

# TOWN OF GREENFIELD, NEW HAMPSHIRE

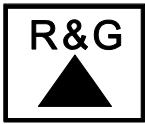
## FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

**TABLE OF CONTENTS**

	<u><b>PAGES</b></u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	<b>3</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Position (Exhibit 1)	10
Statement of Activities (Exhibit 2)	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds (Exhibit 3)	12
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position (Exhibit 4)	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit 5)	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit 6)	15
General Fund - Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) (Exhibit 7)	16
Fiduciary Funds – Statement of Fiduciary Net Position (Exhibit 8)	17
Fiduciary Funds – Statement of Changes in Fiduciary Net Position (Exhibit 9)	18
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>19</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of the Town’s Proportionate Share of the Net Pension Liability (Exhibit 10)	38
Schedule of the Town’s Pension Contributions (Exhibit 11)	39
Schedule of Changes in the Town’s Total OPEB Liability and Related Ratios (Exhibit 12)	40
Schedule of the Town’s OPEB Contributions (Exhibit 13)	41
Note to the Required Supplementary Information	42
<b>COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES</b>	
Nonmajor Governmental Funds	
Combining Balance Sheet (Exhibit 12)	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 13)	44
Major General Fund	
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis) (Exhibit 14)	45
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis) (Exhibit 15)	46
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis) (Exhibit 16)	48
<b>INDEPENDENT AUDITOR’S COMMUNICATION TO MANAGEMENT</b>	<b>49</b>



# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen  
Town of Greenfield  
Greenfield, 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 Greenfield as of and for the year ended December 31, 2018, 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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Greenfield, as of December 31, 2018, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note I.B.5. to the financial statements, in the year 2018, the Town adopted new accounting guidance regarding the accounting and reporting for postemployment benefits other than pensions (OPEB). Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 9 and pension and OPEB schedules on pages 38 – 41 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 and economic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Greenfield'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.

*Roberts & Heene, PLLC*

Concord, New Hampshire  
October 24, 2019

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

## **MANAGEMENTS DISCUSSION AND ANALYSIS**

As management of the Town of Greenfield, we offer readers this narrative overview and analysis of the financial activities of the Town of Greenfield, New Hampshire for the year ended December 31, 2018.

### **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 the Town's 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. This is a change in terms from "net assets" to "net position" as outlined in GASB 54. 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). The governmental activities include general government, public safety, highways and streets, 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 (GASB)*.

In 2018, GASB 75 takes effect and results in a restatement of the town's net position at the beginning of the year. The goal of GASB 75 is to improve the reporting of other post-employment benefits (OPEB) other than pensions. Greenfield's OPEB includes health benefits after retirement for a small number of employees.

## **B. FINANCIAL HIGHLIGHTS**

- The town's net position for 2018 was restated from \$3,241,726 to \$3,174,387 to account for GASB 75. The town's net position at the end of 2018 was \$3,289,572, an increase of \$115,185 for the year.
- Budget for the 2018 year totaled \$2,351,498.
- During the year, the Town had net expenses of \$2,237,673 for governmental activities
- The Board of Selectmen used \$156,000 (approximately \$1.11 on the local tax rate) of fund balance to offset taxes.
- The Town contributed a combination of revenues higher than conservatively forecast, and savings generated from the operating budget to fund balance during 2018.
- The Town's unassigned fund balance increased from the previous year. Unassigned fund balance for the general fund on a non-GAAP, budgetary basis increased from \$656,548 to \$702,932 at year end, a change of \$46,384 in comparison with the prior year.

## C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

The following table reflects the condensed Statement of Net Position:

#### Statement of Net Position As of December 31, 2018

##### **Governmental Activities**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Current & other Assets	2,795,788	2,913,149
Capital assets	<u>3,350,900</u>	<u>3,223,495</u>
<b><i>Total assets</i></b>	6,146,688	6,136,644
Deferred Outflows of resources	224,025	305,204
Long-term liabilities	1,498,159	1,758,311
Other liabilities	<u>1,433,513</u>	<u>1,470,056</u>
<b><i>Total liabilities</i></b>	2,931,672	3,228,367
Deferred Inflows of resources	149,469	39,094
Net Position:		
Net investment in capital assets	2,926,975	2,685,477
Restricted for:		
Permanent Funds:		
Nonexpendable	140,088	139,513
Expendable	9,819	19,466
Other purposes	1,944	1,839
Unrestricted	<u>210,746</u>	<u>328,092</u>
<b><i>Total net position</i></b>	<u>3,289,572</u>	<u>3,174,387</u>

##### **Governmental Activities**

The Town's combined net position increased to \$3,289,572 from \$3,174,387 or an increase of 4.5%.



## Changes in Net Position for fiscal year ended Dec. 31, 2018

### Changes in Net Position

#### For the Fiscal Year Ended December 31, 2017

#### **Governmental**

<b><u>Activities</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
REVENUES		
Program Revenues:		
Charges for services	50,981	87,267
Operating & capital grants & contr.	112,441	158,875
General Revenues:		
Property Taxes	1,324,322	1,195,222
Other Taxes	354,673	339,454
Intergovernmental	92,693	94,074
Other	417,748	71,128
<b>Total Revenue</b>	<b>2,352,858</b>	<b>2,276,816</b>
EXPENSES		
General government	764,024	792,882
Public safety	534,780	515,560
Highways and streets	466,423	570,650
Sanitation	123,565	114,159
Health & Welfare	39,502	33,781
Culture & recreation	168,870	91,217
Conservation	6,302	5,884
Interest on long-term debt	17,167	21,777
Capital outlay	117,040	65,586
<b>Total expenses</b>	<b>2,237,673</b>	<b>2,148,496</b>
Change in net position	115,185	128,320
Beginning net position	3,174,387	3,113,406
Restatement	-	(67,339)
Ending net position	<u>3,289,572</u>	<u>3,174,387</u>

#### **Governmental Type Funds**

As of year-end, the governmental funds reported an unassigned fund balance of \$709,932. The following chart shows the schedule of changes in the unassigned Fund Balance on a budgetary basis. In 2011, GASB Statement #54 implementation was required in order to show the difference in categories of the fund balance within the General Fund. Governmental Fund Type definitions were upgraded to include the following classifications: Nonspendable fund balance, Restricted fund balance, Committed fund balance, Assigned fund balance, and Unassigned fund balance. Unassigned fund balance are amounts that can be used for any purpose. For reporting purposes this report will confine itself to a discussion of Unassigned fund balance.

Schedule of changes in unassigned fund balance  
(Non-GAAP budgetary basis)  
as of December 31, 2018

Unassigned Fund Balance, Beginning		\$656,548
Changes:		
Unreserved fund balance used to reduce tax rate		(156,000)
Budget Summary:		
Revenue Surplus	\$129,266	
Unexpended balance of appropriations	<u>79,118</u>	
Budget Surplus		202,384
Unassigned fund balance ending		<u><u>\$702,932</u></u>

Because the timing of revenues and expenditures may be categorized differently under the Generally Accepted Accounting Principles (GAAP) basis of accounting than under the budgetary basis of accounting, a comparison of the two reports can provide information that can help with the interpretation of the budget. In GAAP accounting, revenues are recognized in governmental funds as soon as they are both "measurable" and "available". The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Under the budgetary basis of accounting, the Town considers property tax revenue available when committed. In this outline it's important to note that deferred tax revenue may be collected at a much later date. While the unassigned fund balance was greater than the previous year, GAAP Basis was lower than in previous years indicating a higher level of tax receivables. GAAP Basis in 2018 was (\$64,661) lower than for 2017. GAAP Basis is measured by the Town as an indicator supportive of cash-flow. In general the more support for cash flow, the less likely it is the municipality will have to borrow Tax Anticipation Notes (TAN).

Reconciliation of General Fund Budgetary Basis to GAAP

Fund Balances:	\$702,932
Adjustments	
Basis difference:	
Deferred tax revenue, 60-day rule	<u>(428,055)</u>
GAAP Basis	<u><u>\$274,877</u></u>

**General Fund Budgetary Highlights**

Amendments to the General Fund include appropriations that were approved at the March 2018 Town Meeting. Those appropriations included:

- \$ 10,000 to be placed in an Assessment Capital Reserve Fund.
- \$ 94,000 to be placed in the Fire/Rescue Apparatus Capital Reserve Fund for the Fire Department.

- \$40,000 to be placed in the Highway Equipment Capital Reserve Fund
- \$10,000 to be placed in the Police Vehicle Capital Reserve Fund
- \$10,000 to be placed in the Library Buildings & Grounds Maint. Fund
- \$ 7,500 to be placed in the Fire Department Non-Apparatus Capital Reserve Fund
- \$ 1,000 to be placed in the Recycling Center Facilities & Equipment Fund
- \$25,000 to be placed in the Town Buildings Capital Reserve Fund
- \$26,967.74 for the payment of the next loan installment associated with a 10 Wheel Dump Truck for the Department of Public Works. Total over the life of the lease purchase equals \$176,194.00
- \$125,000 for the purpose of providing road reconstruction on Town roads
- \$10,068.61 for the 2017 SUV Police Cruiser lease purchase

## **D: CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2018 the Town had invested in a broad range of capital assets, including public works equipment/supplies, roads, and storm water drainage structures. This amount represents a net increase (including additions and deductions) over last year.

### **Debt**

At the end of 2018, the Town of Greenfield had outstanding debt, not including net pension liability under GASB 68, in the amount of \$423,925. The total amounts of lease and loan repayments were \$114,093.

### **Highway Department:**

The Department of Public Works is a significant portion of the overall budget. 2018 was the third year that the department included a separate accounting for a separate Buildings and Grounds budget within the overall DPW budget. During the year a payment was made on the 2014 Mack truck lease. This was the sixth of seven payments due.

### **Police Department:**

The Police Department is another significant portion of the general budget. The department generated a little over \$4,746 in revenue through State grants. Although negligible in overall impact, changes in law reduced the pistol permit revenue significantly. Other revenue sources include criminal and motor vehicle reports and parking violations. The Town provided cash flow coverage for \$31,648 in police detail payments. These payments are reimbursed by the detail providers.

### **Other Obligations:**

Other obligations of the Town include payments to ConVal Regional High school and Hillsborough County.

## **E: ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town has a three person elected Selectboard. They are responsible for the financial well being of the town. This job considers many factors when approving budgets, tax rates and revenues. Greenfield does not have an abundance of industry, nor does it have much commercial property, thus the majority of taxes raised are from the property tax. The town includes 30% + of tax-exempt properties, which places an additional disproportionate burden on the residents.

The Town issued 72 building permits in 2018 primarily for work on existing homes. Two of the permits were for new homes.

Wage adjustments and some wage increases were taken into consideration for town employees when setting the budget. The economy has had a direct and long term impact on revenues the town collects. However, revenues last year in the form of vehicle registrations were higher overall from the previous year. Because vehicle registrations can be a measure of a strong economy due to the purchase of higher-value and new vehicles, higher revenues in 2018 are a good sign. The amount of increase year over year was 6%, which is a clear indicator of continued strength in the economy. Changes to risk pool surplus retention guidelines mandated by the courts required the Town's insurance carriers to refund monies in previous years. In 2018 a payment holiday was provided by the health insurance carrier. In the future the Town may receive payment holidays, from time to time, as the insurance carriers manage their surplus. This will cause unexpended appropriations that will ultimately contribute to fund balance when they occur. As with previous years, it's important to note that the Town will need to continue its conservative approach to building its budget and forecasting revenues.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to further show the Town's accountability for the money it receives. If you have any questions about this report or need additional information, please contact any of the Selectmen or the Town Administrator, Aaron Patt, at the Town Office, PO BOX 256, Greenfield, NH 03047.

## **BASIC FINANCIAL STATEMENTS**

**EXHIBIT 1**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Statement of Net Position**  
**December 31, 2018**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,756,551
Investments	445,570
Intergovernmental receivable	24,312
Other receivables, net of allowance for uncollectibles	557,665
Tax deeded property held for resale	11,494
Other current assets	196
Capital assets, not being depreciated:	
Land	1,065,610
Construction in progress	23,000
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	513,710
Machinery, vehicles and equipment	592,146
Infrastructure	1,156,434
Total assets	<u>6,146,688</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	219,742
Deferred amounts related to OPEB	4,283
Total deferred outflows of resources	<u>224,025</u>
<b>LIABILITIES</b>	
Accounts payable	75,890
Accrued payroll and benefits	22,901
Accrued interest payable	7,248
Intergovernmental payable	1,327,474
Noncurrent obligations:	
Due within one year:	
Bonds and notes payable	73,540
Capital leases payable	34,508
Due in more than one year:	
Bonds and notes payable	306,181
Capital leases payable	9,696
Compensated absences payable	8,131
Other postemployment benefits liability	85,228
Net pension liability	980,875
Total liabilities	<u>2,931,672</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unearned revenue	8,341
Deferred amounts related to pensions	140,857
Deferred amounts related to OPEB	271
Total deferred inflows of resources	<u>149,469</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,926,975
Restricted for:	
Endowments:	
Nonexpendable	140,088
Expendable	9,819
Other purposes	1,944
Unrestricted	210,746
Total net position	<u>\$ 3,289,572</u>

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

**EXHIBIT 2**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Statement of Activities**  
**For the Year Ended December 31, 2018**

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
		for	Grants and	Grants and	Changes in Net
	Expenses	Services	Contributions	Contributions	Position
Governmental activities:					
General government	\$ 764,024	\$ 292	\$ 1,115	\$ -	\$ (762,617)
Public safety	534,780	4,649	30,578	-	(499,553)
Highways and streets	466,423	-	-	77,796	(388,627)
Sanitation	123,565	45,215	2,087	-	(76,263)
Health	2,825	-	-	-	(2,825)
Welfare	36,677	-	-	-	(36,677)
Culture and recreation	168,870	825	477	-	(167,568)
Conservation	6,302	-	388	-	(5,914)
Interest on long-term debt	17,167	-	-	-	(17,167)
Capital outlay	117,040	-	-	-	(117,040)
Total primary government	<u>\$ 2,237,673</u>	<u>\$ 50,981</u>	<u>\$ 34,645</u>	<u>\$ 77,796</u>	<u>(2,074,251)</u>
General revenues:					
Property taxes					1,324,322
Other taxes					354,673
Licenses and permits					357,330
Grants and contributions not restricted to specific programs					92,693
Miscellaneous					60,418
Total general revenues					<u>2,189,436</u>
Change in net position					115,185
Net position, beginning					<u>3,174,387</u>
Net position, ending					<u>\$ 3,289,572</u>

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

**EXHIBIT 3**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General	Expendable Trust	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,588,237	\$ 48,637	\$ 119,677	\$ 1,756,551
Investments	-	301,596	143,974	445,570
Receivables, net of allowance for uncollectibles:				
Taxes	554,936	-	-	554,936
Accounts	-	-	2,729	2,729
Intergovernmental	24,312	-	-	24,312
Interfund receivable	-	-	7,643	7,643
Tax deeded property held for resale	11,494	-	-	11,494
Other current assets	196	-	-	196
Total assets	<u>\$ 2,179,175</u>	<u>\$ 350,233</u>	<u>\$ 274,023</u>	<u>\$ 2,803,431</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 75,890	\$ -	\$ -	\$ 75,890
Accrued salaries and benefits	22,901	-	-	22,901
Intergovernmental payable	1,327,474	-	-	1,327,474
Interfund payable	7,643	-	-	7,643
Total liabilities	<u>1,433,908</u>	<u>-</u>	<u>-</u>	<u>1,433,908</u>
Deferred inflows of resources:				
Deferred revenue	<u>436,396</u>	<u>-</u>	<u>1,517</u>	<u>437,913</u>
Fund balances:				
Nonspendable	11,494	-	140,088	151,582
Restricted	-	-	11,763	11,763
Committed	-	350,233	120,655	470,888
Assigned	22,500	-	-	22,500
Unassigned	274,877	-	-	274,877
Total fund balances	<u>308,871</u>	<u>350,233</u>	<u>272,506</u>	<u>931,610</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,179,175</u>	<u>\$ 350,233</u>	<u>\$ 274,023</u>	<u>\$ 2,803,431</u>

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



**EXHIBIT 4**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position**  
**December 31, 2018**

Total fund balances of governmental funds (Exhibit 3)		\$ 931,610
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	\$ 6,276,688	
Less accumulated depreciation	<u>(2,925,788)</u>	
		3,350,900
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (7,643)	
Payables	<u>7,643</u>	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	\$ 428,055	
Unavailable sewer rents	<u>1,517</u>	
		429,572
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(7,248)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes outstanding	\$ 379,721	
Capital leases outstanding	44,204	
Compensated absences payable	8,131	
Other postemployment benefits liability	85,228	
Net pension liability	<u>980,875</u>	
		(1,498,159)
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	\$ 219,742	
Deferred outflows of resources related to OPEB	4,283	
Deferred inflows of resources related to pensions	(140,857)	
Deferred inflows of resources related to OPEB	<u>(271)</u>	
		82,897
Total net position of governmental activities (Exhibit 1)		<u><u>\$ 3,289,572</u></u>

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

**EXHIBIT 5**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2018**

	General	Expendable Trust	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 1,562,950	\$ -	\$ 5,000	\$ 1,567,950
Licenses, permits and fees	357,330	-	-	357,330
Intergovernmental	208,130	-	2,087	210,217
Charges for services	27,347	-	23,808	51,155
Miscellaneous	49,342	2,740	(747)	51,335
Total revenues	<u>2,205,099</u>	<u>2,740</u>	<u>30,148</u>	<u>2,237,987</u>
Expenditures:				
Current:				
General government	696,333	-	2,174	698,507
Public safety	463,796	-	-	463,796
Highways and streets	416,887	-	-	416,887
Health	2,825	-	-	2,825
Welfare	36,677	-	-	36,677
Culture and recreation	122,140	-	5,826	127,966
Conservation	3,302	-	3,000	6,302
Debt service:				
Principal	65,000	-	5,000	70,000
Interest	13,342	-	2,004	15,346
Other debt service	7,035	-	-	7,035
Capital outlay	207,618	246,883	-	454,501
Total expenditures	<u>2,153,132</u>	<u>246,883</u>	<u>30,079</u>	<u>2,430,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,967</u>	<u>(244,143)</u>	<u>69</u>	<u>(192,107)</u>
Other financing sources (uses):				
Transfers in	8,620	198,000	230	206,850
Transfers out	(198,000)	-	(8,850)	(206,850)
Total other financing sources and uses	<u>(189,380)</u>	<u>198,000</u>	<u>(8,620)</u>	<u>-</u>
Net change in fund balances	(137,413)	(46,143)	(8,551)	(192,107)
Fund balances, beginning	446,284	396,376	281,057	1,123,717
Fund balances, ending	<u>\$ 308,871</u>	<u>\$ 350,233</u>	<u>\$ 272,506</u>	<u>\$ 931,610</u>

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

**EXHIBIT 6**  
**TOWN OF GREENFIELD, 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, 2018**

Net change in fund balances of governmental funds (Exhibit 5)			\$ (192,107)
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	\$ 443,493		
Depreciation expense	(316,084)		
		127,409	
The net effect of the disposal of capital assets is to decrease net position.			(4)
Transfers in and out between governmental funds are eliminated on the operating statement.			
Transfers in	\$ (206,850)		
Transfers out	206,850		
		-	
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.			
Change in unavailable tax revenue	\$ 111,045		
Change in unavailable sewer charges	(174)		
		110,871	
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 principal	\$ 73,400		
Repayment of capital lease principal	40,693		
		114,093	
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	\$ 1,814		
Increase in compensated absences payable	(8,131)		
Increase in other postemployment benefits liability	(17,889)		
Increase in other postemployment benefits deferrals	4,012		
		(20,194)	
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	\$ 91,401		
Cost of benefits earned, net of employee contributions	(116,284)		
		(24,883)	
Change in net position of governmental activities (Exhibit 2)			<u>\$ 115,185</u>

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

**EXHIBIT 7**  
**TOWN OF GREENFIELD, 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, 2018**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,626,422	\$ 1,673,995	\$ 47,573
Licenses, permits and fees	300,990	357,330	56,340
Intergovernmental	197,541	208,130	10,589
Charges for services	21,000	27,347	6,347
Miscellaneous	39,255	49,342	10,087
Total revenues	<u>2,185,208</u>	<u>2,316,144</u>	<u>130,936</u>
<b>EXPENDITURES</b>			
Current:			
General government	720,500	682,333	38,167
Public safety	472,918	463,796	9,122
Highways and streets	433,646	411,125	22,521
Sanitation	120,295	118,177	2,118
Health	2,825	2,825	-
Welfare	33,665	36,677	(3,012)
Culture and recreation	128,235	122,140	6,095
Conservation	4,050	3,302	748
Debt service:			
Principal	65,000	65,000	-
Interest on long-term debt	13,345	13,342	3
Interest on tax anticipation note	1	-	1
Other debt service	7,035	7,035	-
Capital outlay	151,983	154,628	(2,645)
Total expenditures	<u>2,153,498</u>	<u>2,080,380</u>	<u>73,118</u>
Excess of revenues over expenditures	<u>31,710</u>	<u>235,764</u>	<u>204,054</u>
Other financing sources (uses):			
Transfers in	10,290	8,620	(1,670)
Transfers out	(198,000)	(198,000)	-
Total other financing sources and uses	<u>(187,710)</u>	<u>(189,380)</u>	<u>(1,670)</u>
Net change in fund balance	<u>\$ (156,000)</u>	46,384	<u>\$ 202,384</u>
Unassigned fund balance, beginning		656,548	
Unassigned fund balance, ending		<u>\$ 702,932</u>	

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

**EXHIBIT 8**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2018**

---

---

	Private Purpose Trust
Assets:	
Cash and cash equivalents	\$ 3,587
Investments	<u>85,688</u>
Total assets	<u>89,275</u>
Liabilities	<u>-</u>
Net position:	
Held in trust for specific purposes	<u><u>\$ 89,275</u></u>

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

**EXHIBIT 9**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2018**

	Private Purpose Trust
Additions:	
Investment earnings:	
Interest and dividends	\$ 1,719
Net change in fair value of investments	(5,846)
	(4,127)
Change in net position	93,402
Net position, beginning	\$ 89,275
Net position, ending	

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

**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 Greenfield (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, 2018.

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

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

The Town of Greenfield is a municipal corporation governed by a three-member board of selectmen 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 expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the Town's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.



**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

*Fund Financial Statements*

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

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

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

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year, and defers any not received by that date. When calculating fund balance used to set the tax rate, unavailable tax revenues are not deferred in accordance with the directions of the New Hampshire Department of Revenue Administration. Expenditures are recorded when the related fund liability is incurred, except for general obligation debt principal and interest which are reported as expenditures in the year due.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

**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.

*Expendable Trust Fund* – Reports as a Capital Projects Fund and is used to account for the financial resources of funds in the custody of the trustees of trust funds, which were established by Town Meeting for future capital outlay purposes.

The Town also reports six 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.

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

During the year, the Town adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This results in the measurement and presentation of the Town's OPEB liability reported in the Statement of Net Position. The prior year's net position was restated as shown in Note III.D.1. to reflect this change.

**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.

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

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

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

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

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

Generally, the Town's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at acquisition value on the date donated. The Town generally capitalizes assets with cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follow:

	<u>Years</u>
Building and improvements	20-40
Machinery	15
Vehicles	4-15
Infrastructure	20-40

**I.C.3. *Long-Term Debt***

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

**I.C.4. *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.

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

- Restricted for endowments, nonexpendable, which consists of the principal balance of the permanent fund that must be permanently invested for cemetery care and other Town purposes.
- Restricted for endowments, expendable, which consists of the balance of the permanent fund's income that must be used for specific Town purposes.
- Restricted for other purposes, which consists of the library fund whose use is restricted by State law for the support of the Library.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of endowments in the permanent fund, and the tax deeded property held for resale in the general fund.
- Restricted, which represents the expendable income from permanent funds, and the library fund, whose use is limited by law.
- Committed, which consists of balances for which the intended use has been established by Town Meeting, or by the Board of Selectmen, and would require an equally formal action to remove those commitments.
- Assigned, which consists of balances for which the intended use is established by the Board of Selectmen in the form of an encumbrance.
- Unassigned, which represents the remaining fund balance in the General Fund in excess of the nonspendable, restricted, committed, and assigned balances.

*Fund Balance Policy*

The Town's policy is that it should maintain a minimum unassigned fund balance of 8% of the annual total budgeted expenditures, including town, county, school, and state amounts. Further, the policy states that the Town should plan to maintain a targeted unassigned fund balance level between 8% and 11% of that amount. The target level of the unassigned fund balance may be achieved by conservatively estimating revenues and by refraining from using any portion of the unassigned target balance to reduce the tax rate. Furthermore, attaining a target fund balance of 8% may also be achieved by adding a line item to the budget for the sole purpose of building the fund balance.

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

**I.D. Estimates**

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

**II. Stewardship, Compliance and Accountability**

**II.A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2018, \$156,000 of the fund balance of the General Fund from 2017 was so used.

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, conservation, 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**

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 2,324,764
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	317,010
Tax revenue deferred in the current year	(428,055)
Per Exhibit 5 (GAAP basis)	<u>\$ 2,213,719</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 2,278,380
Adjustments:	
Basis difference:	
Encumbrances, beginning	95,252
Encumbrances, ending	(22,500)
Per Exhibit 5 (GAAP basis)	<u>\$ 2,351,132</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 702,932
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(428,055)
Per Exhibit 3 (GAAP basis)	<u>\$ 274,877</u>

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

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

**III.A. Assets**

**III.A.1. *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. The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien is executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of lien taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. During the current year, the tax collector executed a lien for uncollected 2017 property taxes on August 23<sup>rd</sup>.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Contoocook Valley Regional School District, and Hillsborough 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, 2018, upon which the 2018 property tax levy was based was:

For the New Hampshire education tax	\$ 136,941,559
For all other taxes	\$ 140,075,259

The tax rates and amounts assessed for the year ended December 31, 2018 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$9.70	\$ 1,358,392
School portion:		
State of New Hampshire	\$2.45	335,168
Local	\$17.27	2,419,147
County portion	\$1.30	182,728
Total property taxes assessed		<u>\$ 4,295,435</u>

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

The following details the taxes receivable at year-end:

Property:	
Levy of 2018	\$ 413,658
Unredeemed (under tax lien):	
Levy of 2017	86,797
Levy of 2016	60,221
Levy of 2015	15,741
Levies of 2014 and prior	25,745
Land use change	920
Timber	55
Less: allowance for estimated uncollectible taxes	(48,200)
Net taxes receivable	<u><u>\$ 554,936</u></u>

*Deferred Revenue*

Deferred revenue at December 31, 2018 represents \$428,055 for property taxes and \$1,517 for sewer rents that were not collected within sixty days of the year-end, and \$8,341 for prepayments of 2019 property taxes. In the Governmental Activities, only the prepayments are reported as unearned.

*The notes continue on the following page.*

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

**III.A.2. Capital Assets**

*Changes in Capital Assets*

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

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 1,065,610	\$ -	\$ -	\$ 1,065,610
Construction in progress	-	23,000	-	23,000
Total capital assets not being depreciated	<u>1,065,610</u>	<u>23,000</u>	<u>-</u>	<u>1,088,610</u>
Being depreciated:				
Buildings and building improvements	1,698,517	-	-	1,698,517
Machinery, vehicles and equipment	1,373,816	321,641	(6,076)	1,689,381
Infrastructure	1,701,328	98,852	-	1,800,180
Total capital assets being depreciated	<u>4,773,661</u>	<u>420,493</u>	<u>(6,076)</u>	<u>5,188,078</u>
Total all capital assets	<u>5,839,271</u>	<u>443,493</u>	<u>(6,076)</u>	<u>6,276,688</u>
Less accumulated depreciation:				
Buildings and building improvements	(1,110,587)	(74,220)	-	(1,184,807)
Machinery, vehicles and equipment	(937,207)	(166,100)	6,072	(1,097,235)
Infrastructure	(567,982)	(75,764)	-	(643,746)
Total accumulated depreciation	<u>(2,615,776)</u>	<u>(316,084)</u>	<u>6,072</u>	<u>(2,925,788)</u>
Net book value, capital assets being depreciated	<u>2,157,885</u>	<u>104,409</u>	<u>(4)</u>	<u>2,262,290</u>
Net book value, all capital assets	<u>\$ 3,223,495</u>	<u>\$ 127,409</u>	<u>\$ (4)</u>	<u>\$ 3,350,900</u>

*Depreciation Expense*

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

Governmental activities:	
General government	\$ 25,036
Public safety	106,144
Highways and streets	144,928
Culture and recreation	39,976
Total depreciation expense	<u>\$ 316,084</u>

**III.B. Liabilities**

**III.B.1 Intergovernmental Payable**

The amount due to other governments at December 31, 2018 consists of \$1,327,474 due to the Contoocook Valley Regional School District for the balance of the 2018-2019 district assessment.



**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

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

General obligation debt is 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 12/31/2018	Current Portion
Governmental activities:						
General obligation bonds/notes payable:						
Revitalization	\$ 1,306,000	2003	2022	4.50-5.00	\$ 255,000	\$ 65,000
Rural Development loan	\$ 119,800	2005	2035	4.125	40,000	5,000
Wastewater project	\$ 118,582	2007	2026	3.00-5.00	84,721	3,540
					<u>379,721</u>	<u>73,540</u>
Capital leases payable:						
Mack truck	\$ 176,194	2013	2019	3.6	25,170	25,170
Cruiser	\$ 38,095	2017	2020	3.84	19,034	9,338
					<u>44,204</u>	<u>34,508</u>
Compensated absences payable:						
Accrued vacation leave					8,131	-
Other postemployment benefits liability					85,228	-
Net pension liability					980,875	-
					<u>\$ 1,498,159</u>	<u>\$ 108,048</u>

*Changes in Long-Term Liabilities*

The following is a summary of changes in long-term liabilities for the year ended December 31, 2018:

	General Obligation Bonds and Notes Payable	Capital Leases Payable	Compensated Absences Payable	OPEB Liability	Net Pension Liability	Total
Balance, beginning	\$ 453,121	\$ 84,897	\$ -	\$ 67,339	\$ 1,152,954	\$ 1,758,311
Additions	-	-	8,131	17,889	-	26,020
Reductions	(73,400)	(40,693)	-	-	(172,079)	(286,172)
Balance, ending	<u>\$ 379,721</u>	<u>\$ 44,204</u>	<u>\$ 8,131</u>	<u>\$ 85,228</u>	<u>\$ 980,875</u>	<u>\$ 1,498,159</u>

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

*Debt Service Requirements to Maturity*

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

Year Ending December 31,	Principal	Interest	Total
2019	\$ 73,540	\$ 18,123	\$ 91,663
2020	73,686	14,496	88,182
2021	73,838	10,863	84,701
2022	68,997	7,217	76,214
2023	9,162	3,814	12,976
2024-2028	38,529	13,068	51,597
2029-2033	28,799	6,375	35,174
2034-2035	13,170	818	13,988
Totals	<u>\$ 379,721</u>	<u>\$ 74,774</u>	<u>\$ 454,495</u>

The future minimum lease obligations for the capital lease are as follow:

Year Ending December 31,	Principal	Interest	Total
2019	\$ 34,508	\$ 1,637	\$ 36,145
2020	9,696	372	10,068
Totals	<u>\$ 44,204</u>	<u>\$ 2,009</u>	<u>\$ 46,213</u>

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

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

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

The balance of \$7,643 due from the General Fund to the nonmajor Wastewater Fund represents quarterly expenditures and receipts for system charges.

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

**III.C.2. Transfers**

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

The following schedule reports transfers within the reporting entity:

	Transfers In:		
	General Fund	Expendable Trust Fund	Nonmajor Funds
Transfers out:			
General fund	\$ -	\$ 198,000	\$ -
Nonmajor funds	8,620	-	230
	<u>\$ 8,620</u>	<u>\$ 198,000</u>	<u>\$ 230</u>
			<u>\$ 206,850</u>

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

**III.D. Fund Equity**

**III.D.1. Restatement of Beginning Equity**

The equity balance of the governmental activities at January 1, 2018 was restated to reflect the following adjustment:

To restate for OPEB liability	\$ (67,339)
Net position, as previously reported	<u>3,241,726</u>
Net position, as restated	<u>\$ 3,174,387</u>

**III.D.2. Restricted Net Position**

The government-wide statement of net position includes restricted net position of \$151,851, which represents public trust funds reported as restricted to reflect perpetual care restrictions contained in trust indentures, and the library fund.

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

**III.D.3. Components of Fund Balance**

The components of fund balance, as described in Note I.C.4., are classified for the following purposes:

	General Fund	Expendable Trust Fund	Nonmajor Funds
Nonspendable:			
Endowments	\$ -	\$ -	\$ 140,088
Tax deeded property	11,494	-	-
Total nonspendable	<u>11,494</u>	<u>-</u>	<u>140,088</u>
Restricted:			
General government	-	-	9,819
Culture and recreation	-	-	1,944
Total restricted	<u>-</u>	<u>-</u>	<u>11,763</u>
Committed:			
Sanitation	-	-	75,354
Culture and recreation	-	-	10,961
Conservation	-	-	34,340
Capital outlay	-	350,233	-
Total committed	<u>-</u>	<u>350,233</u>	<u>120,655</u>
Assigned:			
General government	10,000	-	-
Capital outlay	12,500	-	-
Total assigned	<u>22,500</u>	<u>-</u>	<u>-</u>
Unassigned	274,877	-	-
Total fund balance	<u>\$ 308,871</u>	<u>\$ 350,233</u>	<u>\$ 272,506</u>

**IV. Other Information**

**IV.A. Risk Management**

The Town's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex) Workers' Compensation and Property/Liability Programs, which are considered public entity risk pools, currently operating as common risk management and insurance programs for member governmental entities.

The Primex Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSA 5-B and RSA 281-A. Workers' compensation and property/liability coverage were provided from January 1 through December 31. Contributions for 2018 recorded as an insurance expenditure/expense totaled \$15,470 for workers' compensation and \$27,497 for property/liability. The member agreements permit the Trust 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.

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

**IV.B. Retirement Pensions**

*General Information about the Pension Plan*

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 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 and other employees are 11.55% and 7%, respectively, of gross earnings. The rates of contribution from the Town were 29.43% for police officers and 11.38% for other employees.

The rates are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Town during the years 2016, 2017, and 2018 were \$86,968, \$95,468, and \$91,401 respectively. The amounts are paid on a monthly basis as due.

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

At December 31, 2018, the Town reported a liability of \$980,875 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2018, the Town's proportion was 0.0234%, which was an increase of 0.0030% from its proportion measured as of June 30, 2017. For 2018, the Town recognized pension expense of \$116,284.

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

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	\$ 98,968	\$ 110,217
Net differences between projected and actual earnings on pension plan investments	-	22,698
Changes in assumptions	67,881	
Differences between expected and actual experience	7,829	7,942
Town contributions subsequent to the measurement date	45,064	-
	<u>\$ 219,742</u>	<u>\$ 140,857</u>

The Town reported \$45,064 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the following year.

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

Year Ending December 31,	
2019	\$ 49,845
2020	33,001
2021	(22,814)
2022	(26,211)
	<u>\$ 33,821</u>

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

*Actuarial Assumptions*

The total pension liability in the June 30, 2018 actuarial valuation was determined using the actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Amortization Period	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	21 years beginning July 1, 2018
Asset Valuation Method	5-year smoothed market for funding purposes, 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% average, including inflation
Municipal Bond Rate	3.62% per year
Investment Rate of Return	7.25% net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 – June 30, 2015.

Mortality rates were based on the RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

*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 7.25%, 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 (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of net pension liability	\$ 1,305,062	\$ 980,875	\$ 709,196

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

**IV.C. Contingent Liabilities**

The Town has received grants for specific purposes that are subject to review and possible audit by the grantor or pass-through agency. Any such audit may result in a requirement to reimburse the grantor

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

agency for costs disallowed. The Town does not feel the chance of disallowance is likely, and that if it should occur, the amount would not be material.

**IV.D. Other Postemployment Benefits**

*Plan Description*

In addition to providing pension benefits, the Town provides implicit postretirement medical benefits to its retired employees and their spouses, as required by NH RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*. The pre-65 benefits are the only benefits included in this valuation. Retirees under the age of 65 have a medical insurance plan with either Anthem Access Blue or CIGNA. Both Group I and Group II retirees, as categorized by the New Hampshire Retirement System, qualify for this benefit. Group I employees, hired prior to 7/1/11, may retire at age 60, or once their age plus years of service equals 70. Group I employees hired after 7/1/11 may retire at age 65. Group II employees vested prior to 1/1/12 may retire at age 60, or at age 45 with 20 years of service. Group II employees not vested prior to 1/1/12, but hired prior to 7/1/11, may retire at age 60, or upon attainment of minimum age and service requirements as follow:

<u>Years of Creditable Service as of January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>
At least 8 but less than 10 years	46	21
At least 6 but less than 8 years	47	22
At least 4 but less than 6 years	48	23
Less than 4 years	49	24

Group II employees hired on or after 7/1/11 may retire at age 60, or at age 52.5 with 25 years of service. Retirees contribute 100% of premiums for individual, two-person or family medical coverage. Surviving beneficiaries continue to receive access to the Town's medical coverage after the death of the retired employee as long as they pay the required premium. As of January 1, 2018, the actuarial valuation date, there is only one participant of the postretirement plan that meets eligibility requirements. The plan does not issue a separate financial report.

*Implicit Rate Subsidy*

Same benefit options are available to retirees as active employees. Health insurance is purchased through New Hampshire School Health Care Coalition. The Town is a member of the under-100 employees' pool and their rates are determined based on the experience of the entire under-100 employees' pool. The claims experience for active employees and retirees are combined to determine the final premium rate. This single premium rate is called a blended premium because it blends the expected claims of both active and retired participants. Retirees are generally older than the average participant in a non-Medicare plan, which means they are expected to generate higher claims than the average participant of the plan; therefore, they are receiving a subsidy even if they pay 100% of the blended premium rate because they would be paying less in premiums than their claims cost. The Town of Greenfield has ten active employees



**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**

eligible for health insurance, and has not determined its implicit rate subsidy because the amount would not be material.

*Medical Insurance Subsidy*

The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the Medical Subsidy amount, then only the health insurance premium will be paid. If the health insurance premium amount exceeds the Medical Subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. This OPEB plan is closed to new entrants.

*Total OPEB Liability*

The Town's total OPEB liability of \$85,228 for the medical insurance subsidy was determined by an actuarial valuation as of June 30, 2017 with roll-forward procedures used to determine the liability as of June 30, 2018. The roll-forward of the total OPEB liability from June 30, 2017 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments and refunds for the plan year.

*Methods and Assumptions*

The collective total OPEB liability was based on the following actuarial assumptions:

Medical Insurance Subsidy	
Payroll Growth	3.25%
Discount Rate	7.25%
Inflation	2.5%
Investment Rate of Return	7.25% per year, net of OPEB plan investment expense, including inflation
Mortality	RP-2014 Health Annuitant and Employee Generational Mortality Table with males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015 based on the last experience study
Healthcare Cost Trend Rates	N/A, given that the benefits are fixed stipends

*Sensitivity of Total OPEB Liability*

Assumptions and methods used to determine the total OPEB liability are sensitive to changes in the discount rate and healthcare trend rates. The following presents the total OPEB liability calculated using

**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

the current discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher:

Medical Insurance Subsidy:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Town's total OPEB liability	\$ 88,706	\$ 85,228	\$ 75,487

*OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB*

For the year ended December 31, 2018, the Town recognized OPEB expense of \$13,877; and reported deferred outflows of resources of \$4,283 and deferred inflows of resources of \$271, due to changes in actuarial experience and actuarial assumptions. The net amount recognized as deferred inflows and outflows of resources will be recognized in OPEB expense as follows:

Year Ending December 31,	
2019	\$ 4,199
2020	(84)
2021	(84)
2022	(19)
	<u>\$ 4,012</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**EXHIBIT 10**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of the Net Pension Liability*  
**New Hampshire Retirement System**

For the Year Ended December 31,	Town's Proportion of Net Pension Liability	Town's Proportionate Share of the Net Pension Liability	Town's Covered- Employee Payroll	Town's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Postion as a Percentage of the Total Pension Liability
2014	0.0188%	\$ 707,175	\$ 462,202	153.00%	66.32%
2015	0.0201%	\$ 795,163	\$ 474,924	167.43%	65.47%
2016	0.0204%	\$ 1,087,431	\$ 538,182	202.06%	58.30%
2017	0.0234%	\$ 1,152,954	\$ 563,926	204.45%	62.66%
2018	0.0203%	\$ 980,875	\$ 549,543	178.49%	64.77%

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

**EXHIBIT 11**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
*Schedule of the Town's Pension Contributions*  
**New Hampshire Retirement System**

For the Year Ended December 31,	Contractually Required Contribution	Contribution in Relation to the Contractually Required Contribution	Contribution Deficiency	Town's Covered Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 71,924	\$ (71,924)	\$ -	\$ 462,202	15.56%
2015	\$ 78,665	\$ (78,668)	\$ -	\$ 474,924	16.56%
2016	\$ 86,968	\$ (86,968)	\$ -	\$ 538,182	16.16%
2017	\$ 95,468	\$ (95,468)	\$ -	\$ 563,926	16.93%
2018	\$ 91,401	\$ (91,401)	\$ -	\$ 549,543	16.63%

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

**EXHIBIT 12**  
**TOWN OF GREENFIELD**  
*Schedule of Changes in the Town's Total OPEB Liability and Related Ratios*

	2018	2017
Total OPEB liability:		
Service cost	\$ 183	
Interest	6,375	
OPEB plan net investment income	(580)	
OPEB plan administrative and expenses	14	
Changes of assumptions		
and differences between expected and actual experience	1,858	
Net amortization of deferred amounts from changes in proportion and differences		
between employer contributions and proportionate share of contributions	16,403	
Benefit payments	(6,364)	
Net change in total OPEB liability	17,889	
Total OPEB liability, beginning	67,339	
Total OPEB liability, ending	<u>\$ 85,228</u>	<u>\$ 67,339</u>
Covered payroll	\$ 549,543	\$ 563,926
Total OPEB liability as a percentage of covered payroll	15.51%	11.94%

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

**EXHIBIT 13**  
**TOWN OF GREENFIELD**  
***Schedule of the Town's OPEB Contributions***

---

	2018
Actuarially determined contribution	\$ 24,253
Contributions in relation to the actuarially determined contribution	(8,234)
Contribution deficiency	\$ 16,019
 Covered-employee payroll	 \$ 549,543
 Contributions as a percentage of covered-employee payroll	 4.41%

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

**TOWN OF GREENFIELD, NEW HAMPSHIRE  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

The Pension and OPEB Schedules are meant to present related information for ten years. Because this is the fourth year that the Town has presented the pension schedules, and the first year for the OPEB information under the new measurement standard, only five year and one year, respectively, are presented. An additional year's information will be added each year until there are ten years shown.



**COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES**

**EXHIBIT 14**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2018**

	Special Revenue Funds					Permanent	
	Library	Oak Park	Recreation	Conservation Commission	Sewer	Fund	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,944	\$ 5,024	\$ 5,937	\$ 34,340	\$ 66,499	\$ 5,933	\$ 119,677
Investments	-	-	-	-	-	143,974	143,974
Accounts receivable	-	-	-	-	2,729	-	2,729
Interfund receivable	-	-	-	-	7,643	-	7,643
Total assets	<u>\$ 1,944</u>	<u>\$ 5,024</u>	<u>\$ 5,937</u>	<u>\$ 34,340</u>	<u>\$ 76,871</u>	<u>\$ 149,907</u>	<u>\$ 274,023</u>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Deferred inflows of resources:							
Deferred revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,517</u>	<u>\$ -</u>	<u>\$ 1,517</u>
Fund balances:							
Nonspendable	-	-	-	-	-	140,088	140,088
Restricted	1,944	-	-	-	-	9,819	11,763
Committed	-	5,024	5,937	34,340	75,354	-	120,655
Total fund balances	<u>1,944</u>	<u>5,024</u>	<u>5,937</u>	<u>34,340</u>	<u>75,354</u>	<u>149,907</u>	<u>272,506</u>
Total deferred inflows of resources and fund balances	<u>\$ 1,944</u>	<u>\$ 5,024</u>	<u>\$ 5,937</u>	<u>\$ 34,340</u>	<u>\$ 76,871</u>	<u>\$ 149,907</u>	<u>\$ 274,023</u>

**EXHIBIT 15**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Special Revenue Funds					Permanent	
	Library	Oak Park	Recreation	Conservation Commission	Sewer	Fund	Total
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
Intergovernmental	-	-	-	-	2,087	-	2,087
Charges for services	-	325	-	-	23,483	-	23,808
Miscellaneous	946	33	2,621	215	521	(5,083)	(747)
Total revenues	946	358	2,621	5,215	26,091	(5,083)	30,148
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	2,174	2,174
Sanitation	-	-	-	-	12,075	-	12,075
Culture and recreation	1,071	-	4,755	-	-	-	5,826
Conservation	-	-	-	3,000	-	-	3,000
Debt service:							
Principal	-	-	-	-	5,000	-	5,000
Interest	-	-	-	-	2,004	-	2,004
Total expenditures	1,071	-	4,755	3,000	19,079	2,174	30,079
Excess (deficiency) of revenues over (under) expenditures	(125)	358	(2,134)	2,215	7,012	(7,257)	69
Other financing sources (uses):							
Transfers in	230	-	-	-	-	-	230
Transfers out	-	-	-	-	(7,035)	(1,815)	(8,850)
Total other financing sources and uses	230	-	-	-	(7,035)	(1,815)	(8,620)
Net change in fund balances	105	358	(2,134)	2,215	(23)	(9,072)	(8,551)
Fund balances, beginning	1,839	4,666	8,071	32,125	75,377	158,979	281,057
Fund balances, ending	\$ 1,944	\$ 5,024	\$ 5,937	\$ 34,340	\$ 75,354	\$ 149,907	\$ 272,506

**EXHIBIT 16**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2018**

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 1,316,294	\$ 1,324,322	\$ 8,028
Land use change	-	1,110	1,110
Timber	18,622	39,915	21,293
Excavation	50	38	(12)
Payments in lieu of taxes	259,664	264,604	4,940
Interest and penalties on delinquent taxes	31,792	44,006	12,214
Total taxes	<u>1,626,422</u>	<u>1,673,995</u>	<u>47,573</u>
<b>Licenses, permits and fees:</b>			
Business licenses and permits	25	25	-
Motor vehicle permits	271,000	328,639	57,639
Building permits	14,000	15,290	1,290
Other	15,965	13,376	(2,589)
Total licenses, permits and fees	<u>300,990</u>	<u>357,330</u>	<u>56,340</u>
<b>Intergovernmental:</b>			
State sources:			
Meals and rooms distributions	92,693	92,693	-
Highway block grant	77,841	77,796	(45)
Water pollution grant	2,087	-	(2,087)
Housing and community grant	12,000	-	(12,000)
State and federal forest land	420	388	(32)
Other	12,500	6,675	(5,825)
Federal sources:			
FEMA	-	23,000	23,000
Police grants	-	7,578	7,578
Total intergovernmental	<u>197,541</u>	<u>208,130</u>	<u>10,589</u>
<b>Charges for services:</b>			
Income from departments	<u>21,000</u>	<u>27,347</u>	<u>6,347</u>
<b>Miscellaneous:</b>			
Sale of property	500	-	(500)
Interest on investments	5,000	-	(5,000)
Other	33,755	49,342	15,587
Total miscellaneous	<u>39,255</u>	<u>49,342</u>	<u>10,087</u>
<b>Other financing sources:</b>			
Transfers in:			
Expendable trust fund	3,255	1,585	(1,670)
Nonmajor funds	7,035	7,035	-
Total other financing sources	<u>10,290</u>	<u>8,620</u>	<u>(1,670)</u>
Total revenues and other financing sources	2,195,498	<u>\$ 2,324,764</u>	<u>\$ 129,266</u>
Use of fund balance to reduce taxes	156,000		
Total revenues, other financing sources and use of fund balance	<u>\$ 2,351,498</u>		

**EXHIBIT 17**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2018**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 118,351	\$ 116,832	\$ -	\$ 1,519
Election and registration	-	38,508	38,728	-	(220)
Financial administration	-	51,521	50,275	-	1,246
Legal	-	15,000	16,526	10,000	(11,526)
Personnel administration	-	314,227	302,666	-	11,561
Planning and zoning	-	14,450	5,390	-	9,060
General government buildings	24,000	43,190	44,447	-	22,743
Cemeteries	-	28,630	26,800	-	1,830
Insurance, not otherwise allocated	-	45,465	45,455	-	10
Advertising and regional associations	-	3,508	3,508	-	-
Other	-	47,650	45,706	-	1,944
Total general government	24,000	720,500	696,333	10,000	38,167
Public safety:					
Police	-	247,158	225,283	-	21,875
Ambulance	-	78,015	78,012	-	3
Fire	-	131,660	147,825	-	(16,165)
Building inspection	-	16,085	12,676	-	3,409
Total public safety	-	472,918	463,796	-	9,122
Highways and streets:					
Administration	5,762	426,246	409,562	-	22,446
Street lighting	-	7,400	7,325	-	75
Total highways and streets	5,762	433,646	416,887	-	22,521
Sanitation:					
Solid waste disposal	-	120,295	118,177	-	2,118
Health:					
Health agencies and hospitals	-	2,825	2,825	-	-
Welfare:					
Administration and direct assistance	-	33,665	36,677	-	(3,012)

(continued)

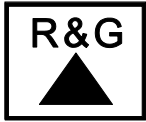
**EXHIBIT 17 (continued)**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2018**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	14,975	12,689	-	2,286
Public library	-	112,260	108,613	-	3,647
Patriotic purposes	-	1,000	838	-	162
Total culture and recreation	-	128,235	122,140	-	6,095
Conservation	-	4,050	3,302	-	748
Debt service:					
Principal	-	65,000	65,000	-	-
Interest on long-term debt	-	13,345	13,342	-	3
Interest on tax anticipation note	-	1	-	-	1
Other	-	7,035	7,035	-	-
Total debt service	-	85,381	85,377	-	4
Capital outlay:					
Machinery, vehicles and equipment	-	26,983	32,730	-	(5,747)
Improvements other than buildings	65,490	125,000	174,888	12,500	3,102
Total capital outlay	65,490	151,983	207,618	12,500	(2,645)
Other financing uses:					
Transfers out:					
Expendable trust fund	-	198,000	198,000	-	-
Total encumbrances, appropriations, expenditures and other financing uses	\$ 95,252	\$ 2,351,498	\$ 2,351,132	\$ 22,500	\$ 73,118

**EXHIBIT 18**  
**TOWN OF GREENFIELD, NEW HAMPSHIRE**  
**General Fund**  
***Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)***  
***For the Year Ended December 31, 2018***

---

Unassigned fund balance, beginning		\$ 656,548
Changes:		
Unassigned fund balance used to reduce tax rate		(156,000)
Budget summary:		
Revenue surplus (Exhibit 16)	\$ 129,266	
Unexpended balance of appropriations (Exhibit 17)	<u>73,118</u>	
Budget surplus		<u>202,384</u>
Unassigned fund balance, ending		<u><u>\$ 702,932</u></u>



# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

To the Members of the Board of Selectmen  
Town of Greenfield  
Greenfield, 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 Greenfield as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Roberts & Greene, PLLC*

October 24, 2019