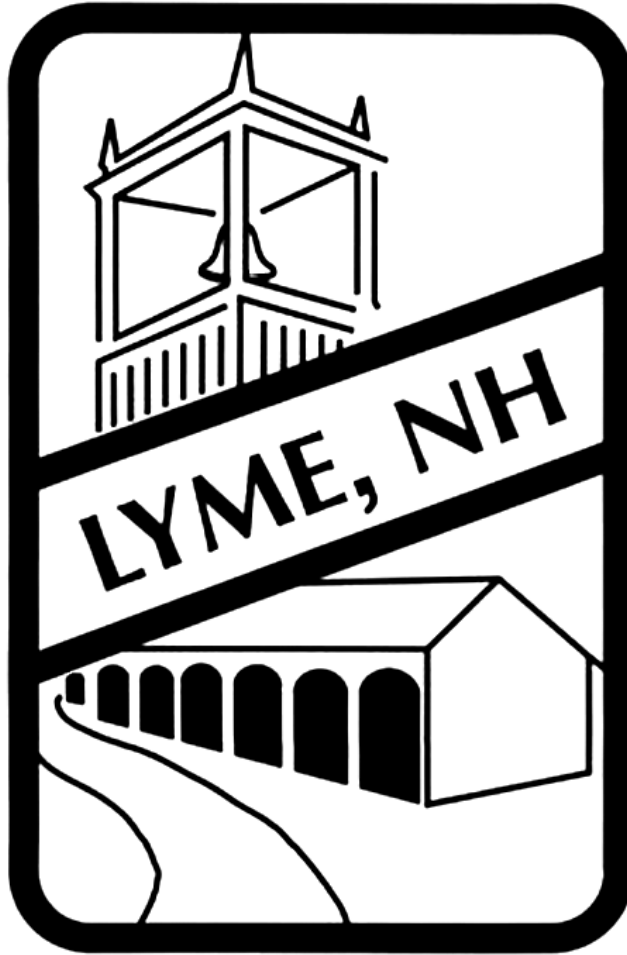


TOWN OF LYME



FINANCIAL REPORTS 2011

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

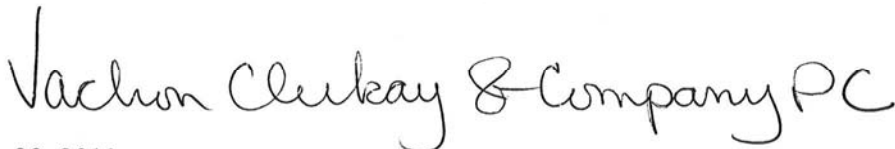
To the Board of Selectmen
Town of Lyme, New Hampshire

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, 2010, 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 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.



October 20, 2011

February 13, 2012

Board of Selectmen
Town of Lyme
PO Box 126
Lyme, NH 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, 2011 financial statements by May 15, 2012. Unless we encounter circumstances beyond our control, the completed reports will be available no later than June 30, 2012.

Very truly yours,

Vachon Clukay & Company PC

TOWN OF LYME, NEW HAMPSHIRE

Financial Statements

December 31, 2010

and

Independent Auditor's Report

TOWN OF LYME, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2010

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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, 2010, 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, 2010, 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, 2010, 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.

The management's discussion and analysis and the budgetary comparison information on pages i-v and 21-23, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited

procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lyme, New Hampshire's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Vachon Clukay & Company PC

October 20, 2011

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2010

Presented herewith please find the Management Discussion & Analysis Report for the Town of Lyme for the year ending December 31, 2010. 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 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 fiscal 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, 2010

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 several individual government 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, Capital Reserve 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.

The Town adopts an annual appropriation budget for its governmental funds. A budgetary comparison has been provided for the General Fund to demonstrate compliance with this budget.

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.

Government-Wide Financial Analysis

Statement of Net Assets

Net assets of the Town of Lyme as of December 31, 2010 and 2009 are as follows:

	Governmental Activities	
	<u>2010</u>	<u>2009</u>
Current and other assets:		
Capital assets (net)	\$ 4,591,329	\$ 4,468,551
Other assets	<u>5,197,655</u>	<u>4,966,434</u>
Total assets	<u>9,788,984</u>	<u>9,434,985</u>

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2010

	Governmental Activities	
	<u>2010</u>	<u>2009</u>
Long-term and other liabilities:		
General obligation bonds payable	1,160,000	1,230,000
Compensated absences	-	32,772
Other liabilities	<u>1,873,135</u>	<u>1,546,614</u>
Total liabilities	<u>3,033,135</u>	<u>2,809,386</u>
Net assets:		
Invested in capital assets, net of related debt	3,400,249	3,198,425
Restricted	1,856,462	1,791,560
Unrestricted	<u>1,499,138</u>	<u>1,635,614</u>
Total net assets	<u>\$ 6,755,849</u>	<u>\$ 6,625,599</u>

Statement of Activities

Change in net assets for the year ending December 31, 2010 and 2009 are as follows:

	Governmental Activities	
	<u>2010</u>	<u>2009</u>
Program revenues:		
Charges for services	\$ 89,362	\$ 99,220
Operating grants and contributions	97,795	116,612
Capital grants and contributions	<u>14,223</u>	
Total program revenues	<u>201,380</u>	<u>215,832</u>
General revenues:		
Property and other taxes	1,486,105	1,712,034
Licenses and permits	295,570	293,994
Intergovernmental revenue	75,859	80,496
Interest and investment earnings (loss)	101,113	157,144
Miscellaneous	<u>45,661</u>	<u>295,247</u>
Total general revenues	<u>2,004,308</u>	<u>2,538,915</u>
Total revenues	<u>2,205,688</u>	<u>2,754,747</u>
Program expenses:		
General government	588,712	590,871
Public safety	342,347	365,005
Highways and streets	726,132	739,746
Health and welfare	51,219	49,907
Sanitation	68,269	81,120
Culture and recreation	242,216	295,072
Interest and fiscal charges	<u>56,543</u>	<u>63,489</u>
Total expenses	<u>2,075,438</u>	<u>2,185,210</u>
Change in net assets	130,250	569,537
Net assets - beginning of year	<u>6,625,599</u>	<u>6,056,062</u>
Net assets - ending of year	<u>\$ 6,755,849</u>	<u>\$ 6,625,599</u>

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2010

Town of Lyme Governmental Activities

As shown in the above statement the Town experienced a favorable change in financial position of \$130,250 on the full accrual basis of accounting.

Financial Analysis of the Town's Funds

The General Fund shows a fund balance of \$895,643. This represents a decrease in fund balance of \$234,902 from the prior year.

The Capital Reserve funds recorded net operating transfers of \$638 which contributed to the fund's \$2,153 increase in fund balance.

The Permanent Fund's fund balance increased by \$67,734, to a year end balance of \$868,287. This was mostly due to the increase in the market values of investments.

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 \$56,560. This is primarily due to higher revenues than anticipated from the charges from services of \$30,111.

The Town under expended its budget by \$106,711. This year there were a number of departments that under spent their budget.

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, 2010 is \$5,378,039. Accumulated depreciation amounts to \$786,710, leaving a net book value of \$4,591,329. Major capital asset additions in FY 2010 consisted of two highway trucks and a police vehicle. See Note 6 in the Notes to the Basic Financial Statements for a summary of all capital assets.

Long-Term Obligations

During FY 2010, 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

TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2010

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 town buildings maintenance fund will require 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 is facing a possible depletion of the unreserved fund balance due to the washout of a 1000' section of River Road. The estimated of fixing this washout by our engineers is just over 1 million dollars.

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, 2010

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,684,054
Investments	1,860,892
Taxes receivable, net	639,143
Accounts receivable	5,674
Due from other governments	7,892
Total Current Assets	<u>5,197,655</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	1,476,491
Depreciable capital assets, net	3,114,838
Total Noncurrent Assets	<u>4,591,329</u>
Total Assets	<u>\$ 9,788,984</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 59,310
Accrued expenses	46,972
Deferred revenue	19,427
Due to other governments	1,716,346
Current portion of deferred bond premium	3,643
Current portion of bonds payable	70,000
Total Current Liabilities	<u>1,915,698</u>
Noncurrent Liabilities:	
Deferred bond premium	27,437
Bonds payable	1,090,000
Total Noncurrent Liabilities	<u>1,117,437</u>
Total Liabilities	<u>3,033,135</u>
NET ASSETS	
Invested in capital assets, net of related debt	3,400,249
Restricted	1,856,462
Unrestricted	1,499,138
Total Net Assets	<u>6,755,849</u>
Total Liabilities and Net Assets	<u>\$ 9,788,984</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, 2010

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	\$ 588,712	\$ 3,214			\$ (585,498)
Public safety	342,347	1,921	\$ 7,578	\$ 9,223	(323,625)
Highways and streets	726,132	1,978	90,217	5,000	(628,937)
Sanitation	68,269	46,233			(22,036)
Health and welfare	51,219				(51,219)
Culture and recreation	242,216	36,016			(206,200)
Debt service	56,543				(56,543)
Total governmental activities	<u>\$ 2,075,438</u>	<u>\$ 89,362</u>	<u>\$ 97,795</u>	<u>\$ 14,223</u>	<u>(1,874,058)</u>
General revenues:					
Property and other taxes					1,486,105
Licenses and permits					295,570
Grants and contributions:					
Rooms and meals tax distribution					75,859
Interest and investment earnings					101,113
Miscellaneous					45,661
Total general revenues					2,004,308
Change in net assets					130,250
Net assets - beginning					6,625,599
Net assets - ending					<u>\$ 6,755,849</u>

See accompanying notes to the basic financial statements

EXHIBIT C
TOWN OF LYME, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2010

	General Fund	Capital Reserve Funds	Permanent Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,465,692	\$ 764	\$ 2,909	\$ 214,689	\$ 2,684,054
Investments		782,027	887,389	191,476	1,860,892
Taxes receivable, net	639,143				639,143
Accounts receivable	3,358	2,316			5,674
Due from other governments	5,792			2,100	7,892
Due from other funds	22,924	19		26,508	49,451
Total Assets	<u>\$ 3,136,909</u>	<u>\$ 785,126</u>	<u>\$ 890,298</u>	<u>\$ 434,773</u>	<u>\$ 5,247,106</u>
LIABILITIES					
Accounts payable	\$ 48,414			\$ 10,896	\$ 59,310
Accrued expenses	26,070				26,070
Deferred revenue	426,837				426,837
Due to other governments	1,716,346				1,716,346
Due to other funds	23,599	\$ 3,086	\$ 22,011	755	49,451
Total Liabilities	<u>2,241,266</u>	<u>3,086</u>	<u>22,011</u>	<u>11,651</u>	<u>2,278,014</u>
FUND BALANCES					
Reserved for encumbrances	24,856				24,856
Reserved for endowments			747,400		747,400
Reserved for Town forest	12,550				12,550
Unreserved, reported in:					
General fund	858,237				858,237
Special revenue funds		782,040		421,758	1,203,798
Capital project fund				1,364	1,364
Permanent funds			120,887		120,887
Total Fund Balances	<u>895,643</u>	<u>782,040</u>	<u>868,287</u>	<u>423,122</u>	<u>2,969,092</u>
Total Liabilities and Fund Balances	<u>\$ 3,136,909</u>	<u>\$ 785,126</u>	<u>\$ 890,298</u>	<u>\$ 434,773</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	4,591,329
Property taxes are recognized on an accrual basis in the statement of net assets, not the modified accrual basis	407,410
Deferred bond premiums are recognized on an accrual basis in the statement of net assets, not the modified accrual basis	(31,080)
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	(1,160,000)
Accrued interest on long-term obligations	(20,902)
Net assets of governmental activities	<u>\$ 6,755,849</u>

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, 2010

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, 2010

	General Fund	Capital Reserve Funds	Permanent Funds	Nonmajor Governmental Funds	Total Governmental Funds	
Revenues:						
Taxes	\$ 1,388,784			\$ 21	\$ 1,388,805	
Licenses and permits	295,570				295,570	\$ (170,017)
Intergovernmental	182,877				182,877	
Charges for services	75,611			13,751	89,362	
Interest and investment income	6,074	\$ 2,473	\$ 89,744	2,822	101,113	
Miscellaneous	21,439	4,467		16,096	42,002	
Total Revenues	1,970,355	6,940	89,744	32,690	2,099,729	
Expenditures:						
Current operations:						
General government	544,069			3,777	547,846	
Public safety	299,236				299,236	
Highways and streets	640,273			20,096	660,369	
Sanitation	65,417				65,417	
Health and welfare	23,254			27,965	51,219	
Culture and recreation	203,163			29,925	233,088	
Capital outlay	260,926	5,425		9,488	275,839	3,659
Debt service:						
Principal retirement	70,000				70,000	
Interest and fiscal charges	66,732				66,732	
Total Expenditures	2,173,070	5,425	-	91,251	2,269,746	97,300
Excess revenues over (under) expenditures	(202,715)	1,515	89,744	(58,561)	(170,017)	5,000
Other financing sources (uses):						
Transfers in	295,398	270,600		59,894	625,892	
Transfers out	(327,585)	(269,962)	(22,010)	(6,335)	(625,892)	
Total other financing sources (uses)	(32,187)	638	(22,010)	53,559	-	
Net change in fund balances	(234,902)	2,153	67,734	(5,002)	(170,017)	70,000
Fund balances at beginning of year, as restated	1,130,545	779,887	800,553	428,124	3,139,109	
Fund balances at end of year	\$ 895,643	\$ 782,040	\$ 868,287	\$ 423,122	\$ 2,969,092	1,143
Change in Net Assets of Governmental Activities						\$ 130,250

Net Change in Fund Balances--Total Governmental Funds \$ (170,017)

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. 114,119

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the gain of disposed capital assets reduced by the actual proceeds received from the sale of capital assets. 3,659

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 97,300

Donations of capital assets are not reported in the funds, but the in-kind donations increase net assets. 5,000

In the statement of activities, deferred debt bond premiums are amortized and included with interest expense. 9,046

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 70,000

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. 1,143

Change in Net Assets of Governmental Activities \$ 130,250

See accompanying notes to the basic financial statements

EXHIBIT E
TOWN OF LYME, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	Private- Purpose <u>Trust Funds</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 2,011	
Investments	<u>116,217</u>	<u>\$ 916,933</u>
Total assets	<u>\$ 118,228</u>	<u>\$ 916,933</u>
LIABILITIES		
Due to other governments	<u>\$ 2,011</u>	<u>\$ 916,933</u>
Total liabilities	<u>2,011</u>	<u>\$ 916,933</u>
NET ASSETS		
Held in trust	<u>116,217</u>	
Total net assets	<u>116,217</u>	
Total liabilities and net assets	<u>\$ 118,228</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, 2010

	<u>Private- Purpose Trust Funds</u>
ADDITIONS:	
Investment earnings:	
Realized gains on investments	\$ 2,024
Net increase in the fair value of investments	<u>12,610</u>
Total Investment Earnings	<u>14,634</u>
Total Additions	<u>14,634</u>
DEDUCTIONS:	
Benefits	<u>2,011</u>
Total Deductions	<u>2,011</u>
Change in net assets	12,623
Net assets - beginning of year	<u>103,594</u>
Net assets - end of year	<u><u>\$ 116,217</u></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, 2010

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, 2010

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 *Capital Reserve Funds* account for all financial resources of the various trust arrangements held by the Trustees of Trust Funds in which the principal and income benefit the various departments of the Town.

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.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

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 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.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

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.

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, 2010, the Town applied \$325,000 of its unappropriated fund balance to reduce taxes.

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, 2010 are recorded as receivables net of reserves for estimated uncollectibles of \$25,000.

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.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

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. 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 are to be maintained effective January 1, 2004. There have been no capitalized infrastructure improvements that have met the capitalization threshold as of December 31, 2010.

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>
Buildings and improvements	39
Vehicles and equipment	6-24

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.

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 deferred

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

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, 2010 is \$31,080.

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 Reserves

The Town reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, endowments, and the Town forest.

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.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

NOTE 3—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$321,174,600 as of April 1, 2010) and are due on December 1, 2010. 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 deeded to the Town.

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 \$4,166,346 and \$465,724 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, 2010, 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, 2010.

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

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

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, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and cash equivalents	\$ 2,684,054
Investments	1,860,892
Statement of Fiduciary Net Assets:	
Cash and cash equivalents	2,011
Investments	<u>1,033,150</u>
	<u>\$ 5,580,107</u>

Deposits and investments at December 31, 2010 consist of the following:

Deposits with financial institutions	\$ 2,768,160
Investments	<u>2,811,947</u>
	<u>\$ 5,580,107</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, 2010, for each investment type:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

<u>Investment Type</u>	<u>Not Rated</u>
State investment pool	\$ 1,713,235
Money market mutual funds	234,969
Mutual funds	863,743
	<u>\$ 2,811,947</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, \$2,390,836 was collateralized by securities held by the bank in the bank's name. As of December 31, 2010, Town investments in the following investment types were held by the same counterparty that was used to buy the securities.

<u>Investment Type</u>	<u>Reported Amount</u>
Mutual funds	\$ 863,743
Money market funds	232,618
	<u>\$ 1,096,361</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:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

	Restated Balance 01/01/10	Additions	Reductions	Balance 12/31/10
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 1,476,491			\$ 1,476,491
Total capital assets not being depreciated	<u>1,476,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,476,491</u>
Other capital assets:				
Buildings and improvements	2,190,765			2,190,765
Vehicles and equipment	<u>1,544,105</u>	<u>277,427</u>	<u>(110,749)</u>	<u>1,710,783</u>
Total other capital assets at historical cost	<u>3,734,870</u>	<u>277,427</u>	<u>(110,749)</u>	<u>3,901,548</u>
Less accumulated depreciation for:				
Buildings and improvements	(180,080)	(55,536)		(235,616)
Vehicles and equipment	<u>(562,730)</u>	<u>(90,172)</u>	<u>101,808</u>	<u>(551,094)</u>
Total accumulated depreciation	<u>(742,810)</u>	<u>(145,708)</u>	<u>101,808</u>	<u>(786,710)</u>
Total other capital assets, net	<u>2,992,060</u>	<u>131,719</u>	<u>(8,941)</u>	<u>3,114,838</u>
Total capital assets, net	<u>\$ 4,468,551</u>	<u>\$ 131,719</u>	<u>\$ (8,941)</u>	<u>\$ 4,591,329</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 34,631
Public safety	42,522
Highways and streets	63,388
Sanitation	2,852
Culture and recreation	<u>2,315</u>
Total governmental activities depreciation expense	<u>\$ 145,708</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, 2010, the balance of the property tax appropriation due to the Lyme School District is \$1,716,346.

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.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

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. 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 13.66% and 9.16% respectively, through June 30, 2010 and 14.63% and 9.16%, respectively, thereafter. The Town contributes 70% of the employer cost for public safety officers employed by the Town, and the State contributes the remaining 30% of the employer cost, through June 30, 2010 and 75% and 25%, respectively, thereafter. The Town contributes 100% of the employer cost for general employees of the Town. On-behalf fringe benefits (GASB Statement #24) contributed by the State of New Hampshire of \$5,325 have been reported as a revenue and expenditure in the General Fund of 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, 2010, 2009, and 2008 were \$51,334, \$54,611, and \$54,762, respectively, equal to the required contributions for each year.

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, 2010 are as follows:

Balance - January 1, 2010	\$ -
Additions	1,875,000
Reductions	<u>(1,875,000)</u>
Balance - December 31, 2010	<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, 2010 are as follows:

	Balance 01/01/10	Additions	Reductions	Balance 12/31/10	Due Within One Year
Governmental activities:					
Bonds payable	\$ 1,230,000		\$ 70,000	\$ 1,160,000	\$ 70,000
Total governmental activities	<u>\$ 1,230,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 1,160,000</u>	<u>\$ 70,000</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, 2010 was \$57,644 on general obligation debt for governmental activities.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

General Obligation Bonds

Bonds payable at December 31, 2010 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%	\$ 350,000
\$899,420 Municipal Building Bond due in annual installments of \$45,000 through August 2028; interest at 4-5.25%	810,000
	<u>\$ 1,160,000</u>

Debt service requirements to retire general obligation bonds outstanding at December 31, 2010 are as follows:

Year Ending December 31,	Principal	Interest	Totals
2011	\$ 70,000	\$ 55,300	\$ 125,300
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
2016-2020	350,000	151,276	501,276
2021-2025	325,000	71,506	396,506
2026-2028	135,000	12,094	147,094
	<u>\$ 1,160,000</u>	<u>\$ 476,036</u>	<u>\$ 1,636,036</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, 2010 are as follows:

	Due from				Totals
	General Fund	Capital Reserve Funds	Permanent Funds	Nonmajor Governmental Funds	
Due to:					
General Fund		\$ 3,086	\$ 19,102	\$ 736	\$ 22,924
Capital Reserve Funds				19	19
Nonmajor Governmental Funds	\$ 23,599		2,909		26,508
	<u>\$ 23,599</u>	<u>\$ 3,086</u>	<u>\$ 22,011</u>	<u>\$ 755</u>	<u>\$ 49,451</u>

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, 2010 are as follows:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

	General Fund	Capital Reserve Funds	Transfer from		Totals
			Permanent Funds	Nonmajor Governmental Funds	
Transfer to General Fund		\$ 269,962	\$ 19,101	\$ 6,335	\$ 295,398
Capital Reserve Funds	\$ 270,600				270,600
Nonmajor Governmental Funds	56,985		2,909		59,894
	<u>\$ 327,585</u>	<u>\$ 269,962</u>	<u>\$ 22,010</u>	<u>\$ 6,335</u>	<u>\$ 625,892</u>

NOTE 12—PERMANENT FUNDS

Permanent funds account for 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. Principal and income balances at December 31, 2010 are as follows:

	<u>Principal</u>	<u>Income</u>	<u>Total</u>
Cemetery Funds	\$ 663,806	\$ 115,034	\$ 778,840
Library Funds	73,594		73,594
Miscellaneous Funds	10,000	5,853	15,853
	<u>\$ 747,400</u>	<u>\$ 120,887</u>	<u>\$ 868,287</u>

NOTE 13—RESTRICTED NET ASSETS

Net assets are restricted for specific purposes as follows:

Endowments	\$ 747,400
Recreation revolving fund	3,787
Conservation fund	206,264
Capital reserve funds	782,040
Capital project fund	1,364
Independence day fund	9,089
Expendable trust funds	106,518
Total per Exhibit A	<u>\$ 1,856,462</u>

NOTE 14—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.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2010

NOTE 15— RESTATEMENT OF EQUITY

Fund Financial Statements

During the year ended December 31, 2010, it was determined that accrued expenses for short-term compensated absences were understated by \$28,742. Fund balance of the General Fund as of January 1, 2010 has been restated as follows:

Fund Balance, January 1, 2010 (as previously reported)	\$ 1,163,317
Amount of restatement due to:	
Understatement of accrued expenses	<u>(32,772)</u>
Fund Balance, January 1, 2010 - as restated	<u>\$ 1,130,545</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 1,488,844	\$ 1,488,844	\$ 1,486,084	\$ (2,760)
Licenses and permits	297,350	297,350	295,570	(1,780)
Intergovernmental	166,076	166,076	177,552	11,476
Charges for services	45,500	45,500	75,611	30,111
Interest income	8,000	8,000	6,074	(1,926)
Miscellaneous			21,439	21,439
Total Revenues	<u>2,005,770</u>	<u>2,005,770</u>	<u>2,062,330</u>	<u>56,560</u>
Expenditures:				
Current:				
General government	596,734	596,734	544,069	52,665
Public safety	296,574	296,574	293,911	2,663
Highways and streets	690,764	690,764	665,129	25,635
Sanitation	82,132	82,132	65,417	16,715
Health and welfare	23,454	23,454	23,254	200
Culture and recreation	196,224	196,224	203,163	(6,939)
Capital outlay	307,929	279,643	260,926	18,717
Debt service:				
Principal retirement	70,000	70,000	70,000	-
Interest and fiscal charges	63,787	63,787	66,732	(2,945)
Total Expenditures	<u>2,327,598</u>	<u>2,299,312</u>	<u>2,192,601</u>	<u>106,711</u>
Excess revenues over (under) expenditures	<u>(321,828)</u>	<u>(293,542)</u>	<u>(130,271)</u>	<u>163,271</u>
Other financing sources (uses):				
Transfers in	300,118	293,128	295,398	2,270
Transfers out	(327,585)	(327,585)	(327,585)	-
Total other financing sources (uses)	<u>(27,467)</u>	<u>(34,457)</u>	<u>(32,187)</u>	<u>2,270</u>
Net change in fund balance	(349,295)	(327,999)	(162,458)	165,541
Fund balance at beginning of year, as restated				
- Budgetary Basis	<u>1,440,655</u>	<u>1,440,655</u>	<u>1,440,655</u>	<u>(4,030)</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 1,095,390</u>	<u>\$ 1,116,686</u>	<u>\$ 1,278,197</u>	<u>\$ 161,511</u>

See accompanying notes to the required supplementary information

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

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 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 on-behalf payments for fringe benefits. Budgetary expenditures were also adjusted for encumbrances.

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 2,265,753	\$ 2,500,655
Difference in property taxes meeting susceptible to accrual criteria	97,300	
Encumbrances, December 31, 2010		24,856
On-behalf fringe benefits	(5,325)	(5,325)
Per Schedule 1	<u>\$ 2,357,728</u>	<u>\$ 2,520,186</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 Capital Reserve and Permanent Funds.

NOTE 2—ENCUMBRANCES

Functional encumbrances at December 31, 2010 are as follows:

Highways and streets	<u>\$ 24,856</u>
----------------------	------------------

NOTE 3—BUDGETARY FUND BALANCES

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

Unreserved:	
Designated for carryforward appropriations	\$ 21,296
Designated for subsequent years' expenditures	25,865
Undesignated	<u>1,231,036</u>
	<u>\$ 1,278,197</u>

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
December 31, 2010

NOTE 4—UNRESERVED DESIGNATED FUND BALANCES

Appropriations for certain projects and specific items not fully expended at year end are carried forward as continuing appropriations to the next year in which they supplement the appropriations of that year. At year end, continuing appropriations are reported as a component of unreserved fund balance and are detailed as follows:

Computer system upgrade	\$ 6,990
Planning publications and maps	<u>21,296</u>
	28,286
Less: revenues not susceptible to accrual	<u>(6,990)</u>
	<u>\$ 21,296</u>

SCHEDULE A
TOWN OF LYME, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Funds
December 31, 2010

	Special Revenue Funds							Capital Project Fund	Combining Totals
	Cemetery Lot Sales Fund	Converse Free Library Fund	Conservation Fund	Recreation Revolving Fund	Independence Day Fund	Expendable Trust Funds	Total Special Revenue Funds		
ASSETS									
Cash and cash equivalents		\$ 8,446	\$ 206,243			\$ 107,031	\$ 214,689		\$ 214,689
Investments		84,445					191,476		191,476
Due from other governments					\$ 9,089			\$ 2,100	2,100
Due from other funds	\$ 300	2,909	21	\$ 3,787	\$ 9,089	10,402	26,508		26,508
Total Assets	\$ 300	\$ 95,800	\$ 206,264	\$ 3,787	\$ 9,089	\$ 117,433	\$ 432,673	\$ 2,100	\$ 434,773
LIABILITIES									
Accounts payable						\$ 10,896	\$ 10,896		\$ 10,896
Due to other funds						19	19	\$ 736	755
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	10,915	10,915	736	11,651
FUND BALANCES									
Unreserved, reported in:									
Special revenue funds	300	95,800	206,264	3,787	9,089	106,518	421,758		421,758
Capital project fund								1,364	1,364
Total Fund Balances	300	95,800	206,264	3,787	9,089	106,518	421,758	1,364	423,122
Total Liabilities and Fund Balances	\$ 300	\$ 95,800	\$ 206,264	\$ 3,787	\$ 9,089	\$ 117,433	\$ 432,673	\$ 2,100	\$ 434,773

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, 2010

	Special Revenue Funds							Capital Project Fund	Combining Totals
	Cemetery Lot Sales Fund	Converse Free Library Fund	Conservation Fund	Recreation Revolving Fund	Independence Day Fund	Expendable Trust Funds	Total Special Revenue Funds		
Revenues:									
Taxes			\$ 21	\$ 13,751			\$ 21	\$ 21	\$ 21
Charges for services									13,751
Interest and investment income		\$ 1,891	609	20	\$ 49	\$ 253	2,822		2,822
Miscellaneous		8,675	453		6,968		16,096		16,096
Total Revenues	\$ -	10,566	1,083	13,771	7,017	253	32,690	\$ -	32,690
Expenditures:									
Current operations:									
General government						3,777	3,777		3,777
Highways and streets						20,096	20,096		20,096
Health and welfare						27,965	27,965		27,965
Culture and recreation		2,540		14,618	7,008	5,759	29,925		29,925
Capital outlay		3,425	338				3,763	5,725	9,488
Total Expenditures	-	5,965	338	14,618	7,008	57,597	85,526	5,725	91,251
Excess revenues over (under) expenditures	-	4,601	745	(847)	9	(57,344)	(52,836)	(5,725)	(58,561)
Other financing sources (uses):									
Transfers in		2,909							59,894
Transfers out	(350)	(5,985)				56,985	59,894		(6,335)
Total other financing sources (uses)	(350)	(3,076)	-	-	-	56,985	53,559	-	53,559
Net change in fund balances	(350)	1,525	745	(847)	9	(359)	723	(5,725)	(5,002)
Fund balances at beginning of year	650	94,275	205,519	4,634	9,080	106,877	421,035	7,089	428,124
Fund balances at end of year	\$ 300	\$ 95,800	\$ 206,264	\$ 3,787	\$ 9,089	\$ 106,518	\$ 421,758	\$ 1,364	\$ 423,122

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	8/15/05	\$508,900.00	\$28,900.00	3.00%	\$26,003.57		\$54,903.57	\$54,903.57
2	8/15/06	\$480,000.00	\$30,000.00	4.00%	\$23,575.00		\$53,575.00	\$53,575.00
3	8/15/07	\$450,000.00	\$25,000.00	5.00%	\$22,375.00		\$47,375.00	\$47,375.00
4	8/15/08	\$425,000.00	\$25,000.00	5.00%	\$21,125.00		\$46,125.00	\$46,125.00
5	8/15/09	\$400,000.00	\$25,000.00	5.00%	\$19,875.00		\$44,875.00	\$44,875.00
6	8/15/10	\$375,000.00	\$25,000.00	5.00%	\$18,625.00		\$43,625.00	\$43,625.00
7	8/15/11	\$350,000.00	\$25,000.00	5.00%	\$17,375.00	-\$438.00	\$41,937.00	\$41,937.00
8	8/15/12	\$325,000.00	\$25,000.00	5.00%	\$16,125.00	-\$438.00	\$40,687.00	
9	8/15/13	\$300,000.00	\$25,000.00	5.00%	\$14,875.00	-\$438.00	\$39,437.00	
10	8/15/14	\$275,000.00	\$25,000.00	5.00%	\$13,625.00	-\$438.00	\$38,187.00	
11	8/15/15	\$250,000.00	\$25,000.00	5.00%	\$12,375.00	-\$438.00	\$36,937.00	
12	8/15/16	\$225,000.00	\$25,000.00	5.00%	\$11,125.00	-\$438.00	\$35,687.00	
13	8/15/17	\$200,000.00	\$25,000.00	5.00%	\$9,875.00	-\$438.00	\$34,263.00	
14	8/15/18	\$175,000.00	\$25,000.00	5.00%	\$8,625.00	-\$612.00	\$33,013.00	
15	8/15/19	\$150,000.00	\$25,000.00	4.75%	\$7,375.00	-\$612.00	\$31,763.00	
16	8/15/20	\$125,000.00	\$25,000.00	4.75%	\$6,187.50		\$31,187.50	
17	8/15/21	\$100,000.00	\$25,000.00	5.00%	\$5,000.00		\$30,000.00	
18	8/15/22	\$75,000.00	\$25,000.00	5.00%	\$3,750.00		\$28,750.00	
19	8/15/23	\$50,000.00	\$25,000.00	5.00%	\$2,500.00		\$27,500.00	
20	8/15/24	\$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

20 YEAR DEBT SCHEDULE FOR TOWN OFFICES

BOND DATED 8/15/2008

AMOUNT OF LOAN

PREMIUM

TOTAL RECEIVED

\$899,420.00

\$25,580.00

\$925,000.00

BOND PAYMENT SCHEDULE FOR PUBLIC WORKS FACILITY - LOAN DATE 2008

DEBT YEAR	PERIOD	PRINCIPAL OUT- STANDING	PRINCIPAL	RATE	INTEREST	YEAR ENDING PAYMENT	PAYMENTS
1	8/15/09	\$899,420.00	\$44,420.00	4.00%	\$45,201.25	\$89,621.25	\$89,621.25
2	8/15/10	\$855,000.00	\$45,000.00	4.00%	\$40,162.50	\$85,162.50	\$85,162.50
3	8/15/11	\$810,000.00	\$45,000.00	5.00%	\$38,362.50	\$83,362.50	\$83,362.50
4	8/15/12	\$765,000.00	\$45,000.00	5.00%	\$36,112.50	\$81,112.50	
5	8/15/13	\$720,000.00	\$45,000.00	5.00%	\$33,862.50	\$78,862.50	
6	8/15/14	\$675,000.00	\$45,000.00	5.25%	\$31,500.00	\$76,500.00	
7	8/15/15	\$630,000.00	\$45,000.00	5.25%	\$29,137.50	\$74,137.50	
8	8/15/16	\$585,000.00	\$45,000.00	5.25%	\$26,775.00	\$71,775.00	
9	8/15/17	\$540,000.00	\$45,000.00	5.25%	\$24,412.50	\$69,412.50	
10	8/15/18	\$495,000.00	\$45,000.00	5.25%	\$22,050.00	\$67,050.00	
11	8/15/19	\$450,000.00	\$45,000.00	5.00%	\$19,687.50	\$64,687.50	
12	8/15/20	\$405,000.00	\$45,000.00	4.13%	\$17,437.50	\$62,437.50	
13	8/15/21	\$360,000.00	\$45,000.00	4.13%	\$15,581.26	\$60,581.26	
14	8/15/22	\$315,000.00	\$45,000.00	4.25%	\$13,725.00	\$58,725.00	
15	8/15/23	\$270,000.00	\$45,000.00	4.25%	\$11,812.50	\$56,812.50	
16	8/15/24	\$225,000.00	\$45,000.00	4.25%	\$9,900.00	\$54,900.00	
17	8/15/25	\$180,000.00	\$45,000.00	4.38%	\$7,987.50	\$52,987.50	
18	8/15/26	\$135,000.00	\$45,000.00	4.38%	\$6,018.76	\$51,018.76	
19	8/15/27	\$90,000.00	\$45,000.00	4.50%	\$4,050.00	\$49,050.00	
20	8/15/28	\$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	

FORM

MS - 1

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION

SUMMARY INVENTORY OF VALUATION

FORM MS-1 FOR 2011

Municipal Services Division

PO BOX 487, Concord, NH 03302-0487 Phone (603) 230-5950

Email Address: equalization@rev.state.nh.us

2011

Original Date: _____

Copy
(check box if copy) ☐

Revision Date: _____

CITY/TOWN OF Lyme IN Grafton COUNTY

CERTIFICATION

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 1707.03(d)(7)

PRINT NAMES OF CITY/TOWN OFFICIALS	SIGNATURES OF CITY/TOWN OFFICIALS* (Sign in ink)
Charles R. Ragan	
Simon L. Carr	
Richard A. Vidal	

*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.

Date Signed 9/1/2011 Check one: Governing Body ☐
Assessors ☐

City/Town Telephone # 603-795-4639 ext 14

Due date: September 1, 2011

Complete the above required certification by inserting the name of the city/town officials, the date on which the certificate is signed,
and have the majority of the members of the board of selectmen/assessing officials sign in ink.

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 forms 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 tab for individual items.

THIS FORM MUST BE RECEIVED BY THE DRA NO LATER THAN SEPTEMBER 1ST.

Village Districts - pages 8-9 must be completed for EACH village district within the municipality.

RETURN THIS SIGNED AND COMPLETED INVENTORY FORM TO:

N.H. DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL SERVICES DIVISION
PO BOX 487
CONCORD, NH 03302-0487

Under penalties of perjury, I declare that I have examined this form and to the best of my belief it is true, correct and complete. (If prepared by a person other than the city/town officials, this declaration is based on all information of which the preparer has knowledge.)

Preparer: _____
(Print/type)

E-Mail Address: _____

FOR DRA USE ONLY

Regular office hours: _____

See instructions (pdf link) on page 10, as needed.

MS-1
Rev. 7/2011

MS - 1

SUMMARY INVENTORY OF VALUATION

FORM MS-1 FOR 2011

PO BOX 487, (Lines 1 A, B, C, D, E, F & G List all improved and unimproved land - include wells, septic & paving. BUILDINGS Lines 2 A, B, C, D & E List all buildings.		NUMBER OF ACRES	2011 ASSESSED VALUATION BY CITY/TOWN
1 VALUE OF LAND ONLY - Exclude Amount Listed in Lines 3A, 3B and 4			
A Current Use (At Current Use Values) RSA 79-A (See page 10)		26,101.00	\$2,539,000
B Conservation Restriction Assessment (At Current Use Values) RSA 79-B		184.00	\$20,000
C Discretionary Easement RSA 79-C		0.00	\$0
D Discretionary Preservation Easement RSA 79-D		1.00	\$30,800
E Taxation of Farm Structures & Land Under Farm Structures RSA 79-F		0.00	\$0
F Residential Land (Improved and Unimproved Land)		2,382.00	\$116,903,200
G Commercial/Industrial Land (Do Not include Utility Land)		86.00	\$5,816,900
H Total of Taxable Land (Sum of Lines 1A, 1B, 1C, 1D, 1E, 1F and 1G)		28,754.00	\$125,309,900.00
I Tax Exempt & Non-Taxable Land		5,284.00	\$15,096,500
2 VALUE OF BUILDINGS ONLY - Exclude Amounts Listed on Lines 3A and 3B			
A Residential			\$181,737,100
B Manufactured Housing as defined in RSA 674:31			\$991,400
C Commercial/Industrial (DO NOT Include Utility Buildings)			\$13,218,600
D Discretionary Preservation Easement RSA 79-D	Number of Structures	11	\$99,300
E Taxation of Farm Structures & Land Under Farm Structures RSA 79-F	# of Structures	0	\$0
F Total of Taxable Buildings (Sum of lines 2A, 2B, 2C, 2D and 2E)			\$196,046,400
G Tax Exempt & Non-Taxable Buildings			\$16,014,900
3 UTILITIES (see RSA 83-F:1 V for complete definition)			
A Utilities (Real estate/buildings/structures/machinery/dynamos/apparatus/poles/wires/fixtures of all kinds and descriptions/pipelines etc.)			\$4,050,900
B Other Utilities (Total of Section B from Utility Summary)			\$0
4 MATURE WOOD and TIMBER RSA 79:5			\$0
5 VALUATION BEFORE EXEMPTIONS (Total of Lines 1H, 2F, 3A, 3B and 4) This figure represents the gross sum of all taxable property in your municipality.			\$325,407,200
6 Certain Disabled Veterans RSA 72:36-a (Paraplegic & Double Amputees Owning Specially Adapted Homesteads with V.A. Assistance)	Total # granted	0	\$0
7 Improvements to Assist the Deaf RSA 72:38-b V	Total # granted	0	\$0
8 Improvements to Assist Persons with Disabilities RSA 72:37-a	Total # granted	0	\$0
9 School Dining/Dormitory/Kitchen Exemption RSA 72:23 IV (Standard Exemption Up To \$150,000 maximum for each)	Total # granted	0	\$0
10 Water and Air Pollution Control Exemptions RSA 72:12-a	Total # granted	0	\$0
11 MODIFIED ASSESSED VALUATION OF ALL PROPERTIES (Line 5 minus Lines 6, 7, 8, 9, and 10) This figure will be used for calculating the total equalized value for your municipality.			\$325,407,200
12 Blind Exemption RSA 72:37	Total # granted	2	
	Amount granted per exemption	\$67,500	\$135,000
13 Elderly Exemption RSA 72:39-a & b	Total # granted	18	\$2,587,100
14 Deaf Exemption RSA 72:38-b	Total # granted	0	
	Amount granted per exemption	\$0	\$0
15 Disabled Exemption RSA 72:37-b	Total # granted	3	
	Amount granted per exemption	\$135,000	\$405,000

16 Wood-Heating Energy Systems Exemption RSA 72:70	Total # granted	0	\$0
17 Solar Energy Exemption RSA 72:62	Total # granted	0	\$0
18 Wind Powered Energy Systems Exemption RSA 72:66	Total # granted	0	\$0
19 Additional School Dining/Dormitory/Kitchen Exemptions RSA 72:23 IV	Total # granted	0	\$0
20 TOTAL DOLLAR AMOUNT OF EXEMPTIONS (Sum of Lines 12-19)			\$3,127,100
21 NET VALUATION ON WHICH THE TAX RATE FOR MUNICIPAL, COUNTY & LOCAL EDUCATION TAX IS COMPUTED (Line 11 minus Line 20)			\$322,280,100
22 Less Utilities (Line 3A) Do NOT include the value of OTHER utilities listed in Line 3B.			\$4,050,900
23 NET VALUATION WITHOUT UTILITIES ON WHICH TAX RATE FOR STATE EDUCATION TAX IS COMPUTED (Line 21 minus Line 22)			\$318,229,200

Additional notes (example: update, reval, changes to exemptions, mapping, increases to value, decreases to value, etc.)

SUMMARY INVENTORY OF VALUATION
FORM MS-1 FOR 2011

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 Instruction Sheets. (See instructions page 11)

WHO APPRAISES AND ESTABLISHES THE UTILITY VALUE IN YOUR MUNICIPALITY?

George Sansoucy

DOES YOUR MUNICIPALITY USE THE DRA UTILITY VALUES?YES ☐NO ☒**IF YES, DO YOU EQUALIZE IT BY THE RATIO? (please check appropriate box, if applicable)**YES ☐NO ☐**SECTION A: LIST ELECTRIC COMPANIES:**

(Attach additional sheet if needed.) (See instructions page 11)

2011

VALUATION

Trans Canada Hydro Northeast	\$115,000
NH Electric Co-operative	\$2,319,200
Public Service Co. of NH	\$1,616,200
Central VT Public Service	\$500
	\$0
	\$0
	\$0
A1 TOTAL OF ALL ELECTRIC COMPANIES LISTED IN THIS SECTION:	\$4,050,900
(See instructions page 11 for the names of the limited number of companies)	

GAS COMPANIES

	\$0
	\$0
	\$0
A2 TOTAL OF ALL GAS COMPANIES LISTED:	\$0
(See instructions page 11 for the names of the limited number of companies)	

WATER & SEWER COMPANIES

	\$0
	\$0
	\$0
A3 TOTAL OF ALL WATER & SEWER COMPANIES LISTED:	\$0
(See page 11 for the names of the limited number of companies)	

GRAND TOTAL VALUATION OF ALL A UTILITY COMPANIES (Sum of Lines A1, A2 AND A3).

This grand total of all sections must agree with the total listed on page 2, Line 3A.

\$4,050,900**SECTION B: LIST OTHER UTILITY COMPANIES (Exclude telephone companies):**

(Attach additional sheet if needed.)

2011

VALUATION

	\$0
	\$0
	\$0
TOTAL OF ALL OTHER COMPANIES LISTED IN THIS SECTION B:	\$0
Total must agree with total on page 2, line 3B.	

MS - 1

SUMMARY INVENTORY OF VALUATION
FORM MS-1 FOR 2011

TAX CREDITS	LIMITS	*NUMBER OF INDIVIDUALS	ESTIMATED TAX CREDITS
RSA 72:28 Veterans' Tax Credit / Optional Veterans' Tax Credit \$50 Standard Credit \$51 up to \$500 upon adoption by city or town	\$500	68	\$34,000
RSA 72:29-a Surviving Spouse "The surviving spouse of any person who was killed or died while on active duty in the armed forces of the United States..." \$700 Standard Credit \$701 up to \$2,000 upon adoption by city or town	\$700	0	\$0
RSA 72:35 Tax Credit for Service-Connected Total Disability "Any person who has been honorably discharged from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury...." \$700 Standard Credit \$701 up to \$2,000 upon adoption by city or town	\$2,000	3	\$6,000
TOTAL NUMBER AND AMOUNT * If both husband and/or wife qualify for the credit, they count as 2. * If someone is living at a residence such as brother & sister, and one qualifies, count as 1, not one-half.		71	\$40,000

DISABLED EXEMPTION REPORT - RSA 72:37-b

INCOME LIMITS:	SINGLE	\$30,000	ASSET LIMITS:	SINGLE	\$150,000
	MARRIED	\$40,000		MARRIED	\$150,000

DEAF EXEMPTION REPORT - RSA 72:38-b

INCOME LIMITS:	SINGLE	\$30,000	ASSET LIMITS:	SINGLE	\$150,000
	MARRIED	\$40,000		MARRIED	\$150,000

ELDERLY EXEMPTION REPORT - RSA 72:39-a

NUMBER OF FIRST TIME FILERS GRANTED ELDERLY EXEMPTION FOR CURRENT YEAR		PER AGE CATEGORY	TOTAL NUMBER OF INDIVIDUALS GRANTED AN ELDERLY EXEMPTION FOR THE CURRENT YEAR & TOTAL AMOUNT OF EXEMPTIONS GRANTED			
AGE	#	AMOUNT PER INDIVIDUAL	AGE	#	MAXIMUM ALLOWABLE EXEMPTION AMOUNT	TOTAL ACTUAL EXEMPTION AMOUNT
65-74	0	\$135,000	65-74	6	\$810,000	\$738,600
75-79	0	\$190,000	75-79	4	\$760,000	\$627,600
80+	1	\$240,000	80+	8	\$1,920,000	\$1,220,900
			TOTAL	18	\$3,490,000	\$2,587,100
INCOME LIMITS:		SINGLE	ASSET LIMITS:			SINGLE
		\$30,000				\$150,000
		MARRIED				MARRIED
		\$40,000				\$150,000

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE - RSA 79-E

ADOPTED:	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	NUMBER ADOPTED	
-----------------	-----	--------------------------	----	--------------------------	-----------------------	--

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
SUMMARY INVENTORY OF VALUATION
FORM MS-1 FOR 2011

2011

CURRENT USE REPORT - RSA 79-A				
	TOTAL NUMBER ACRES RECEIVING CURRENT USE	ASSESSED VALUATION	OTHER CURRENT USE STATISTICS	TOTAL NUMBER OF ACRES
FARM LAND	2,921.00	\$937,400	RECEIVING 20% RECREATION ADJUSTMENT	18066.00
FOREST LAND	12,953.00	\$1,208,100	REMOVED FROM CURRENT USE DURING CURRENT TAX YEAR	5.69
FOREST LAND WITH DOCUMENTED STEWARDSHIP	9,315.00	\$378,200		
UNPRODUCTIVE LAND	320.00	\$5,400		
WET LAND	592.00	\$9,900	TOTAL NUMBER OF OWNERS IN CURRENT USE	409
TOTAL (must match page 2)	26,101.00	\$2,539,000	TOTAL NUMBER OF PARCELS IN CURRENT USE	416

LAND USE CHANGE TAX			
GROSS MONIES RECEIVED FOR CALENDAR YEAR (JAN. 1, 2010 THRU DEC. 31, 2010).			\$12,501
CONSERVATION ALLOCATION:	PERCENTAGE	100%	AND/OR DOLLAR AMOUNT \$12,501
MONIES TO CONSERVATION FUND			\$12,501
MONIES TO GENERAL FUND			\$0

CONSERVATION RESTRICTION ASSESSMENT REPORT - RSA 79-B				
	TOTAL NUMBER ACRES RECEIVING CONSERVATION	ASSESSED VALUATION	OTHER CONSERVATION RESTRICTION ASSESSMENT STATISTICS	TOTAL NUMBER OF ACRES
FARM LAND	40.24	\$11,200	RECEIVING 20% RECREATION ADJUSTMENT	80.92
FOREST LAND	52.02	\$3,600	REMOVED FROM CONSERVATION RESTRICTION DURING CURRENT YEAR	0.00
FOREST LAND WITH DOCUMENTED STEWARDSHIP	88.59	\$5,100		
UNPRODUCTIVE LAND	3.00	\$100		
WET LAND	0.00	\$0	TOTAL NUMBER OF OWNERS IN CONSERVATION RESTRICTION	5
TOTAL	183.85	\$20,000	TOTAL NUMBER OF PARCELS IN CONSERVATION RESTRICTION	5

DISCRETIONARY EASEMENTS - RSA 79-C			
TOTAL NUMBER OF ACRES IN DISCRETIONARY EASEMENTS	TOTAL NUMBER OF OWNERS GRANTED DISCRETIONARY EASEMENTS	DESCRIPTION OF DISCRETIONARY EASEMENTS GRANTED: (i.e.: Golf Course, Ball Park, Race Track, etc.)	
0.00	0	DESCRIPTION	
ASSESSED VALUATION		DESCRIPTION	
\$0		DESCRIPTION	
		DESCRIPTION	
		DESCRIPTION	

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
0	0	0.00	\$0	\$0

SUMMARY INVENTORY OF VALUATION

FORM MS-1 FOR 2011

DISCRETIONARY PRESERVATION EASEMENTS - RSA 79-D Historic Agricultural Structures			
TOTAL NUMBER OF STRUCTURES IN DISCRETIONARY PRESERVATION EASEMENTS	DESCRIPTION OF DISCRETIONARY PRESERVATION EASEMENTS GRANTED: (i.e.; Barns, Silos etc.) MAP & LOT - PERCENTAGE GRANTED		
11	Barn	201-16	25%
TOTAL NUMBER OF ACRES	Barn	201-51	45%
0.53	Creamery	201-117	25%
ASSESSED VALUATION	Barn/shed	407-31	50%
\$30,800	L/O Barn	407-74	40%
\$99,300	B/O Barn & Shed	407-90	70% +25%
TOTAL NUMBER OF OWNERS	Barn	408-35	50%
9	Barn	409-13	45%
	Barn	409-49	50%

TAX INCREMENT FINANCING DISTRICTS RSA 162-K (See Tax Increment Finance Dist Tab for instructions)	TIF #1	TIF #2	TIF #3	TIF #4
Date of Adoption/Modification	mm/dd/yy	mm/dd/yy	mm/dd/yy	mm/dd/yy
A Original assessed value	\$0	\$0	\$0	\$0
B + Unretained captured assessed value	\$0	\$0	\$0	\$0
C = Amounts used on page 2 (for tax rate purposes)	\$0	\$0	\$0	\$0
D + Retained captured assessed value (<i>*be sure to manually add this figure when running your warrant</i>)	\$0	\$0	\$0	\$0
E Current assessed value	\$0	\$0	\$0	\$0

LIST REVENUES RECEIVED FROM PAYMENTS IN LIEU OF TAX Amounts listed below should not be included in assessed valuation column on page 2.	MUNICIPALITY	LIST SOURCE(S) OF PAYMENT In Lieu of Taxes	
		Number of Acres	
State & Federal Forest Land, Recreation, and/or Flood Control Land from MS-4, acct. 3356 & 3357.	\$0	0.00	
White Mountain National Forest, Only acct. 3186.	\$0	0.00	
Other from MS-4, acct. 3186	\$0		
Other from MS-4, acct. 3186	\$0		
Other from MS-4, acct. 3186	\$0		
Other from MS-4, acct. 3186	\$0		
Other from MS-4, acct. 3186	\$0		
Other from MS-4, acct. 3186	\$0		
Other from MS-4, acct. 3186	\$0		
Other from MS-4, acct. 3186	\$0		
Other from MS-4, acct. 3186	\$0		
TOTALS of account 3186 (Exclude WMNF)	\$0		

* RSA 362-A:6 was reinstated, effective 4/1/2006. This statute allows municipalities to enter into payment in lieu of tax agreements with small scale power facilities. However, these new PILOT agreements are **also** taxable under RSA 83-F.

Questions regarding these laws please consult with the DRA Utility Tax Appraiser at (603) 230-5950.

MS - 1

VILLAGE DISTRICT/PRECINCT ONLY

LAND	Lines 1 A, B, C, D, E, F & G List all improved and unimproved land - include wells, septic & paving.	NUMBER OF ACRES	2011 ASSESSED VALUATION BY CITY/TOWN
BUILDINGS	Lines 2 A, B, C, D & E List all buildings.		
1 VALUE OF LAND ONLY - Exclude Amount Listed in Lines 3A, 3B and 4			
A Current Use (At Current Use Values) RSA 79-A (See page 10)		0.00	\$0
B Conservation Restriction Assessment (At Current Use Values) RSA 79-B		0.00	\$0
C Discretionary Easement RSA 79-C		0.00	\$0
D Discretionary Preservation Easement RSA 79-D		0.00	\$0
E Taxation of Farm Structures & Land Under Farm Structures RSA 79-F		0.00	\$0
F Residential Land (Improved and Unimproved Land)		0.00	\$0
G Commercial/Industrial Land (Do Not include Utility Land)		0.00	\$0
H Total of Taxable Land (Sum of Lines 1A, 1B, 1C, 1D, 1E, 1F and 1G)		0.00	\$0
I Tax Exempt & Non-Taxable Land		0.00	\$0
2 VALUE OF BUILDINGS ONLY - Exclude Amounts Listed on Lines 3A, and 3B			
A Residential			\$0
B Manufactured Housing as defined in RSA 674:31			\$0
C Commercial/Industrial (DO NOT Include Utility Buildings)			\$0
D Discretionary Preservation Easement RSA 79-D	Number of Structures	0	\$0
E Taxation of Farm Structures & Land Under Farm Structures RSA 79-F	# of Structures	0	\$0
F Total of Taxable Buildings (Sum of lines 2A, 2B, 2C, 2D and 2E)			\$0
G Tax Exempt & Non-Taxable Buildings			\$0
3 UTILITIES (see RSA 83-F:1 V for complete definition) within district			
A Utilities (Real estate/buildings/structures/machinery/dynamos/apparatus/poles/wires/fixtures of all kinds and descriptions/pipelines etc.			\$0
B Other Utilities (Total of Section B from Utility Summary)			\$0
4 MATURE WOOD and TIMBER RSA 79:5			
5 VALUATION BEFORE EXEMPTIONS (Total of Lines 1H, 2F, 3A, 3B and 4)			
This figure represents the gross sum of all taxable property in your municipality.			\$0
6 Certain Disabled Veterans RSA 72:36-a		Total # granted	
(Paraplegic & Double Amputees Owning Specially Adapted Homesteads with V.A. Assistance)		0	\$0
7 Improvements to Assist the Deaf RSA 72:38-b V		Total # granted	
		0	\$0
8 Improvements to Assist Persons with Disabilities RSA 72:37-a		Total # granted	
		0	\$0
9 School Dining/Dormitory/Kitchen Exemption RSA 72:23 IV		Total # granted	
(Standard Exemption Up To \$150,000 maximum for each)		0	\$0
10 Water and Air Pollution Control Exemptions RSA 72:12-a		Total # granted	
		0	\$0
11 MODIFIED ASSESSED VALUATION OF ALL PROPERTIES (Line 5 minus Lines 6, 7, 8, 9 and 10)			
This figure will be used for calculating the total equalized value for your municipality.			\$0
12 Blind Exemption RSA 72:37		Total # granted	
		0	
Amount granted per exemption		\$0	\$0
13 Elderly Exemption RSA 72:39-a & b		Total # granted	
		0	\$0
14 Deaf Exemption RSA 72:38-b		Total # granted	
		0	
Amount granted per exemption		\$0	\$0
15 Disabled Exemption RSA 72:37-b		Total # granted	
		0	
Amount granted per exemption		\$0	\$0

MS - 1

VILLAGE DISTRICT/PRECINCT ONLY

16 Wood-Heating Energy Systems Exemption RSA 72:70	Total # granted	0	\$0
17 Solar Energy Exemption RSA 72:62	Total # granted	0	\$0
18 Wind Powered Energy Systems Exemption RSA 72:66	Total # granted	0	\$0
19 Additional School Dining/Dormitory/Kitchen Exemptions RSA 72:23 IV	Total # granted	0	\$0
20 TOTAL DOLLAR AMOUNT OF EXEMPTIONS (Sum of Lines 12-19)			\$0
21 NET VALUATION ON WHICH THE TAX RATE FOR VILLAGE DISTRICT IS COMPUTED (Line 11 minus Line 20)			\$0

SCHEDULE OF LYME PROPERTY - 2011

BUILDINGS w/ LAND

	Description	Parcel Address	Map #	Lot #	Acreage	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	\$286,400
	Town Garage	24 High Street	201	110.1000	3.47	\$746,200
	Town Office/Police Building	1 High Street	201	120	3.11	\$1,281,700
	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 #	Acreage	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 #	Acreage	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	Acreage	Assessment			
	Buildings w/Land	21.47	\$4,122,400			
	Cemeteries	11.20	\$527,500			
	Land (Vacant)	927.52	\$2,109,700			
	GRAND TOTALS:	960.19	\$6,759,600			

*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
2011 Tax Rate Calculation

TOWN/CITY: LYME

Barbara Robinson
10/21/11

Gross Appropriations	2,453,339
Less: Revenues	830,284
	0
Add: Overlay (RSA 76:6)	25,530
War Service Credits	40,000

Net Town Appropriation	1,688,585
Special Adjustment	0

Approved Town/City Tax Effort	1,688,585
-------------------------------	-----------

TOWN RATE
5.24

SCHOOL PORTION

Net Local School Budget:			
Gross Approp. - Revenue	5,147,249	448,904	4,698,345
Regional School Apportionment			0
Less: Education Grant			(227,916)

Education Tax (from below)	(795,756)
Approved School(s) Tax Effort	3,674,673

LOCAL SCHOOL RATE
11.40

EDUCATION TAX

Equalized Valuation(no utilities) x	\$2.325	
342,260,662		795,756
Divide by Local Assessed Valuation (no utilities)		
318,229,200		

STATE SCHOOL RATE
2.50

COUNTY PORTION

Due to County	479,497
	0

Approved County Tax Effort	479,497
----------------------------	---------

COUNTY RATE
1.49

TOTAL RATE
20.63

Total Property Taxes Assessed	6,638,511
Less: War Service Credits	(40,000)
Add: Village District Commitment(s)	0
Total Property Tax Commitment	6,598,511

PROOF OF RATE

Local Assessed Valuation	Tax Rate	Assessment
Education Tax (no utilities)	2.50	795,756
All Other Taxes	18.13	5,842,755
		6,638,511

TRC#
41

TRC#
41

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

TAX COLLECTOR'S REPORT

unicipality of LYME NH _____ Year Ending 12/31/11 _____

DEBITS

UNCOLLECTED TAXES BEG. OF YEAR*		Levy for Year of this Report 2011	PRIOR LEVIES (PLEASE SPECIFY YEARS)		
			2010	2009	
Property Taxes	#3110		466,746.67		
Resident Taxes	#3180				
Land Use Change	#3120		12,480.00		
Yield Taxes	#3185		701.80		
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	6,591,945.07			
Resident Taxes	#3180				
Land Use Change	#3120	2,040.00			
Yield Taxes	#3185	9,571.65			
Excavation Tax @ \$.02/yd	#3187				
Utility Charges	#3189				
OVERPAYMENT REFUNDS					
Property Taxes	#3110	4,059.94	3,941.36		
Resident Taxes	#3180				
Land Use Change	#3120				
Yield Taxes	#3185				
Excavation Tax @ \$.02/yd	#3187				
Interest - Late Tax	#3190	1,450.94	14,623.26		
Resident Tax Penalty	#3190				
TOTAL DEBITS		6,609,067.60	498,493.09	\$	\$

*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 12/31/11 _____

CREDITS

REMITTED TO TREASURER	Levy for Year of This Report	PRIOR LEVIES (PLEASE SPECIFY YEARS)		
		2010		
Property Taxes	6,190,812.35	309,645.17		
Resident Taxes				
Land Use Change	40.00	6,090.00		
Yield Taxes	7,803.58	701.80		
Interest (include lien conversion)	1,450.94	14,623.26		
Penalties				
Excavation Tax @ \$.02/yd				
Utility Charges				
Conversion to Lien (principal only)		142,076.95		
DISCOUNTS ALLOWED				
ABATEMENTS MADE				
Property Taxes	7,759.17	18,965.91		
Resident Taxes				
Land Use Change	0.00	6,390.00		
Yield Taxes	703.43	0.00		
Excavation Tax @ \$.02/yd				
Utility Charges				
CURRENT LEVY DEEDED				
UNCOLLECTED TAXES - END OF YEAR #1080				
Property Taxes	397,433.49	0.00		
Resident Taxes				
Land Use Change	2,000.00	0.00		
Yield Taxes	1,064.64	0.00		
Excavation Tax @ \$.02/yd				
Utility Charges				
Property Tax Credit Balance**				
Other Tax or Charges Credit Balance**	< >			
TOTAL CREDITS	6,609,067.60	498,493.09		

**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).

MS-61
Rev. 10/10

MS-61					
TAX COLLECTOR'S REPORT					
Municipality of LYME, NH		Year Ending 12/31/11			
		DEBITS			
		Last Year's Levy	PRIOR LEVIES (PLEASE SPECIFY YEARS)		
		2010	2009	2008	
Unredeemed Liens Balance - Beg. Of Year			115,656.77	68,558.07	
Liens Executed During Fiscal Year		149,847.18			
Interest & Costs Collected					
(After Lien Execution)		3,695.09	7,746.68	22,276.49	
TOTAL DEBITS		153,542.27	123,403.45	90,834.56	
		CREDITS			
REMITTED TO TREASURER		Last Year's Levy	PRIOR LEVIES (PLEASE SPECIFY YEARS)		
		2010	2009	2008	
Redemptions		42,325.68	53,750.64	65,706.75	
Interest & Costs Collected					
(After Lien Execution) #3190		3,695.09	7,746.68	22,276.49	
Abatements of Unredeemed Liens			11,396.14	2,851.32	
Liens Deeded to Municipality					
Unredeemed Liens					
Balance - End of Year #1110		107,521.50	50,509.99	0.00	
TOTAL CREDITS		153,542.27	123,403.45	90,834.56	
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 2011**

Auto Registration Fees	\$278,380.50
Dog Licenses and Penalties	\$ 1,468.50
Fees	\$ 10,012.40
Miscellaneous	\$ 3,064.21
Phone Books	\$ 1,019.00
Transfer Station Inventory (TC sales only)	\$ 19,871.00
Fees collected for the State of New Hampshire	\$ 2,248.50
TOTAL REVENUE	\$316,064.11

Lyme's year of celebration was a busy one in the Town Clerk's Office! We were "Grand Central" for all manner of celebration treasures...from dinner reservations, tickets sales, hats, t-shirts, aprons and the commemorative book. Everyone in the Town Offices pitched in to help make the celebration a success, and their help was deeply appreciated.

In these years of economic "shakiness" revenues maintained a respectable presence. As Transfer Station inventory became available for sale at an additional location, revenue generated in this office dropped a bit.

After a year without Phone Book production they were updated and sold out in 2011. Another "short run" with corrections, additions and deletions will be produced in 2012.

As always, we're here if you need us. We may not have the information you need, but we can usually figure out who does. We thank everyone for your continued support and understanding as we provide services which sometimes include grumpy computers, busy phones, and a little bit of chaos. We really appreciate your patience!

Patricia G. Jenks, Town Clerk

Report of the Treasurer for the Calendar Year Ending December 31, 2011

Summary of Activity

Cash on Hand January 1, 2011	\$	1,968,579.04
Debits (including investment transfers)	\$	10,024,219.61
Credits (including investment transfers)	\$	(8,762,656.86)
Cash on Hand December 31, 2011	\$	3,230,141.79

Note:

The Grafton County Tax was \$479,497.00

The Tax Anticipation Note (line of credit) was \$2,500,000.00

Balance Sheet

Assets

Cash in hands of Treasurer (General Fund)		
Mascoma Savings Bank	\$	3,210,411.59
Ledyard National Bank	\$	19,730.20
	\$	3,230,141.79
Uncollected Taxes		
Property Tax 2011	\$	397,433.49
Yield Tax 2011	\$	1,064.64
	\$	398,498.13
Unredeemed Taxes		
Levy of 2009	\$	50,509.99
Levy of 2010	\$	107,521.50
	\$	158,031.49
Reserve for Uncollectible Accounts	\$	(25,000.00)
December receipts dated 12/11, deposited in 2012	\$	207,345.12
Total Assets	\$	3,969,016.53

Liabilities and Fund Equity

Accounts Owed by the Town		
School District Taxes Payable	\$	2,295,429.00
Payments made in 2012 for 2011	\$	49,779.58
Other Liabilities	\$	13,076.35
Total Liabilities	\$	2,358,284.93

Unassigned Fund Balance	\$	1,528,458.47
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Assigned Fund Balance

Town Forest Maintenance Fund (see report)	\$	12,595.24
Reserve for Recreation Revolving Fund	\$	7,447.62
Reserve for Independence Day Special Revenue Fund	\$	8,452.30
Reserve for Playing Fields	\$	47,277.97
Pike House Maintenance (operating budget)	\$	2,500.00
Fire Fighter Safety Equipment CRF	\$	4,000.00
	\$	82,273.13

Total Liabilities & Fund Equity	\$	3,969,016.53
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CONSERVATION FUND

Summary of Treasurer's Report for 2011

ACTIVITY	TOTAL COMBINED	CURRENT USE	CHAFFEE WILDLIFE	EASEMENT MONIT	NRI BOOK REVENUE
YTD Interest	371.59	356.75	3.70	11.14	
Dep Current Use for 2010, donation	521.00	521.00			
WD Current Use	(21,500.00)	(21,500.00)			
Dep Easement	200.00			200.00	
WD Easement					
Net Activity	(20,407.41)	(20,622.25)	3.70	211.14	0.00
Beginning Balance	206,243.33	200,007.69	\$858.10	5,067.54	310.00
Ending Balance	\$185,835.92	\$179,385.44	\$861.80	\$5,278.68	\$310.00

TOWN FOREST MAINTENANCE FUND

Summary of Treasurer's Report for 2011

Activity	TOTAL
Interest 2011	45.18
Net Activity	\$ 45.18
Beginning Balance	\$ 12,550.06
Ending Balance	\$ 12,595.24

RECREATION FUND

Summary of Treasurer's Report for 2011

Balance as of 1/1/2010	\$ 3,787.10
Revenues	\$ 14,085.00
Expenses	\$ 10,438.11
Interest	\$ 13.63
Balance as of 12/31/2011	\$ 7,447.62



(Photo by Paul Klee)

RECREATIONAL FIELD FUND

Summary of Treasurer's Report for 2011

Balance as of 1/1/2011	\$ 13,315.01
Revenues	\$ 42,000.00
Expenses	\$ 8,084.97
Interest	\$ 47.93
Balance as of 12/31/2011	\$ 47,277.97

INDEPENDENCE DAY FUND

Summary of Treasurer's Report for 2011

Balance as of 1/1/2011	\$ 9,088.59
Revenues	\$ 5,873.38
Expenses	\$ 6,539.99
Interest	\$ 30.32
Balance as of 12/31/2011	\$ 8,452.30

REPORT OF THE TOWN TRUSTEES

AS OF DECEMBER 31, 2011

SCHOOL TRUST (1918)

a. PRINCIPAL ACCOUNT

Balance (Cost Basis) 1/1/2011	\$	94,770.08
Realized Capital Gain	\$	-
Balance (Cost Basis) 12/31/2011	\$	94,770.08
<i>Net Unrealized Capital Gain/Loss</i>	<i>\$</i>	<i>18,949.87</i>
<i>Fidelity Statement Balance as of 12/31/2011</i>	<i>\$</i>	<i>113,719.95</i>

b. INCOME AND EXPENSE ACCOUNT

Investment Income	\$	1,856.67
Expense (to Lyme School)	\$	1,856.67

LIBRARY TRUST (1960)

a. PRINCIPAL ACCOUNT

Balance (Cost Basis) 1/1/2011	\$	65,720.45
Realized Capital Gain	\$	1,309.36
Balance (Cost Basis) 12/31/2011	\$	67,029.81
<i>Net Unrealized Capital Gain/Loss</i>	<i>\$</i>	<i>8,011.59</i>
<i>Fidelity Statement Balance as of 12/31/2011</i>	<i>\$</i>	<i>75,041.40</i>

b. INCOME AND EXPENSE ACCOUNT

Investment Income	\$	3,041.75
Expense (to Lyme Library)	\$	3,041.75

CEMETERY TRUST (1903)

a. PRINCIPAL ACCOUNT

Balance (Cost Basis) 1/1/2011	\$	540,580.31
Realized Capital Gain	\$	-
Balance (Cost Basis) 12/31/2011	\$	540,580.31
<i>Net Unrealized Capital Gain/Loss</i>	<i>\$</i>	<i>109,341.60</i>
<i>Fidelity Statement Balance as of 12/31/2011</i>	<i>\$</i>	<i>649,921.91</i>

Trustee of Trust Funds
12/31/2011

b. INCOME AND EXPENSE ACCOUNT

	Balance 1/1/2011	\$	115,034.37
Investment Income - Principal		\$	10,738.35
Investment Income - Income		\$	84.65
Withdrawals		\$	(19,150.05)
	Balance 12/31/2011	\$	106,707.32

EMERGENCY MAJOR EQUIPMENT REBUILDING TRUST FUND (1986)

	Balance 1/1/2011	\$	37,816.29
Deposits		\$	10,000.00
Income		\$	26.91
Withdrawals		\$	(37,723.13)
	Balance 12/31/2011	\$	10,120.07

CEMETERY GENERAL MAINTENANCE TRUST FUND (1986)

	Balance (Cost Basis) 1/1/2011	\$	9,512.73	*
Realized Capital Gain		\$	-	
	Balance (Cost Basis) 12/31/2011	\$	9,512.73	
Deposits		\$	-	
Income		\$	75.72	
Withdrawals		\$	-	
		\$	9,588.45	
<i>Net Unrealized Gain/Loss</i>		\$	223.15	
<i>Fidelity Balance</i>		\$	9,811.60	
<i>Bank Cash Balance</i>		\$	858.77	
	Balance 12/31/2011	\$	10,670.37	

**FY 10 Report reflected balance of \$9606.14 which incorrectly included \$93.41 reported as capital gain instead of dividend income. FY 11 balance is being adjusted to reflect this correction (\$9,512.73).*

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

	Balance 1/1/2011	\$	10,415.63
Deposits		\$	4,348.89
Income		\$	7.43
Withdrawals		\$	(2,316.00)
	Balance 12/31/2011	\$	12,455.95

TROUT POND MANAGEMENT AREA TRUST (1998)

	Balance 1/1/2011	\$	11,117.68
Deposits		\$	-
Income		\$	7.92
Withdrawals		\$	-
	Balance 12/31/2011	\$	<u>11,125.60</u>

TOWN OF LYME CAPITAL RESERVE FUNDS**COMPUTER SYSTEM UPGRADE CAPITAL RESERVE FUND (2000)**

	Balance 1/1/2011	\$	31,135.23
Deposits		\$	5,250.00
Income		\$	21.86
Withdrawals		\$	<u>(18,989.80)</u>
	Balance 12/31/2011	\$	<u>17,417.29</u>

BRIDGE RESERVE FUND (1956)

	Balance 1/1/2011	\$	139,370.36
Deposits		\$	20,000.00
Income		\$	2.37
Withdrawals		\$	<u>(56,738.03)</u>
	Balance 12/31/2011	\$	<u>102,634.70</u>

PROPERTY REAPPRAISAL FUND (1985)

	Balance 1/1/2011	\$	87,183.80
Deposits		\$	5,000.00
Income		\$	1.41
Withdrawals		\$	<u>(13,020.00)</u>
	Balance 12/31/2011	\$	<u>79,165.21</u>

HEAVY EQUIPMENT FUND (1988)

	Balance 1/1/2011	\$	257,322.74
Deposits		\$	89,500.00
Income		\$	187.47
Withdrawals		\$	<u>-</u>
	Balance 12/31/2011	\$	<u>347,010.21</u>

VEHICLE CAPITAL RESERVE FUND (1988)(MBNA 0013)

	Balance 1/1/2011	\$	2,745.05
Deposits		\$	120,700.00
Income		\$	13.22
Withdrawals		\$	-
	Balance 12/31/2011	\$	123,458.27

SPECIAL EDUCATION RESERVE FUND (1987)

	Balance 1/1/2011	\$	227,925.28
Deposits		\$	-
Income		\$	164.97
Withdrawals		\$	-
	Balance 12/31/2011	\$	228,090.25

HIGH SCHOOL TUITION EXPENDABLE FUND (1995)

	Balance 1/1/2011	\$	596,184.43
Deposits		\$	50,000.00
Income		\$	425.99
Withdrawals		\$	(40,000.00)
	Balance 12/31/2011	\$	606,610.42

NEW CEMETERY FUND (1988)

	Balance 1/1/2011	\$	16,087.78
Deposits		\$	350.00
Income		\$	11.42
Withdrawals		\$	-
	Balance 12/31/2011	\$	16,449.20

**LYME CENTER ACADEMY BUILDING RESTORATION CAPITAL
RESERVE FUND (1996)**

Account closed per voted at Town Meeting March 8, 2011

	Balance 1/1/2011	\$	877.41
Deposits		\$	-
Income		\$	-
Withdrawals		\$	(877.41)
	Balance 12/31/2011	\$	-

PUBLIC LAND ACQUISITION CAPITAL RESERVE FUND (1997)

	Balance 1/1/2011	\$	30,030.94
Deposits		\$	5,000.00
Income		\$	22.10
Withdrawals		\$	-
	Balance 12/31/2011	\$	35,053.04

EMERGENCY HIGHWAY REPAIR FUND (1997)

	Balance 1/1/2011	\$	99,539.87
Deposits		\$	10,000.00
Income		\$	69.45
Withdrawals		\$	(109,539.87)
	Balance 12/31/2011	\$	69.45

PUBLIC WORKS FACILITY RESERVE FUND (1997)

	Balance 1/1/2011	\$	16,656.09
Deposits		\$	3,000.00
Income		\$	11.72
Withdrawals			
	Balance 12/31/2011	\$	19,667.81

MAINTENANCE SCHOOL BUILDING FUND (1998)

	Balance 1/1/2011	\$	92,823.60
Deposits		\$	-
Income		\$	67.22
Withdrawals		\$	-
	Balance 12/31/2011	\$	92,890.82

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

	Balance 1/1/2011	\$	63,913.63
Deposits		\$	7,300.00
Income		\$	46.33
Withdrawals		\$	-
	Balance 12/31/2011	\$	71,259.96

OTHER FUNDS

SUBSTANCE ABUSE EDUCATION FUND (1989)

	Balance 1/1/2011	\$	4,819.14
Deposits		\$	2,000.00
Income		\$	3.87
Withdrawals		\$	-
	Balance 12/31/2011	\$	6,823.01

TROUT POND FUND (1998)

	Balance 1/1/2011	\$	15,852.51
Deposits		\$	-
Income		\$	11.25
Withdrawals		\$	-
	Balance 12/31/2011	\$	15,863.76

BLISTERS FOR BOOKS EXPENDABLE TRUST FUND (2007)

	Balance 1/1/2011	\$	488.44
Deposits		\$	6,311.00
Income		\$	-
Withdrawals		\$	(6,311.00)
	Balance 12/31/2011	\$	488.44

CEMETERY MAINTENANCE GIFTS & DONATIONS FUND (2000)

	Balance 1/1/2011	\$	18,575.86
Deposits			
Income		\$	13.30
Withdrawals			
	Balance 12/31/2011	\$	18,589.16

TOWN BUILDINGS MAJOR MAINTENANCE & REPAIR TRUST FUND (2005)

	Balance 1/1/2011	\$	30,987.67
Deposits		\$	10,000.00
Income		\$	21.61
Withdrawals		\$	(5,127.73)
	Balance 12/31/2011	\$	35,881.55

Trustee of Trust Funds
12/31/2011

TOWN OFFICES BUILDING CAPITAL RESERVE FUND (2006)*Account closed per vote at Town Meeting March 8, 2011*

	Balance 1/1/2011	\$	29.67
Deposits		\$	-
Income			
Withdrawals		\$	(29.67)
	Balance 12/31/2011	\$	-

TOWN POOR EXPENDABLE TRUST (2006)

	Balance 1/1/2011	\$	18,336.85
Deposits		\$	20,000.00
Income		\$	14.38
Withdrawals		\$	(33,808.74)
	Balance 12/31/2011	\$	4,542.49

RECREATION FACILITY FUND (2009)

	Balance 1/1/2011	\$	8,952.86
Deposits		\$	11,000.00
Income		\$	6.08
Withdrawals		\$	(11,670.00)
	Balance 12/31/2011	\$	8,288.94

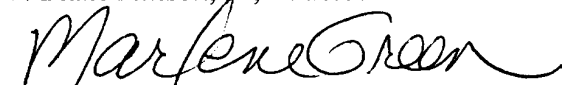
SCHOOL ENROLLMENT RESPONSE CRF (2010)

	Balance 1/1/2011	\$	-
Deposits		\$	50,000.00
Income		\$	2.22
Withdrawals		\$	-
	Balance 12/31/2011	\$	50,002.22

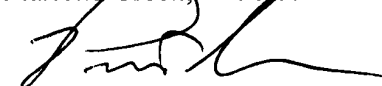
Reviewed and Approved, this 9th day
of February, 2012, by:



V. Blake Allison, III, **Trustee**



Marlene Green, **Trustee**



Peter Glenshaw, **Trustee**

Trustee of Trust Funds
12/31/2011