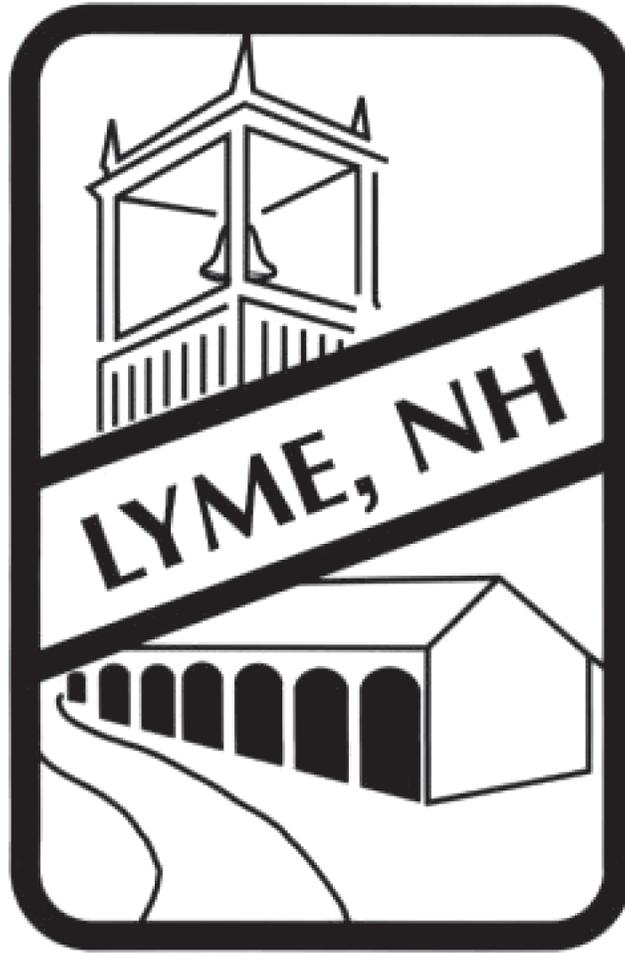


TOWN OF LYME



FINANCIAL REPORTS 2012

**REPORT ON INTERNAL CONTROL BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS**

To the Board of Selectmen
Town of Lyme, New Hampshire

In planning and performing our audit of the financial statements of the Town of Lyme, New Hampshire as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Lyme, New Hampshire's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lyme, New Hampshire's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Lyme, New Hampshire's internal control.

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

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

This communication is intended solely for the information and use of management, the Board of Selectmen, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Vachon Clukay & Company PC

November 8, 2012

 **VACHON CLUKAY**
& COMPANY PC

CERTIFIED PUBLIC ACCOUNTANTS
608 Chestnut Street • Manchester, New Hampshire 03104
(603) 622-7070 • Fax: (603) 622-1452 • www.vachonclukay.com

January 31, 2013

Board of Selectmen
Town of Lyme
PO Box 126
Lyme, New Hampshire 03768

Dear Members of the Board:

We expect to complete the fieldwork in connection with the audit of the Town of Lyme's December 31, 2012 financial statements by May 15, 2013. Unless we encounter circumstances beyond our control, the completed reports will be available no later than June 30, 2013.

Very truly yours,

Vachon Clukay & Company PC

TOWN OF LYME, NEW HAMPSHIRE

Financial Statements

December 31, 2011

and

Independent Auditor's Report

**TOWN OF LYME, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2011**

TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	
MANAGEMENT’S DISCUSSION AND ANALYSIS	i-v
BASIC FINANCIAL STATEMENTS	
EXHIBITS:	
A Statement of Net Assets	1
B Statement of Activities	2
C Balance Sheet – Governmental Funds	3
D Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4
E Statement of Fiduciary Net Assets – Fiduciary Funds	5
F Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	6
NOTES TO BASIC FINANCIAL STATEMENTS	7-21
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE:	
1 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund	22
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	23
SUPPLEMENTAL SCHEDULES	
SCHEDULES:	
A Combining Balance Sheet – Governmental Funds – All Nonmajor Funds	24
B Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds – All Nonmajor Funds	25

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Lyme, 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 Lyme, New Hampshire (the Town) as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2 to the financial statements, management has not recorded a liability for other post-employment benefits in governmental activities and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other post-employment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net assets, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net assets, and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the Town of Lyme, New Hampshire, as of December 31, 2011, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Lyme, New Hampshire, as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i-v and 22-23 be presented to supplement the basic financial statements. Such information, although not a part of the basic

financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lyme, New Hampshire's financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Vachon Clutkey & Company PC

November 8, 2012

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2011

Presented herewith please find the Management Discussion & Analysis Report for the Town of Lyme for the year ending December 31, 2011. The responsibility for accuracy of the data, the completeness and fairness of this documentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in material aspects. This report and its content have been designed to fairly present the Town's financial position, including the result of operations of all the funds of the Town. All the disclosures necessary to enable and to assist the reader in acquiring an accurate understanding of the Town's financial activities have been included.

The Town's management is responsible for establishing accounting and internal control structures designed to ensure that the physical, data, informational, intellectual, and human resource assets of the Town are protected from loss, theft and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Management also strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurances that these objectives are attained.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Town of Lyme using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to the Town of Lyme's financial statements. The basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains supplementary information in addition to the basic financial statements.

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 most private-sector companies.

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

The statement of activities presents information showing how the Town's net assets changed during the most recent year. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain the control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. The Town maintains two fund types: governmental and fiduciary funds. Governmental funds are used to account for essentially the same

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2011

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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town'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, our readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net assets and statement of activities.

The Town maintains two individual governmental funds. Information is presented separately in the government fund balance sheet and the statement of revenues, expenditures and changes in fund balances for the General Fund and the Permanent Funds, all of which are considered major funds. Data from the other governmental funds are combined into a single, aggregate presentation.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. 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. The Town's fiduciary funds include the capital reserve funds held for the Lyme School District and a private-purpose trust which accounts for a program for the Lyme School District.

Notes to the Basic 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.

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the Town's major governmental fund and includes a reconciliation between the reported activity of the revenues, expenditures and transfers for budgetary purposes (Schedule 1) and the activity as presented in the governmental fund financial statements (Exhibit D). The Town's only major governmental fund with an adopted budget for 2011 is the General Fund.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental funds.

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2011

Government-Wide Financial Analysis

Statement of Net Assets

Net assets of the Town of Lyme as of December 31, 2011 and 2010 are as follows:

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Current and other assets:		
Capital assets (net)	\$ 4,644,712	\$ 4,591,329
Other assets	<u>5,872,636</u>	<u>5,197,655</u>
Total assets	<u>10,517,348</u>	<u>9,788,984</u>
Long-term and other liabilities:		
General obligation bonds payable	1,090,000	1,160,000
Other liabilities	<u>2,463,600</u>	<u>1,873,135</u>
Total liabilities	<u>3,553,600</u>	<u>3,033,135</u>
Net assets:		
Invested in capital assets, net of related debt	3,527,275	3,400,249
Restricted	1,013,312	1,856,462
Unrestricted	<u>2,423,161</u>	<u>1,499,138</u>
Total net assets	<u>\$ 6,963,748</u>	<u>\$ 6,755,849</u>

Statement of Activities

Change in net assets for the year ending December 31, 2011 and 2010 are as follows:

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Program revenues:		
Charges for services	\$ 129,748	\$ 89,362
Operating grants and contributions	121,724	97,795
Capital grants and contributions	<u>-</u>	<u>14,223</u>
Total program revenues	<u>251,472</u>	<u>201,380</u>
General revenues:		
Property and other taxes	1,670,083	1,486,105
Licenses and permits	301,429	295,570
Intergovernmental revenue	76,653	75,859
Interest and investment earnings	7,100	101,113
Miscellaneous	<u>137,291</u>	<u>45,661</u>
Total general revenues	<u>2,192,556</u>	<u>2,004,308</u>
Total revenues	<u>2,444,028</u>	<u>2,205,688</u>

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2011

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Program expenses:		
General government	602,208	588,712
Public safety	320,431	342,347
Highways and streets	772,084	726,132
Health and welfare	60,011	51,219
Sanitation	70,753	68,269
Culture and recreation	352,254	242,216
Interest and fiscal charges	58,388	56,543
Total expenses	<u>2,236,129</u>	<u>2,075,438</u>
Change in net assets	207,899	130,250
Net assets - beginning of year	<u>6,755,849</u>	<u>6,625,599</u>
Net assets - ending of year	<u>\$ 6,963,748</u>	<u>\$ 6,755,849</u>

Town of Lyme Governmental Activities

As shown in the above statement the Town experienced a favorable change in financial position of \$207,899 on the full accrual basis of accounting.

Financial Analysis of the Town's Funds

During the year ended December 31, 2011, the Town implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Under Statement 54, the Town has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned. Complete descriptions of these classifications may be found on page 12 of the notes to the Basic Financial Statements. One major example of the effects caused by implementation of GASB 54 is that the Capital Reserve and Expendable Trust Funds are now reported as part of the General Fund.

The General Fund shows a fund balance of \$1,889,985. This represents an increase in fund balance of \$124,940 from the prior year. As referenced above, this fund balance now incorporates the Capital Reserve and Expendable Trust Funds which amounts to \$1,047,450 as of December 31, 2011.

The Permanent Fund's fund balance decreased by \$20,753, to a year-end balance of \$847,534. This was mostly due to the decrease in the market values of investments and the transfer of funds to the General Fund for expenditure reimbursements.

General Fund Budgetary Highlights

Budgetary information for the major governmental fund (the General Fund) is included in the Required Supplementary Information section.

Actual revenues on the budgetary basis were more than the budgeted amount by \$111,943. This is primarily due to higher revenues than anticipated from the charges from services of \$59,063.

The Town under expended its budget by \$49,559.

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2011

Capital Assets

The Town of Lyme considers a capital asset to be an asset whose costs exceed or equal \$10,000 and has a useful life of greater than one year. Assets are depreciated using the straight-line method over the course of their useful life.

The Town's investment in capital assets for its governmental activities as of December 31, 2011 is \$5,592,921. Accumulated depreciation amounts to \$948,209, leaving a net book value of \$4,644,712. Major capital asset additions in FY 2011 consist of repairs to Goose Pond Road, Emergency closing and repairs to the River Road and the refurbishing of the grader. See Note 6 in the Notes to the Basic Financial Statements for a summary of all capital assets.

Long-Term Obligations

During FY 2011, the Town made scheduled debt payments of \$70,000. See Note 10 in the Notes to the Basic Financial Statements for a summary of all long-term obligations.

Economic Factors

The Town is in good financial condition. Long term debt is limited to the highway garage and town offices bond repayments. Most, but not all, capital reserve funds are adequately funded to meet anticipated future needs. Three funds give cause for concern: The vehicle and heavy equipment capital reserve funds are significantly under-funded. There may be a need to undertake a rescheduling of the replacement of various vehicles and heavy equipment to ensure that there are not major adverse impacts on the Town tax rate and that the funds may be restored in a controlled manner. The Selectmen continue to look at this issue. The town buildings maintenance fund still requires building up to reflect the towns' increased building stock and its necessary maintenance. The general fund's unassigned fund balance is sufficient to limit any near-term tax rate increases to a reasonable level. The Town has committed \$590,700 in 2012 out of the unassigned fund balance to repair the 1000' section of River Road. The bank stabilization portion of this fix will be refunded to the town at a rate of 75% of the portion of the fix by a NRCS grant. Because the River Road wash out depleted the Emergency Road Repair Capital Reserve Fund the Town has developed a Class V Roads Committee to review and develop a long range plan for the repair and up-keep of our roads.

Contacting the Town of Lyme's Financial Management

This financial report is to provide our citizens and creditors with a general overview of the Town's finances and to show a measure of accountability for the money it receives. If you have any questions about this report or need to get additional information, contact the Board of Selectmen at, PO Box 126, Lyme, NH 03768, telephone number 603-795-4639.

EXHIBIT A
TOWN OF LYME, NEW HAMPSHIRE
Statement of Net Assets
December 31, 2011

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 3,407,119
Investments	1,911,041
Taxes receivable, net	533,530
Accounts receivable	10,004
Due from other governments	10,942
Total Current Assets	<u>5,872,636</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	1,611,416
Depreciable capital assets, net	3,033,296
Total Noncurrent Assets	<u>4,644,712</u>
Total Assets	<u>\$ 10,517,348</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 83,447
Accrued expenses	44,529
Deferred revenue	2,350
Due to other governments	2,296,717
Current portion of deferred bond premium	3,411
Current portion of bonds payable	70,000
Current portion of notes payable	480
Total Current Liabilities	<u>2,500,934</u>
Noncurrent Liabilities:	
Deferred bond premium	24,026
Bonds payable	1,020,000
Notes payable	8,640
Total Noncurrent Liabilities	<u>1,052,666</u>
Total Liabilities	<u>3,553,600</u>
NET ASSETS	
Invested in capital assets, net of related debt	3,527,275
Restricted	1,013,312
Unrestricted	2,423,161
Total Net Assets	<u>6,963,748</u>
Total Liabilities and Net Assets	<u>\$ 10,517,348</u>

See accompanying notes to the basic financial statements

EXHIBIT B
TOWN OF LYME, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 602,208	\$ 6,730			\$ (595,478)
Public safety	320,431	690	\$ 15,507		(304,234)
Highways and streets	772,084	1,458	106,217		(664,409)
Sanitation	70,753	57,915			(12,838)
Health and welfare	60,011				(60,011)
Culture and recreation	352,254	62,955			(289,299)
Debt service	58,388				(58,388)
Total governmental activities	<u>\$ 2,236,129</u>	<u>\$ 129,748</u>	<u>\$ 121,724</u>	<u>\$ -</u>	<u>(1,984,657)</u>
General revenues:					
Property and other taxes					1,670,083
Licenses and permits					301,429
Grants and contributions:					
Rooms and meals tax distribution					76,653
Interest and investment earnings					7,100
Miscellaneous					137,291
Total general revenues					<u>2,192,556</u>
Change in net assets					207,899
Net assets - beginning					<u>6,755,849</u>
Net assets - ending					<u>\$ 6,963,748</u>

See accompanying notes to the basic financial statements

EXHIBIT C
TOWN OF LYME, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2011

	General Fund	Permanent Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,208,490	\$ 3,042	\$ 195,587	\$ 3,407,119
Investments	942,511	866,684	101,846	1,911,041
Taxes receivable, net	533,530			533,530
Accounts receivable	10,004			10,004
Due from other governments	8,842		2,100	10,942
Due from other funds	19,886		31,004	50,890
Total Assets	<u>\$ 4,723,263</u>	<u>\$ 869,726</u>	<u>\$ 330,537</u>	<u>\$ 5,923,526</u>
LIABILITIES				
Accounts payable	\$ 83,447			\$ 83,447
Accrued expenses	24,940			24,940
Deferred revenue	400,212			400,212
Due to other governments	2,296,717			2,296,717
Due to other funds	27,962	\$ 22,192	\$ 736	50,890
Total Liabilities	<u>2,833,278</u>	<u>22,192</u>	<u>736</u>	<u>2,856,206</u>
FUND BALANCES				
Nonspendable		734,963		734,963
Restricted	61,387	112,571	104,391	278,349
Committed	1,049,950		201,314	1,251,264
Assigned	623,207		24,096	647,303
Unassigned	155,441			155,441
Total Fund Balances	<u>1,889,985</u>	<u>847,534</u>	<u>329,801</u>	<u>3,067,320</u>
Total Liabilities and Fund Balances	<u>\$ 4,723,263</u>	<u>\$ 869,726</u>	<u>\$ 330,537</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 4,644,712

Property taxes are recognized on an accrual basis in the statement of net assets, not the modified accrual basis 397,862

Deferred bond premiums are recognized on an accrual basis in the statement of net assets, not the modified accrual basis (27,437)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:

Bonds payable (1,090,000)
Notes payable (9,120)
Accrued interest on long-term obligations (19,589)

Net assets of governmental activities \$ 6,963,748

See accompanying notes to the basic financial statements

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

TOWN OF LYME, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
 For the Year Ended December 31, 2011

	General Fund	Permanent Funds	Nonmajor Governmental Funds	Total Governmental Funds	
Revenues:					
Taxes	\$ 1,673,501		\$ 6,130	\$ 1,679,631	\$ 98,228
Licenses and permits	301,429			301,429	
Intergovernmental	198,377			198,377	
Charges for services	114,063		15,685	129,748	
Interest and investment income	4,258	\$ 1,439	1,403	7,100	
Miscellaneous	38,019		99,272	137,291	
Total Revenues	<u>2,329,647</u>	<u>1,439</u>	<u>122,490</u>	<u>2,453,576</u>	
Expenditures:					
Current operations:					
General government	554,557			554,557	53,383
Public safety	253,054			253,054	
Highways and streets	620,675			620,675	
Sanitation	67,901			67,901	
Health and welfare	60,011			60,011	(9,600)
Culture and recreation	197,658		104,095	301,753	
Capital outlay	336,657		36,996	373,653	(9,548)
Debt service:					
Principal retirement	70,000			70,000	
Interest and fiscal charges	63,344			63,344	3,643
Total Expenditures	<u>2,223,857</u>	<u>-</u>	<u>141,091</u>	<u>2,364,948</u>	
Excess revenues over (under) expenditures	105,790	1,439	(18,601)	88,628	
Other financing sources (uses):					
Proceeds from note issuance			9,600	9,600	
Transfers in	19,150		3,042	22,192	
Transfers out	-	(22,192)		(22,192)	
Total other financing sources (uses)	<u>19,150</u>	<u>(22,192)</u>	<u>12,642</u>	<u>9,600</u>	1,313
Net change in fund balances	124,940	(20,753)	(5,959)	98,228	
Fund balances at beginning of year, as restated	<u>1,765,045</u>	<u>868,287</u>	<u>335,760</u>	<u>2,969,092</u>	
Fund balances at end of year	<u>\$ 1,889,985</u>	<u>\$ 847,534</u>	<u>\$ 329,801</u>	<u>\$ 3,067,320</u>	<u>\$ 207,899</u>

Net Change in Fund Balances--Total Governmental Funds \$ 98,228

Amounts reported for governmental activities in the statement of activities are different because:

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 as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period. 53,383

Proceeds from note issues are other financing sources in the funds, but note issues increase long-term liabilities in the statement of net assets. (9,600)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (9,548)

In the statement of activities, deferred debt bond premiums are amortized and included with interest expense. 3,643

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 70,480

Some expenses reported in the statement of activities, such as accrued interest, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 1,313

Change in Net Assets of Governmental Activities \$ 207,899

See accompanying notes to the basic financial statements

EXHIBIT E
TOWN OF LYME, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	Private- Purpose <u>Trust Funds</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 1,857	
Investments	<u>113,720</u>	\$ 977,594
Total assets	<u>\$ 115,577</u>	<u>\$ 977,594</u>
LIABILITIES		
Due to other governments	<u>\$ 1,857</u>	\$ 977,594
Total liabilities	<u>1,857</u>	<u>\$ 977,594</u>
NET ASSETS		
Held in trust	<u>113,720</u>	
Total net assets	<u>113,720</u>	
Total liabilities and net assets	<u>\$ 115,577</u>	

See accompanying notes to the basic financial statements

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

	Private- Purpose <u>Trust Funds</u>
ADDITIONS:	
Investment earnings:	
Realized gains on investments	\$ 1,857
Net decrease in the fair value of investments	<u>(2,497)</u>
Total Investment Earnings	<u>(640)</u>
Total Additions	<u>(640)</u>
DEDUCTIONS:	
Benefits	<u>1,857</u>
Total Deductions	<u>1,857</u>
Change in net assets	(2,497)
Net assets - beginning of year	<u>116,217</u>
Net assets - end of year	<u>\$ 113,720</u>

See accompanying notes to the basic financial statements

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Lyme, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Town of Lyme, New Hampshire (the Town) was incorporated in 1798. The Town operates under the Town Meeting form of government and performs local governmental functions authorized by State law.

The financial statements include those of the various departments governed by the Board of Selectmen and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

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

1. Government-Wide Financial Statements:

The statement of net assets and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the Town at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

2. Fund Financial Statements:

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

Fund Accounting

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of two categories of funds: governmental and fiduciary.

1. Governmental Funds:

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

The *General Fund* is the main operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

The *Permanent Funds* account for the financial transactions related to resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the Town's programs.

2. Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private purpose trust funds and agency funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town's only private purpose trust fund accounts for a program for the Lyme School District. The Town's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The Town's agency funds account for the capital reserve funds of the Lyme School District, which are held by the Town as required by State Law.

Measurement Focus

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Town are included on the Statement of Net Assets.

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust fund is reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

In the government-wide financial statements, private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Town has elected not to follow the FASB pronouncements issued subsequent to November 30, 1989.

1. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 3). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes and interest on investments.

Licenses and permits, charges for services, and miscellaneous revenues (except interest on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

2. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

3. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The Town's budget represents functional appropriations as authorized by annual or special Town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. The Town adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended December 31, 2011, the Town applied \$182,218 of its unappropriated fund balance to reduce taxes.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders and other commitments for expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary integration in Governmental Funds. Encumbrances outstanding at year end are reported as a component of fund balance since they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services.

Investments

Investments are stated at their fair value in all funds.

Taxes Receivable

Taxes levied during the current year and prior and uncollected at December 31, 2011 are recorded as receivables net of reserves for estimated uncollectibles of \$25,000.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net assets, but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The Town maintains a capitalization threshold of \$10,000. The Town's infrastructure consists of roads. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

The Town is not required to retroactively report its general infrastructure (e.g. roads, bridges, and sidewalks). Infrastructure records have been maintained effective January 1, 2004 and are included in these financial statements.

All reported capital assets except for land and construction in process are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Years</u>
	Infrastructure	15
	Buildings and improvements	39
	Vehicles and equipment	3-24

Compensated Absences

The Town's sick leave policy allows employees to accumulate sick leave at the rate of one hour for each twenty-six hours of base compensated time, cumulative to a maximum of four hundred eighty hours. No payment for unused sick leave is made upon termination. Employees earn vacation at ten to twenty days per year dependent upon length of service. An employee may carry accumulated vacation days earned in the current year into the next calendar year. Provision is made in the annual budget for vacation and sick leave.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the governmental fund financial statements.

Accrued Liabilities and Long-Term Obligations

Except for the obligation for other post-employment benefits (see Note 2), all payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. General obligation bonds that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

Deferred Bond Premium

The issuance of general obligation bonds resulted in a difference between the acquisition price and the carrying value of the debt. This difference, reported in the accompanying financial statements as a deferred bond premium, is being amortized as a component of interest expense over the remaining life of the related debt. The balance of the deferred bond premium as of December 31, 2011 is \$27,437.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Policy

During the year ended December 31, 2011, the Town implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Statement 54 established new fund balance classifications and changes the definition of governmental fund types. As of December 31, 2011 the Town has not adopted a fund balance policy.

Under Statement 54, the Town has segregated fund balance into five classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- *Nonspendable Fund Balance*: Amounts that are not in a spendable form or are required to be maintained intact.
- *Restricted Fund Balance*: Amounts constrained to specific purposes stipulated by external resource providers or through enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers or by the enabling legislation.
- *Committed Fund Balance*: Amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision making authority (annual Town Meeting). Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. The governing body's actions must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.
- *Assigned Fund Balance*: Amounts the Town intends to use for specific purposes. For all governmental funds other than the General Fund, any remaining positive amounts are to be classified as "assigned". The Selectmen expressly delegates this authority to the Town Administrator.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

- *Unassigned Fund Balance*: Amounts that are available for any purpose; these amounts are reported only in the General Fund and any fund with a deficit fund balance.

Spending Prioritizations

In circumstances where expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification can be used, committed amounts should be reduced first, followed by assigned amounts then unassigned amounts.

Interfund Activity

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates include depreciation expense and the allowance for uncollectible taxes.

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Other Post-Employment Benefits

The Town did not implement GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The provisions of GASB 45 were required to be implemented by the Town during the year ended December 31, 2009.

NOTE 3—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$322,280,100 as of April 1, 2011) and are due on December 1, 2011. Taxes paid after the due date accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year end).

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property may be tax dedeed to the Town.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

In accordance with State law, the Town collects taxes for the Lyme School District and Grafton County, both independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire Education taxes, which are remitted directly to the school district. Total taxes appropriated during the year were \$4,470,429 and \$479,497 for the Lyme School District and Grafton County, respectively. These taxes are not recognized as revenues in these financial statements. The Town bears responsibility for uncollected taxes.

NOTE 4—RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2011, the Town was a member of the Local Government Center (LGC). The Town currently reports all of its risk management activities in its General Fund. This Trust is classified as a "Risk Pool" in accordance with accounting principles generally accepted in the United States of America.

The Trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at December 31, 2011.

Property and Liability Insurance

The LGC provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the LGC, the Town shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000

Worker's Compensation

The LGC provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 5—DEPOSITS AND INVESTMENTS

The Town has combined the cash resources of its governmental funds. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance.

Deposits and investments as of December 31, 2011 are classified in the accompanying financial statements as follows:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

Statement of Net Assets:	
Cash and cash equivalents	\$ 3,407,119
Investments	1,911,041
Statement of Fiduciary Net Assets:	
Cash and cash equivalents	1,857
Investments	<u>1,091,314</u>
	<u>\$ 6,411,331</u>

Deposits and investments at December 31, 2011 consist of the following:

Deposits with financial institutions	\$ 3,478,806
Investments	<u>2,932,525</u>
	<u>\$ 6,411,331</u>

The Town requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The Town limits its investments to demand deposits, money market accounts and certificates of deposit in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. Investments by the Lyme Library Trustees and the Trustees of Trust Funds are made at the Trustees discretion.

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town has no policy regarding credit risk.

The following are the actual ratings as of December 31, 2011, for each investment type:

<u>Investment Type</u>	<u>Not Rated</u>
State investment pool	\$ 1,889,291
Money market mutual funds	194,739
Mutual funds	<u>848,495</u>
	<u>\$ 2,932,525</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty 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 Town has no policy regarding custodial credit risk.

Of the Town's deposits with financial institutions at year end, \$3,033,495 was collateralized by securities held by the bank in the bank's name. As of December 31, 2011, Town investments in the following investment types were held by the same counterparty that was used to buy the securities.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

	<u>Investment Type</u>	<u>Reported Amount</u>
Mutual funds		\$ 848,495
Money market funds		<u>181,800</u>
		<u>\$ 1,030,295</u>

Investment in NHPDIP

The Town is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by state law and is administered by a public body of state, local and banking officials.

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk. The Town's exposure to derivatives is indirect through its participation in the NHPDIP. The Town's proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares.

NOTE 6—CAPITAL ASSETS

The following is a summary of changes in capital assets in the governmental funds:

	<u>Balance 01/01/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/11</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 1,476,491			\$ 1,476,491
Construction in progress		\$ 134,925		134,925
Total capital assets not being depreciated	<u>1,476,491</u>	<u>134,925</u>	<u>\$ -</u>	<u>1,611,416</u>
Other capital assets:				
Infrastructure		56,277		56,277
Buildings and improvements	2,190,765			2,190,765
Vehicles and equipment	<u>1,710,783</u>	<u>23,680</u>		<u>1,734,463</u>
Total other capital assets at historical cost	<u>3,901,548</u>	<u>79,957</u>	<u>-</u>	<u>3,981,505</u>
Less accumulated depreciation for:				
Infrastructure		(1,876)		(1,876)
Buildings and improvements	(235,616)	(55,535)		(291,151)
Vehicles and equipment	<u>(551,094)</u>	<u>(104,088)</u>		<u>(655,182)</u>
Total accumulated depreciation	<u>(786,710)</u>	<u>(161,499)</u>	<u>-</u>	<u>(948,209)</u>
Total other capital assets, net	<u>3,114,838</u>	<u>(81,542)</u>	<u>-</u>	<u>3,033,296</u>
Total capital assets, net	<u>\$ 4,591,329</u>	<u>\$ 53,383</u>	<u>\$ -</u>	<u>\$ 4,644,712</u>

Depreciation expense was charged to governmental functions as follows:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

General government	\$ 34,631
Public safety	46,071
Highways and streets	75,630
Sanitation	2,852
Culture and recreation	<u>2,315</u>
Total governmental activities depreciation expense	<u>\$ 161,499</u>

NOTE 7—DUE TO OTHER GOVERNMENTS

In accordance with State law, the Town collects taxes for the Lyme School District, Grafton County, and the State of New Hampshire, all independent governmental units, which are remitted to them as required by law. At December 31, 2011, the balance of the property tax appropriation due to the Lyme School District is \$2,295,429 and the remaining \$1,288 is due to the State of New Hampshire for state motor vehicle fees.

NOTE 8—DEFINED BENEFIT PLAN

Plan Description

The Town contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety employees are required to contribute 9.3% of their covered salary, whereas general employees are required to contribute 5.0% of their covered salary, through June 30, 2011. Effective July 1, 2011 covered police officers, and general employees are required to contribute 11.55%, and 7.0%, respectively. The Town is required to contribute at an actuarially determined rate. The Town's contribution rates for the covered payroll of police officers, and general employees were 14.63%, and 9.16%, respectively, through June 30, 2011, and 25.57%, and 11.09%, respectively, in July 2011, and 19.95%, and 8.8%, respectively, thereafter. The Town contributed 75% of the employer cost for public safety employees and the State contributed the remaining 25% of the employer cost, through June 30, 2011, and the Town contributed 100% thereafter. The Town contributes 100% of the employer cost for general employees of the Town. In accordance with accounting principles generally accepted in the United States of America (GASB Statement #24), on-behalf fringe benefits contributed by the State of New Hampshire of \$1,942 have been reported as a revenue and expenditure in the General Fund in these financial statements.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contributions to the NHRS for the years ending December 31, 2011, 2010, and 2009 were \$52,904, \$51,334, and \$54,611, respectively, equal to the required contributions for each year.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

NOTE 9—SHORT-TERM OBLIGATIONS

The Town issued tax anticipation notes during the year. These borrowings are to assist in the payment of operating expenses during the year and are guaranteed to be repaid from the property tax revenue received in December from the various taxpayers within the Town.

The changes in short-term debt obligations for the year ended December 31, 2011 are as follows:

Balance - January 1, 2011	\$ -
Additions	1,880,000
Reductions	<u>(1,880,000)</u>
Balance - December 31, 2011	<u>\$ -</u>

NOTE 10—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the Town's long-term obligations for the year ended December 31, 2011 are as follows:

	Balance <u>01/01/11</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/11</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds payable	\$ 1,160,000		\$ 70,000	\$ 1,090,000	\$ 70,000
Notes payable		<u>\$ 9,600</u>	<u>480</u>	<u>9,120</u>	<u>480</u>
Total governmental activities	<u>\$ 1,160,000</u>	<u>\$ 9,600</u>	<u>\$ 70,480</u>	<u>\$ 1,099,120</u>	<u>\$ 70,480</u>

Payments on the general obligation bonds are paid out of the General Fund.

As included on the Statement of Activities (Exhibit B), interest for the year ended December 31, 2011 was \$53,987 on general obligation debt for governmental activities.

General Obligation Bonds

Bonds payable at December 31, 2011 are comprised of the following individual issues:

\$508,900 Public Works Bond due in annual installments of \$30,000 through August 2024; interest at 3.0%-5.0%	\$ 325,000
\$899,420 Municipal Building Bond due in annual installments of \$45,000 through August 2028; interest at 4-5.25%	<u>765,000</u>
	<u>\$ 1,090,000</u>

Debt service requirements to retire general obligation bonds outstanding at December 31, 2011 are as follows:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

Year Ending December 31,	Principal	Interest	Totals
2012	\$ 70,000	\$ 51,800	\$ 121,800
2013	70,000	48,299	118,299
2014	70,000	44,687	114,687
2015	70,000	41,074	111,074
2016	70,000	37,462	107,462
2017-2021	350,000	134,395	484,395
2022-2026	300,000	56,944	356,944
2027-2028	90,000	6,075	96,075
	<u>\$ 1,090,000</u>	<u>\$ 420,736</u>	<u>\$ 1,510,736</u>

Notes payable at December 31, 2011 are comprised of the following individual issues:

\$9,600 Library Water Improvements due in semi-annual installments of \$240 through July 2030	<u>\$ 9,120</u>
---	-----------------

Debt service requirements to retire general obligation notes outstanding at December 31, 2011 are as follows:

Year Ending December 31,	Principal
2012	\$ 480
2013	480
2014	480
2015	480
2016	480
2017-2021	2,400
2022-2026	2,400
2027-2030	1,920
	<u>\$ 9,120</u>

NOTE 11—INTERFUND BALANCES AND TRANSFERS

The Town has combined the cash resources of certain governmental funds. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at December 31, 2011 are as follows:

	Due from			Totals
	General Fund	Permanent Funds	Nonmajor Governmental Funds	
Due to: General Fund		\$ 19,150	\$ 736	\$ 19,886
Nonmajor Governmental Funds	\$ 27,962	3,042		31,004
	<u>\$ 27,962</u>	<u>\$ 22,192</u>	<u>\$ 736</u>	<u>\$ 50,890</u>

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

During the year, several interfund transactions occurred between funds. The transfers were made in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2011 are as follows:

	Transfer from	
	Permanent Funds	Governmental Totals
Transfer to General Fund	\$ 19,150	\$ 19,150
Nonmajor Governmental Funds	3,042	3,042
	<u>\$ 22,192</u>	<u>\$ 22,192</u>

NOTE 12—RESTRICTED NET ASSETS

Net assets are restricted for specific purposes as follows:

Permanent funds - Endowments	\$ 734,963
Permanent funds - Income	112,571
Cemetery maintenance gifts & donations fund	18,589
Highway block grant funds	14,109
Library fund	72,046
Independence Day fund	8,452
Capital project fund	1,364
250th Anniversary fund	3,940
Playing fields	47,278
Total per Exhibit A	<u>\$ 1,013,312</u>

NOTE 13—CONTINGENT LIABILITIES

Litigation

The Town's general counsel estimates that any potential claims against the Town, which are not covered by insurance, are immaterial and would not affect the financial position of the Town.

NOTE 14—COMPONENTS OF FUND BALANCE

The Town's fund balance components are comprised as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable				
Permanent Funds - Principal		\$ 734,963		\$ 734,963
Restricted for:				
Permanent Funds - Income		112,571		112,571
Cemetery maintenance gifts & donations fund			\$ 18,589	18,589
Highway block grant funds	\$ 14,109			14,109

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2011

Library Fund			72,046	72,046
Independence Day Fund			8,452	8,452
Playing fields	47,278			47,278
Capital Projects Fund			1,364	1,364
250th Anniversary Fund			3,940	3,940
Committed for:				
Encumbrances	2,500			2,500
Capital Reserve Funds	985,780			985,780
Expendable Trust Funds	61,670			61,670
Cemetery Lot Sales Fund			1,900	1,900
Conservation Fund			191,966	191,966
Recreation Fund			7,448	7,448
Assigned for:				
Carryforward appropriations	19,912			19,912
Library Fund			18,093	18,093
Subsequent years' expenditures	590,700		6,003	596,703
Conservation Commission	12,595			12,595
Unassigned	155,441			155,441
	<u>\$ 1,889,985</u>	<u>\$ 847,534</u>	<u>\$ 329,801</u>	<u>\$ 3,067,320</u>

NOTE 15—RESTATEMENT OF EQUITY

Governmental Funds

Effective January 1, 2011, the Town retroactively changed its method of financial reporting to conform to a recent pronouncement of the Governmental Accounting Standards Board (Statement No. 54). This new standard changes how fund balance is reported for governmental fund types. As a result, the Town's previously reported Expendable Trust Funds, and Capital Reserve Funds have been reclassified into the General Fund for reporting purposes. The Cemetery Maintenance Gifts & Donations Expendable Trust Fund has been reported separately from the General Fund, due to the monies coming from gifts & donations. The Blisters for Books Expendable Trust Fund is funded directly with transfers from the Library Fund. This fund has been consolidated with the Library Fund for reporting purposes.

The impact of the restatement on the governmental funds is as follows:

	General Fund	Capital Reserve Funds	Nonmajor Governmental Funds
Fund Balance, January 1 (as previously reported)	\$ 895,643	\$ 782,040	\$ 423,122
Amount of restatement due to conversion of GASB Statement No. 54:			
Expendable Trust Funds	87,362		(87,362)
Capital Reserve Funds	782,040	(782,040)	
Fund Balance, January 1, as restated	<u>\$ 1,765,045</u>	<u>\$ -</u>	<u>\$ 335,760</u>

SCHEDULE 1
TOWN OF LYME, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,679,968	\$ 1,679,968	\$ 1,663,953	\$ (16,015)
Licenses and permits	270,000	270,000	301,429	31,429
Intergovernmental	172,861	172,861	196,435	23,574
Charges for services	55,000	55,000	114,063	59,063
Interest income	5,000	5,000	4,021	(979)
Miscellaneous	18,300	18,300	33,171	14,871
Total Revenues	<u>2,201,129</u>	<u>2,201,129</u>	<u>2,313,072</u>	<u>111,943</u>
Expenditures:				
Current Operations:				
General government	628,326	628,326	551,929	76,397
Public safety	284,349	284,349	251,112	33,237
Highways and streets	553,197	553,197	568,993	(15,796)
Sanitation	81,512	81,512	67,901	13,611
Health and welfare	26,857	26,857	26,202	655
Culture and recreation	199,695	199,695	197,658	2,037
Capital outlay	59,622	59,622	117,959	(58,337)
Debt service:				
Principal retirement	70,000	70,000	70,000	-
Interest and fiscal charges	61,099	61,099	63,344	(2,245)
Total Expenditures	<u>1,964,657</u>	<u>1,964,657</u>	<u>1,915,098</u>	<u>49,559</u>
Excess revenues over expenditures	<u>236,472</u>	<u>236,472</u>	<u>397,974</u>	<u>161,502</u>
Other financing sources (uses):				
Transfers in	58,982	58,982	60,694	1,712
Transfers out	<u>(498,968)</u>	<u>(498,968)</u>	<u>(498,968)</u>	<u>-</u>
Total other financing sources (uses)	<u>(439,986)</u>	<u>(439,986)</u>	<u>(438,274)</u>	<u>1,712</u>
Net change in fund balance	(203,514)	(203,514)	(40,300)	163,214
Fund balance at beginning of year				
- Budgetary Basis	<u>1,278,197</u>	<u>1,278,197</u>	<u>1,278,197</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 1,074,683</u>	<u>\$ 1,074,683</u>	<u>\$ 1,237,897</u>	<u>\$ 163,214</u>

See accompanying notes to the required supplementary information

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2011

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the Town. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. Budgetary revenues and expenditures were adjusted for non-budgetary revenues and expenditures, budgetary transfers in and out, on-behalf payments for fringe benefits, and encumbrances.

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 2,348,797	\$ 2,223,857
Difference in property taxes meeting susceptible to accrual criteria	(9,548)	
Non-budgetary revenues and expenditures	(497,742)	(319,694)
Budgetary transfers in and out	534,201	534,201
On-behalf fringe benefits	(1,942)	(1,942)
Encumbrances, December 31, 2011		2,500
Encumbrances, December 31, 2010		(24,856)
Per Schedule 1	<u>\$ 2,373,766</u>	<u>\$ 2,414,066</u>

Major Special Revenue Fund

Budgetary information in these financial statements has been presented only for the General Fund as there is no adopted budget for the Permanent Funds.

NOTE 2—BUDGETARY FUND BALANCES

The components of the budgetary fund balance for the General Fund are as follows:

<i>Restricted:</i>	
Playing Fields	\$ 47,278
Highway block grant funds	14,109
<i>Assigned for:</i>	
Conservation Commission	12,595
Carryforward appropriation	19,912
Subsequent years' expenditures	590,700
<i>Unassigned:</i>	
Unassigned - General operations	<u>553,303</u>
	<u>\$ 1,237,897</u>

SCHEDULE A
TOWN OF LYME, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Funds
December 31, 2011

	Special Revenue Funds										Total Special Revenue Funds	Capital Project Fund	Combining Totals
	Cemetery Lot Sales Fund	Cemetery Maintenance Gifts & Donations Fund	Converse Free Library Fund	Conservation Fund	Recreation Revolving Fund	Independence Day Fund	250th Anniversary Fund	Total Special Revenue Funds	Capital Project Fund	Combining Totals			
ASSETS													
Cash and cash equivalents		\$ 18,589	\$ 9,751	\$ 185,836								\$ 195,587	
Investments			83,257									101,846	
Due from other governments	\$ 1,900		3,134	6,130	\$ 7,448	\$ 3,940					\$ 2,100	2,100	
Due from other funds	\$ 1,900	\$ 18,589	\$ 96,142	\$ 191,966	\$ 7,448	\$ 3,940					\$ 2,100	31,004	
Total Assets	\$ 1,900	\$ 18,589	\$ 96,142	\$ 191,966	\$ 7,448	\$ 3,940	\$ 328,437				\$ 2,100	\$ 330,537	
LIABILITIES													
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ 736	\$ 736	
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ 736	\$ 736	
FUND BALANCES													
Restricted	1,900	18,589	72,046	191,966	7,448	3,940	103,027				1,364	104,391	
Committed			24,096				201,314					201,314	
Assigned	1,900	18,589	96,142	191,966	7,448	3,940	24,096				1,364	329,801	
Total Fund Balances	\$ 1,900	\$ 18,589	\$ 96,142	\$ 191,966	\$ 7,448	\$ 3,940	\$ 328,437				\$ 2,100	\$ 330,537	
Total Liabilities and Fund Balances	\$ 1,900	\$ 18,589	\$ 96,142	\$ 191,966	\$ 7,448	\$ 3,940	\$ 328,437				\$ 2,100	\$ 330,537	

SCHEDULE B
TOWN OF LYME, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Funds
For the Year Ended December 31, 2011

	Special Revenue Funds										Capital Project Fund	Combining Totals
	Cemetery Lot Sales Fund	Cemetery Maintenance Gifts & Donations Fund	Converse Free Library Fund	Conservation Fund	Recreation Revolving Fund	Independence Day Fund	250th Anniversary Fund	Special Revenue Funds	Total Special Revenue Funds			
Revenues:												
Taxes				\$ 6,130	\$ 14,085							\$ 6,130
Charges for services	\$ 1,600											15,685
Interest and investment income		\$ 13	\$ 974	372	14	\$ 30						1,403
Miscellaneous			14,746	700		5,873						99,272
Total Revenues	<u>1,600</u>	<u>13</u>	<u>15,720</u>	<u>7,202</u>	<u>14,099</u>	<u>5,903</u>						<u>122,490</u>
Expenditures:												
Current operations:												
Culture and recreation			13,104		10,438	6,540						104,095
Capital outlay			15,496	21,500								36,996
Total Expenditures	<u>-</u>	<u>-</u>	<u>28,600</u>	<u>21,500</u>	<u>10,438</u>	<u>6,540</u>						<u>141,091</u>
Excess revenues over (under) expenditures	<u>1,600</u>	<u>13</u>	<u>(12,880)</u>	<u>(14,298)</u>	<u>3,661</u>	<u>(637)</u>						<u>(18,601)</u>
Other financing sources:												
Proceeds from note issuance			9,600									9,600
Transfers in			3,042									3,042
Total other financing sources	<u>-</u>	<u>-</u>	<u>12,642</u>	<u>-</u>	<u>-</u>	<u>-</u>						<u>12,642</u>
Net change in fund balances	<u>1,600</u>	<u>13</u>	<u>(238)</u>	<u>(14,298)</u>	<u>3,661</u>	<u>(637)</u>						<u>(5,959)</u>
Fund balances at beginning of year, as restated	<u>300</u>	<u>18,576</u>	<u>96,380</u>	<u>206,264</u>	<u>3,787</u>	<u>9,089</u>					<u>1,364</u>	<u>335,760</u>
Fund balances at end of year	<u>\$ 1,900</u>	<u>\$ 18,589</u>	<u>\$ 96,142</u>	<u>\$ 191,966</u>	<u>\$ 7,448</u>	<u>\$ 8,452</u>					<u>\$ 1,364</u>	<u>\$ 329,801</u>

NEW HAMPSHIRE MUNICIPAL BOND BANK

2004 SERIES B	AMOUNT OF LOAN	\$508,900.00
20 YEAR DEBT SCHEDULE FOR HIGHWAY FACILITY	PREMIUM	\$21,100.00
BOND DATED 8/15/2004	TOTAL RECEIVED	\$530,000.00

BOND PAYMENT SCHEDULE FOR PUBLIC WORKS FACILITY - LOAN DATE 2004

DEBT YEAR	PERIOD	PRINCIPAL OUT-STANDING	PRINCIPAL	RATE	INTEREST	Less 2010 refunding	YEAR ENDING PAYMENT	PAYMENTS
1	8/15/2005	\$508,900.00	\$28,900.00	3.00%	\$26,003.57		\$54,903.57	\$54,903.57
2	8/15/2006	\$480,000.00	\$30,000.00	4.00%	\$23,575.00		\$53,575.00	\$53,575.00
3	8/15/2007	\$450,000.00	\$25,000.00	5.00%	\$22,375.00		\$47,375.00	\$47,375.00
4	8/15/2008	\$425,000.00	\$25,000.00	5.00%	\$21,125.00		\$46,125.00	\$46,125.00
5	8/15/2009	\$400,000.00	\$25,000.00	5.00%	\$19,875.00		\$44,875.00	\$44,875.00
6	8/15/2010	\$375,000.00	\$25,000.00	5.00%	\$18,625.00		\$43,625.00	\$43,625.00
7	8/15/2011	\$350,000.00	\$25,000.00	5.00%	\$17,375.00	-\$438.00	\$41,937.00	\$41,937.00
8	8/15/2012	\$325,000.00	\$25,000.00	5.00%	\$16,125.00	-\$438.00	\$40,687.00	\$40,687.00
9	8/15/2013	\$300,000.00	\$25,000.00	5.00%	\$14,875.00	-\$438.00	\$39,437.00	
10	8/15/2014	\$275,000.00	\$25,000.00	5.00%	\$13,625.00	-\$438.00	\$38,187.00	
11	8/15/2015	\$250,000.00	\$25,000.00	5.00%	\$12,375.00	-\$438.00	\$36,937.00	
12	8/15/2016	\$225,000.00	\$25,000.00	5.00%	\$11,125.00	-\$438.00	\$35,687.00	
13	8/15/2017	\$200,000.00	\$25,000.00	5.00%	\$9,875.00	-\$438.00	\$34,263.00	
14	8/15/2018	\$175,000.00	\$25,000.00	5.00%	\$8,625.00	-\$612.00	\$33,013.00	
15	8/15/2019	\$150,000.00	\$25,000.00	4.75%	\$7,375.00	-\$612.00	\$31,763.00	
16	8/15/2020	\$125,000.00	\$25,000.00	4.75%	\$6,187.50		\$31,187.50	
17	8/15/2021	\$100,000.00	\$25,000.00	5.00%	\$5,000.00		\$30,000.00	
18	8/15/2022	\$75,000.00	\$25,000.00	5.00%	\$3,750.00		\$28,750.00	
19	8/15/2023	\$50,000.00	\$25,000.00	5.00%	\$2,500.00		\$27,500.00	
20	8/15/2024	\$25,000.00	\$25,000.00	5.00%	\$1,250.00		\$26,250.00	
TOTALS			\$508,900.00		\$261,641.07	-\$4,464.00	\$766,077.07	

NEW HAMPSHIRE MUNICIPAL BOND BANK

2008 SERIES A	AMOUNT OF LOAN	\$899,420.00
20 YEAR DEBT SCHEDULE FOR TOWN OFFICES	PREMIUM	\$25,580.00
BOND DATED 8/15/2008	TOTAL RECEIVED	\$925,000.00

BOND PAYMENT SCHEDULE FOR TOWN OFFICE/POLICE FACILITY - LOAN DATE 2008

DEBT YEAR	PERIOD	PRINCIPAL OUT-STANDING	PRINCIPAL	RATE	INTEREST	YEAR ENDING PAYMENT	PAYMENTS
1	8/15/2009	\$899,420.00	\$44,420.00	4.00%	\$45,201.25	\$89,621.25	\$89,621.25
2	8/15/2010	\$855,000.00	\$45,000.00	4.00%	\$40,162.50	\$85,162.50	\$85,162.50
3	8/15/2011	\$810,000.00	\$45,000.00	5.00%	\$38,362.50	\$83,362.50	\$83,362.50
4	8/15/2012	\$765,000.00	\$45,000.00	5.00%	\$36,112.50	\$81,112.50	\$81,112.50
5	8/15/2013	\$720,000.00	\$45,000.00	5.00%	\$33,862.50	\$78,862.50	
6	8/15/2014	\$675,000.00	\$45,000.00	5.25%	\$31,500.00	\$76,500.00	
7	8/15/2015	\$630,000.00	\$45,000.00	5.25%	\$29,137.50	\$74,137.50	
8	8/15/2016	\$585,000.00	\$45,000.00	5.25%	\$26,775.00	\$71,775.00	
9	8/15/2017	\$540,000.00	\$45,000.00	5.25%	\$24,412.50	\$69,412.50	
10	8/15/2018	\$495,000.00	\$45,000.00	5.25%	\$22,050.00	\$67,050.00	
11	8/15/2019	\$450,000.00	\$45,000.00	5.00%	\$19,687.50	\$64,687.50	
12	8/15/2020	\$405,000.00	\$45,000.00	4.13%	\$17,437.50	\$62,437.50	
13	8/15/2021	\$360,000.00	\$45,000.00	4.13%	\$15,581.26	\$60,581.26	
14	8/15/2022	\$315,000.00	\$45,000.00	4.25%	\$13,725.00	\$58,725.00	
15	8/15/2023	\$270,000.00	\$45,000.00	4.25%	\$11,812.50	\$56,812.50	
16	8/15/2024	\$225,000.00	\$45,000.00	4.25%	\$9,900.00	\$54,900.00	
17	8/15/2025	\$180,000.00	\$45,000.00	4.38%	\$7,987.50	\$52,987.50	
18	8/15/2026	\$135,000.00	\$45,000.00	4.38%	\$6,018.76	\$51,018.76	
19	8/15/2027	\$90,000.00	\$45,000.00	4.50%	\$4,050.00	\$49,050.00	
20	8/15/2028	\$45,000.00	\$45,000.00	4.50%	\$2,025.00	\$47,025.00	
TOTALS			\$899,420.00		\$435,801.27	\$1,335,221.27	



SUMMARY INVENTORY OF VALUATION

DUE DATE: SEPTEMBER 1, 2012

Municipality Name

LYME

Original Date (mm/dd/yy)

0 9 0 7 2 0 1 2

County Name

GRAFTON

Revision Date (mm/dd/yy)

This is to certify that the information provided in this report was taken from the official records and is correct to the best of our knowledge and belief (Rev 1707).

Assessor's Name

D i a n a C a l d e r

Municipal Official Name 1

S i m o n C a r r

Municipal Official Name 2

R i c h a r d V i d a l

Municipal Official Name 3

C h a r l e s S m i t h

Municipal Official Name 4

Municipal Official Name 5

Municipal Official Name 6

Preparer Name

D i n a C u t t i n g

Preparer Email

d i n a @ l y m e n h . g o v

Preparer Phone

7 9 5 4 6 3 9

By checking this box, I declare that I have examined the information contained in this report and to the best of my belief it is true, correct and complete under penalties of perjury.

Municipal Officials

Assessing Official

Preparer

REPORTS REQUIRED: RSA 21-J:34 as amended, provides for certification of valuations, appropriations, estimated revenues and such other information as the Department of Revenue Administration may require upon reports prescribed for that purpose.

NOTE: The values and figures provided represent the detailed values that are used in the city/towns tax assessments and sworn to uphold under Oath per RSA 75:7. Please complete all applicable pages and refer to the instructions for individual items.



2012
MS-1 Report

1 VALUE OF LAND ONLY-EXCLUDE AMOUNT LISTED IN LINES 3A, 3B and 4	NUMBER OF ACRES	2012 ASSESSED VALUATION
A. Current Use (At Current Use Values) RSA 79-A (p6)	2 6 1 6 6	2 2 9 5 0 2 3
B. Conservation Restriction Assessment (Current Use Values) RSA 79-B (p7)	1 3 2	1 1 0 0 0
C. Discretionary Easements RSA 79-C (p7)		
D. Discretionary Preservation Easements RSA 79-D (p8)	1	3 0 8 0 0
E. Taxation of Land Under Farm Structures RSA 79-F (p8)		
F. Residential Land (Improved and Unimproved Land)	2 3 6 7	1 1 6 9 1 2 5 0 0
G. Commercial/Industrial Land (DO NOT Include Utility Land)	8 6	5 8 0 4 5 0 0
H. Total of Taxable Land (Sum of Lines 1A, 1B, 1C, 1D, 1E, 1F and 1G)	2 8 7 5 2	1 2 5 0 5 3 8 2 3
I. Tax Exempt and Non-Taxable Land	5 2 6 7	1 5 1 1 2 9 0 0
2 VALUE OF BUILDINGS ONLY-EXCLUDE AMOUNT LISTED IN LINES 3A, and 3B	# of STRUCTURES	2012 ASSESSED VALUATION
A. Residential		1 8 3 3 8 0 7 0 0
B. Manufactured Housing as defined in RSA 674:31		9 9 3 5 0 0
C. Commercial & Industrial (Do not include utility buildings)		1 3 3 1 2 9 0 0
D. Discretionary Preservation Easements RSA 79-D (p8)	1 1	9 9 3 0 0
E. Taxation of Farm Structures RSA 79-F (p8)		
F. Total of Taxable Buildings (Sum of Lines 2A, 2B, 2C, 2D, and 2E)		1 9 7 7 8 6 4 0 0
G. Tax Exempt & Non-Taxable Buildings		1 6 2 5 4 6 0 0
3 UTILITIES-See RSA 83-F:1 V for complete definitions		2012 ASSESSED VALUATION
A. Utilities (From p5 Grand Total of All A Utilities)		4 4 9 9 7 0 0
B. Other Utilities (From p5 Total of All Other Utilities)		
4 MATURE WOOD and TIMBER RSA 79:5		
5 VALUATION BEFORE EXEMPTIONS (Total of Lines 1H, 2F, 3A, 3B and 4)		3 2 7 3 3 9 9 2 3



2012
MS-1 Report

	TOTAL # GRANTED	2012 ASSESSED VALUATION
6 CERTAIN DISABLED VETERANS RSA 72:36-a (Paraplegic & Double Amputees Owning Special Adapted Homesteads with VA Assistance)		
7 IMPROVEMENTS TO ASSIST THE DEAF RSA 72:38-b V		
8 IMPROVEMENTS TO ASSIST PERSONS WITH DISABILITIES RSA 72:37-a		
9 SCHOOL DINING/DORMITORY/KITCHEN EXEMPTION RSA 72:23-IV (Standard Exemption Up To \$150,000 For Each)		
10a NON UTILITY WATER AND AIR POLLUTION CONTROL EXEMPTION RSA 72:12-a		
10b UTILITY WATER AND AIR POLLUTION CONTROL EXEMPTION RSA 72:12-a		
11 MODIFIED ASSESSED VALUATION OF ALL PROPERTIES (Line 5 Minus Lines 6, 7, 8, 9, 10a, and 10b) (This Figure Will Be Used To Calculate The Total Equalized Value For The Municipality)		3 2 7 3 3 9 9 2 3
	AMOUNT PER EXEMPTION	TOTAL # GRANTED
12 BLIND EXEMPTION RSA 72:37	6 7 5 0 0	2
13 ELDERLY EXEMPTION RSA 72:39-a & b (p6)		2 0
14 DEAF EXEMPTION RSA 72:38-b		
15 DISABLED EXEMPTION RSA 72:37-b	1 3 5 0 0 0	3
	TOTAL # GRANTED	2012 ASSESSED VALUATION
16 WOOD HEATING ENERGY SYSTEMS EXEMPTION-RSA 72:70		
17 SOLAR ENERGY SYSTEMS EXEMPTION-RSA 72:62		
18 WIND POWERED ENERGY SYSTEMS EXEMPTION-RSA 72:66		
19 ADDITIONAL SCHOOL DINING/DORMITORY/KITCHEN EXEMPTIONS-RSA 72:23 IV		
20 TOTAL DOLLAR AMOUNT OF EXEMPTIONS (Sum of Lines 12-19)		3 7 1 6 2 0 0
21 NET VALUATION Used To Compute Municipal, County, and Local Education Tax Rates (Line 11 minus Line 20)		3 2 3 6 2 3 7 2 3
22 LESS UTILITIES (Line 3A) Do not include the value of other utilities listed in Line 3B		4 4 9 9 7 0 0
23 NET VALUATION WITHOUT UTILITIES TO COMPUTE STATE EDUCATION TAX (Line 21 minus Line 22)		3 1 9 1 2 4 0 2 3

NOTES:



UTILITY SUMMARY: ELECTRIC, HYDROELECTRIC, RENEWABLE-MISC., NUCLEAR, GAS/PIPELINE, WATER & SEWER

List by individual company/legal entity the valuation of operating plants employed in the production, distribution, and transmission of electricity, gas pipeline, water and petroleum products. Include ONLY the names of the companies listed on the Instructions Sheets (See instruction page 12)

Who Appraises/Establishes The Utility Value in The Municipality? (If Multiple, Please List)

George Sansoucy, PE, LLC

If the Municipality Uses DRA Utility Values is it Equalized By The Ratio?

Yes No

SECTION A

LIST ELECTRIC COMPANIES-See page 12 in the instructions

2012 ASSESSED VALUATION

TRANSCANADA HYDRO NORTHEAST INC	6	2	7	2	0	0
NEW HAMPSHIRE ELECTRIC COOP	2	1	9	9	6	0
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE	1	6	7	2	4	0
CENTRAL VERMONT PUBLIC SERVICE CORP	5	0	0			

A1 TOTAL OF ALL ELECTRIC COMPANIES LISTED IN THIS SECTION:

				4	4	9	9	7	0	0
--	--	--	--	---	---	---	---	---	---	---

LIST GAS COMPANIES-See page 12 in the instructions

2012 ASSESSED VALUATION

A2 TOTAL OF ALL GAS COMPANIES LISTED IN THIS SECTION:

--	--	--	--	--	--	--	--	--	--	--

LIST WATER AND SEWER COMPANIES-See page 12 in the instructions

2012 ASSESSED VALUATION



2012
MS-1 Report

ELDERLY EXEMPTION REPORT - RSA 72:39-a

NUMBER OF FIRST TIME FILERS GRANTED ELDERLY EXEMPTION FOR CURRENT TAX YEAR		PER AGE CATEGORY	TOTAL NUMBER OF INDIVIDUALS GRANTED AN ELDERLY EXEMPTION FOR THE CURRENT TAX YEAR & TOTAL AMOUNT OF EXEMPTIONS GRANTED			
AGE	#	AMOUNT PER INDIVIDUAL	AGE	#	MAXIMUM ALLOWABLE EXEMPTION AMOUNT	TOTAL ACTUAL EXEMPTION AMOUNT GRANTED
65-74	3	1 3 5 0 0 0	65-74	7	9 4 5 0 0 0	9 2 7 4 0 0
75-79	1	1 9 0 0 0 0	75-79	3	5 7 0 0 0 0	3 7 8 8 0 0
80+	2	2 4 0 0 0 0	80+	1 0	2 4 0 0 0 0	1 8 7 0 0 0
			TOTAL	2 0	3 9 1 5 0 0	3 1 7 6 2 0
INCOME LIMITS	SINGLE	3 0 0 0 0	ASSET LIMITS	SINGLE	1 5 0 0 0 0	
	MARRIED	4 0 0 0 0		MARRIED	1 5 0 0 0 0	

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE - RSA 79-E

Adopted: Yes No IF YES, NUMBER ADOPTED: _____

CURRENT USE REPORT - RSA 79-A

	TOTAL NUMBER OF ACRES RECEIVING CURRENT USE	ASSESSED VALUATION	OTHER CURRENT USE STATISTICS	TOTAL NUMBER OF ACRES
FARM LAND	2 9 2 8	9 1 2 5 0 0	RECEIVING 20% RECREATION ADJUST.	1 7 8 7 9
FOREST LAND	1 2 5 0 6	1 0 0 1 6 2 3	REMOVED FROM CURRENT USE DURING CURRENT TAX YEAR	2
FOREST LAND w/ DOCUMENTED STEWARDSHIP	9 8 2 2	3 6 5 8 0 0		
UNPRODUCTIVE LAND	3 2 0	5 4 0 0	TOTAL NUMBER	
WET LAND	5 9 0	9 7 0 0	TOTAL NUMBER OF OWNERS IN CURRENT USE	3 0 8
TOTAL (must match p2)	2 6 1 6 6	2 2 9 5 0 2 3	TOTAL NUMBER OF PARCELS IN CURRENT USE	4 1 9



LAND USE CHANGE TAX

GROSS MONIES RECEIVED FOR CALENDAR YEAR (JAN 1, 2011 THROUGH DEC 31, 2011)		2 0 4 0
CONSERVATION ALLOCATION: PERCENTAGE	1 0 0	AND/OR DOLLAR AMOUNT
MONIES TO CONSERVATION FUND		2 0 4 0
MONIES TO GENERAL FUND		2 0 4 0

**CONSERVATION RESTRICTION ASSESSMENT REPORT - RSA 79-B
(Must File PA-60)**

	TOTAL NUMBER OF ACRES RECEIVING CONSERVATION	ASSESSED VALUATION	OTHER CONSERVATION RESTRICTION ASSESSMENT STATISTICS	TOTAL NUMBER OF ACRES
FARM LAND	1 6	2 8 0 0	RECEIVING 20% RECREATION ADJUSTMENT	4 1
FOREST LAND	3 6	2 5 0 0	REMOVED FROM CONSERVATION DURING CURRENT YEAR	
FOREST LAND W/ DOCUMENTED STEWARDSHIP	7 7	5 6 0 0		
UNPRODUCTIVE LAND	3	1 0 0		TOTAL NUMBER
WET LAND			TOTAL NUMBER OF OWNERS IN CONSERVATION RESTRICTION	5
TOTAL (must match page 2)	1 3 2	1 1 0 0 0	TOTAL NUMBER OF PARCELS IN CONSERVATION RESTRICTION	5

DISCRETIONARY EASEMENTS - RSA 79-C

TOTAL NUMBER OF ACRES	# OF OWNERS	ASSESSED VALUATION	DESCRIPTION OF DISCRETIONARY EASEMENTS GRANTED (i.e.: Golf Course, Ball Park, Race Track, etc.)

TAXATION OF FARM STRUCTURES & LAND UNDER FARM STRUCTURES - RSA 79-F

TOTAL NUMBER GRANTED	TOTAL NUMBER OF STRUCTURES	TOTAL NUMBER OF ACRES	ASSESSED VALUATION LAND	ASSESSED VALUATION STRUCTURES



DISCRETIONARY PRESERVATION EASEMENTS - RSA 79-D
 Historic Agricultural Structures

TOTAL NUMBER OF OWNERS	TOTAL NUMBER OF STRUCTURES	TOTAL NUMBER OF ACRES	ASSESSED VALUATION LAND	ASSESSED VALUATION STRUCTURES
------------------------	----------------------------	-----------------------	-------------------------	-------------------------------

9 1 1 1 3 0 8 0 0 9 9 3 0 0

MAP	LOT	BLOCK	%	DESCRIPTION (i.e. Barns, Silos, Etc.)
2 0 1	1 6		2 5	Barn
2 0 1	5 1		4 5	Barn
2 0 1	1 1 7		2 5	Creamery
4 0 7	3		5 0	Barn and Shed
4 0 7	7 4		4 0	Barn
4 0 7	9 0		7 0	and 25% Barn & Shed
4 0 8	3 5		5 0	Barn
4 0 9	1 3		4 5	Barn
4 0 9	4 9		5 0	Barn

SCHEDULE OF LYME PROPERTY - 2012

BUILDINGS w/ LAND

Description	Parcel Address	Map #	Lot #	Acreeage	Assessment
Library	38 Union Street	201	38	0.44	\$832,400
Jail	2 Pleasant Street	201	94.100	0.07	\$22,100
Fire Station	44 High Street	201	103	1.28	\$293,700
Town Highway Garage	24 High Street	201	110.1000	3.47	\$778,900
Town Office/Police Buildings/House	1 High Street	201	120	3.11	\$1,308,100
Post Pond Recreation Area	111 Orford Road	407	5.1000	11.80	\$311,000
Lyme Center Academy Building	183 Dorchester Road	409	18	1.30	\$642,600

CEMETERIES:

Description	Parcel Address	Map #	Lot #	Acreeage	Assessment
Old Lyme Cemetery & Tomb	1 Pleasant Street	201	78	3.70	\$303,700
Highland Cemetery	24 High Street	201	110.2000	6.57	\$203,000
Gilbert Cemetery	240 River Road	402	72	0.00	0.00*
Porter Cemetery	597 River Road	405	25	0.36	\$11,600
Beal Cemetery	517 Dorchester Road	420	5	0.57	\$9,200
Tinkhamtown Cemetery	Location Unknown				

LAND (VACANT):

Description	Parcel Address	Map #	Lot #	Acreeage	Assessment
Lyme Plain Common	1 On The Common	201	28	1.40	\$23,200
Big Rock Nature Preserve	18 Market Street	201	31.2000	9.99	\$38,000
Big Rock Nature Preserve	20 Union Street	201	47	12.82	\$220,200
Little Common	39 Union Street	201	59	0.38	\$14,700
Land Under Horsesheds	6 John Thomson Way	201	93.100	0.16	\$30,200
Land on Wilmott Way	30 Wilmott Way	401	62	1.30	\$9,000
Land on Hewes Brook	39 Shoestrap Road	402	39	1.80	\$11,100
Hewes Brook Nature Preserve	111 River Road	402	89	1.00	\$22,700
Land on Orford Road	263 Orford Road	406	1	8.80	\$25,100
Lyme Town Forest	85 Orfordville Road	406	30	372.00	\$491,500
Land adjoining Post Pond	105 Orford Road	407	4	2.2	\$36,100
Chaffee Wildlife Sanctuary	115 Orford Road	407	5.2000	21.02	\$99,900
Land on Mud Turtle Pond Road	36 Mud Turtle Pond Road	407	77	70.00	\$93,000
Land on Post Pond Lane	92 Post Pond Lane	408	12	19.60	\$108,000
Junction of Franklin/Acorn Hill Roads	171 Acorn Hill Road	408	68	0.04	\$300
Land on Canaan Ledge Lane	17 Canaan Ledge Lane	413	19	2.70	\$16,900
Land on Canaan Ledge Lane	25 Canaan Ledge Lane	413	20	16.00	\$60,800
Land on Dorchester Road	379 Dorchester Road	414	39	0.54	\$4,500
Trout Pond Forest	4 Trout Pond Lane	415	3	385.40	\$733,900
Reservoir Pond Access	637 Dorchester Road	421	1	0.37	\$70,600

SUMMARY	Acreeage	Assessment
Buildings w/Land	21.47	\$4,188,800
Cemeteries	11.20	\$527,500
Land (Vacant)	927.52	\$2,109,700
GRAND TOTALS:	960.19	\$6,826,000

*Land Owned by Upper Valley Land Trust

TITLE LXIV PLANNING AND ZONING

CHAPTER 674 LOCAL LAND USE PLANNING AND REGULATORY POWERS

Regulation of Subdivision of Land

Section 674:39-aa

674:39-aa Restoration of Involuntarily Merged Lots. –

I. In this section:

(a) "Involuntary merger" and "involuntarily merged" mean lots merged by municipal action for zoning, assessing, or taxation purposes without the consent of the owner.

(b) "Owner" means the person or entity that holds legal title to the lots in question, even if such person or entity did not hold legal title at the time of the involuntary merger.

(c) "Voluntary merger" and "voluntarily merged" mean a merger under RSA 674:39-a, or any overt action or conduct that indicates an owner regarded said lots as merged such as, but not limited to, abandoning a lot line.

II. Lots or parcels that were involuntarily merged prior to September 18, 2010 by a city, town, county, village district, or any other municipality, shall at the request of the owner, be restored to their premerger status and all zoning and tax maps shall be updated to identify the premerger boundaries of said lots or parcels as recorded at the appropriate registry of deeds, provided:

(a) The request is submitted to the governing body prior to December 31, 2016.

(b) No owner in the chain of title voluntarily merged his or her lots. If any owner in the chain of title voluntarily merged his or her lots, then all subsequent owners shall be estopped from requesting restoration. The municipality shall have the burden of proof to show that any previous owner voluntarily merged his or her lots.

III. All decisions of the governing body may be appealed in accordance with the provisions of RSA 676.

IV. Any municipality may adopt local ordinances, including ordinances enacted prior to the effective date of this section, to restore previously merged properties that are less restrictive than the provisions in paragraph I and II.

V. The restoration of the lots to their premerger status shall not be deemed to cure any non-conformity with existing local land use ordinances.

VI. Municipalities shall post a notice informing residents that any involuntarily merged lots may be restored to premerger status upon the owner's request. Such notice shall be posted in a public place no later than January 1, 2012 and shall remain posted through December 31, 2016. Each municipality shall also publish the same or similar notice in its 2011 through 2015 annual reports.

Source. 2011, 206:4, eff. July 24, 2011.

DEPARTMENT OF REVENUE ADMINISTRATION
Municipal Services Division
2012 Tax Rate Calculation

D. W. Hab
10/26/12

TOWN/CITY: LYME

No Audit Received - RSA 41:31-d

Gross Appropriations	3,060,484
Less: Revenues	1,424,371
	0
Add: Overlay (RSA 76:6)	16,347
War Service Credits	40,500

Net Town Appropriation	1,692,960
Special Adjustment	0

Approved Town/City Tax Effort	1,692,960
-------------------------------	-----------

TOWN RATE
5.24

SCHOOL PORTION

Net Local School Budget:			
Gross Approp. - Revenue	5,560,547	471,234	5,089,313
Regional School Apportionment			0
Less: Education Grant			(227,916)

Education Tax (from below)	(767,237)
Approved School(s) Tax Effort	4,094,160

LOCAL SCHOOL RATE
12.65

EDUCATION TAX

Equalized Valuation(no utilities) x	\$2.390
321,019,665	767,237
Divide by Local Assessed Valuation (no utilities)	
319,124,023	

STATE SCHOOL RATE
2.40

COUNTY PORTION

Due to County	522,203
	0

Approved County Tax Effort	522,203
----------------------------	---------

COUNTY RATE
1.61

Total Property Taxes Assessed	7,076,560
Less: War Service Credits	(40,500)
Add: Village District Commitment(s)	0
Total Property Tax Commitment	7,036,060

TOTAL RATE
21.90

PROOF OF RATE

Local Assessed Valuation		Tax Rate	Assessment
Education Tax (no utilities)	319,124,023	2.40	767,237
All Other Taxes	323,623,723	19.50	6,309,323
			7,076,560

TRC#
45

TRC#
45

NH DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL SERVICES DIVISION
P.O. BOX 487, CONCORD, NH 03302-0487
(603)271-3397

TAX COLLECTOR'S REPORT

Municipality of LYME NH _____ Year Ending 12/31/12 _____

DEBITS

UNCOLLECTED TAXES BEG. OF YEAR*		Levy for Year of this Report 2012	PRIOR LEVIES (PLEASE SPECIFY YEARS)			
			2011	2010		
Property Taxes	#3110		397,433.49			
Resident Taxes	#3180					
Land Use Change	#3120		2,000.00			
Yield Taxes	#3185		1,064.64			
Excavation Tax @ \$.02/yd	#3187					
Utility Charges	#3189					
Property Tax Credit Balance**		< >				
Other Tax or Charges Credit Balance**		< >				
TAXES COMMITTED THIS YEAR				For DRA Use Only		
Property Taxes	#3110	7,034,436.51				
Resident Taxes	#3180					
Land Use Change	#3120	88.60				
Yield Taxes	#3185	21,640.01				
Excavation Tax @ \$.02/yd	#3187					
Utility Charges	#3189					
OVERPAYMENT REFUNDS						
Property Taxes	#3110	26,403.69	4,313.74			
Resident Taxes	#3180					
Land Use Change	#3120					
Yield Taxes	#3185					
Excavation Tax @ \$.02/yd	#3187					
Interest - Late Tax	#3190	766.47	15,347.42			
Resident Tax Penalty	#3190					
TOTAL DEBITS		7,083,335.28	420,159.29	\$	\$	

*This amount should be the same as the last year's ending balance. If not, please explain.

**Enter as a negative. This is the amount of this year's amounts pre-paid last year as authorized by RSA 80:52-a.

**The amount is already included in the warrant & therefore in line #3110 as positive amount for this year's levy.

TAX COLLECTOR'S REPORT

Municipality of LYME, NH _____ Year Ending 12/31/12 _____

CREDITS

REMITTED TO TREASURER	Levy for Year of This Report	PRIOR LEVIES (PLEASE SPECIFY YEARS)		
		2011		
Property Taxes	6,593,903.16	241,359.88		
Resident Taxes				
Land Use Change	88.60	2,000.00		
Yield Taxes	19,169.73	1,064.64		
Interest (include lien conversion)	766.47	15,347.42		
Penalties				
Excavation Tax @ \$.02/yd				
Utility Charges				
Conversion to Lien (principal only)		154,357.19		
DISCOUNTS ALLOWED				
ABATEMENTS MADE				
Property Taxes	8,188.29	6,030.16		
Resident Taxes				
Land Use Change				
Yield Taxes	2,470.28			
Excavation Tax @ \$.02/yd				
Utility Charges				
CURRENT LEVY DEEDED				
UNCOLLECTED TAXES - END OF YEAR #1080				
Property Taxes	458,748.75	0.00		
Resident Taxes				
Land Use Change	0.00	0.00		
Yield Taxes	0.00	0.00		
Excavation Tax @ \$.02/yd				
Utility Charges				
Property Tax Credit Balance**				
Other Tax or Charges Credit Balance**	< >			
TOTAL CREDITS	7,083,335.28	420,159.29		

**Enter as a negative. This is the amount of taxes pre-paid for next year as authorized by RSA 80:52-a (Be sure to include a positive amount in the appropriate taxes or charges actually remitted to the treasurer).

TAX COLLECTOR'S REPORT

Municipality of LYME, NH Year Ending 12/31/12

		DEBITS		
		Last Year's Levy	PRIOR LEVIES (PLEASE SPECIFY YEARS)	
		2011	2010	2009
Unredeemed Liens Balance - Beg. Of Year			107,521.50	50,509.99
Liens Executed During Fiscal Year		163,003.09		
Interest & Costs Collected (After Lien Execution)		1,887.46	11,246.99	8,855.47
TOTAL DEBITS		164,890.55	118,768.49	59,365.46
		CREDITS		
		Last Year's Levy	PRIOR LEVIES (PLEASE SPECIFY YEARS)	
		2011	2010	2009
Redemptions		49,574.35	75,439.33	46,383.48
Interest & Costs Collected (After Lien Execution)	#3190	1,887.46	11,246.99	8,855.47
Abatements of Unredeemed Liens		12,375.30	3,584.27	4,126.51
Liens Deeded to Municipality				
Unredeemed Liens Balance - End of Year	#1110	101,053.44	28,497.90	0.00
TOTAL CREDITS		164,890.55	118,768.49	59,365.46
Does your municipality commit taxes on a semi-annual basis (RSA 76:15-a) ?				NO
Under penalties of perjury, I declare that I have examined the information contained in this form and to the best of my belief it is true, correct and complete.				
TAX COLLECTOR'S SIGNATURE			DATE	

**REPORT OF THE TOWN CLERK
ANNUAL REPORT 2012**

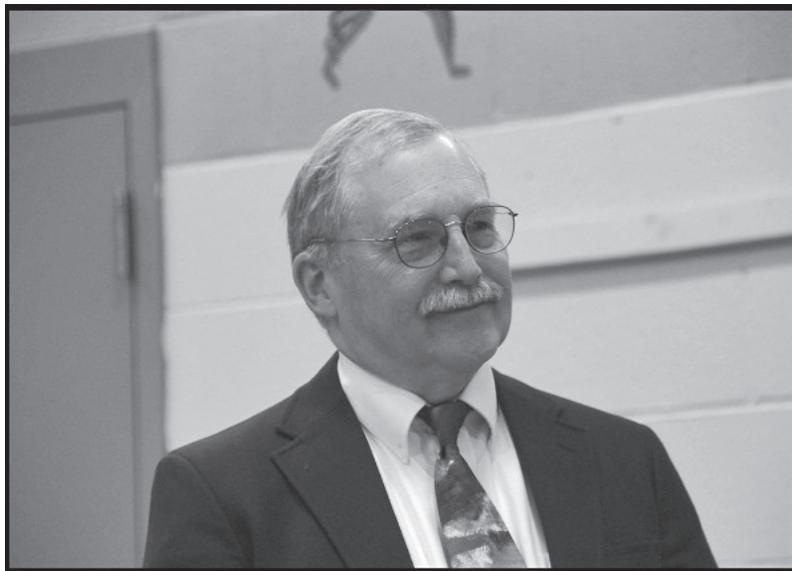
Auto Registration Fees	\$290,715.16
Dog Licenses and Penalties	\$ 1,398.50
Fees	\$ 10,098.50
Miscellaneous	\$ 3,250.05
Phone Books	\$ 772.00
Transfer Station Inventory (Town Clerk sales only)	\$ 8,723.00
Fees to the State of New Hampshire	\$ 2,130.50
TOTAL REVENUE	\$317,087.71

The excitement and busyness in 2012 centered on what seemed to be an endless stream of election activity. New federal election law procedures prompted attendance by election officials at meetings held by the state to learn about these new changes and how to manage them. These complicated and frustrating changes affected everyone associated with running the elections and those voting. Thanks to all for their patience and efforts.

The 2012 Lyme Phone Book sold out. Watch for the 2013 edition to be available around Town Meeting time.

The Town Clerk's office provides many services including car registrations, dog licenses, birth, death and marriage certificates, notary services and general town information. We welcome your business and your visit!

A special thanks to Bill Waste as he retired from being our Town Moderator. And a warm welcome to Kevin Peterson, who started his run as Moderator with one of the toughest elections ever!



Bill Waste - Town Moderator 1998 ~ 2012

(Photo: Paul Klee)

Report of the Treasurer for the calendar year ending December 31, 2012

Summary of Activity

Cash on Hand January 1, 2012	\$	3,230,141.79
Debits (including investment transfers)	\$	11,162,508.91
Credits (including investment transfers)	\$	<u>12,278,039.92</u>
Cash on Hand December 31, 2012	\$	2,114,610.78

Note:

The Grafton County Tax was \$522,203.00

The Tax Anticipation Note (line of credit) was \$3,000,000.00

Balance Sheet

Assets

Cash in hands of Treasurer (General Fund)		
Mascoma Savings Bank	\$	2,061,424.42
Ledyard National Bank	\$	<u>53,186.36</u>
	\$	2,114,610.78
Uncollected Taxes		
Property Tax 2012	\$	458,748.75
Yield Tax 2012	\$	<u>-</u>
	\$	458,748.75
Unredeemed Taxes		
Levy of 2010	\$	28,497.90
Levy of 2011	\$	<u>101,053.44</u>
	\$	129,551.34
Reserve for Uncollectible Accounts	\$	(25,000.00)
December receipts dated 12/12, deposited in 2013	\$	<u>54,894.43</u>
Total Assets	\$	2,732,805.30

Liabilities and Fund Equity

Accounts Owed by the Town		
School District Taxes Payable	\$	1,911,397.00
Payments made in 2013 for 2012	\$	44,243.11
Other Liabilities	\$	<u>23,456.14</u>
Total Liabilities	\$	1,979,096.25

Unassigned Fund Balance \$ 724,283.62

Assigned Fund Balance

Town Forest Maintenance Fund (see report)	\$	12,617.28
Reserve for Recreation Revolving Fund	\$	8,580.24
Reserve for Independence Day Special Revenue Fund	\$	6,834.16
Fire Fighter Safety Equipment CRF	\$	<u>1,393.75</u>
	\$	<u>29,425.43</u>

Total Liabilities & Fund Equity \$ **2,732,805.30**

Conservation Fund

2012 Summary of Treasurer's Report

ACTIVITY	TOTAL COMBINED	CURRENT USE	CHAFFEE WILDLIFE	EASEMENT MONITORING	NRI BOOK REVENUE
Interest	188.86	181.29	1.91	5.66	
Current Use deposits	7,340.01	7,340.01			
Easement deposits	200.00			200.00	
Net Activity	7,728.87	7,521.30	1.91	205.66	0.00
Beginning Balance	185,835.92	179,385.44	\$861.80	5,278.68	310.00
Ending Balance	\$193,564.79	\$186,906.74	\$863.71	\$5,484.34	\$310.00

Town Forest Maintenance Fund

2012 Summary of Treasurer's Report

Balance as of 1/1/2012	\$ 12,595.24
Interest	\$ 22.04
Balance as of 12/31/2012	\$ 12,617.28

Independence Day Fund

2012 Summary of Treasurer's Report

Balance as of 1/1/2012	\$ 8,452.30
Revenues	\$ 5,291.75
Expenses	\$ 6,921.83
Interest	\$ 11.94
Balance as of 12/31/2012	\$ 6,834.16

Recreation Fund

2012 Summary of Treasurer's Report

Balance as of 1/1/2012	\$ 7,447.62
Revenues	\$ 13,883.50
Expenses	\$ 12,765.87
Interest	\$ 14.99
Balance as of 12/31/2012	\$ 8,580.24

Recreational Field Fund

2012 Summary of Treasurer's Report

Balance as of 1/1/2012	\$ 47277.97
Revenues	\$ -
Expenses	\$ 47277.97
Balance as of 12/31/2012	\$ -



Recreation Field under construction in the Fall of 2012

REPORT OF THE TOWN TRUSTEES

AS OF DECEMBER 31, 2012

SCHOOL TRUST (1918)

a. PRINCIPAL ACCOUNT

Balance (Cost Basis) 1/1/2012	\$	94,770.08
Realized Capital Gain	\$	1,485.24
Balance (Cost Basis) 12/31/2012	\$	<u>96,255.32</u>
<i>Net Unrealized Capital Gain/Loss</i>	\$	<u>32,011.26</u>
<i>Fidelity Statement Balance as of 12/31/2012</i>	\$	128,266.58

b. INCOME AND EXPENSE ACCOUNT

Investment Income	\$	2,231.46
Expense (to Lyme School)	\$	2,231.46

LIBRARY TRUST (1960)

a. PRINCIPAL ACCOUNT

Balance (Cost Basis) 1/1/2012	\$	67,029.81
Realized Capital Gain	\$	1,109.17
Balance (Cost Basis) 12/31/2012	\$	<u>68,138.98</u>
<i>Net Unrealized Capital Gain/Loss</i>	\$	<u>9,705.70</u>
<i>Fidelity Statement Balance as of 12/31/2012</i>	\$	77,844.68

b. INCOME AND EXPENSE ACCOUNT

Investment Income	\$	2,416.65
Expense (to Lyme Library)	\$	2,416.65

CEMETERY TRUST (1903)

a. PRINCIPAL ACCOUNT

Balance (Cost Basis) 1/1/2012	\$	540,580.31
Realized Capital Gain	\$	8,774.33
Balance (Cost Basis) 12/31/2012	\$	<u>549,354.64</u>
<i>Net Unrealized Capital Gain/Loss</i>	\$	<u>183,271.34</u>
<i>Fidelity Statement Balance as of 12/31/2012</i>	\$	732,625.98

b. INCOME AND EXPENSE ACCOUNT

	Balance 1/1/2012	\$	106,707.32
Investment Income - Principal		\$	12,766.99
Investment Income - Income		\$	120.42
Withdrawals		\$	(18,285.00)
	Balance 12/31/2012	\$	<u>101,309.73</u>

EMERGENCY MAJOR EQUIPMENT REBUILDING TRUST FUND (1986)

	Balance 1/1/2012	\$	10,120.07
Deposits		\$	20,000.00
Income		\$	11.01
Withdrawals		\$	(3,290.98)
	Balance 12/31/2012	\$	<u>26,840.10</u>

CEMETERY GENERAL MAINTENANCE TRUST FUND (1986)

	Balance (Cost Basis) 1/1/2012	\$	9,811.60
Realized Capital Gain		\$	-
	Balance (Cost Basis) 12/31/2012	\$	9,811.60
Deposits		\$	-
Income		\$	(154.65)
Withdrawals		\$	-
		\$	<u>9,656.95</u>
<i>Net Unrealized Gain/Loss</i>		\$	<u>1,622.45</u>
<i>Fidelity Balance</i>		\$	11,279.40
<i>Bank Cash Balance</i>		\$	<u>1,013.86</u>
	Balance 12/31/2012	\$	12,293.26

BESSIE HALL TRUST (FIRE DEPARTMENT) (1983 and 1987)

	Balance 1/1/2012	\$	12,455.95
Deposits		\$	6,800.87
Income		\$	13.43
Withdrawals		\$	(12,455.95)
	Balance 12/31/2012	\$	<u>6,814.30</u>

TROUT POND MANAGEMENT AREA TRUST (1998)

	Balance 1/1/2012	\$	11,125.60
Deposits		\$	-
Income		\$	9.32
Withdrawals		\$	(4,874.72)
	Balance 12/31/2012	\$	<u>6,260.20</u>

TOWN OF LYME CAPITAL RESERVE FUNDS

COMPUTER SYSTEM UPGRADE CAPITAL RESERVE FUND (2000)

	Balance 1/1/2012	\$	17,417.29
Deposits		\$	-
Income		\$	19.01
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>17,436.30</u>

BRIDGE RESERVE FUND (1956)

	Balance 1/1/2012	\$	102,634.70
Deposits		\$	225,000.00
Income		\$	191.24
Withdrawals		\$	(81,500.00)
	Balance 12/31/2012	\$	<u>246,325.94</u>

PROPERTY REAPPRAISAL FUND (1985)

	Balance 1/1/2012	\$	79,165.21
Deposits		\$	-
Income		\$	60.29
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>79,225.50</u>

HEAVY EQUIPMENT FUND (1988)

	Balance 1/1/2012	\$	347,010.21
Deposits		\$	48,214.00
Income		\$	378.31
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>395,602.52</u>

Trustee of Trust Funds

12/31/2012

VEHICLE CAPITAL RESERVE FUND (1988)(MBNA 0013)

	Balance 1/1/2012	\$	123,458.27
Deposits		\$	102,174.00
Income		\$	135.26
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>225,767.53</u>

SPECIAL EDUCATION RESERVE FUND (1987)

	Balance 1/1/2012	\$	228,090.25
Deposits		\$	26,505.97
Income		\$	190.63
Withdrawals		\$	<u>(85,000.00)</u>
	Balance 12/31/2012	\$	169,786.85

HIGH SCHOOL TUITION EXPENDABLE FUND (1995)

	Balance 1/1/2012	\$	606,610.42
Deposits		\$	-
Income		\$	572.18
Withdrawals		\$	<u>(121,000.00)</u>
	Balance 12/31/2012	\$	486,182.60

NEW CEMETERY FUND (1988)

	Balance 1/1/2012	\$	16,449.20
Deposits		\$	1,600.00
Income		\$	18.24
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>18,067.44</u>

PUBLIC LAND ACQUISITION CAPITAL RESERVE FUND (1997)

	Balance 1/1/2012	\$	35,053.04
Deposits		\$	-
Income		\$	38.22
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>35,091.26</u>

EMERGENCY HIGHWAY REPAIR FUND (1997)

	Balance 1/1/2012	\$	69.45
Deposits		\$	50,000.00
Income		\$	0.32
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>50,069.77</u>

PUBLIC WORKS FACILITY RESERVE FUND (1997)

	Balance 1/1/2012	\$	19,667.81
Deposits		\$	-
Income		\$	21.50
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>19,689.31</u>

MAINTENANCE SCHOOL BUILDING FUND (1998)

	Balance 1/1/2012	\$	92,890.82
Deposits		\$	-
Income		\$	93.09
Withdrawals		\$	(10,000.00)
	Balance 12/31/2012	\$	<u>82,983.91</u>

FIRE FIGHTING SAFETY EQUIPMENT FUND (NEW FUND) (2002)

	Balance 1/1/2012	\$	71,259.96
Deposits		\$	-
Income		\$	77.71
Withdrawals		\$	(2,606.25)
	Balance 12/31/2012	\$	<u>68,731.42</u>

OTHER FUNDS

SUBSTANCE ABUSE EDUCATION FUND (1989)

	Balance 1/1/2012	\$	6,823.01
Deposits		\$	-
Income		\$	7.10
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>6,830.11</u>

TROUT POND FUND (1998)

	Balance 1/1/2012	\$	15,863.76
Deposits		\$	-
Income		\$	17.31
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>15,881.07</u>

BLISTERS FOR BOOKS EXPENDABLE TRUST FUND (2007)

	Balance 1/1/2012	\$	488.44
Deposits		\$	6,003.00
Income		\$	-
Withdrawals		\$	(5,815.59)
	Balance 12/31/2012	\$	<u>675.85</u>

CEMETERY MAINTENANCE GIFTS & DONATIONS FUND (2000)

	Balance 1/1/2012	\$	18,589.16
Deposits		\$	-
Income		\$	20.16
Withdrawals		\$	(1,100.00)
	Balance 12/31/2012	\$	<u>17,509.32</u>

TOWN BUILDINGS MAJOR MAINTENANCE & REPAIR TRUST FUND (2005)

	Balance 1/1/2012	\$	35,881.55
Deposits		\$	10,000.00
Income		\$	38.56
Withdrawals		\$	(32,253.05)
	Balance 12/31/2012	\$	<u>13,667.06</u>

TOWN POOR EXPENDABLE TRUST (2006)

	Balance 1/1/2012	\$	4,542.49
Deposits		\$	35,000.00
Income		\$	6.14
Withdrawals		\$	(28,588.99)
	Balance 12/31/2012	\$	<u>10,959.64</u>

RECREATION FACILITY FUND (2009)

	Balance 1/1/2012	\$	8,288.94
Deposits		\$	61,000.00
Income		\$	53.22
Withdrawals		\$	(13,029.75)
	Balance 12/31/2012	\$	<u>56,312.41</u>

SCHOOL ENROLLMENT RESPONSE CRF (2010)

	Balance 1/1/2012	\$	50,002.22
Deposits		\$	50,000.00
Income		\$	57.92
Withdrawals		\$	-
	Balance 12/31/2012	\$	<u>100,060.14</u>

Reviewed and Approved, this 10 th day
of February, 2013, by:



V. Blake Allison, III, Trustee



Marlene Green, Trustee



Peter Glenshaw, Trustee

Trustee of Trust Funds
12/31/2012