
Capital outlay	63,000	84,369	115,273	(30,904)
Total expenditures	<u>4,552,913</u>	<u>4,574,282</u>	<u>4,542,942</u>	<u>31,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,500)</u>	<u>40,749</u>	<u>134,761</u>	<u>94,012</u>
Other financing sources (uses):				
Transfers in	-	-	5,466	5,466
Transfers out	(2,170)	(66,419)	(82,116)	(15,697)
Total other financing sources and uses	<u>(2,170)</u>	<u>(66,419)</u>	<u>(76,650)</u>	<u>(10,231)</u>
Net change in fund balance	<u>\$ (25,670)</u>	<u>\$ (25,670)</u>	58,111	<u>\$ 83,781</u>
Unassigned fund balance, beginning			915,960	
Unassigned fund balance, ending			<u>\$ 974,071</u>	

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

TOWN OF ENFIELD, NEW HAMPSHIRE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED
DECEMBER 31, 2011

Reconciliation of General Fund Budgetary Basis to GAAP

Revenues and other financing sources:	
Per Exhibit 9 (budgetary basis)	\$ 4,683,169
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	673,782
Tax revenue deferred in the current year	(746,165)
On-behalf retirement contribution payments made by the State of New Hampshire recognized as revenue on the GAAP basis, but not on the budgetary basis	9,924
Per Exhibit 5 (GAAP basis)	<u>\$ 4,620,710</u>
Expenditures and other financing uses:	
Per Exhibit 9 (budgetary basis)	\$ 4,625,058
Adjustments:	
Basis difference:	
Encumbrances, beginning	51,791
Encumbrances, ending	(43,850)
On-behalf retirement contribution payments made by the State of New Hampshire recognized as an expenditure on the GAAP basis, but not on the budgetary basis	9,924
Per Exhibit 5 (GAAP basis)	<u>\$ 4,642,923</u>
Fund balances:	
Per Exhibit 9 (budgetary basis)	\$ 974,071
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(746,165)
Per Exhibit 3 (GAAP basis)	<u>\$ 227,906</u>

The Major Capital Project Fund - Expendable Trust is not budgeted.

COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 10
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2011

	Special Revenue Funds				
	Library	Grants	Conservation Commission	Water	Sewer
ASSETS					
Cash and cash equivalents	\$ 34,680	\$ -	\$ 14,781	\$ 331,207	\$ -
Investments	44,511	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	-	65,324	90,973
Intergovernmental	-	5,169	-	-	-
Interfund receivable	2,265	-	-	-	-
Total assets	<u>\$ 81,456</u>	<u>\$ 5,169</u>	<u>\$ 14,781</u>	<u>\$ 396,531</u>	<u>\$ 90,973</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 70,537
Accrued salaries and benefits	-	-	-	2,356	1,574
Interfund payable	-	1,618	-	-	225,562
Deferred revenue	-	-	-	22,879	28,757
Total liabilities	<u>-</u>	<u>1,618</u>	<u>-</u>	<u>25,235</u>	<u>326,430</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	81,456	3,551	-	-	-
Committed	-	-	14,781	371,296	-
Unassigned	-	-	-	-	(235,457)
Total fund balances	<u>81,456</u>	<u>3,551</u>	<u>14,781</u>	<u>371,296</u>	<u>(235,457)</u>
Total liabilities and fund balances	<u>\$ 81,456</u>	<u>\$ 5,169</u>	<u>\$ 14,781</u>	<u>\$ 396,531</u>	<u>\$ 90,973</u>
					(continued)

EXHIBIT 10 (continued)
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2011

	Special Revenue Fund TIF District	Capital Projects Fund	Permanent Fund	Total
ASSETS				
Cash and cash equivalents	\$ 468,268	\$ -	\$ 2,703	\$ 851,639
Investments	-	-	229,172	273,683
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	156,297
Intergovernmental	-	239,414	-	244,583
Interfund receivable	-	-	-	2,265
Total assets	<u>\$ 468,268</u>	<u>\$ 239,414</u>	<u>\$ 231,875</u>	<u>\$ 1,528,467</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 70,537
Accrued salaries and benefits	-	-	-	3,930
Interfund payable	-	206,631	5,475	439,286
Deferred revenue	-	-	-	51,636
Total liabilities	<u>-</u>	<u>206,631</u>	<u>5,475</u>	<u>565,389</u>
Fund balances:				
Nonspendable	-	-	204,101	204,101
Restricted	-	32,783	22,299	140,089
Committed	468,268	-	-	854,345
Unassigned	-	-	-	(235,457)
Total fund balances	<u>468,268</u>	<u>32,783</u>	<u>226,400</u>	<u>963,078</u>
Total liabilities and fund balances	<u>\$ 468,268</u>	<u>\$ 239,414</u>	<u>\$ 231,875</u>	<u>\$ 1,528,467</u>

EXHIBIT 11
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2011

	Special Revenue Funds				
	Library	Grants	Conservation Commission	Water	Sewer
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	37,420	-	-	-
Charges for services	-	-	-	185,672	265,829
Miscellaneous	3,487	-	15	-	-
Total revenues	<u>3,487</u>	<u>37,420</u>	<u>15</u>	<u>185,672</u>	<u>265,829</u>
EXPENDITURES					
Current:					
General government	-	23,025	-	-	-
Public safety	-	14,395	-	-	-
Sanitation	-	-	-	-	403,694
Water distribution and treatment	-	-	-	148,357	-
Culture and recreation	172	-	-	-	-
Conservation	-	-	1,525	-	-
Debt service:					
Principal	-	-	-	14,344	-
Interest	-	-	-	6,274	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>172</u>	<u>37,420</u>	<u>1,525</u>	<u>168,975</u>	<u>403,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,315</u>	<u>-</u>	<u>(1,510)</u>	<u>16,697</u>	<u>(137,865)</u>
Other financing sources (uses):					
Transfers in	2,265	-	1,525	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>2,265</u>	<u>-</u>	<u>1,525</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,580	-	15	16,697	(137,865)
Fund balances, beginning, as restated, see Note III.D.	75,876	3,551	14,766	354,599	(97,592)
Fund balances, ending	<u>\$ 81,456</u>	<u>\$ 3,551</u>	<u>\$ 14,781</u>	<u>\$ 371,296</u>	<u>\$ (235,457)</u>

(continued)

EXHIBIT 11 (continued)
TOWN OF ENFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2011

	Special Revenue Fund TIF District	Capital Projects Fund	Permanent Fund	Total
REVENUES				
Taxes	\$ 178,593	\$ -	\$ -	\$ 178,593
Intergovernmental	160,143	249,391	-	446,954
Charges for services	-	-	-	451,501
Miscellaneous	-	-	6,976	10,478
Total revenues	<u>338,736</u>	<u>249,391</u>	<u>6,976</u>	<u>1,087,526</u>
EXPENDITURES				
Current:				
General government	-	-	-	23,025
Public safety	-	-	-	14,395
Sanitation	-	-	-	403,694
Water distribution and treatment	-	-	-	148,357
Culture and recreation	-	10,094	-	10,266
Conservation	-	-	-	1,525
Debt service:				
Principal	-	-	-	14,344
Interest	-	-	-	6,274
Capital outlay	216,896	352,944	-	569,840
Total expenditures	<u>216,896</u>	<u>363,038</u>	<u>-</u>	<u>1,191,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>121,840</u>	<u>(113,647)</u>	<u>6,976</u>	<u>(104,194)</u>
Other financing sources (uses):				
Transfers in	-	164,921	-	168,711
Transfers out	-	-	(5,475)	(5,475)
Total other financing sources and uses	<u>-</u>	<u>164,921</u>	<u>(5,475)</u>	<u>163,236</u>
Net change in fund balances	121,840	51,274	1,501	59,042
Fund balances, beginning, as restated, see Note III.D.	346,428	(18,491)	224,899	904,036
Fund balances, ending	<u>\$ 468,268</u>	<u>\$ 32,783</u>	<u>\$ 226,400</u>	<u>\$ 963,078</u>

EXHIBIT 12
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 3,166,269	\$ 3,162,585	\$ (3,684)
Land use	25,000	43,711	18,711
Timber	12,000	14,071	2,071
Excavation	1,000	512	(488)
Interest and penalties on delinquent taxes	90,000	104,826	14,826
Total taxes	<u>3,294,269</u>	<u>3,325,705</u>	<u>31,436</u>
Licenses, permits and fees:			
Business licenses and permits	100	190	90
Motor vehicle permits	725,000	721,523	(3,477)
Building permits	10,000	8,135	(1,865)
Other	38,870	71,531	32,661
Total licenses, permits and fees	<u>773,970</u>	<u>801,379</u>	<u>27,409</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	204,691	204,691	-
Highway block grant	147,633	147,633	-
Retirement subsidy	-	1,568	1,568
Knox River bridge	-	56	56
Federal sources:			
FEMA	85,618	86,009	391
Total intergovernmental	<u>437,942</u>	<u>439,957</u>	<u>2,015</u>
Charges for services:			
Income from departments	38,400	55,886	17,486
Other	3,950	12,085	8,135
Total charges for services	<u>42,350</u>	<u>67,971</u>	<u>25,621</u>
Miscellaneous:			
Sale of property	30,000	13,228	(16,772)
Interest on investments	13,000	10,926	(2,074)
Rents	23,500	5,150	(18,350)
Other	-	13,387	13,387
Total miscellaneous	<u>66,500</u>	<u>42,691</u>	<u>(23,809)</u>
Other financing sources:			
Transfers in:			
Capital project fund - expendable trust	-	5,466	5,466
Total revenues and other financing sources	4,615,031	<u>\$ 4,683,169</u>	<u>\$ 68,138</u>
Use of fund balance to reduce taxes	25,670		
Total revenues, other financing sources and use of fund balance	<u>\$ 4,640,701</u>		

EXHIBIT 13
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 196,088	\$ 194,935	\$ -	\$ 1,153
Election and registration	-	69,659	61,465	-	8,194
Financial administration	-	189,325	184,716	2,200	2,409
Revaluation of property	13,469	30,000	20,988	22,481	-
Legal	-	13,500	4,651	-	8,849
Personnel administration	-	850,644	745,565	-	105,079
Planning and zoning	-	63,464	51,963	-	11,501
General government buildings	5,089	135,350	165,884	3,300	(28,745)
Cemeteries	-	2,570	1,070	-	1,500
Insurance, not otherwise allocated	-	67,000	68,636	-	(1,636)
Advertising and regional associations	-	45,662	45,022	-	640
Other	-	1,000	-	-	1,000
Total general government	18,558	1,664,262	1,544,895	27,981	109,944
Public safety:					
Police	3,750	661,746	692,348	-	(26,852)
Ambulance	2,223	78,400	77,337	-	3,286
Fire	17,445	75,965	89,590	-	3,820
Building inspection	-	62,081	59,078	-	3,003
Emergency management	-	700	217	-	483
Other	-	65,000	62,611	-	2,389
Total public safety	23,418	943,892	981,181	-	(13,871)
Highways and streets:					
Administration	-	499,001	512,222	-	(13,221)
Highways and streets	9,190	472,700	549,692	9,899	(77,701)
Street lighting	-	24,000	19,587	-	4,413
Total highways and streets	9,190	995,701	1,081,501	9,899	(86,509)
Sanitation:					
Administration	-	80,628	73,237	-	7,391
Solid waste collection	-	217,500	204,555	-	12,945
Solid waste disposal	-	200,000	177,201	-	22,799
Total sanitation	-	498,128	454,993	-	43,135
Health:					
Administration	-	380	155	-	225
Pest control	-	2,000	779	-	1,221
Total health	-	2,380	934	-	1,446

(continued)

EXHIBIT 13 (continued)
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Welfare:					
Administration	-	24,326	25,160	-	(834)
Direct assistance	-	20,500	15,789	-	4,711
Total welfare	-	44,826	40,949	-	3,877
Culture and recreation:					
Parks and recreation	-	46,450	43,443	-	3,007
Public library	225	151,096	149,800	1,903	(382)
Patriotic purposes	-	1,500	1,666	-	(166)
Other	400	10,510	10,715	67	128
Total culture and recreation	625	209,556	205,624	1,970	2,587
Economic development	-	9,000	9,085	-	(85)
Debt service:					
Principal	-	112,963	100,000	-	12,963
Interest	-	9,205	20,448	-	(11,243)
Total debt service	-	122,168	120,448	-	1,720
Capital outlay:					
Machinery, vehicles and equipment	-	63,000	59,555	-	3,445
Improvements other than buildings	-	21,369	51,718	4,000	(34,349)
Total capital outlay	-	84,369	111,273	4,000	(30,904)
Other financing uses:					
Transfers out:					
Capital project fund - expendable trust	-	670	670	-	-
Nonmajor funds	-	65,749	81,446	-	(15,697)
Total other financing uses	-	66,419	82,116	-	(15,697)
Total encumbrances, appropriations, expenditures and other financing uses	\$ 51,791	\$ 4,640,701	\$ 4,632,999	\$ 43,850	\$ 15,643

EXHIBIT 14
TOWN OF ENFIELD, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011

Unassigned fund balance, beginning		\$	915,960
Changes:			
Unassigned fund balance used to reduce tax rate			(25,670)
Budget summary:			
Revenue surplus (Exhibit 12)	\$	68,138	
Unexpended balance of appropriations (Exhibit 13)		<u>15,643</u>	
Budget surplus			<u>83,781</u>
Unassigned fund balance, ending		\$	<u><u>974,071</u></u>



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION OF CONTROL DEFICIENCIES AND OTHER MATTERS

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, 2011, 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 our auditing procedures 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 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 significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

However, we would like to discuss the following other matters:

Utility Billings

- Quarterly billings were not reviewed or approved by the Board of Selectmen. We recommend that the Board of Selectmen review and approve each quarterly billing before invoicing the users.
- Receivables are not recorded based on the period the service was provided, but instead are recorded based on the date of the bill. We recommend that adjustments be made annually to capture usage in the correct accounting period.
- Reconciliations are not performed between billings and collections. We recommend that quarterly reconciliations be performed between billings and collections, and tied to aging receivables.

Investment Policy

The minutes of the meetings board of selectmen did not indicate that the Town's investment policy was reviewed and adopted for 2011. RSA 41:9 VII notes that the board of selectmen "shall annually review and adopt an investment policy". We recommend that the board of selectmen designate a time during each year that a review and adoption of Town policies, including the investment policy, be performed.

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

December 19, 2012

Roberts & Greene, PLLC

47 Hall Street ■ Concord, NH 03301
603-856-8005 ■ 603-856-8431 (fax)
info@roberts-greene.com