

**TOWN OF DEERFIELD, NEW HAMPSHIRE**

**Annual Financial Statements**

**For the Year Ended December 31, 2015**

**Town of Deerfield, New Hampshire**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen  
Town of Deerfield, New Hampshire

Additional Offices:  
Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Deerfield, New Hampshire, 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**

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

### **Auditor's Responsibility**

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

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

used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Contributions 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 evidence sufficient 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 Deerfield, New Hampshire's basic financial statements. The schedules of Nonmajor Governmental Funds appearing on pages 45 - 48 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 financial statements as a whole.

*Melanson Heath*

June 15, 2016

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

As management of the Town of Deerfield, New Hampshire, we offer readers this narrative overview and analysis of the financial activities of the Town 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 comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to 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 Town'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).

**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 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 own programs.

**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 accounting principles generally accepted in the United States of America.

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current year, the total of assets exceeded liabilities by \$10,902,708 (i.e., net position), a change of \$121,442 in comparison to the prior year.
- As of the close of the current year, governmental funds reported combined ending fund balances of \$2,403,035, a change of \$444,134 in comparison to the prior year.
- At the end of the current year, unassigned fund balance for the general fund was \$955,098, a change of \$194,554 in comparison to the prior year.
- Total long-term debt (i.e., capital leases) at the close of the current year was \$221,491, a change of \$51,794 in comparison to the prior year.

## C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior years.

### NET POSITION

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 8,530,994	\$ 8,087,335
Capital assets	9,876,523	9,862,304
Deferred outflows of resources	189,076	-
Total assets and deferred outflows of resources	18,596,593	17,949,639
Current liabilities	5,375,419	5,133,462
Noncurrent liabilities	2,031,043	416,168
Deferred inflows of resources	287,423	219,480
Total liabilities and deferred inflows of resources	7,693,885	5,769,110
Net position:		
Net investment in capital assets	9,655,032	9,589,019
Restricted	1,024,979	861,394
Unrestricted	222,697	1,730,116
Total net position	\$ <u>10,902,708</u>	\$ <u>12,180,529</u>

### CHANGES IN NET POSITION

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues:		
Charges for services	\$ 420,910	\$ 408,867
Operating grants and contributions	172,869	52,851
Capital grants and contributions	162,592	150,512
General revenues:		
Property taxes	1,937,751	2,392,595
Interest, penalties, and other taxes	238,878	135,977
Motor vehicle registration fees	882,553	816,671
Grants and contributions not restricted to specific programs	219,162	240,241
Investment income	2,923	1,461
Miscellaneous	122,930	22,194
Total revenues	4,160,568	4,221,369

(continued)

(continued)

	Governmental Activities	
	2015	2014
Expenses:		
General government	1,440,199	1,192,636
Public safety	952,750	944,379
Highways and streets	806,855	785,508
Sanitation	321,526	287,601
Health	36,872	39,073
Welfare	39,318	46,264
Culture and recreation	432,990	403,188
Conservation	2,077	58,103
Debt service	6,539	7,785
Total expenses	<u>4,039,126</u>	<u>3,764,537</u>
Change in net position	121,442	456,832
<sup>1</sup> Net position - beginning of year, as restated	<u>10,781,266</u>	<u>11,723,697</u>
Net position - end of year	<u>\$ 10,902,708</u>	<u>\$ 12,180,529</u>

<sup>1</sup> Restated from the prior year as described in Note 21. Comparative balances for fiscal year 2014 as reported in the MD&A have not been restated.

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 year, total net position was \$10,902,708 a change of \$121,442 from the prior year.

The largest portion of net position is \$9,655,032, which reflects our investment in capital assets (e.g., land, construction in progress, buildings, machinery, equipment and vehicles, and infrastructure); less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of net position, \$1,024,979, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$222,697, may be used to meet the Town's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities for the year resulted in a change in net position of \$121,442. Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ 280,549
Nonmajor funds change in fund balance	163,585
Capital assets funded with operating monies	333,805
Depreciation expense in excess of principal debt service	(282,791)
Other	<u>(373,706)</u>
Total	<u>\$ 121,442</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, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$2,403,035, a change of \$444,134 in comparison with the prior year. Key elements of this change are as follows:

General fund operations, as discussed further below	\$ 280,549
Nonmajor funds change in fund balance	<u>163,585</u>
Total	<u>\$ 444,134</u>

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$955,098, while total fund balance was \$1,378,056. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>12/31/15</u>	<u>12/31/14</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 955,098	\$ 760,544	\$ 194,554	27.7%
Total fund balance	\$ 1,378,056	\$ 1,097,507	\$ 280,549	39.9%

Total fund balance of the general fund changed by \$280,549 during the current year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (600,000)
Revenues in excess of budget	185,397
Expenditures less than budget	240,168
Change in capital reserves	60,031
Expenditures of prior year encumbrances	(44,727)
Other	<u>439,680</u>
Total	<u>\$ 280,549</u>

As required by GASB Statement No. 54, the Town's capital reserve funds are now included in the total general fund balance as follows:

	<u>12/31/15</u>	<u>12/31/14</u>	<u>Change</u>
Capital reserve funds	\$ <u>343,392</u>	\$ <u>283,361</u>	\$ <u>60,031</u>

**E. GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no differences between the Town's original and final budgets in 2015.

**F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental activities at year-end amounted to \$9,876,523 (net of accumulated depreciation), a change of \$14,219 from the prior year. This investment in capital assets includes land, construction in progress, buildings and improvements, machinery, equipment and vehicles, and infrastructure.

Major capital asset events during the current fiscal year included the following:

- \$103,477 for infrastructure improvements to various Town roads.
- \$182,168 for various building improvements.
- \$72,452 for various machinery, equipment, and vehicle purchases.
- \$(334,585) for current year depreciation expense.
- \$(9,293) for loss on disposal of vehicle.

**Long-term debt.** At the end of the current fiscal year, the Town had long-term debt outstanding of \$221,491 for the lease/purchase of a new fire pumper truck.

Additional information on capital assets and long-term debt can be found in the Notes to Financial Statements.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Deerfield, New Hampshire's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Town Administrator  
Town of Deerfield  
8 Raymond Road  
Deerfield, New Hampshire 03037-0159

TOWN OF DEERFIELD, NEW HAMPSHIRE

STATEMENT OF NET POSITION

DECEMBER 31, 2015

	Governmental Activities
<b>ASSETS</b>	
Current:	
Cash and short-term investments	\$ 7,250,200
Investments	288,959
Receivables, net of allowance for uncollectibles:	
Property taxes	683,034
Departmental	1,380
Noncurrent:	
Receivables, net of allowance for uncollectibles:	
Property taxes	191,280
Tax dedeed properties held for resale	116,141
Land and construction in progress	5,032,941
Other capital assets, net of accumulated depreciation	4,843,582
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>189,076</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	18,596,593
<b>LIABILITIES</b>	
Current:	
Accounts payable	15,953
Accrued liabilities	69,609
Due to school district	5,219,863
Other	806
Current portion of long-term liabilities:	
Capital leases	53,188
Landfill post-closure	16,000
Noncurrent:	
Capital leases, net of current portion	168,303
Compensated absences, net of current portion	18,881
Landfill post-closure, net of current portion	160,000
Net pension liability	1,683,859
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>287,423</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	7,693,885
<b>NET POSITION</b>	
Net investment in capital assets	9,655,032
Restricted for:	
Grants and other statutory restrictions	713,773
Permanent funds:	
Nonexpendable	217,063
Expendable	94,143
Unrestricted	<u>222,697</u>
<b>TOTAL NET POSITION</b>	<u>\$ 10,902,708</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF DEERFIELD, NEW HAMPSHIRE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>					
General government	\$ 1,440,199	\$ 67,795	\$ 21,772	\$ 3	\$ (1,350,629)
Public safety	952,750	69,110	1,540	2,399	(879,701)
Highways and streets	806,855	165	-	154,430	(652,260)
Sanitation	321,526	37,274	-	5,760	(278,492)
Health	36,872	-	-	-	(36,872)
Welfare	39,318	-	928	-	(38,390)
Culture and recreation	432,990	246,566	61,991	-	(124,433)
Conservation	2,077	-	86,638	-	84,561
Debt service	6,539	-	-	-	(6,539)
Total	<u>\$ 4,039,126</u>	<u>\$ 420,910</u>	<u>\$ 172,869</u>	<u>\$ 162,592</u>	(3,282,755)
		<b>General Revenues and Contributions:</b>			
					1,937,751
					238,878
					882,553
					219,162
					2,923
					<u>122,930</u>
					3,404,197
					121,442
		<b>Net Position:</b>			
					<u>10,781,266</u>
					<u>\$ 10,902,708</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF DEERFIELD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2015

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and short-term investments	\$ 6,657,004	\$ 593,196	\$ 7,250,200
Investments	-	288,959	288,959
Receivables:			
Property taxes	905,477	-	905,477
Departmental	-	1,380	1,380
Due from other funds	61	172,438	172,499
Tax dedeed property held for resale	<u>116,141</u>	<u>-</u>	<u>116,141</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 7,678,683</u></b>	<b><u>\$ 1,055,973</u></b>	<b><u>\$ 8,734,656</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 15,952	\$ -	\$ 15,952
Accrued liabilities	63,097	3,037	66,134
Due to school district	5,219,863	-	5,219,863
Due to other funds	172,499	-	172,499
Other liabilities	<u>805</u>	<u>-</u>	<u>805</u>
<b>TOTAL LIABILITIES</b>	<b>5,472,216</b>	<b>3,037</b>	<b>5,475,253</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>828,411</b>	<b>27,957</b>	<b>856,368</b>
<b>FUND BALANCES</b>			
Nonspendable	-	217,063	217,063
Restricted	-	807,916	807,916
Committed	343,392	-	343,392
Assigned	79,566	-	79,566
Unassigned	<u>955,098</u>	<u>-</u>	<u>955,098</u>
<b>TOTAL FUND BALANCES</b>	<b><u>1,378,056</u></b>	<b><u>1,024,979</u></b>	<b><u>2,403,035</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 7,678,683</u></b>	<b><u>\$ 1,055,973</u></b>	<b><u>\$ 8,734,656</u></b>

The accompanying notes are an integral part of these financial statements.

TOWN OF DEERFIELD, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCES TO NET POSITION OF GOVERNMENTAL  
ACTIVITIES IN THE STATEMENT OF NET POSITION

DECEMBER 31, 2015

<b>Total governmental fund balances</b>	\$ 2,403,035
<ul style="list-style-type: none"><li>• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</li></ul>	9,876,523
<ul style="list-style-type: none"><li>• Revenues are reported on the accrual basis of accounting and are not deferred until collection.</li></ul>	709,063
<ul style="list-style-type: none"><li>• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</li></ul>	(3,476)
<ul style="list-style-type: none"><li>• Long-term liabilities, including capital leases, compensated absences, net pension liability and landfill post-closure, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</li></ul>	(2,100,231)
<ul style="list-style-type: none"><li>• Certain changes in the net pension liability, which are deferred to future reporting periods, are not reported in the governmental funds.</li></ul>	<u>17,794</u>
<b>Net position of governmental activities</b>	<u>\$ 10,902,708</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF DEERFIELD, NEW HAMPSHIRE  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property taxes	\$ 2,076,265	\$ -	\$ 2,076,265
Interest, penalties, and other taxes	238,878	49,152	288,030
Licenses, permits and fees	965,972	-	965,972
Intergovernmental	353,113	19,614	372,727
Charges for services	60,238	277,663	337,901
Investment income	2,954	(6,859)	(3,905)
Miscellaneous	<u>123,739</u>	<u>138,352</u>	<u>262,091</u>
Total Revenues	3,821,159	477,922	4,299,081
<b>Expenditures:</b>			
Current:			
General government	1,196,833	26,197	1,223,030
Public safety	843,566	34,169	877,735
Highways and streets	748,138	-	748,138
Sanitation	329,673	-	329,673
Health	36,872	-	36,872
Welfare	39,318	-	39,318
Culture and recreation	79,199	340,884	420,083
Conservation	2,077	-	2,077
Debt service	59,146	-	59,146
Capital outlay	<u>118,875</u>	<u>-</u>	<u>118,875</u>
Total Expenditures	<u>3,453,697</u>	<u>401,250</u>	<u>3,854,947</u>
Excess (deficiency) of revenues over expenditures	367,462	76,672	444,134
<b>Other Financing Sources (Uses):</b>			
Transfers in	30,730	117,643	148,373
Transfers out	<u>(117,643)</u>	<u>(30,730)</u>	<u>(148,373)</u>
Total Other Financing Sources (Uses)	<u>(86,913)</u>	<u>86,913</u>	<u>-</u>
Change in fund balance	280,549	163,585	444,134
Fund Equity, at Beginning of Year	<u>1,097,507</u>	<u>861,394</u>	<u>1,958,901</u>
Fund Equity, at End of Year	<u>\$ 1,378,056</u>	<u>\$ 1,024,979</u>	<u>\$ 2,403,035</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF DEERFIELD, 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

<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 444,134</b>				
<ul style="list-style-type: none"> <li>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table> <tr> <td style="padding-left: 40px;">Capital outlay purchases</td> <td style="text-align: right;">348,805</td> </tr> <tr> <td style="padding-left: 40px;">Depreciation</td> <td style="text-align: right;">(334,585)</td> </tr> </table> </li> </ul>		Capital outlay purchases	348,805	Depreciation	(334,585)
Capital outlay purchases	348,805				
Depreciation	(334,585)				
<ul style="list-style-type: none"> <li>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and land use change taxes) differ between the two statements. This amount represents the net change in deferred revenue.</li> </ul>	(138,512)				
<ul style="list-style-type: none"> <li>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table> <tr> <td style="padding-left: 40px;">Repayments of debt</td> <td style="text-align: right;">51,794</td> </tr> </table> </li> </ul>	Repayments of debt	51,794	812		
Repayments of debt	51,794				
<ul style="list-style-type: none"> <li>Some expenses reported in the Statement of Activities, such as compensated absences, landfill post-closure costs, and deferred pension costs, do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.</li> </ul>	<u>(251,006)</u>				
<b>Change in net position of governmental activities</b>	<b><u>\$ 121,442</u></b>				

The accompanying notes are an integral part of these financial statements.

TOWN OF DEERFIELD, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		Positive (Negative)
<b>Revenues and Other Sources:</b>				
Property taxes	\$ 1,706,958	\$ 1,706,958	\$ 1,706,958	\$ -
Interest, penalties, and other taxes	115,855	115,855	208,299	92,444
Licenses, permits and fees	864,000	864,000	965,972	101,972
Intergovernmental	351,965	351,965	353,113	1,148
Charges for services	60,000	60,000	60,238	238
Investment income	1,200	1,200	2,923	1,723
Miscellaneous	157,667	157,667	154,318	(3,349)
Transfers in	39,509	39,509	30,730	(8,779)
Use of fund balance	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total Revenues and Other Sources	3,897,154	3,897,154	4,082,551	185,397
<b>Expenditures and Other Uses:</b>				
General government	1,381,076	1,381,076	1,225,687	155,389
Public safety	886,394	886,394	848,358	38,036
Highways and streets	741,535	741,535	748,138	(6,603)
Sanitation	346,123	346,123	329,673	16,450
Health	41,958	41,958	36,872	5,086
Welfare	68,554	68,554	39,318	29,236
Culture and recreation	166,409	166,409	163,842	2,567
Conservation	2,083	2,083	2,077	6
Capital outlay	118,875	118,875	118,875	-
Debt service	59,147	59,147	59,146	1
Transfers out	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Total Expenditures and Other Uses	<u>3,897,154</u>	<u>3,897,154</u>	<u>3,656,986</u>	<u>240,168</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>425,565</u>	\$ <u>425,565</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF DEERFIELD, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2015

	Private Purpose Trust Funds	Agency Funds
<b><u>ASSETS</u></b>		
Cash and short-term investments	\$ 1,056	\$ 675,782
Investments	<u>5,474</u>	<u>436,429</u>
Total Assets	6,530	1,112,211
 <b><u>LIABILITIES AND NET POSITION</u></b>		
Trustees of Trust Funds:		
School funds	-	467,310
Historical society funds	-	476,488
Other funds	-	16,945
Escrow deposits	-	29,400
School impact fees	-	98,366
Other liabilities	<u>-</u>	<u>23,702</u>
Total Liabilities	<u>-</u>	<u>1,112,211</u>
 <b><u>NET POSITION</u></b>		
Restricted for:		
Endowment	5,010	-
Unrestricted	<u>1,520</u>	<u>-</u>
Total net position held in trust	<u>\$ 6,530</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF DEERFIELD, NEW HAMPSHIRE  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Private Purpose Trust Funds</u>
<b>Additions:</b>	
Investment income	\$ 126
Change in value of investments	<u>(298)</u>
Total contributions	<u>(172)</u>
Net increase	(172)
<b>Net position:</b>	
Beginning of year	<u>6,702</u>
End of year	<u><u>\$ 6,530</u></u>

The accompanying notes are an integral part of these financial statements.

# TOWN OF DEERFIELD, NEW HAMPSHIRE

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Deerfield, New Hampshire (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

#### A. Reporting Entity

The Town is a municipal corporation governed by an elected Board of Selectmen. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2015, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

#### B. Government-Wide and Fund Financial Statements

##### Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

##### Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and motor vehicle registration fees.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental fund:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *private purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

*D. Cash and Short-Term Investments*

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue, permanent and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, savings accounts, and money market mutual funds. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

*E. Investments*

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Trust fund investments managed by the Trustees of Trust Funds consist of certificates of deposit, bond mutual funds, bond exchange traded funds (ETFs), individual equities, equity mutual funds, and equity ETFs. Investments are reported at market value.

*F. Interfund Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from/to other funds" (i.e., the current portion of interfund loans).

*G. Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Building improvements	15 - 40
Infrastructure	15 - 60
Vehicles	6 - 20
Machinery & equipment	5 - 15
Furniture & fixtures	7 - 20

*H. Compensated Absences*

It is the Town’s policy to permit employees to accumulate earned but unused vacation and compensatory time benefits. All vested vacation and compensatory time pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

*I. Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

*J. Fund Equity*

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

*Fund Balance* – In general, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The Town's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent (i.e., cemetery perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the Town's highest decision making authority (i.e., Town Meeting).
- 4) Assigned funds are intended to be used for specific purposes as established by Town management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for, or have been designated for a specific future use.
- 5) Unassigned funds are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

#### K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

## 2. **Stewardship, Compliance, and Accountability**

### A. Budgetary Information

The Town's budget is originally prepared by the Board of Selectmen (Board) and Town Administrator with the cooperation of the various department heads. It is then submitted to the Budget Committee, in accordance with the State's Municipal Budget Law. After review, the Town holds a public hearing for discussion of the proposed budget. This hearing must be held not later than 25 days before the annual town meeting, and public notice must be given at least 7 days in advance of the hearing.

After the required public hearing, the Board finalizes the budget and submits it for voter approval at the annual Town meeting. The approved budget is subsequently reported to the Municipal Services Division of the New Hampshire Department of Revenue Administration (NH DRA) on the "*Report of Appropriations Actually Voted*" (MS-232) form as part of the process of computing and establishing the Town's tax rate.

The Board cannot increase the total of the approved budget; however, they have the power to reclassify its components when necessary.

### B. Budgetary Basis

The general fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations (if any).

### C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 3,821,159	\$ 3,453,697
Other financing sources/uses (GAAP basis)	<u>30,730</u>	<u>117,643</u>
Subtotal (GAAP Basis)	3,851,889	3,571,340
Adjust tax revenue to accrual basis	(369,307)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(44,727)
Add end-of-year appropriation carryforwards to expenditures	-	70,691
Recognize use of fund balance as funding source	600,000	-
Reverse effects of nonbudgeted audit adjustments	-	(318)
Reverse effect of combining capital reserve funds with general fund	<u>(31)</u>	<u>60,000</u>
Budgetary basis	<u>\$ 4,082,551</u>	<u>\$ 3,656,986</u>

### 3. Cash and Investments

#### A. Custodial Credit Risk

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. RSA 41:29 stipulates that Town funds be deposited "in participation units in the public deposit investment pool established pursuant to RSA 383:22 or in federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third party custodial bank or the federal reserve bank collateral security for such deposits of the following types:

- (a) United States government obligations;
- (b) United States government agency obligations; or
- (c) Obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case."

In addition, RSA 41:29 allows excess funds “which are not immediately needed for the purpose of expenditure” to be invested in the “public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types on interest bearing accounts, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, or in obligations fully guaranteed as to principal and interest by the United States government.”

As of December 31, 2015, \$62,474 of the Town’s bank balances totaling \$7,035,686 was exposed to custodial credit risk as uninsured, uncollateralized, or collateral held by pledging bank’s trust department not in the Town’s name.

As of December 31, 2015, \$964,171 of capital reserve and trust fund assets in the custody of the Trustees of Trust Funds (Trustees) were held in shares of a money market mutual fund registered with the Securities and Exchange Commission in accordance with RSA 31:25. These funds are not collateralized, FDIC-insured, or guaranteed by any other government agency.

*Custodial Credit Risk - Investments.* Custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Trustees’ investment policies follow the guidelines of RSA 31:25.

The Trustees’ investments are exposed to custodial credit risk because the related securities are uninsured, unregistered, and/or held by the Trustees’ investment management company, which is also the counterparty to these securities. The Trustees manage this custodial credit risk with SIPC and excess SIPC insurance.

#### **B. Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The Trustees investment policy mirrors this rule.

Presented below is the actual rating as of year-end for each investment of the Trustees (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>
Certificates of deposits	\$ 40	N/A	\$ 40
Bond mutual funds and ETFs	204	N/A	204
Corporate equities and ETFs	<u>487</u>	N/A	<u>487</u>
Total investments	<u>\$ 731</u>		<u>\$ 731</u>

**C. Concentration of Credit Risk**

The Trustees' investment policy includes asset allocation guidelines for investments held in cash equivalents, fixed income, equities, and other securities, but it does not specifically limit the amount of funds that may be invested in any one issuer. As of December 31, 2015, the Trustees did not hold investments in any one issuer (other than corporate bonds and an FDIC-insured certificate of deposit) exceeding 5% of total trust fund investments.

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Trustees' investment policy does not specifically address interest rate risk. As of December 31, 2015, the interest rate risk associated with the Trustees' investments in various bond mutual funds and ETFs cannot reasonably be determined.

**E. Foreign Currency Risk**

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Trustees' investment policy does not specifically address foreign currency risk. As of December 31, 2015, the foreign currency risk associated with the Trustees' investments in various bond and equity mutual funds and ETFs cannot reasonably be determined.

**4. Taxes Receivable**

Property taxes are levied based on tax rates set by the NH DRA. The Town bills property taxes semiannually, in May and November. Property tax revenues are recognized in the fiscal year for which taxes have been levied. Property taxes billed or collected in advance of the year for which they are levied are recorded as a prepaid tax liability.

Property taxes are due on July 1 and December 1. Delinquent accounts are charged interest at a rate of 12%. At the time of tax sale, in March of the following year, a lien is recorded on the property at the Registry of Deeds. The Town purchases all delinquent accounts by paying the delinquent tax balance, recording costs and accrued interest. Accounts that are liened by the Town are reclassified from property taxes receivable to unredeemed tax liens receivable and are charged interest at a rate of 18%.

The Town annually budgets an amount (overlay) for property tax abatements and refunds.

Taxes receivable at December 31, 2015 consist of the following:

Property taxes		
2015 levy		\$ 481,875
Unredeemed tax liens		
2014 levy	143,502	
2013 levy	106,671	
Prior levies	<u>151,720</u>	
		401,893
Land use change taxes		10,213
Yield taxes		4,856
Elderly deferrals		<u>6,640</u>
Total taxes receivable		<u>\$ 905,477</u>

#### Taxes Collected for Others

The Town collects property taxes for the Deerfield School District (SAU 53) and Rockingham County. Payments to the School District are normally made throughout the year and payment to the County is normally made in December. However, ultimate responsibility for the collection of these taxes rests with the Town.

### **5. Allowance for Doubtful Accounts**

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts:

	<u>Governmental</u>
Property taxes	\$ 16,866
Tax liens	\$ 14,066
Elderly deferrals	\$ 232

## 6. Interfund Fund Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the December 31, 2015 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 61	\$ 172,499
Special revenue funds:		
Conservation	44,782	-
Recreation	96,089	-
FEMA	1	-
250th anniversary	31,477	
Special Detail	-	61
Trust funds:		
Town hall restoration	<u>150</u>	<u>-</u>
Total	<u>\$ 172,560</u>	<u>\$ 172,560</u>

## 7. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 732	\$ 171	\$ -	\$ 903
Machinery, equipment, and furnishings	647	54	-	701
Vehicles	1,619	30	(26)	1,623
Infrastructure	<u>4,316</u>	<u>104</u>	<u>-</u>	<u>4,420</u>
Total capital assets, being depreciated	7,314	359	(26)	7,647
Less accumulated depreciation for:				
Buildings and improvements	(164)	(34)	-	(198)
Machinery, equipment, and furnishings	(305)	(64)	-	(369)
Vehicles	(792)	(101)	17	(876)
Infrastructure	<u>(1,224)</u>	<u>(136)</u>	<u>-</u>	<u>(1,360)</u>
Total accumulated depreciation	<u>(2,485)</u>	<u>(335)</u>	<u>17</u>	<u>(2,803)</u>
Total capital assets, being depreciated, net	4,829	24	(9)	4,844
Capital assets, not being depreciated:				
Land	<u>5,033</u>	<u>-</u>	<u>-</u>	<u>5,033</u>
Total capital assets, not being depreciated	<u>5,033</u>	<u>-</u>	<u>-</u>	<u>5,033</u>
Governmental activities capital assets, net	<u>\$ 9,862</u>	<u>\$ 24</u>	<u>\$ (9)</u>	<u>\$ 9,877</u>

Depreciation expense was charged to functions of the Town as follows (in thousands):

Governmental Activities:	
General government	\$ 29
Public safety	113
Highways and streets*	172
Sanitation	8
Culture and recreation	<u>13</u>
Total depreciation expense - governmental activities	<u>\$ 335</u>

\*Note: Highways and streets includes depreciation costs for infrastructure.

## 8. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets.

The following is a summary of deferred outflow of resources balances, which all relate to participation in the New Hampshire Retirement System, as of December 31, 2015:

	<u>Entity-wide Basis</u>
	Governmental
	<u>Activities</u>
Changes in proportion	\$ 73,283
Contributions subsequent to the measurement date	<u>115,793</u>
Total	<u>\$ 189,076</u>

## 9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent 2015 expenditures paid after December 31, 2015.

## 10. Capital Lease Obligations

The Town is the lessee of a fire pumper truck under a capital lease obligation that matures in 2019. Future minimum lease payments under this capital lease consist of the following as of December 31, 2015:

	<u>Fiscal Year</u>	<u>Capital Leases</u>
	2016	\$ 59,146
	2017	59,146
	2018	59,146
	2019	<u>59,145</u>
Total minimum lease payments		236,583
Less amounts representing interest		<u>15,092</u>
Present Value of Minimum Lease Payments		<u>\$ 221,491</u>

## 11. Long-Term Debt

### Changes in General Long-Term Liabilities

During the year ended December 31, 2015, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>1/1/15</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>12/31/15</u>	Less Current Portion	Equals Long-Term Portion <u>12/31/15</u>
<u>Governmental Activities</u>						
Capital lease	\$ 273	\$ -	\$ (52)	\$ 221	\$ (53)	\$ 168
Compensated absences	19	1	(1)	19	-	19
Landfill post-closure	192	-	(16)	176	(16)	160
Net pension liability	<u>1,516</u>	<u>168</u>	<u>-</u>	<u>1,684</u>	<u>-</u>	<u>1,684</u>
Total	<u>\$ 2,000</u>	<u>\$ 169</u>	<u>\$ (69)</u>	<u>\$ 2,100</u>	<u>\$ (69)</u>	<u>\$ 2,031</u>

## 12. Landfill Post-Closure Care Costs

State and Federal laws and regulations required the Town to place a final cover on its landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although post-closure care costs will be paid over a period of years, the Town reports the total remaining estimated future post-closure care costs as a liability in the financial statements.

The Town closed its landfill in 1996. The \$176,000 reported as the landfill post-closure care liability at December 31, 2015 represents the Town's estimated

future post-closure care costs for the remaining thirteen years of the mandated thirty year post-closure monitoring period. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The Town expects to continue financing post-closure care costs by annual appropriation.

**13. Deferred Inflows of Resources**

Deferred inflows of resources are the acquisition of net assets by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The following is a summary of deferred inflow of resources balances as of December 31, 2015:

	<u>Entity-wide Basis</u>	<u>Fund Basis</u>	
	Governmental <u>Activities</u>	Governmental Funds General <u>Fund</u>	Nonmajor Funds <u>Funds</u>
Unavailable revenues:			
Committed taxes	\$ -	\$ 365,324	\$ 5,107
Tax liens	-	340,305	22,850
Tax deferrals	-	6,641	-
Tax deeded property	116,141	116,141	-
Changes in retirement proportion	89,327	-	-
Differences between expected and actual retirement experience	36,951	-	-
Net difference between projected and actual earnings on pension plan investments	45,004	-	-
	<u>\$ 287,423</u>	<u>\$ 828,411</u>	<u>\$ 27,957</u>

**14. Restricted Net Position**

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

## 15. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The Town has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which seeks to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at December 31, 2015:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes various special revenue and expendable trust funds and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. This fund balance classification includes capital reserve funds set aside by Town Meeting vote for future capital acquisitions and improvements (now reported as part of the general fund per GASB 54).

Assigned - Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned - Represents amounts that are available to be spent in future periods.

Following is a breakdown of the Town's fund balances at December 31, 2015:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable			
Nonexpendable permanent funds	\$ -	\$ 217,063	\$ 217,063
Total Nonspendable	-	217,063	217,063
Restricted			
Special revenue funds:			
Conservation	-	257,505	257,505
Highway/Solid waste impact fees	-	110,516	110,516
Recreation funds	-	93,188	93,188
Library funds	-	82,352	82,352
Expendable trusts	-	75,463	75,463
Other	-	94,749	94,749
Expendable permanent funds	-	94,143	94,143
Total Restricted	-	807,916	807,916
Committed			
Capital reserve funds:			
Fire engine	198,691	-	198,691
Fire apparatus and equipment	100,010	-	100,010
Other	44,691	-	44,691
Total Committed	343,392	-	343,392
Assigned			
Encumbrances	70,691	-	70,691
Reserved for flood insurance	8,875	-	8,875
Total Assigned	79,566	-	79,566
Unassigned	955,098	-	955,098
Total Unassigned	955,098	-	955,098
Total Fund Balances	\$ 1,378,056	\$ 1,024,979	\$ 2,403,035

## 16. General Fund Unassigned Fund Balance

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in respect to how undesignated fund balance is reported in accordance with the budgetary basis for reporting to the State of New Hampshire for tax rate setting purposes. The major difference is the State of New Hampshire considers revenues in connection with property tax receivables to be available to liquidate liabilities when billed rather than received.

The following summarizes the specific differences between the GAAP basis and the budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis balance	\$	955,098
Deferred inflows of resources		<u>828,411</u>
Tax Rate Setting Balance	\$	<u><u>1,783,509</u></u>

**17. Commitments and Contingencies**

Property Tax Abatement/Refund Claims – The Town is currently in litigation with two commercial entities that have filed petitions for abatement of taxes with the Rockingham County Superior Court. As of December 31, 2015, the Town’s potential exposure for these claims is estimated to be \$215,000; however, the outcome of these claims is not reasonably determinable. As a result, no liability for these claims is reported in the Town’s Statement of Net Position or Governmental Funds Balance Sheet at December 31, 2015.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**18. Post-Employment Healthcare and Life Insurance Benefits**

The Town has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, which requires governmental employers to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns post-employment benefits, rather than when they use them. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

The Town participates in a community-rated insurance plan in which the premium rates reflect the health claim experience of all participating employers. As a result, it is appropriate for the Town to use the unadjusted premium as a basis for projecting retiree benefit costs. Since the Town does not currently provide direct other post-employment benefits to its retirees, and it is reasonable for the Town to project benefits using unadjusted premiums, the Town does not have an OPEB liability at December 31, 2015.

## 19. Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

### A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

### B. Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is  $1/60$  or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at  $1/66$  or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service

up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by  $\frac{1}{4}$  of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

*C. Contributions*

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers 11.55% for police and 11.80% for fire. The Town makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 10.77% to 27.74% of covered compensation. The Town's contributions to NHRS for the year ended December 31, 2015 was \$229,204, which was equal to its annual required contribution.

*D. Summary of Significant Accounting Policies*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS' fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

At December 31, 2015, the Town reported a liability of \$1,683,859 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 June 30, 2014. 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 employers, actuarially determined. At June 30, 2014, the Town's proportion was 0.04038050%.

At the most recent measurement date of June 30, 2015, the Town's proportion was 0.04250530%, which was an increase of 0.0021248% from its previous year proportion.

For the year ended June 30, 2015, the Town recognized pension expense of \$100,716. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion	\$ 73,283	\$ 89,327
Differences between expected and actual experience	-	36,951
Net difference between projected and actual earnings on pension plan investments	-	45,004
Contributions subsequent to the measurement date	<u>115,793</u>	<u>-</u>
Total	<u>\$ 189,076</u>	<u>\$ 171,282</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 75,291
2017	(40,501)
2018	(40,501)
2019	20,248
2020	<u>3,257</u>
Total	<u>\$ 17,794</u>

Actuarial assumptions: The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0% per year
Salary increases	3.75 - 5.8% average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

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 woman for mortality improvements.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 – June 30, 2010.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage	Weighted Average Average Long-Term Expected Real Rate of Return
Large Cap Equities	22.50 %	3.00%
Small/Mid Cap Equities	7.50	3.00%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.00%
Emerging Int'l Equities	7.00	6.00%
Total international equities	20.00	
Core Bonds	4.50	-0.70%
Short Duration	2.50	-1.00%
Global Multi-Sector Fixed Income	11.00	0.28%
Unconstrained Fixed Income	7.00	0.16%
Total fixed income	25.00	
Private equity	5.00	5.50%
Private debt	5.00	4.50%
Real estate	10.00	3.50%
Opportunistic	5.00	2.75%
Total alternative investments	25.00	
Total	100.00 %	

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
June 30, 2015	\$ 2,216,581	\$ 1,683,859	\$ 1,229,710

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

**20. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

**21. Beginning Net Position Restatement**

The beginning (January 1, 2015) net position of the Town has been restated as follows:

Government-Wide Financial Statements:

	<u>Governmental Activities</u>
As previously reported	\$ 12,180,529
GASB 68 implementation	<u>(1,399,263)</u>
As restated	<u>\$ 10,781,266</u>

**TOWN OF DEERFIELD, NEW HAMPSHIRE**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2015**  
**(Unaudited)**

<u>New Hampshire State Retirement System:</u>	<u>2015</u>
Proportion of the net pension liability for the most recent measurement date	0.04250530%
Proportionate share of the net pension liability for the most recent measurement date	\$ 1,683,859
Covered-employee payroll for the most recent measurement date	\$ 1,094,525
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	153.84%
Plan fiduciary net position as a percentage of the total pension liability	65.5%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available*

See Independent Auditors' Report.

**TOWN OF DEERFIELD, NEW HAMPSHRIE**

**SCHEDULE OF CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015  
(Unaudited)**

<u>New Hampshire State Retirement System:</u>	<u>2015</u>
Contractually required contribution for the current fiscal year	\$ 229,204
Contributions in relation to the contractually required contribution	<u>229,204</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll for the current fiscal year	\$ 955,245
Contributions as a percentage of covered-employee payroll	23.99%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available*

See Independent Auditors' Report.

TOWN OF DEERFIELD, NEW HAMPSHIRE

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	<u>Special Revenue Funds</u>						
	<u>FEMA Fund</u>	<u>Recreation Funds</u>	<u>Conservation Fund</u>	<u>Impact Fees</u>	<u>Library Operating</u>	<u>Library Building</u>	<u>Other Special Funds</u>
<u>ASSETS</u>							
Cash and short-term investments	\$ -	\$ -	\$ 240,680	\$ 110,516	\$ 32,745	\$ 49,607	\$ 62,088
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	<u>1</u>	<u>96,089</u>	<u>44,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1</u>	<u>\$ 96,089</u>	<u>\$ 285,462</u>	<u>\$ 110,516</u>	<u>\$ 32,745</u>	<u>\$ 49,607</u>	<u>\$ 62,088</u>
<u>LIABILITIES</u>							
Accounts payable and accrued liabilities	\$ -	\$ 2,901	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	2,901	-	-	-	-	-
<u>DEFERRED INFLOWS OF RESOURCES</u>							
	-	-	27,957	-	-	-	-
<u>FUND BALANCES</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	<u>1</u>	<u>93,188</u>	<u>257,505</u>	<u>110,516</u>	<u>32,745</u>	<u>49,607</u>	<u>62,088</u>
Total Fund Balance	<u>1</u>	<u>93,188</u>	<u>257,505</u>	<u>110,516</u>	<u>32,745</u>	<u>49,607</u>	<u>62,088</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1</u>	<u>\$ 96,089</u>	<u>\$ 285,462</u>	<u>\$ 110,516</u>	<u>\$ 32,745</u>	<u>\$ 49,607</u>	<u>\$ 62,088</u>

(continued)

TOWN OF DEERFIELD, NEW HAMPSHIRE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2015

(continued)

	Special Revenue Funds				Permanent Funds			Total Nonmajor Governmental Funds
	250th Anniversary	Special Detail	Expendable Trust Funds	Subtotals	Cemetery Funds	Library Funds	Subtotals	
<u>ASSETS</u>								
Cash and short-term investments	\$ -	\$ -	\$ 47,233	\$ 542,869	\$ 41,000	\$ 9,327	\$ 50,327	\$ 593,196
Investments	-	-	28,080	28,080	212,532	48,347	260,879	288,959
Accounts receivable	-	1,380	-	1,380	-	-	-	1,380
Due from other funds	<u>31,477</u>	<u>-</u>	<u>150</u>	<u>172,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,499</u>
Total Assets	<u>\$ 31,477</u>	<u>\$ 1,380</u>	<u>\$ 75,463</u>	<u>\$ 744,828</u>	<u>\$ 253,532</u>	<u>\$ 57,674</u>	<u>\$ 311,206</u>	<u>\$ 1,056,034</u>
<u>LIABILITIES</u>								
Accounts payable and accrued liabilities	\$ -	\$ 136	\$ -	\$ 3,037	\$ -	\$ -	\$ -	\$ 3,037
Due to other funds	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61</u>
Total Liabilities	-	197	-	3,098	-	-	-	3,098
<u>DEFERRED INFLOWS OF RESOURCES</u>	-	-	-	27,957	-	-	-	27,957
<u>FUND BALANCES</u>								
Nonspendable	-	-	-	-	162,383	54,680	217,063	217,063
Restricted	<u>31,477</u>	<u>1,183</u>	<u>75,463</u>	<u>713,773</u>	<u>91,149</u>	<u>2,994</u>	<u>94,143</u>	<u>807,916</u>
Total Fund Balance	<u>31,477</u>	<u>1,183</u>	<u>75,463</u>	<u>713,773</u>	<u>253,532</u>	<u>57,674</u>	<u>311,206</u>	<u>1,024,979</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 31,477</u>	<u>\$ 1,380</u>	<u>\$ 75,463</u>	<u>\$ 744,828</u>	<u>\$ 253,532</u>	<u>\$ 57,674</u>	<u>\$ 311,206</u>	<u>\$ 1,056,034</u>

See Independent Auditors' Report

TOWN OF DEERFIELD, NEW HAMPSHIRE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds						
	FEMA Fund	Recreation Funds	Conservation Fund	Impact Fees	Library Operating	Library Building	Other Special Funds
Revenues:							
Interest, penalties, and other taxes	\$ -	\$ -	\$ 49,152	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,614	-	-	-	-	-	-
Charges for services	-	246,105	-	-	461	-	-
Investment income	-	-	340	124	-	21	83
Miscellaneous	-	651	418	26,116	895	10,000	45,228
Total Revenues	<u>19,614</u>	<u>246,756</u>	<u>49,910</u>	<u>26,240</u>	<u>1,356</u>	<u>10,021</u>	<u>45,311</u>
Expenditures:							
Current:							
General government	19,614	-	-	-	-	-	5,163
Public safety	-	-	-	-	-	-	4,255
Culture and recreation	-	223,552	-	-	91,820	-	-
Total Expenditures	<u>19,614</u>	<u>223,552</u>	<u>-</u>	<u>-</u>	<u>91,820</u>	<u>-</u>	<u>9,418</u>
Excess (deficiency) of revenues over (under) expenditures	-	23,204	49,910	26,240	(90,464)	10,021	35,893
Other Financing Sources (Uses):							
Transfers in	-	-	5,225	-	92,643	662	-
Transfers out	-	-	-	-	-	-	(5,225)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,225</u>	<u>-</u>	<u>92,643</u>	<u>662</u>	<u>(5,225)</u>
Change in fund balances	-	23,204	55,135	26,240	2,179	10,683	30,668
Fund Balances, beginning of year	<u>1</u>	<u>69,984</u>	<u>202,370</u>	<u>84,276</u>	<u>30,566</u>	<u>38,924</u>	<u>31,420</u>
Fund Balances, end of year	<u>\$ 1</u>	<u>\$ 93,188</u>	<u>\$ 257,505</u>	<u>\$ 110,516</u>	<u>\$ 32,745</u>	<u>\$ 49,607</u>	<u>\$ 62,088</u>

(continued)

TOWN OF DEERFIELD, NEW HAMPSHIRE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

(continued)

	Special Revenue Funds				Permanent Funds			Total Nonmajor Governmental Funds
	250th Anniversary	Special Detail	Trust Funds	Expendable Subtotals	Cemetery Funds	Library Funds	Subtotals	
Revenues:								
Interest, penalties, and other taxes	\$ -	\$ -	\$ -	\$ 49,152	\$ -	\$ -	\$ -	\$ 49,152
Intergovernmental	-	-	-	19,614	-	-	-	19,614
Charges for services	-	31,097	-	277,663	-	-	-	277,663
Investment income	-	-	(671)	(103)	(4,325)	(2,431)	(6,756)	(6,859)
Miscellaneous	52,844	-	600	136,752	1,600	-	1,600	138,352
Total Revenues	52,844	31,097	(71)	483,078	(2,725)	(2,431)	(5,156)	477,922
Expenditures:								
Current:								
General government	-	-	1,420	26,197	-	-	-	26,197
Public safety	-	29,914	-	34,169	-	-	-	34,169
Culture and recreation	25,512	-	-	340,884	-	-	-	340,884
Total Expenditures	25,512	29,914	1,420	401,250	-	-	-	401,250
Excess (deficiency) of revenues over (under) expenditures	27,332	1,183	(1,491)	81,828	(2,725)	(2,431)	(5,156)	76,672
Other Financing Sources (Uses):								
Transfers in	-	-	25,000	123,530	-	-	-	123,530
Transfers out	-	-	(30,730)	(35,955)	-	(662)	(662)	(36,617)
Total Other Financing Sources (Uses)	-	-	(5,730)	87,575	-	(662)	(662)	86,913
Change in fund balances	27,332	1,183	(7,221)	169,403	(2,725)	(3,093)	(5,818)	163,585
Fund Balances, beginning of year	4,145	-	82,684	544,370	256,257	60,767	317,024	861,394
Fund Balances, end of year	\$ 31,477	\$ 1,183	\$ 75,463	\$ 713,773	\$ 253,532	\$ 57,674	\$ 311,206	\$ 1,024,979

See Independent Auditors' Report