

# TOWN OF ENFIELD, NEW HAMPSHIRE

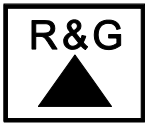
## FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2015

**TOWN OF ENFIELD, NEW HAMPSHIRE  
FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2015**

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# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Basis for Adverse Opinion on Governmental Activities**

Management has not determined its liability or annual cost for postemployment benefits other than pensions (OPEB). Accounting principles generally accepted in the United States of America require that management recognize OPEB expense for the required contributions and a liability for unpaid required contributions, which would increase the liabilities, decrease net position, and increase expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

## **Adverse Opinion**

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Enfield as of December 31, 2015, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Enfield, as of December 31, 2015, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund and Sewer Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As described in Note I.B.5. to the financial statements, the Town adopted the provisions of the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to that matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 3-8 and 38-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

February 7, 2017

*Roberts & Heune, PLLC*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

### **A. OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

The statement of net position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, water distribution and treatment, sanitation, welfare, culture and recreation, and economic development.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable

resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$6,443,345 (i.e. net position), an increase of \$160,179 in comparison to the prior year restated balance.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$1,384,907, a decrease of \$504,451 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$(840,563), a change of \$(291,987) in comparison with the prior year.
- Total long-term debt (i.e., bonds payable and capital leases) at the close of the current fiscal year was \$4,089,421, a change of \$219,647 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>2015</u>	<u>2014</u>
	<u>Government Activities</u>	
Current and other assets	6,806,142	6,990,466
Capital assets	11,273,010	10,841,704
Total assets	<u>18,079,152</u>	<u>17,832,170</u>
Deferred outflows of resources:		
Deferred amounts related to pensions	304,553	-
Long-term liabilities outstanding	6,816,513	4,429,448
Other liabilities	4,702,999	4,356,689
Total liabilities	<u>11,519,512</u>	<u>8,786,137</u>
Deferred inflows of resources:		
Unearned revenue	3,340	-
Net position:		
Net investment in capital assets	7,183,589	6,532,636
Restricted	525,478	495,503
Unrestricted	(1,265,722)	2,017,894
Total net position	<u>6,443,345</u>	<u>9,046,033</u>

### CHANGES IN NET POSITION

	<u>2015</u>	<u>2014</u>
	<u>Governmental Activities</u>	
<b>Revenues:</b>		
Program revenues:		
Charges for services	635,679	636,275
Operating grants and contributions	156,895	133,925
Capital grants and contributions	-	-
General revenues:		
Property and other taxes	3,765,830	3,535,821
Motor vehicle permits	999,021	941,806
Grants and contributions not restricted to specific programs	221,834	222,397
Miscellaneous	81,298	185,171
<b>Total revenues</b>	<u>5,860,557</u>	<u>5,655,395</u>

(continued)



	Governmental Activities	
	<u>2015</u>	<u>2014</u>
<b>Expenses:</b>		
General government	1,911,051	2,032,316
Public safety	985,607	1,066,843
Highway and streets	1,158,019	1,257,153
Water distribution and treatment	189,349	184,205
Sanitation	981,301	981,595
Health	2,926	2,578
Welfare	27,838	35,991
Culture and recreation	252,518	245,896
Conservation	6,595	1,851
Economic development	21,923	10,000
Interest on long-term debt	122,308	122,642
Capital outlay	40,943	34,189
<b>Total expenses</b>	<u>5,700,378</u>	<u>5,975,259</u>
Decrease in net position	160,179	(319,864)
Net position – beginning of year, restated Jan. 1, 2015	<u>6,283,166</u>	<u>9,365,897</u>
Net position – end of year	<u>6,443,345</u>	<u>9,046,033</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position were \$6,443,345, a change of \$160,179 from the prior year.

The largest portion of net position \$7,183,589 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 position \$525,478 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$(1,265,722) may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted balance is negative because of the effects of the compensated absences and net pension liability.

**Governmental activities.** Governmental activities for the year resulted in a change in net position of \$160,179. Key elements of this change are as follows:

General fund operations, discussed further in section D	\$(291,987)
Expendable trust fund expenditures exceeded revenues	(284,228)
Sewer fund expenditures exceeded revenues	(57,374)
Non major fund revenues exceeded expenditures	129,138
Capitalized capital outlay in excess of depreciation expense	374,691
Debt service activity	217,137
Other	72,802
Total	<u><u>\$160,179</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 \$1,384,907, a change of \$(504,451) in comparison with the prior year. Key elements of this change are as follows:

General fund operations, discussed further in section E	\$(291,987)
Expendable trust fund revenues exceed expenditures	(284,228)
Sewer fund expenditures exceed revenues	(57,374)
Non major fund revenues exceed expenditures	129,138
Total	<u><u>\$(504,451)</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 \$(940,865), while total fund balance was \$(840,563). \$(697,509) of the deficit is the result of the application of the "60-day rule" in accordance with GAAP. Additionally, there was a revenue shortfall of penalty and interest on taxes under the estimated amount used in setting the tax rate.

The fund balance of the general fund changed by \$(291,987) during the current fiscal year. Key factors in this change are as follows:

Tax revenues under net tax warrant	\$(66,057)
Increase in deferred tax revenue	(48,438)
Capital outlay activity from lease proceeds on hand Jan. 1	(147,953)

**E. GENERAL FUND BUDGETARY HIGHLIGHTS**

The public safety function was overspent by \$17,455 due to unanticipated vehicle repairs and additional equipment related to the new pumper purchase.

Sanitation was overspent by \$83,692 because of an overage in pickups above the contracted amount, which result in additional fees. The Town has seen an offset in savings with landfill costs as more recycling increases.

**F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** Total investment in capital assets for governmental activities at year end amounted to \$11,273,010 (net of accumulated depreciation), a change of \$374,691 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:

E-One Typhoon Pumper	Fire Department	406,868
Ford F450 Dump w/Plow (2)	Highway Department	123,000
2015 International 7400 4x2 Truck	Highway Department	148,100
Road Improvements	Highway Department	97,500
Jaws of Life Tools	Fire Department	22,854
Compactor	Sanitation	17,110

The remaining change resulted from depreciation expense.

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

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$4,089,421, 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 Position**  
**December 31, 2015**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,880,312
Investments	1,670,402
Intergovernmental receivable	19,666
Other receivables, net of allowance for uncollectibles	1,200,899
Tax deeded property held for resale	34,863
Capital assets, not being depreciated:	
Land	2,037,495
Construction in progress	153,990
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	1,740,833
Machinery, vehicles and equipment	1,387,849
Infrastructure	5,952,843
Total assets	<u>18,079,152</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	<u>304,553</u>
<b>LIABILITIES</b>	
Accounts payable	188,444
Accrued salaries and benefits	30,489
Accrued interest payable	95,819
Intergovernmental payable	4,388,247
Noncurrent obligations:	
Due within one year:	
Bonds and notes payable	140,994
Capital leases payable	82,930
Compensated absences	3,797
Due in more than one year:	
Bonds and notes payable	3,439,711
Capital leases payable	425,786
Compensated absences	113,487
Net pension liability	2,609,808
Total liabilities	<u>11,519,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	417,508
Unearned revenue	3,340
Total deferred inflows of resources	<u>420,848</u>
<b>NET POSITION</b>	
Net investment in capital assets	7,183,589
Restricted for:	
Endowments:	
Nonexpendable	204,101
Expendable	29,129
Other purposes	292,248
Unrestricted	(1,265,722)
Total net position	<u>\$ 6,443,345</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, 2015**

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Changes in Net
	Expenses	Services	Contributions	Position
Governmental activities:				
General government	\$ 1,911,051	\$ 10,899	\$ 2,672	\$ (1,897,480)
Public safety	985,607	11,810	19,722	(954,075)
Highways and streets	1,158,019	(199)	133,216	(1,025,002)
Sanitation	981,301	383,263	-	(598,038)
Water distribution and treatment	189,349	183,459	-	(5,890)
Health	2,926	-	-	(2,926)
Welfare	27,838	-	-	(27,838)
Culture and recreation	252,518	46,447	1,285	(204,786)
Conservation	6,595	-	-	(6,595)
Economic development	21,923	-	-	(21,923)
Interest on long-term debt	122,308	-	-	(122,308)
Capital outlay	40,943	-	-	(40,943)
Total primary government	<u>\$ 5,700,378</u>	<u>\$ 635,679</u>	<u>\$ 156,895</u>	<u>(4,907,804)</u>
General revenues:				
Property taxes				3,657,588
Other taxes				108,242
Licenses and permits				999,021
Grants and contributions not restricted to specific programs				221,834
Miscellaneous				81,298
Total general revenues				<u>5,067,983</u>
Change in net position				160,179
Net position, beginning, as restated, see Note III.D.				6,283,166
Net position, ending				<u>\$ 6,443,345</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, 2015**

	General	Sewer	Expendable Trust	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,525,353	\$ -	\$ 292,452	\$ 1,062,507	\$ 3,880,312
Investments	251,895	-	995,632	422,875	1,670,402
Receivables, net of allowance for uncollectibles:					
Taxes	933,147	-	-	-	933,147
Accounts	80,741	122,507	-	64,504	267,752
Intergovernmental	-	-	-	7,116	7,116
Interfund receivable	602,317	-	-	1,285	603,602
Tax deeded property held for resale	34,863	-	-	-	34,863
Total assets	<u>\$ 4,428,316</u>	<u>\$ 122,507</u>	<u>\$ 1,288,084</u>	<u>\$ 1,558,287</u>	<u>\$ 7,397,194</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 108,411	\$ 68,887	\$ -	\$ 11,146	\$ 188,444
Accrued salaries and benefits	28,980	627	-	882	30,489
Intergovernmental payable	4,388,247	-	-	-	4,388,247
Interfund payable	-	546,429	5,926	51,247	603,602
Total liabilities	<u>4,525,638</u>	<u>615,943</u>	<u>5,926</u>	<u>63,275</u>	<u>5,210,782</u>
Deferred inflows of resources:					
Deferred revenue	<u>743,241</u>	<u>39,411</u>	<u>-</u>	<u>18,853</u>	<u>801,505</u>
Fund balances:					
Nonspendable	34,863	-	-	204,101	238,964
Restricted	59,291	-	165,985	340,870	566,146
Committed	-	-	1,116,173	980,199	2,096,372
Assigned	6,148	-	-	-	6,148
Unassigned	(940,865)	(532,847)	-	(49,011)	(1,522,723)
Total fund balances	<u>(840,563)</u>	<u>(532,847)</u>	<u>1,282,158</u>	<u>1,476,159</u>	<u>1,384,907</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,428,316</u>	<u>\$ 122,507</u>	<u>\$ 1,288,084</u>	<u>\$ 1,558,287</u>	<u>\$ 7,397,194</u>

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

**EXHIBIT 4**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position**  
**December 31, 2015**

Total fund balances of governmental funds (Exhibit 3)			\$ 1,384,907
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Cost	\$ 15,774,082		
Less accumulated depreciation	<u>(4,501,072)</u>		
		11,273,010	
Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds			
Long-term intergovernmental receivable			12,550
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.			
Receivables	\$ (603,602)		
Payables	<u>603,602</u>		
			-
Revenues that are not available to pay for current period expenditures are deferred in the funds.			
Deferred tax revenue	\$ 697,509		
Deferred ambulance revenue	42,392		
Deferred water charges	18,853		
Deferred sewer rents	<u>39,411</u>		
		798,165	
Interest on long-term debt is not accrued in governmental funds.			
Accrued interest payable			(95,819)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds and notes outstanding	\$ 3,580,705		
Capital leases outstanding	508,716		
Compensated absences payable	117,284		
Net pension liability	<u>2,609,808</u>		
		(6,816,513)	
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflows of resources related to pensions	\$ 304,553		
Deferred inflows of resources related to pensions	<u>(417,508)</u>		
		(112,955)	
Total net position of governmental activities (Exhibit 1)			<u>\$ 6,443,345</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, 2015**

	General	Sewer	Expendable Trust	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 3,510,425	\$ -	\$ -	\$ 303,843	\$ 3,814,268
Licenses, permits and fees	999,021	-	-	-	999,021
Intergovernmental	355,050	-	-	19,722	374,772
Charges for services	66,341	367,550	-	184,585	618,476
Miscellaneous	123,549	-	(135,757)	97,463	85,255
Total revenues	<u>5,054,386</u>	<u>367,550</u>	<u>(135,757)</u>	<u>605,613</u>	<u>5,891,792</u>
Expenditures:					
Current:					
General government	1,927,930	-	5,801	1,674	1,935,405
Public safety	1,009,736	-	-	18,048	1,027,784
Highways and streets	1,087,773	-	-	-	1,087,773
Sanitation	527,666	390,020	-	-	917,686
Water distribution and treatment	-	-	-	173,860	173,860
Health	2,926	-	-	-	2,926
Welfare	26,274	-	1,620	-	27,894
Culture and recreation	226,449	-	125	30,785	257,359
Conservation	1,584	-	-	5,011	6,595
Economic development	10,000	-	-	11,923	21,923
Debt service:					
Principal	126,444	6,304	-	84,389	217,137
Interest	28,273	3,600	-	94,657	126,530
Capital outlay	593,371	-	-	-	593,371
Total expenditures	<u>5,568,426</u>	<u>399,924</u>	<u>7,546</u>	<u>420,347</u>	<u>6,396,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(514,040)</u>	<u>(32,374)</u>	<u>(143,303)</u>	<u>185,266</u>	<u>(504,451)</u>
Other financing sources (uses):					
Transfers in	541,343	-	394,290	1,285	936,918
Transfers out	<u>(319,290)</u>	<u>(25,000)</u>	<u>(535,215)</u>	<u>(57,413)</u>	<u>(936,918)</u>
Total other financing sources and uses	<u>222,053</u>	<u>(25,000)</u>	<u>(140,925)</u>	<u>(56,128)</u>	<u>-</u>
Net change in fund balances	(291,987)	(57,374)	(284,228)	129,138	(504,451)
Fund balances, beginning	<u>(548,576)</u>	<u>(475,473)</u>	<u>1,566,386</u>	<u>1,347,021</u>	<u>1,889,358</u>
Fund balances, ending	<u>\$ (840,563)</u>	<u>\$ (532,847)</u>	<u>\$ 1,282,158</u>	<u>\$ 1,476,159</u>	<u>\$ 1,384,907</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, 2015**

Net change in fund balances of governmental funds (Exhibit 5)		\$ (504,451)
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	\$ 821,653	
Depreciation expense	<u>(281,459)</u>	
		540,194
The net effect of transactions involving the disposal of capital assets is to decrease net position.		(165,503)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (936,918)	
Transfers out	<u>936,918</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	\$ (48,438)	
Change in deferred ambulance revenue	8,847	
Change in deferred water charges	(1,126)	
Change in deferred sewer rents	<u>9,482</u>	
		(31,235)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Repayment of bond and note principal	\$ 138,970	
Amortization of loan forgiveness	(2,510)	
Repayment of capital lease principal	<u>80,677</u>	
		217,137
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	\$ 4,222	
Decrease in compensated absences payable	<u>3,096</u>	
		7,318
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
Town pension contributions	\$ 258,113	
Cost of benefits earned, net of employee contributions	<u>(161,394)</u>	
		96,719
Change in net position of governmental activities (Exhibit 2)		<u>\$ 160,179</u>

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

**EXHIBIT 7**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,528,044	\$ 3,528,044	\$ 3,461,987	\$ (66,057)
Licenses, permits and fees	986,810	986,810	999,021	12,211
Intergovernmental	353,910	353,910	355,050	1,140
Charges for services	88,100	88,100	66,341	(21,759)
Miscellaneous	304,246	142,000	123,319	(18,681)
Total revenues	<u>5,261,110</u>	<u>5,098,864</u>	<u>5,005,718</u>	<u>(93,146)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,917,973	1,917,973	1,923,490	(5,517)
Public safety	991,731	991,731	1,009,186	(17,455)
Highways and streets	1,116,184	1,116,184	1,087,773	28,411
Sanitation	473,975	473,975	527,666	(53,691)
Water distribution and treatment	5,834	5,834	-	5,834
Health	2,255	2,255	2,926	(671)
Welfare	31,108	31,108	26,274	4,834
Culture and recreation	227,765	227,765	226,233	1,532
Conservation	2,150	2,150	1,584	566
Economic development	10,000	10,000	10,000	-
Debt service:				
Principal	242,308	127,650	96,339	31,311
Interest	75,793	28,205	20,211	7,994
Other debt service	2,756	2,756	-	2,756
Capital outlay	451,868	451,868	445,418	6,450
Total expenditures	<u>5,551,700</u>	<u>5,389,454</u>	<u>5,377,100</u>	<u>12,354</u>
Deficiency of revenues under expenditures	<u>(290,590)</u>	<u>(290,590)</u>	<u>(371,382)</u>	<u>(80,792)</u>
Other financing sources (uses):				
Transfers in	608,573	608,573	541,343	(67,230)
Transfers out	(317,983)	(317,983)	(319,290)	(1,307)
Total other financing sources and uses	<u>290,590</u>	<u>290,590</u>	<u>222,053</u>	<u>(68,537)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(149,329)	<u>\$ (149,329)</u>
Decrease in nonspendable fund balance			2,003	
Increase in restricted fund balance			(958)	
Unassigned fund balance, beginning			(95,072)	
Unassigned fund balance, ending			<u>\$ (243,356)</u>	

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

**EXHIBIT 8**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Sewer Department Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (GAAP Basis)**  
**For the Year Ended December 31, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 484,843	\$ 367,550	\$ (117,293)
<b>EXPENDITURES</b>			
Current:			
Sanitation	449,938	390,020	59,918
Debt service:			
Principal	5,958	6,304	(346)
Interest	3,947	3,600	347
Total expenditures	459,843	399,924	59,919
Excess (deficiency) of revenues over (under) expenditures	25,000	(32,374)	(57,374)
Other financing uses:			
Transfers out	(25,000)	(25,000)	-
Net change in fund balance	\$ -	(57,374)	\$ (57,374)
Fund balance, beginning		(475,473)	
Fund balance, ending		\$ (532,847)	

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

**EXHIBIT 9**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2015**

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ 3,628	\$ 9,337
Investments	47,759	-
Total assets	<u>51,387</u>	<u>9,337</u>
Liabilities:		
Accounts payable	132	-
Due to other governmental units	729	-
Due to developers	-	9,337
Total liabilities	<u>861</u>	<u>9,337</u>
Net position:		
Held in trust for specific purposes	<u>\$ 50,526</u>	<u>\$ -</u>

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

**EXHIBIT 10**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2015**

	Private Purpose Trust
Additions:	
New funds	\$ 116
Interest and dividends	1,175
Total additions	<u>1,291</u>
Deductions:	
Trust distributions	<u>1,175</u>
Change in net position	116
Net position, beginning	<u>50,410</u>
Net position, ending	<u><u>\$ 50,526</u></u>

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

## **NOTES TO THE BASIC FINANCIAL STATEMENT**

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2015**

**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, 2015.

**I.B. Financial Reporting Entity – Basis of Presentation**

**I.B.1. *Entity Defined***

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

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

*Government-Wide Financial Statements*

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

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



**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2015**

*Fund Financial Statements*

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

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

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

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

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

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

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

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
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When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

**I.B.4. *Fund Types and Major Funds***

*Governmental Funds*

The Town reports the following major governmental funds:

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

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

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

The Town also reports seven nonmajor governmental funds.

*Fiduciary Funds*

The Town reports the following fiduciary funds:

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

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

**I.B.5. *Change in Accounting Principle***

The Town adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the year ended December 31, 2015. This resulted in the inclusion of pension related liability and deferred inflows and outflows of resources. The prior year's net position was restated as shown in Note III.D.

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2015**

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

**I.C.1. *Cash and Investments***

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

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

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

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

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

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

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

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
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**I.C.3. *Long-Term Liabilities***

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

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

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

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

**I.C.5. *Equity***

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

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

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
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The governmental funds report the following components of fund balance:

- Nonspendable, which consists of endowments in the permanent funds, and tax deeded property held by the Town for resale.
- Restricted, representing the expendable income portion of the permanent funds, the library fund, and grants and donations received, but not yet spent.
- Committed, representing the balances for which the intended use has been established by Town Meeting vote, and would normally require an equally formal action to remove those commitments.
- Assigned, which consists of balances for which the intended use is established by the Board of Selectmen in the form of an encumbrance.
- Unassigned, which consists of the deficit balances of the General Fund, Sewer Fund and nonmajor Capital Projects Fund.

**I.C.6. *Use of Estimates***

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

**II. Stewardship, Compliance and Accountability**

**II.A. Budgetary Information**

An annual budget was adopted on a basis consistent with generally accepted accounting principles for the General and Sewer Funds, as well as some of the nonmajor funds. Unless encumbered, all governmental fund appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2015, there was no fund balance from 2014 to use.

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

Revenues are budgeted by source. Expenditures in the General Fund are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
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and recreation, conservation, economic development, debt service and capital outlay. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.

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

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

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 5,547,061
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	745,947
Tax revenue deferred in the current year	(697,509)
Interest earned on lease proceeds	230
Per Exhibit 5 (GAAP basis)	<u>\$ 5,595,729</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 5,696,390
Adjustments:	
Basis difference:	
Encumbrances, beginning	49,521
Encumbrances, ending	(6,148)
Expenditure of lease proceeds held in escrow	147,953
Per Exhibit 5 (GAAP basis)	<u>\$ 5,887,716</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ (243,356)
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(697,509)
Per Exhibit 3 (GAAP basis)	<u>\$ (940,865)</u>

**II.C. Deficit Fund Balances**

The General Fund reports an unassigned deficit at year-end of \$940,865, which is mostly due to deferral of all taxes not collected within sixty days of year-end as required by generally accepted accounting principles for governments. On the budgetary basis, which is what the Town uses in setting the tax rate, such taxes are not deferred, and the deficit is \$243,356. The deficit was the result of revenue shortfalls in estimated interest and penalties.

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
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DECEMBER 31, 2015**

The Sewer Fund reports an unassigned deficit at year-end of \$532,847, and the nonmajor Capital Project Fund reports \$49,011. These deficits will be made up by adjusting sewer user rate and a future transfer from expendable trust fund, respectively.

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

#### **III.A. Assets**

##### **III.A.1. Investments**

As of December 31, 2015, the Town's reporting entity had the following investments:

Certificates of Deposit	\$ 1,318,205
Mutual Funds	148,061
New Hampshire Public Deposit Investment Pool	251,895
	<u>\$ 1,718,161</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 1,670,402
Fiduciary funds - statement of fiduciary net position (Exhibit 8)	47,759
Total	<u>\$ 1,718,161</u>

#### *Investment Policies*

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

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

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

#### *Property Taxes Receivable and Property Tax Calendar*

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

**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
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The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien should be executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of lien taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. The tax collector executed a tax lien for uncollected 2014 property taxes on April 28, 2015.

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

The net assessed valuation as of April 1, 2015, upon which the 2015 property tax levy was based was:

For the New Hampshire education tax	\$ 520,116,407
For all other taxes	\$ 523,850,007

The tax rates and amounts assessed for the year ended December 31, 2015 were as follow:

	<u>Per \$1,000 of Assessed Valuation</u>	
Municipal portion	\$6.60	\$ 3,455,578
School portion:		
State of New Hampshire	\$2.47	1,286,592
Local	\$14.29	7,486,046
County portion	\$1.72	900,721
Precinct portion:		
Eastman Village District	\$1.53	23,352
Total property taxes assessed		<u>\$ 13,152,289</u>



**TOWN OF ENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
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DECEMBER 31, 2015**

The following details the taxes receivable at year-end:

Property:	
Levy of 2015	\$ 570,906
Unredeemed (under tax lien):	
Levy of 2014	178,994
Levy of 2013	151,091
Levy of 2012	23,085
Levy of 2011	14,888
Levy of 2010	7,473
Levy of 2009	407
Timber	1,303
Less: allowance for estimated uncollectible taxes	(15,000)
Net taxes receivable	<u>\$ 933,147</u>

*Other Receivables*

Other significant receivables include amounts due from customers primarily for ambulance service, franchise fees, and amounts owed from employees for a payroll overpayment in the General Fund, and for water and sewer charges in the Special Revenue Funds. The receivables are as follow:

Accounts	\$ 320,752
Intergovernmental	7,116
Less: allowance for uncollectible amounts	(53,000)
Net total receivables	<u>\$ 274,868</u>

*Deferred Inflows of Resources*

Deferred revenue in the governmental funds of \$801,505 at December 31, 2015 represents \$3,340 of prepaid taxes to be applied to subsequent levies, and \$697,509 of property taxes, \$42,392 of ambulance charges, \$39,411 of sewer rents and \$18,853 of water charges that were not collected within sixty days after the year ended, and therefore, are deferred in accordance with generally accepted accounting principles. In the Governmental Activities, only the prepaid taxes are reported as unearned revenue.

**TOWN OF ENFIELD, NEW HAMPSHIRE  
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**III.A.3. Capital Assets**

Changes in Capital Assets

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

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 2,037,495	\$ -	\$ -	\$ 2,037,495
Construction in progress	270,041	-	(116,051)	153,990
Total capital assets not being depreciated	<u>2,307,536</u>	<u>-</u>	<u>(116,051)</u>	<u>2,191,485</u>
Being depreciated:				
Buildings and building improvements	2,426,518	-	-	2,426,518
Machinery, vehicles and equipment	3,532,710	840,204	(296,564)	4,076,350
Infrastructure	7,038,368	97,500	(56,139)	7,079,729
Total capital assets being depreciated	<u>12,997,596</u>	<u>937,704</u>	<u>(352,703)</u>	<u>13,582,597</u>
Total all capital assets	<u>15,305,132</u>	<u>937,704</u>	<u>(468,754)</u>	<u>15,774,082</u>
Less accumulated depreciation:				
Buildings and building improvements	(673,981)	(11,704)	-	(685,685)
Machinery, vehicles and equipment	(2,780,610)	(67,413)	159,522	(2,688,501)
Infrastructure	(952,222)	(202,342)	27,678	(1,126,886)
Total accumulated depreciation	<u>(4,406,813)</u>	<u>(281,459)</u>	<u>187,200</u>	<u>(4,501,072)</u>
Net book value, capital assets being depreciated	8,590,783	656,245	(165,503)	9,081,525
Net book value, all capital assets	<u>\$10,898,319</u>	<u>\$656,245</u>	<u>\$(281,554)</u>	<u>\$11,273,010</u>

*Depreciation Expense*

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

General government	\$ 20,254
Public safety	5,497
Highways and streets	172,519
Sanitation	64,145
Water distribution	17,158
Culture and recreation	1,886
Total depreciation expense	<u>\$ 281,459</u>

**TOWN OF ENFIELD, NEW HAMPSHIRE**  
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**III.B. Liabilities**

**III.B.1 Intergovernmental Payable**

The amount due to other governments at December 31, 2015 of \$4,388,247 consists of \$4,386,319 due to the Mascoma Valley Regional School District representing the balance of the 2015-2016 district assessment, and \$1,928 for state fees collected by the Town.

**III.B.2 Long-Term Liabilities**

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

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2015	Current Portion
General obligation bonds/notes payable:						
Sewer	\$ 350,000	1989	2016	5.00	\$ 12,962	\$ 12,962
Drinking water	\$ 317,951	2002	2021	2.976-4.580	76,341	15,234
Clean water	\$ 291,820	2011	2030	2.864	238,807	12,968
Rt. 4 water/sewer extension	\$ 3,200,000	2013	2042	2.950-4.375	3,014,095	73,330
Jones Hill Road	\$ 265,000	2014	2024	2.763	238,500	26,500
					<u>3,580,705</u>	<u>140,994</u>
Capital leases payable:						
Police cruisers	\$ 59,951	2012	2016	2.30	15,503	15,503
DPW vehicles	\$ 300,000	2013	2022	2.50	217,642	28,837
Cruiser	\$ 29,900	2013	2017	4.98	15,676	7,648
DPW vehicle and cruiser	\$ 290,000	2014	2024	2.78	259,895	30,942
					<u>508,716</u>	<u>82,930</u>
Compensated absences payable:						
Vested sick leave					51,568	1,122
Accrued vacation leave					65,716	2,675
					<u>117,284</u>	<u>3,797</u>
Net pension liability					<u>2,609,808</u>	<u>-</u>
					<u>\$ 6,816,513</u>	<u>\$ 227,721</u>

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*Changes in Long-Term Liabilities*

The following is a summary of changes in long-term liabilities for the year ended December 31, 2015:

	General Obligation Bonds and Notes Payable	Capital Leases Payable	Compensated Absences Payable	Net Pension Liability	Total
Balance, beginning	\$ 3,719,675	\$ 589,393	\$ 120,380	\$ 2,590,863	\$ 7,020,311
Additions	-	-	-	18,945	18,945
Reductions	(138,970)	(80,677)	(3,096)	-	(222,743)
Balance, ending	<u>\$ 3,580,705</u>	<u>\$ 508,716</u>	<u>\$ 117,284</u>	<u>\$ 2,609,808</u>	<u>\$ 6,816,513</u>

*Debt Service Requirements to Maturity*

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

Year Ending December 31,	Principal	Interest	Total
2016	\$ 140,994	\$ 108,556	\$ 249,550
2017	129,827	104,257	234,084
2018	119,780	140,932	260,712
2019	122,200	136,682	258,882
2020	124,338	131,740	256,078
2021-2025	597,557	576,182	1,173,739
2026-2030	593,778	459,365	1,053,143
2031-2035	622,779	331,325	954,104
2036-2040	771,531	182,574	954,105
2041-2042	357,921	23,701	381,622
Totals	<u>\$ 3,580,705</u>	<u>\$ 2,195,314</u>	<u>\$ 5,776,019</u>

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

Year Ending December 31,	Principal	Interest	Total
2016	\$ 82,930	\$ 13,803	\$ 96,733
2017	69,387	11,485	80,872
2018	62,982	9,462	72,444
2019	56,621	7,796	64,417
2020	58,107	6,308	64,415
2021-2024	178,689	10,422	189,111
Totals	<u>\$ 508,716</u>	<u>\$ 59,276</u>	<u>\$ 567,992</u>

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

**III.C.1. *Receivables and Payables***

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sewer	\$ 546,429
General	Expendable trust	5,926
General	Nonmajor	49,962
Nonmajor	Nonmajor	1,285
		<u>\$ 603,602</u>

The amounts due to the General Fund represent reimbursements for expenditures paid on behalf of other funds. The amount due to the Nonmajor Funds from the Nonmajor Funds represents the distribution of Permanent Fund income to the Library Fund.

**III.C.2. *Transfers***

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

	Transfers In:			
	General Fund	Expendable Trust Fund	Nonmajor Funds	Total
Transfers out:				
General fund	\$ -	\$ 319,290	\$ -	\$ 319,290
Sewer	-	25,000	-	25,000
Expendable trust fund	533,930	-	1,285	535,215
Nonmajor funds	7,413	50,000	-	57,413
	<u>\$ 541,343</u>	<u>\$ 394,290</u>	<u>\$ 1,285</u>	<u>\$ 936,918</u>

The transfers from the General Fund to the Expendable Trust Fund and from Expendable Trust Fund to the General Fund, represent voted appropriations. The transfers from the Sewer Fund and the

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

**III.D. Restatement of Beginning Equity Balances**

The beginning equity balances were restated as follow:

	Governmental Activities
To correct capital assets	\$ 56,615
To record net pension liability and related balances	(2,819,482)
Net position, as previously reported	9,046,033
Net position, as restated	<u>\$ 6,283,166</u>

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

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

	General Fund	Sewer Fund	Expendable Trust Fund	Nonmajor Funds
Nonspendable:				
Endowments	\$ -	\$ -	\$ -	\$ 204,101
Tax deeded property held for resale	34,863	-	-	-
Total nonspendable	<u>34,863</u>	<u>-</u>	<u>-</u>	<u>204,101</u>
Restricted:				
General government	59,291	-	-	29,129
Public safety	-	-	-	19,493
Culture and recreation	-	-	-	292,248
Capital outlay	-	-	165,985	-
Total restricted	<u>59,291</u>	<u>-</u>	<u>165,985</u>	<u>340,870</u>
Committed:				
Water	-	-	-	348,942
Conservation	-	-	-	12,752
Capital outlay	-	-	1,116,173	618,505
Total committed	<u>-</u>	<u>-</u>	<u>1,116,173</u>	<u>980,199</u>
Assigned for general government	6,148	-	-	-
Unassigned	<u>(887,865)</u>	<u>(532,847)</u>	<u>-</u>	<u>(49,011)</u>
Total fund balance	<u>\$ (787,563)</u>	<u>\$ (532,847)</u>	<u>\$ 1,282,158</u>	<u>\$ 1,476,159</u>

**TOWN OF ENFIELD, NEW HAMPSHIRE  
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**IV. Other Information**

**IV.A. Risk Management**

The Town's risk management activities are reported with governmental activities and recorded in the General Fund. During the year, the Town was a member of the NH Public Risk Management Exchange (Primex), which is organized to provide certain property and liability protection to member towns, cities and other qualified political subdivisions of New Hampshire. As a member of Primex, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 through June 30 for property/liability, and from January 1 through December 31 for workers' compensation. Contributions billed for 2015 to be recorded as an insurance expenditure/expense totaled \$52,110 for property/liability and \$77,426 for workers' compensation. The Town also paid \$5,019 for unemployment compensation. The member agreement permits Primex to make additional assessments to members should there be a deficiency in trust assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

**IV.B. Retirement Pensions**

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

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rates of contribution for police officers, firefighters and other employees were 11.55%, 11.80% and 7.0%, respectively. During the first six months of 2015, the rates of contribution from the Town of Enfield were 25.30% for police, 27.74% for fire personnel, and 10.77% for other employees, increasing effective July 1 to 26.38%, 29.16% and 11.17% respectively, which are actuarially determined to generate an amount that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Town during the years 2013, 2014, and 2015 were \$102,008, \$114,447 and \$125,610 respectively. The amounts are paid on a monthly basis as due.

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

At December 31, 2015, the Town reported a liability of \$2,609,808 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2015, the Town's proportion was 0.0659%, which was a decrease of 0.0031% from its proportion measured as of June 30, 2014.

For the year 2015, the Town recognized pension expense of \$161,394. At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ -	\$ 122,939
Differences between expected and actual experience	-	57,270
Net difference between projected and actual earnings on pension plan investments	167,549	237,299
Town contributions subsequent to the measurement date	137,004	-
	<u>\$ 304,553</u>	<u>\$ 417,508</u>

The Town reported \$137,004 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year 2016.



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

Year	
2016	\$ (78,943)
2017	(78,943)
2018	(78,943)
2019	1,734
2020	(14,864)
	<u>\$ (249,959)</u>

*Actuarial Assumptions*

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.75%
Salary increases	5.8% average, including inflation
Investment rate of return	7.75% per year

Mortality rates were based on the RP-2000 Mortality Table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town's proportionate share of net pension liability	\$ 3,435,473	\$ 2,609,808	\$ 1,905,924

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

**TOWN OF ENFIELD, NEW HAMPSHIRE  
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**IV.C. Contingent Liabilities**

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

	2015	2014
Town's proportion of net pension liability	0.0659%	0.0690%
Town's proportionate share of the net pension liability	\$ 2,609,808	\$ 2,590,863
Town's covered-employee payroll	\$ 1,749,061	\$ 1,668,595
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	149.21%	155.27%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	66.3%

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

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

	2015	2014
Contractually required contribution	\$ 257,878	\$ 243,441
Contribution in relation to the contractually required contribution	(257,878)	(243,441)
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 1,749,061	\$ 1,668,595
Contributions as a percentage of covered-employee payroll	14.74%	14.59%

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

**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
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The Schedule of the Town's Proportionate Share of the Net Pension Liability and the Schedule of Town Pension Contributions are meant to present related information for ten years. Because this is the first year that the Town has adopted GASB Statement No. 68 and presented the pension schedules, only two years are presented. An additional year's information will be added each year until there are ten years shown.

## **COMBINING AND INDIVIDUAL FUND SCHEDULES**

**EXHIBIT 13**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2015**

	Special Revenue Funds					Capital Projects Fund	Permanent Fund	Total
	Library	Grants	Conservation Commission	Water	TIF District			
<b>ASSETS</b>								
Cash and cash equivalents	\$ 86,346	\$ 12,169	\$ 13,376	\$ 315,527	\$ 618,505	\$ -	\$ 16,584	\$ 1,062,507
Investments	204,617	-	-	-	-	-	218,258	422,875
Receivables, net of allowance for uncollectibles:								
Accounts	-	4,341	-	60,163	-	-	-	64,504
Intergovernmental	-	7,116	-	-	-	-	-	7,116
Interfund receivable	1,285	-	-	-	-	-	-	1,285
Total assets	<u>\$ 292,248</u>	<u>\$ 23,626</u>	<u>\$ 13,376</u>	<u>\$ 375,690</u>	<u>\$ 618,505</u>	<u>\$ -</u>	<u>\$ 234,842</u>	<u>\$ 1,558,287</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ -	\$ 4,133	\$ -	\$ 7,013	\$ -	\$ -	\$ -	\$ 11,146
Accrued salaries and benefits	-	-	-	882	-	-	-	882
Interfund payable	-	-	624	-	-	49,011	1,612	51,247
Total liabilities	<u>-</u>	<u>4,133</u>	<u>624</u>	<u>7,895</u>	<u>-</u>	<u>49,011</u>	<u>1,612</u>	<u>63,275</u>
Deferred inflows of resources:								
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,853</u>
Fund balances:								
Nonspendable	-	-	-	-	-	-	204,101	204,101
Restricted	292,248	19,493	-	-	-	-	29,129	340,870
Committed	-	-	12,752	348,942	618,505	-	-	980,199
Unassigned	-	-	-	-	-	(49,011)	-	(49,011)
Total fund balances	<u>292,248</u>	<u>19,493</u>	<u>12,752</u>	<u>348,942</u>	<u>618,505</u>	<u>(49,011)</u>	<u>233,230</u>	<u>1,476,159</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 292,248</u>	<u>\$ 23,626</u>	<u>\$ 13,376</u>	<u>\$ 375,690</u>	<u>\$ 618,505</u>	<u>\$ -</u>	<u>\$ 234,842</u>	<u>\$ 1,558,287</u>



**EXHIBIT 14**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2015**

	Special Revenue Funds					Capital Projects Fund	Permanent Fund	Total
	Library	Grants	Conservation Commission	Water	TIF District			
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 303,843	\$ -	\$ -	\$ 303,843
Intergovernmental	-	19,722	-	-	-	-	-	19,722
Charges for services	-	-	-	184,585	-	-	-	184,585
Miscellaneous	38,126	54,423	957	-	-	-	3,957	97,463
Total revenues	38,126	74,145	957	184,585	303,843	-	3,957	605,613
<b>EXPENDITURES</b>								
Current:								
General government	-	1,674	-	-	-	-	-	1,674
Public safety	-	18,048	-	-	-	-	-	18,048
Water distribution and treatment	-	-	-	173,860	-	-	-	173,860
Culture and recreation	5,980	24,805	-	-	-	-	-	30,785
Conservation	-	-	5,011	-	-	-	-	5,011
Economic development	-	11,923	-	-	-	-	-	11,923
Debt service:								
Principal	-	-	-	13,142	71,247	-	-	84,389
Interest	-	-	-	3,658	90,999	-	-	94,657
Total expenditures	5,980	56,450	5,011	190,660	162,246	-	-	420,347
Excess (deficiency) of revenues over (under) expenditures	32,146	17,695	(4,054)	(6,075)	141,597	-	3,957	185,266
Other financing sources (uses):								
Transfers in	1,285	-	-	-	-	-	-	1,285
Transfers out	-	-	-	(50,000)	-	-	(7,413)	(57,413)
Total other financing sources and uses	1,285	-	-	(50,000)	-	-	(7,413)	(56,128)
Net change in fund balances	33,431	17,695	(4,054)	(56,075)	141,597	-	(3,456)	129,138
Fund balances, beginning	258,817	1,798	16,806	405,017	476,908	(49,011)	236,686	1,347,021
Fund balances, ending	\$ 292,248	\$ 19,493	\$ 12,752	\$ 348,942	\$ 618,505	\$ (49,011)	\$ 233,230	\$ 1,476,159

**EXHIBIT 15**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2015**

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 3,387,544	\$ 3,353,745	\$ (33,799)
Land use change	10,000	-	(10,000)
Timber	9,000	12,613	3,613
Excavation	1,500	972	(528)
Interest and penalties on delinquent taxes	120,000	94,657	(25,343)
<b>Total taxes</b>	<b>3,528,044</b>	<b>3,461,987</b>	<b>(66,057)</b>
<b>Licenses, permits and fees:</b>			
Business licenses and permits	250	150	(100)
Motor vehicle permits	915,000	918,751	3,751
Building permits	5,000	7,468	2,468
Other	66,560	72,652	6,092
<b>Total licenses, permits and fees</b>	<b>986,810</b>	<b>999,021</b>	<b>12,211</b>
<b>Intergovernmental:</b>			
State sources:			
Meals and rooms distributions	221,834	221,834	-
Highway block grant	132,076	133,216	1,140
<b>Total intergovernmental</b>	<b>353,910</b>	<b>355,050</b>	<b>1,140</b>
<b>Charges for services:</b>			
Income from departments	81,600	59,914	(21,686)
Other	6,500	6,427	(73)
<b>Total charges for services</b>	<b>88,100</b>	<b>66,341</b>	<b>(21,759)</b>
<b>Miscellaneous:</b>			
Sale of property	45,000	17,292	(27,708)
Interest on investments	1,000	1,496	496
Rent	-	5,275	5,275
Insurance dividends and reimbursements	60,000	97,065	37,065
Other	36,000	2,191	(33,809)
<b>Total miscellaneous</b>	<b>142,000</b>	<b>123,319</b>	<b>(18,681)</b>
<b>Other financing sources:</b>			
Transfers in:			
Expendable trust fund	607,723	535,215	(72,508)
Nonmajor funds	850	6,128	5,278
<b>Total other financing sources</b>	<b>608,573</b>	<b>541,343</b>	<b>(67,230)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 5,707,437</b>	<b>\$ 5,547,061</b>	<b>\$ (160,376)</b>

**EXHIBIT 16**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2015**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 235,154	\$ 220,491	\$ -	\$ 14,663
Election and registration	-	76,740	75,692	-	1,048
Financial administration	5,800	212,235	209,041	-	8,994
Revaluation of property	4,788	30,000	28,641	6,148	(1)
Legal	-	12,500	9,833	-	2,667
Personnel administration	-	1,013,540	1,043,652	-	(30,112)
Planning and zoning	-	69,991	79,989	-	(9,998)
General government buildings	-	168,300	166,724	-	1,576
Cemeteries	-	7,100	6,188	-	912
Insurance, not otherwise allocated	-	54,000	52,110	-	1,890
Advertising and regional associations	-	37,913	35,569	-	2,344
Other	-	500	-	-	500
Total general government	10,588	1,917,973	1,927,930	6,148	(5,517)
Public safety:					
Police	550	642,777	669,711	-	(26,384)
Ambulance	-	104,250	117,545	-	(13,295)
Fire	-	119,656	97,755	-	21,901
Building inspection	-	52,548	49,724	-	2,824
Emergency management	-	500	-	-	500
Dispatch	-	72,000	75,001	-	(3,001)
Total public safety	550	991,731	1,009,736	-	(17,455)
Highways and streets:					
Administration	-	556,125	543,917	-	12,208
Highways and streets	-	537,059	513,900	-	23,159
Street lighting	-	23,000	29,956	-	(6,956)
Total highways and streets	-	1,116,184	1,087,773	-	28,411
Sanitation:					
Administration	-	89,840	93,486	-	(3,646)
Solid waste collection	-	242,300	325,992	-	(83,692)
Solid waste disposal	-	136,000	108,188	-	27,812
Sewage collection and disposal	-	5,835	-	-	5,835
Total sanitation	-	473,975	527,666	-	(53,691)
Water distribution and treatment	-	5,834	-	-	5,834
Health:					
Administration	-	255	184	-	71
Pest control	-	2,000	2,742	-	(742)
Total health	-	2,255	2,926	-	(671)
Welfare:					
Administration & direct assistance	-	31,108	26,274	-	4,834

(continued)

**EXHIBIT 16 (continued)**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**

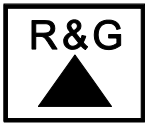
**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2015**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	68,050	63,571	-	4,479
Public library	216	154,955	160,164	-	(4,993)
Patriotic purposes	-	1,200	670	-	530
Other	-	3,560	2,044	-	1,516
Total culture and recreation	216	227,765	226,449	-	1,532
Conservation	-	2,150	1,584	-	566
Economic development	-	10,000	10,000	-	-
Debt service:					
Principal	30,105	127,650	126,444	-	31,311
Interest	8,062	28,205	28,273	-	7,994
Other	-	2,756	-	-	2,756
Total debt service	38,167	158,611	154,717	-	42,061
Capital outlay:					
Machinery, vehicles and equipment	-	451,868	445,418	-	6,450
Other financing uses:					
Transfers out:					
Expendable trust fund	-	317,983	319,290	-	(1,307)
Total encumbrances, appropriations, expenditures and other financing uses	\$ 49,521	\$ 5,707,437	\$ 5,739,763	\$ 6,148	\$ 11,047

**EXHIBIT 17**  
**TOWN OF ENFIELD, NEW HAMPSHIRE**  
**General Fund**  
***Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)***  
***For the Year Ended December 31, 2015***

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Unassigned fund balance, beginning		\$ (95,072)
Budget summary:		
Revenue shortfall (Exhibit 15)	\$ (160,376)	
Unexpended balance of appropriations (Exhibit 16)	<u>11,047</u>	
Budget deficit		(149,329)
Decrease in nonspendable fund balance		2,003
Increase in restricted fund balance		<u>(958)</u>
Unassigned fund balance, ending		<u><u>\$ (243,356)</u></u>



# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

### ***General Fund Deficit – Repeat Finding***

As noted in Note II.C. of the Financial Report, the General Fund is reporting a deficit unassigned fund balance at December 31, 2015 of \$887,865. The deficit is the result of the Town overexpending its budget in 2012, 2013 and 2014, as well as a budgeting error in 2014. In 2015, there was a revenue shortfall in multiple line items resulting in a budget deficit. We recommend the Town take steps to reduce the deficit in accordance with RSA 41:9.

### ***Sewer Deficit – Repeat Finding***

The Sewer Fund reported a net decrease in fund balance during 2015 of \$57,374, and an ending deficit fund balance of \$532,847. This is the sixth year that this fund has reported significant losses in net income and deficit fund balances. We recommend that the Town continue to analyze its billing rates and structure to determine if rates are sufficient to support its operating activities, and if necessary, consider an annual General Fund appropriation to cover the budget deficit.

**Capital Project Fund Deficit**

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

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

February 7, 2017

*Roberts & Heune, PLLC*