

January 30, 2017

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, 2016 financial statements by May 19, 2017. Unless we encounter circumstances beyond our control, the completed reports will be available no later than July 31, 2017.

Very truly yours,

Vachon Clukay & Company PC

TOWN OF LYME, NEW HAMPSHIRE
Financial Statements
December 31, 2015
and
Independent Auditor's Report

TOWN OF LYME, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Lyme, New Hampshire

Report on the Financial Statements

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 as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Governmental Activities

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 position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

Adverse Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, schedule of changes in the Town’s proportionate share of the net pension liability, and the schedule of Town contributions, on pages i-vi and 26-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the

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

Vachon Clukey & Company PC

Manchester, New Hampshire
December 20, 2016

**TOWN OF LYME
BOARD OF SELECTMEN
1 HIGH STREET
P.O. BOX 126
LYME, NEW HAMPSHIRE 03768**

Susan J. MacKenzie
Patricia G. Jenks
Charles J. Smith

**TOWN OF LYME, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2015**

Presented herewith please find the Management Discussion & Analysis Report for the Town of Lyme for the year ending December 31, 2015. 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:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to most private-sector companies.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them being reported as net position. Over time, increases and decreases in net position 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 position changed during the most recent year. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The Town's fiduciary funds include the capital reserve funds held for the Lyme School District and a private-purpose trust which accounts for a program for the Lyme School District.

Notes to the Basic Financial Statements

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

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the Town's major governmental fund and includes a reconciliation between the reported activity of the revenues, expenditures and transfers for budgetary purposes (Schedule 1) and the activity as presented in the governmental fund financial statements (Exhibit D). The Town's only major governmental fund with an adopted budget for 2015 is the General Fund. Also included are the schedule of changes in the Town's net pension liability and the schedule of the Town's contributions. During the year ended December 31, 2015, the Town adopted and implemented GASB Statement #68 – *Accounting and Financial Reporting for Pensions*. The Town reports a net pension liability, related deferred outflows and inflows of resources within the basic financial statements, and this required supplementary information.

Other Supplementary Information

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

Government-Wide Financial Analysis

Statement of Net Position

Net position of the Town of Lyme as of December 31, 2015 and 2014 are as follows:

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Current and other assets:		
Capital assets (net)	\$ 5,540,538	\$ 5,438,721
Other assets	<u>7,258,706</u>	<u>6,628,947</u>
Total assets	<u>12,799,244</u>	<u>12,067,668</u>
Deferred outflows of resources:		
Deferred outflows related to pension	<u>32,091</u>	<u>-</u>
Total deferred outflows of resources	<u>32,091</u>	<u>-</u>
Long-term and other liabilities:		
Long-term obligations	1,553,818	887,496
Other liabilities	<u>3,134,761</u>	<u>2,714,932</u>
Total liabilities	<u>4,688,579</u>	<u>3,602,428</u>

	<u>2015</u>	<u>2014</u>
Deferred inflows of resources:		
Unearned tax revenue	6,452	1,099
Deferred inflows related to pension	104,827	-
Total deferred inflows of resources	<u>111,279</u>	<u>1,099</u>
Net position:		
Net investment in capital assets	4,660,242	4,475,395
Restricted	1,230,741	1,238,341
Unrestricted	2,140,494	2,750,405
Total net position	<u>\$ 8,031,477</u>	<u>\$ 8,464,141</u>

Statement of Activities

Change in net position for the year ending December 31, 2015 and 2014 are as follows:

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Program revenues:		
Charges for services	\$ 92,194	\$ 92,953
Operating grants and contributions	93,079	90,908
Total program revenues	<u>185,273</u>	<u>183,861</u>
General revenues:		
Property and other taxes	2,113,748	2,090,891
Licenses and permits	404,473	370,789
Intergovernmental revenue	82,088	82,392
Interest and investment earnings	21,015	105,664
Miscellaneous	89,774	75,626
Total general revenues	<u>2,711,098</u>	<u>2,725,362</u>
Total revenues	<u>2,896,371</u>	<u>2,909,223</u>
Program expenses:		
General government	642,898	588,404
Public safety	375,832	403,978
Highways and streets	920,928	865,672
Health and welfare	92,273	67,455
Sanitation	79,438	85,534
Culture and recreation	303,107	290,634
Interest and fiscal charges	51,931	52,896
Total expenses	<u>2,466,407</u>	<u>2,354,573</u>
Change in net assets	429,964	554,650
Net position at beginning of year, as restated	7,601,513	7,909,491
Restatement due to implementation of GASB 68	-	(862,628)
Net position at end of year	<u>\$ 8,031,477</u>	<u>\$ 7,601,513</u>

Town of Lyme Governmental Activities

As shown in the above statement the Town experienced a favorable change in financial position of \$429,964 on the full accrual basis of accounting.

Financial Analysis of the Town's Funds

The General Fund shows a fund balance of \$2,421,287. This represents an increase in fund balance of \$197,337, and an increase from restatement of \$16,487. As referenced above, this fund balance incorporates the Capital Reserve, Expendable Trust Funds and the Independence Day Fund which amounts to \$1,770,569 as of December 31, 2015.

The Permanent Fund's fund balance increased by \$1,977, to a year-end balance of \$1,162,593.

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 \$29,960. This is primarily due to higher revenues than anticipated from the licenses and permits, charges for services, and miscellaneous income.

The Town under expended its budget by \$94,485 with significant savings occurring in the general government function and capital outlay.

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, 2015 is \$7,435,290. Accumulated depreciation amounts to \$1,894,752, leaving a net book value of \$5,540,538. See Note 4 in the Notes to the Basic Financial Statements for a summary of all capital assets.

Long-Term Obligations

During FY 2015, the Town made scheduled debt payments of \$70,000 on the outstanding bond. The payment on the highway roller lease was also made in the amount of \$10,329. See Note 6 in the Notes to the Basic Financial Statements for a summary of all long-term obligations.

Economic Factors

Vehicle, heavy equipment & Class V roads rehab funds are significantly underfunded. The bridge fund is considered underfunded for the present bridges in need of work. This is due mostly to changes in the laws requiring more extensive studies, permitting and types of construction

allowed. A number of the town's roads are in need of significant re-building. This includes new underdrainage and rebuilding which will ultimately lead to road failure if not done. The Roads Committee and Select board continue to work towards a long range roads maintenance plan and a plan to enable the town to fund the various projects over years to come.

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 Position
December 31, 2015

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 3,498,216
Investments	3,220,034
Taxes receivable, net	537,811
Accounts receivable	2,277
Due from other governments	368
Total Current Assets	<u>7,258,706</u>
Noncurrent Assets:	
Non-depreciable capital assets	1,476,491
Depreciable capital assets, net	4,064,047
Total Noncurrent Assets	<u>5,540,538</u>
Total Assets	<u>12,799,244</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	<u>32,091</u>
Total Deferred Outflows of Resources	<u>32,091</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	280,416
Accrued expenses	42,951
Retainage Payable	15,425
Due to other governments	2,711,475
Current portion of bonds payable	72,462
Current portion of notes payable	480
Current portion of capital lease payable	11,552
Total Current Liabilities	<u>3,134,761</u>
Noncurrent Liabilities:	
Bonds payable	752,743
Notes payable	6,720
Capital lease payable	43,539
Net pension liability	750,816
Total Noncurrent Liabilities	<u>1,553,818</u>
Total Liabilities	<u>4,688,579</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned tax revenue	6,452
Deferred inflows related to pension	104,827
Total Deferred Inflows of Resources	<u>111,279</u>
NET POSITION	
Net investment in capital assets	4,660,242
Restricted	1,230,741
Unrestricted	2,140,494
Total Net Position	<u>\$ 8,031,477</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, 2015

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
General government	\$ 642,898	\$ 4,808		\$ (638,090)
Public safety	375,832	740	\$ 3,043	(372,049)
Highways and streets	920,928	5,025	90,036	(825,867)
Sanitation	92,273	47,142		(45,131)
Health and welfare	79,438			(79,438)
Culture and recreation	303,107	34,479		(268,628)
Debt service	51,931			(51,931)
Total governmental activities	<u>\$ 2,466,407</u>	<u>\$ 92,194</u>	<u>\$ 93,079</u>	<u>(2,281,134)</u>
General revenues:				
Property and other taxes				2,113,748
Licenses and permits				404,473
Grants and contributions:				
Rooms and meals tax distribution				82,088
Interest and investment earnings				21,015
Miscellaneous				89,774
Total general revenues				2,711,098
Change in net position				429,964
Net Position at Beginning of Year, as restated				7,601,513
Net Position at End of Year				<u>\$ 8,031,477</u>

See accompanying notes to the basic financial statements

EXHIBIT C
TOWN OF LYME, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2015

	General <u>Fund</u>	Permanent <u>Funds</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,292,641	\$ 1,922	\$ 203,653	\$ 3,498,216
Investments	2,009,667	1,176,938	33,429	3,220,034
Taxes receivable, net	537,811			537,811
Accounts receivable	2,277			2,277
Due from other governments	368			368
Due from other funds	14,345		47,846	62,191
Total Assets	<u>5,857,109</u>	<u>1,178,860</u>	<u>284,928</u>	<u>7,320,897</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,857,109</u>	<u>\$ 1,178,860</u>	<u>\$ 284,928</u>	<u>\$ 7,320,897</u>
LIABILITIES				
Accounts payable	\$ 280,416			\$ 280,416
Accrued expenses	26,018			26,018
Retainage Payable	15,425			15,425
Due to other governments	2,711,475			2,711,475
Due to other funds	45,924	\$ 16,267		62,191
Total Liabilities	<u>3,079,258</u>	<u>16,267</u>	<u>\$ -</u>	<u>3,095,525</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned tax revenue	356,564			356,564
Total Deferred Inflows of Resources	<u>356,564</u>	<u>-</u>	<u>-</u>	<u>356,564</u>
FUND BALANCES				
Nonspendable		1,060,626		1,060,626
Restricted	29,366	101,967	38,782	170,115
Committed	1,879,207		225,980	2,105,187
Assigned	5,310		20,166	25,476
Unassigned	507,404			507,404
Total Fund Balances	<u>2,421,287</u>	<u>1,162,593</u>	<u>284,928</u>	<u>3,868,808</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,857,109</u>	<u>\$ 1,178,860</u>	<u>\$ 284,928</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				5,540,538
Property taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis				350,112
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds:				
Deferred outflows of resources related to net pension liability				32,091
Deferred inflows of resources related to net pension liability				(104,827)
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				(825,205)
Notes payable				(7,200)
Capital lease payable				(55,091)
Accrued interest on long-term obligations				(16,933)
Net pension liability				(750,816)
Net position of governmental activities				<u>\$ 8,031,477</u>

EXHIBIT E
TOWN OF LYME, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	Private- Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 3,058	
Investments	<u>171,352</u>	\$ 947,028
Total Assets	<u>174,410</u>	<u>947,028</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Due To other governments	<u>3,058</u>	947,028
Total Liabilities	<u>3,058</u>	<u>\$ 947,028</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	
NET POSITION		
Held in trust for Lyme School	<u>171,352</u>	
Total Net Position	<u>\$ 171,352</u>	

See accompanying notes to the basic financial statements

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

	Private- Purpose <u>Trust Funds</u>
ADDITIONS:	
Investment earnings:	
Interest	\$ 3,058
Realized gains on investments	8,613
Net (decrease) in the fair value of investments	<u>(8,403)</u>
Total Investment Earnings	<u>3,268</u>
Total Additions	<u>3,268</u>
DEDUCTIONS:	
Benefits	<u>3,058</u>
Total Deductions	<u>3,058</u>
Change in net position	210
Net position at beginning of year	<u>171,142</u>
Net position at end of year	<u><u>\$ 171,352</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, 2015

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 position 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 position 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 position 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, 2015

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 deferred outflows of resources, and liabilities and deferred inflows of resources 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.

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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 position and changes in net position. 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 and deferred outflows of resources equal liabilities and deferred inflows of resources) 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, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

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, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues,

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

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 unearned revenue, and in the presentation of expenses versus expenditures.

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 11). 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, charges for service and interest on investments.

Licenses and permits, 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. Unearned Revenue:

Unearned 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

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

unearned revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned 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, 2015 the Town applied \$125,000 of its unappropriated fund balance to reduce taxes.

Investments

Investments are stated at their fair value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

Taxes Receivable

Taxes levied during the current year and prior and uncollected at December 31, 2015 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 position, but are not reported in the fund financial statements.

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

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

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

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

<u>Description</u>	<u>Years</u>
Infrastructure	15-30
Land improvements	10
Buildings and improvements	15-39
Vehicles and equipment	3-24

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Pensions

During the year ended December 31, 2015, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions*. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

Fund Balance Policy

The Town segregates fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

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

Spending Prioritizations

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

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

Minimum Level of Unassigned Fund Balance

The Board will strive to achieve and maintain a minimum unassigned fund balance of between 7% and 15% of the General Fund's annual budget, including Town, School and County appropriations.

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.

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Other Post-Employment Benefits

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

NOTE 3—DEPOSITS AND INVESTMENTS

The Town has combined the cash resources of some 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, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 3,498,216
Investments	3,220,034
Statement of Fiduciary Net Position:	
Cash and cash equivalents	3,058
Investments	<u>1,118,380</u>
	<u>\$ 7,839,688</u>

Deposits and investments at December 31, 2015 consist of the following:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

Deposits with financial institutions	\$ 3,534,704
Investments	<u>4,304,984</u>
	<u>\$ 7,839,688</u>

The Town requires that deposits and investments be made in interest bearing checking accounts held at Mascoma Savings Bank. 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, 2015 for each investment type:

<u>Investment Type</u>	<u>AAA</u>	<u>Not Rated</u>	<u>Total</u>
State investment pool	\$ 3,066,400		\$ 3,066,400
Mutual funds		\$ 1,238,584	1,238,584
	<u>\$ 3,066,400</u>	<u>\$ 1,238,584</u>	<u>\$ 4,304,984</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town has no policy regarding custodial credit risk.

Of the Town's deposits with financial institutions at year end, \$3,217,566 was collateralized by securities held by the bank in the bank's name. As of December 31, 2015, 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	<u>\$ 1,238,584</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.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

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 4—CAPITAL ASSETS

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

	Balance 01/01/15	Additions	Reductions	Balance 12/31/15
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:				
Infrastructure	1,154,260	349,534		1,503,794
Land improvements	159,092	34,489		193,581
Buildings and improvements	2,190,765			2,190,765
Vehicles and equipment	2,145,137		(74,478)	2,070,659
Total other capital assets at historical cost	<u>5,649,254</u>	<u>384,023</u>	<u>(74,478)</u>	<u>5,958,799</u>
Less accumulated depreciation for:				
Infrastructure	(88,934)	(46,499)		(135,433)
Land improvements	(22,443)	(15,909)		(38,352)
Buildings and improvements	(457,759)	(55,536)		(513,295)
Vehicles and equipment	(1,117,888)	(121,075)	31,291	(1,207,672)
Total accumulated depreciation	<u>(1,687,024)</u>	<u>(239,019)</u>	<u>31,291</u>	<u>(1,894,752)</u>
Total other capital assets, net	<u>3,962,230</u>	<u>145,004</u>	<u>(43,187)</u>	<u>4,064,047</u>
Total capital assets, net	<u>\$ 5,438,721</u>	<u>\$ 145,004</u>	<u>\$ (43,187)</u>	<u>\$ 5,540,538</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 34,631
Public safety	39,526
Highways and streets	143,786
Sanitation	2,852
Culture and recreation	18,224
Total governmental activities depreciation expense	<u>\$ 239,019</u>

The balance of the asset acquired through capital lease as of December 31, 2015 is as follows:

Vehicles and equipment	\$ 83,500
Less accumulated depreciation for:	
Vehicles and equipment	<u>(18,092)</u>
	<u>\$ 65,408</u>

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

NOTE 5—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, 2015 are as follows:

Balance - January 1, 2015	\$ -
Additions	2,375,000
Reductions	<u>(2,375,000)</u>
Balance - December 31, 2015	<u>\$ -</u>

NOTE 6—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the Town's long-term obligations for the year ended December 31, 2015 are as follows:

	Balance 01/01/15	Additions	Reductions	Balance 12/31/15	Due Within One Year
Governmental activities:					
Bonds payable	\$ 880,000		\$ 70,000	\$ 810,000	\$ 70,000
Unamortized bond premium	17,906		2,701	15,205	2,462
Total bonds payable	897,906	\$ -	72,701	825,205	72,462
Notes payable	7,680		480	7,200	480
Capital lease payable	65,420		10,329	55,091	11,552
Total governmental activities	<u>\$ 971,006</u>	<u>\$ -</u>	<u>\$ 83,510</u>	<u>\$ 887,496</u>	<u>\$ 84,494</u>

Payments on the general obligation bonds and capital lease are paid out of the General Fund. Payments on the note payable are paid out of the Library Fund.

General Obligation Bonds

Bonds payable at December 31, 2015 is comprised of the following individual issues:

\$508,900 Public Works Bond due in annual installments of \$25,000 through August 2024; interest at 3.0%-5.0%	\$ 225,000
\$899,420 Municipal Building Bond due in annual installments of \$45,000 through August 2028; interest at 4%-5.25%	<u>585,000</u>
	810,000
Add: Unamortized Bond premium	<u>15,205</u>
	<u>\$ 825,205</u>

Debt service requirements to retire general obligation bonds outstanding at December 31, 2015 are as follows:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 70,000	\$ 37,462	\$ 107,462
2017	70,000	33,676	103,676
2018	70,000	30,063	100,063
2019	70,000	26,451	96,451
2020	70,000	23,625	93,625
2021-2025	325,000	71,506	396,506
2026-2028	135,000	12,094	147,094
Total	810,000	234,877	1,044,877
Add: <i>Unamortized Bond premium</i>	15,205		15,205
	<u>\$ 825,205</u>	<u>\$ 234,877</u>	<u>\$ 1,060,082</u>

Notes payable at December 31, 2015 are comprised of the following individual issue:

\$9,600 Library Water Improvements due in semi-annual installments of \$240 through July 2030	<u>\$ 7,200</u>
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Debt service requirements to retire general obligation notes outstanding at December 31, 2015 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>
2016	\$ 480
2017	480
2018	480
2019	480
2020	480
2021-2025	2,400
2026-2030	2,400
	<u>\$ 7,200</u>

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of vehicle and equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function.

Following is the individual capital lease obligation at December 31, 2015:

\$18,080, including interest at 11.85%, through July 2019.	<u>\$ 55,091</u>
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Debt service requirements to retire the capital lease obligation outstanding at December 31, 2015 are as follows:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 11,552	\$ 6,528	\$ 18,080
2017	12,921	5,159	18,080
2018	14,453	3,627	18,080
2019	16,165	1,915	18,080
	<u>\$ 55,091</u>	<u>\$ 17,229</u>	<u>\$ 72,320</u>

NOTE 7—DEFINED BENEFIT PLAN

Plan Description

The Town contributes to the New Hampshire Retirement System (NHRS), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. The New Hampshire Retirement System is a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. 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.

Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and are available to pay retirement benefits to all members.

Benefits Provided

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

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a non-vested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

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

Funding Policy

Covered police officers are required to contribute 11.55%, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town's contribution rates, excluding medical subsidy, for the covered payroll of police officers and general employees were 21.35% and 10.44%, respectively through June 30, 2015, and 22.54% and 10.86%, respectively, thereafter. The Town contributes 100% of the employer cost for public safety and general employees of the Town.

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 pension contributions to the NHRS for the year ending December 31, 2015 were \$65,443.

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

At December 31, 2015, the Town reported a liability of \$750,816 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2014. The Town's proportion of the net pension liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2015, the Town's proportion was approximately 0.0190 percent, which was a decrease of 0.0005 percentage points from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Town recognized pension expense of \$24,508. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		\$ 16,476
Net difference between projected and actual earnings on pension plan investments		20,066
Changes in proportion and differences between Town contributions and share of contributions		68,285
Town contributions subsequent to the measurement date	\$ 32,091	-
Totals	<u>\$ 32,091</u>	<u>\$ 104,827</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pensions is reflected as a decrease to unrestricted net position in the amount of \$72,736. The Town reported \$32,091 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending December 31,</u>	
2016	\$ (32,600)
2017	(32,600)
2018	(32,600)
2019	(4,131)
2020	(2,896)
	<u>\$ (104,827)</u>

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to 2015 measurements:

Inflation	3.0 percent
Wage inflation	3.75 percent
Salary increases	5.8 percent, average, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 mortality table projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements. Retirement rates were based on a table of rates that are specific to the type of eligibility condition, last updated in 2011 pursuant to an experience study of the period July 1, 2005 – June 30, 2010.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of weighted average long-term expected real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Net of inflation assumption of 3.0%)</u>
Fixed income	25%	(1.0)-0.28%
Domestic equity	30%	3.0%
International equity	20%	4.0-6.0%
Real estate	10%	3.5%
Private equity	5%	5.5%
Private debt	5%	4.5%
Opportunistic	5%	2.75%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the collective pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Town's proportionate share of the net pension liability	\$ 988,352	\$ 750,816	\$ 548,315

NOTE 8—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, 2015 are as follows:

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

		Due from		
Due to		General	Permanent	
		<u>Fund</u>	<u>Funds</u>	<u>Totals</u>
	General Fund		\$ 14,345	\$ 14,345
	Nonmajor Governmental Funds	\$ 45,924	1,922	47,846
		<u>\$ 45,924</u>	<u>\$ 16,267</u>	<u>\$ 62,191</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, 2015 are as follows:

		Transfer from		
Transfer to		Permanent	Nonmajor	
		<u>Funds</u>	Governmental	Governmental
	General Fund	\$ 14,345	\$ 900	\$ 15,245
	Nonmajor Governmental Funds	1,922		1,922
		<u>\$ 16,267</u>	<u>\$ 900</u>	<u>\$ 17,167</u>

NOTE 9—RESTRICTED NET POSITION

Net position are restricted for specific purposes as follows:

Permanent funds - Principal	\$ 1,060,626
Permanent funds - Income	101,967
Cemetery maintenance gifts & donations fund	16,487
Library fund	33,429
Milfoil remediation	7,500
Independence Day fund	5,379
Heritage Commission fund	5,353
Total per Exhibit A	<u>\$ 1,230,741</u>

NOTE 10—COMPONENTS OF FUND BALANCE

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

	General	Permanent	Nonmajor	Total
<u>Fund Balances</u>	<u>Fund</u>	<u>Funds</u>	<u>Governmental</u>	<u>Governmental</u>
Nonspendable				
Permanent Funds - Principal		\$ 1,060,626		\$ 1,060,626

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

Restricted for:

Milfoil Remediation	\$	7,500		7,500
Independence Day Fund		5,379		5,379
Permanent Funds - Income			101,967	101,967
Cemetery maintenance gifts & donations fund		16,487		16,487
Library Fund	\$		33,429	33,429
Heritage Commission Fund			5,353	5,353

Committed for:

Capital Reserve Funds		1,690,690		1,690,690
Expendable Trust Funds		74,500		74,500
Carryforward appropriations		109,602		109,602
Encumbrances		4,415		4,415
Cemetery Lot Sales Fund			1,900	1,900
Conservation Fund			202,361	202,361
Recreation Fund			21,719	21,719

Assigned for:

Conservation Commission		5,310		5,310
Library Fund			20,166	20,166

Unassigned

		507,404		507,404
	<u>\$</u>	<u>2,421,287</u>	<u>\$</u>	<u>1,162,593</u>
			<u>\$</u>	<u>284,928</u>
			<u>\$</u>	<u>3,868,808</u>

NOTE 11—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$330,509,300 as of April 1, 2015) and are due on December 1, 2015. 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 \$5,411,475 and \$577,559 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. At December 31, 2015, the balance of the property tax appropriations due to the school district is \$2,711,475 and has been reported in the General Fund as 'Due to other governments' in these financial statements.

NOTE 12—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, 2015, the Town participated in public entity risk pools (Trusts) for property and liability

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trusts 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 Trusts foresee 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, 2015.

Property and Liability Insurance

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, 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, up to an aggregate of \$5,000,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

Worker's Compensation

The Trust 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 13—CONTINGENT LIABILITIES

Litigation

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

NOTE 14—SUBSEQUENT EVENTS

In May 2016, the Town entered into a tax anticipation note for \$3,000,000 that is due on December 31, 2016, with an interest rate of 2.05%. A total of \$1,625,000 has been drawn down on this tax anticipation note.

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2015

NOTE 15— RESTATEMENT OF EQUITY

Government-Wide Statements

During the year ended December 31, 2015, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions*, as described in Note 1 of these financial statements.

Net Position of the governmental activities as of January 1, 2015 has been restated accordingly as follows:

Net Position - January 1, 2015 (as previously reported)	\$ 8,464,141
Amount of restatement due to:	
Deferred outflows related to net pension liability	26,233
Deferred inflows related to net pension liability	(160,319)
Net pension liability	<u>(728,542)</u>
Net Position - January 1, 2015, as restated	<u>\$ 7,601,513</u>

Governmental Funds

During the year ended December 31, 2015, it was determined that the activities of the Cemetery Maintenance, Gifts, and Donations Fund was previously reported as a Special Revenue Fund and not properly reported as part of the General Fund.

The impacts of the restatements on the governmental funds as of January 1, 2015 are as follows:

	General Fund	Nonmajor Governmental Funds
Fund Balance - January 1, 2015 (as previously reported)	\$ 2,207,463	\$ 295,179
Amount of restatement due to:		
Reclassification of Fund	<u>16,487</u>	<u>(16,487)</u>
Fund Balance - January 1, 2015, as restated	<u>\$ 2,223,950</u>	<u>\$ 278,692</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues:				
Taxes	\$ 2,126,800	\$ 2,126,800	\$ 2,098,174	\$ (28,626)
Licenses and permits	376,150	376,150	404,473	28,323
Intergovernmental	171,353	179,353	175,167	(4,186)
Charges for services	47,600	47,600	67,981	20,381
Interest income	400	400	815	415
Miscellaneous	44,333	44,333	57,986	13,653
Total Revenues	<u>2,766,636</u>	<u>2,774,636</u>	<u>2,804,596</u>	<u>29,960</u>
Expenditures:				
Current Operations:				
General government	592,454	592,454	570,239	22,215
Public safety	353,003	361,003	353,261	7,742
Highways and streets	688,337	688,337	659,722	28,615
Sanitation	88,288	88,288	89,421	(1,133)
Health and welfare	59,672	47,797	46,239	1,558
Culture and recreation	221,329	221,329	221,637	(308)
Capital outlay	581,933	484,206	452,240	31,966
Debt service:				
Principal retirement	70,000	70,000	70,000	
Interest and fiscal charges	52,575	52,575	48,745	3,830
Total Expenditures	<u>2,707,591</u>	<u>2,605,989</u>	<u>2,511,504</u>	<u>94,485</u>
Excess revenues over expenditures	<u>59,045</u>	<u>168,647</u>	<u>293,092</u>	<u>124,445</u>
Other financing sources (uses):				
Transfers in	159,602	159,602	135,345	(24,257)
Transfers out	(492,000)	(492,000)	(492,000)	
Total other financing sources (uses)	<u>(332,398)</u>	<u>(332,398)</u>	<u>(356,655)</u>	<u>(24,257)</u>
Net change in fund balance	(273,353)	(163,751)	(63,563)	100,188
Fund balance at beginning of year				
- Budgetary Basis	<u>1,059,978</u>	<u>1,059,978</u>	<u>1,059,978</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 786,625</u>	<u>\$ 896,227</u>	<u>\$ 996,415</u>	<u>\$ 100,188</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

TOWN OF LYME, NEW HAMPSHIRE

Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability

For the Year Ended December 31, 2015

	For the Measurement Period Ended June 30:		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's proportion of the net pension liability (asset)	0.0190%	0.0194%	0.0213%
Town's proportionate share of the net pension liability (asset)	\$ 750,816	\$ 728,542	\$ 916,996
Town's covered payroll	\$ 484,773	\$ 482,497	\$ 526,013
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	154.88%	150.99%	174.33%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	66.32%	59.81%

See accompanying notes to the required supplementary information

SCHEDULE 3

TOWN OF LYME, NEW HAMPSHIRE

Schedule of Town Contributions

For the Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 64,578	\$ 58,322	\$ 61,170
Contributions in relation to the contractually required contribution	<u>(64,578)</u>	<u>(58,322)</u>	<u>(61,170)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 479,917	\$ 445,607	\$ 530,210
Contributions as a percentage of covered-employee payroll	13.46%	13.09%	11.54%

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

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

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 2,837,513	\$ 2,640,176
Difference in property taxes meeting susceptible to accrual criteria	(1,853)	
Encumbrances, December 31, 2015		4,415
Non-budgetary revenues and expenditures	(15,819)	(133,087)
Budgetary transfers in and out	613,000	613,000
Non-budgetary transfers in and out	(492,900)	(121,000)
Per Schedule 1	<u>\$ 2,939,941</u>	<u>\$ 3,003,504</u>

NOTE 2—BUDGETARY FUND BALANCES

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

<i>Restricted:</i>	
Cemetery Gifts and Donations	\$ 16,487
Milfoil remediation	7,500
<i>Committed:</i>	
Carryforward appropriations	109,602
<i>Assigned:</i>	
Conservation commission	5,310
<i>Unassigned:</i>	
Unassigned - General operations	857,516
	<u>\$ 996,415</u>

TOWN OF LYME, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
For the Year Ended December 31, 2015

**NOTE 3—SCHEDULE OF CHANGES IN THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND SCHEDULE OF TOWN CONTRIBUTIONS**

In accordance with GASB Statement #68, *Accounting and Financial Reporting for Pensions*, the Town is required to disclose historical information for each of the prior ten years within a schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town contributions. The Town implemented the provisions of GASB Statement #68 during the year ended December 31, 2015. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as the information becomes available.

SCHEDULE A

TOWN OF LYME, NEW HAMPSHIRE

Combining Balance Sheet

Governmental Funds - All Nonmajor Special Revenue Funds

December 31, 2015

	Cemetery Lot Sales Fund	Converse Free Library Fund	Conservation Fund	Recreation Revolving Fund	Heritage Commission Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents		\$ 18,244	\$ 185,409			\$ 203,653
Investments		33,429				33,429
Due from other funds	\$ 1,900	1,922	16,952	\$ 21,719	\$ 5,353	47,846
Total Assets	1,900	53,595	202,361	21,719	5,353	284,928
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 1,900	\$ 53,595	\$ 202,361	\$ 21,719	\$ 5,353	\$ 284,928
LIABILITIES						
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	-	-	-	-	-	-
FUND BALANCES						
Restricted		33,429			5,353	38,782
Committed	1,900		202,361	21,719		225,980
Assigned		20,166				20,166
Total Fund Balances	1,900	53,595	202,361	21,719	5,353	284,928
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,900	\$ 53,595	\$ 202,361	\$ 21,719	\$ 5,353	\$ 284,928

SCHEDULE B
TOWN OF LYME, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	Cemetery Lot Sales Fund	Converse Free Library Fund	Conservation Fund	Recreation Revolving Fund	Heritage Commission Fund	Total Nonmajor Special Revenue Funds
Revenues:						
Taxes			\$ 15,574	\$ 24,213		\$ 15,574
Charges for services						24,213
Interest and investment income		\$ 96	153			249
Miscellaneous	\$ 1,600	14,821	200		\$ 6,080	22,701
Total Revenues	<u>1,600</u>	<u>14,917</u>	<u>15,927</u>	<u>24,213</u>	<u>6,080</u>	<u>62,737</u>
Expenditures:						
Current operations:						
Culture and recreation		21,685	15,000	18,895	1,943	57,523
Total Expenditures	<u>-</u>	<u>21,685</u>	<u>15,000</u>	<u>18,895</u>	<u>1,943</u>	<u>57,523</u>
Excess revenues over (under) expenditures	<u>1,600</u>	<u>(6,768)</u>	<u>927</u>	<u>5,318</u>	<u>4,137</u>	<u>5,214</u>
Other financing sources (uses):						
Transfers in		1,922				1,922
Transfers out	(900)					(900)
Total other financing sources (uses)	<u>(900)</u>	<u>1,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,022</u>
Net change in fund balances	700	(4,846)	927	5,318	4,137	6,236
Fund balances at beginning of year, as restated	<u>1,200</u>	<u>58,441</u>	<u>201,434</u>	<u>16,401</u>	<u>1,216</u>	<u>278,692</u>
Fund balances at end of year	<u>\$ 1,900</u>	<u>\$ 53,595</u>	<u>\$ 202,361</u>	<u>\$ 21,719</u>	<u>\$ 5,353</u>	<u>\$ 284,928</u>

December 20, 2016

To the Board of Selectmen
Town of Lyme, New Hampshire

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lyme, New Hampshire for the year ended December 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 27, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Lyme, New Hampshire are described in Note 1 to the financial statements. As described in Note 1 to the basic financial statements, the Town adopted and implemented GASB Statement #68 – Accounting and Financial Reporting for Pensions during the year ended December 31, 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the financial statements and is described in Note 15 to the basic financial statements. We noted no transactions entered into by the Town of Lyme, New Hampshire during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements of the Governmental Activities were:

Management's estimates of the useful lives of depreciable capital assets are based on historical utilization of assets. We evaluated the key factors and assumptions used to develop the useful lives of depreciable capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Significant estimates also include actuarial assumptions used in determining pension costs which are based on plan audited financial statements. We evaluated the assumptions used in the plan audited financial statements to determine that they are reasonable in relation to the financial statements as a whole.

The most sensitive estimate affecting the financial statements of the General Fund and the Governmental Activities was:

Management's estimate of the allowance for uncollectible tax receivables is based on the likelihood of the Town to collect monies owed to it. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

As discussed in Note 2 to the financial statements, the Town has not implemented GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accordingly, an adverse opinion has been issued on the Government-Wide statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Please see the attached schedule of material adjustments detected and corrected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Lyme, New Hampshire's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional

standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Lyme, New Hampshire's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our audit, we noted certain deficiencies in the Town of Lyme, New Hampshire's internal control that we considered to be material weaknesses and other deficiencies that we considered to be a significant deficiency. See the separately issued 'Report on Internal Controls' dated December 20, 2016, for further information regarding the identified deficiencies.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedule of revenues, expenditures and changes in fund balance – budget and actual (budgetary basis) – general fund, the schedule of changes in the Town's proportionate share of the net pension liability, the schedule of Town contributions, and the notes to required supplementary information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Selectmen and management of the Town of Lyme, New Hampshire and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Vachon Clukay & Company PC

Town of Lyme, New Hampshire
For the year ended December 31, 2015
Significant Audit Adjustments

The following is a listing of the significant audit adjustments made for the year ended December 31, 2015 and have been corrected by management:

General Fund:

- To adjust school tax payable to actual by \$5,411,475.
- To record interfund activity between the General Fund and the Capital Reserve Funds in the amount of \$50,000.

Aggregate Remaining Funds:

- To record a prior period adjustment in the Cemetery Maintenance, Gifts, and Donations Fund for funds that should be under control of the Town Treasurer and accounted for within the General Fund, in the amount of \$16,487.
- To reclassify a payment to the Conservation Fund from the General Fund which was paid after year end in the amount of \$15,573.



FINANCIAL REPORT OF THE TOWN, CITY, OR VILLAGE DISTRICT BUDGET

Form Due Dates: **April 1, 2016**, if operating on a Calendar Year, reporting from 1/1/15 to 12/31/15,
OR
September 1, 2016, if operating on a Fiscal Year, reporting from 7/1/15 to 6/30/16

Instructions

Cover Page
Account Codes
Balance Sheet
Reconciliation Sheets
Amortization of Long Term Debt

For Assistance Please Contact:

DRA Municipal and Property Division
Phone: (603) 230-5090
Fax: (603) 230-5947
<http://www.revenue.nh.gov/mun-prop/>

ENTITY'S INFORMATION



Entity Type: ☒ Municipality ☐ Village

Municipality: LYME

County: GRAFTON

PREPARER'S INFORMATION



First Name

JENNIFER

Last Name

DORR

Preparer's Entity

VACHON CLUKAY & COMPANY, INC.

Street No.

608

Street Name

CHESTNUT STREET

Phone Number

(603) 622-7070

Email (optional)

jdorr@vachonclukay.com



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EXPENDITURES

GENERAL GOVERNMENT ②

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4130 - 4139	Executive ①	\$122,645		\$119,737
4140 - 4149	Election, Reg. & Vital Statistics ①	\$94,705		\$91,398
4150 - 4151	Financial Administration ①	\$43,984		\$41,382
4152	Property Assessment ①	\$32,065		\$31,554
4153	Legal Expense ①	\$55,000		\$44,751
4155 - 4159	Personnel Administration ①	\$47,263		\$45,314
4191 - 4193	Planning & Zoning ①	\$88,051		\$87,376
4194	General Government Buildings ①	\$23,041		\$26,406
4195	Cemeteries ①	\$32,100		\$26,149
4196	Insurance ①	\$50,700		\$46,862
4197	Advertising & Regional Association ①	\$2,900		\$3,030
4199	Other General Government Expense ①			\$6,278
General Government Subtotal		\$592,454		\$570,237

PUBLIC SAFETY ②

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4210 - 4214	Police ①	\$225,406		\$229,043
4215 - 4219	Ambulance ①	\$53,650		\$49,353
4220 - 4229	Fire ①	\$45,109		\$43,837
4240 - 4249	Building Inspection ①			
4290 - 4298	Emergency Management ①	\$2,538	\$8,000	\$3,510

Explanation for Authorizations: Unanticipated Revenue



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4299	Other (Including Communications) ?	\$26,300		\$27,518
Public Safety Subtotal		\$353,003	\$8,000	\$353,261

AIRPORT/AVIATION CENTER ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4301 - 4309	Airport Operations ?			
Airport/Aviation Subtotal				

HIGHWAYS AND STREETS ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4311	Administration ?			
4312	Highway & Streets ?	\$685,102	\$140,850	\$701,943
		Explanation for Authorizations: Non-Lapsing Appropriations		
4313	Bridges ?			
4316	Street Lighting ?	\$3,235		\$3,124
4319	Other ?	\$233,400		\$233,400
Highways and Streets Subtotal		\$921,737	\$140,850	\$938,467

SANITATION ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4321	Administration ?			
4323	Solid Waste Collection ?	\$41,588		\$43,764
4324	Solid Waste Disposal ?	\$46,700		\$45,657
4325	Solid Waste Facility Clean-up ?			
4326 - 4329	Sewage Collection, Disposal, and Other ?			
Sanitation Subtotal		\$88,288		\$89,421



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WATER DISTRIBUTION AND TREATMENT ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4331	Administration ?			
4332	Water Services ?			
4335	Water Treatment ?			
4338-4339	Water Conservation & Other ?			
Water Distribution and Treatment Subtotal				

ELECTRIC ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4351 - 4352	Administration & Generation ?			
4353	Purchase Costs ?			
4354	Electric Equipment Maintenance ?			
4359	Other Electric Costs ?			
Electric Subtotal				

HEALTH ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4411	Administration ?			
4414	Pest Control ?			
4415 - 4419	Health Agencies & Hospital & Other ?	\$22,454		\$22,354
Health Subtotal		\$22,454		\$22,354

WELFARE ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4441 - 4442	Administration & Direct Assistance ?	\$8,600		\$8,600
4444	Intergovernmental Welfare Payments ?			



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4445 - 4449 Vendor Payments & Other [?]

Welfare Subtotal

\$8,600

\$8,600

CULTURE AND RECREATION [?]

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4520 - 4529	Parks & Recreation [?]	\$65,473		\$71,391
4550 - 4559	Library [?]	\$152,806		\$147,476
4583	Patriotic Purposes [?]	\$950		\$763
4589	Other Culture & Recreation [?]			
Culture and Recreation Subtotal		\$219,229		\$219,630

CONSERVATION AND DEVELOPMENT [?]

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4611 - 4612	Admin. & Purchase of Natural Resources [?]	\$2,100		\$2,008
4619	Other Conservation [?]	\$21,115	\$7,503	\$15,286
		Explanation for Authorizations: Non-Lapsing Appropriations		
4631 - 4632	Redevelopment and Housing [?]			
4651 - 4659	Economic Development [?]			
Conservation & Development Subtotal		\$23,215	\$7,503	\$17,294

DEBT SERVICE [?]

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4711	Principal - Long Term Bonds & Notes [?]	\$70,000		\$70,000
4721	Interest - Long Term Bonds & Notes [?]	\$40,575		\$40,575
4723	Interest on Tax Anticipation Notes [?]	\$12,000		\$8,171
4790 - 4799	Other Debt Service [?]	\$18,081		\$18,080
Debt Service Subtotal		\$140,656		\$136,826



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CAPITAL OUTLAY ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4901	Land ?			
4902	Machinery, Vehicles, & Equipment ?	\$46,000		\$21,000
4903	Buildings ?			
4909	Improvements Other Than Buildings ?	\$130,000		\$130,000
Capital Outlay Subtotal		\$176,000		\$151,000

OPERATING TRANSFERS OUT ?

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4912	To Special Revenue Fund ?			
4913	To Capital Projects Fund ?			
4914	To Enterprise Fund ?			
	Sewer			
	Water			
	Electric			
	Airport			
	Other			
4915	To Capital Reserve Fund ?	\$484,500		\$484,500
4916	To Expendable Trust Fund - Not #4917 ?	\$22,002		\$7,500
4917	Health Maintenance Trust Funds ?			
4918	To Nonexpendable Trust Funds ?			
4919	To Fiduciary Funds ?			
Operating Transfers Out Subtotal		\$506,502		\$492,000



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PAYMENTS TO OTHER GOVERNMENTS

Account #	Purpose of Appropriations (RSA 32:3, V)	Voted Appropriations	Other Authorizations	Actual Expenditures
4931	Taxes Assessed for County	\$577,559		\$577,559
4932	Taxes Assessed For Village District			
4933	Taxes Assessed for Local Education	\$4,616,513		\$4,616,513
4934	Taxes Assessed for State Education	\$794,962		\$794,962
4939	Payments to Other Governments			
Payments to Other Governments Subtotal		\$5,989,034		\$5,989,034
Less Proprietary Funds, Special Revenue Funds, or Capital Projects Funds		\$900		

TOTAL GENERAL FUND EXPENDITURES	Voted Appropriations	Other Authorizations	Actual Expenditures
TOTAL GENERAL FUND EXPENDITURES	\$9,040,272	\$156,353	\$8,988,124



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REVENUES

TAXES ?

Account #	Source of Revenues	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
3110	Property Taxes ?	\$8,071,711		\$8,038,718
3120	Land Use Change Taxes - General Fund ?			
3121	Land Use Change Taxes - Conservation Fund ?			
3180	Resident Taxes ?			
3185	Yield Taxes ?	\$15,000		\$14,632
3186	Payment in Lieu of Taxes ?	\$4,123		\$4,474
3187	Excavation Tax (\$0.02 cents per cubic yard) ?			
3189	Other Taxes ?			
3190	Interest & Penalties on Delinquent Taxes ?	\$25,000		\$29,384
	Inventory Penalties			
Taxes Subtotal		\$8,115,834		\$8,087,208

LICENSES, PERMITS, AND FEES ?

Account #	Source of Revenues	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
3210	Business Licenses & Permits ?			
3220	Motor Vehicle Permit Fees ?	\$350,000		\$370,508
3230	Building Permits ?	\$13,000		\$17,343
3290	Other Licenses, Permits, & Fees ?	\$13,150		\$16,622
Licenses, Permits, and Fees Subtotal		\$376,150		\$404,473



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FROM FEDERAL GOVERNMENT ?

Account #	Source of Revenues	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
3311 - 3319	From Federal Government ?		\$8,000	\$1,585
		Explanation of Unanticipated Revenues	Unanticipated Revenue	
From Federal Government Subtotal			\$8,000	\$1,585

FROM STATE ?

Account #	Source of Revenues	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
3351	Shared Revenues ?			
3352	Meals & Rooms Tax Distribution ?	\$82,088		\$82,088
3353	Highway Block Grant ?	\$89,265		\$90,036
3354	Water Pollution Grant ?			
3355	Housing & Community Development ?			
3356	State & Federal Forest Land Reimbursement ?			
3357	Flood Control Reimbursement ?			
3359	Other (Including Railroad Tax) ?	\$5,279		\$5,279
3379	From Other Governments ?			
From State Subtotal		\$176,632		\$177,403

CHARGES FOR SERVICES ?

Account #	Source of Revenues	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
3401 - 3406	Income from Departments ?	\$47,600		\$67,510
3409	Other Charges ?			
Charges for Services Subtotal		\$47,600		\$67,510



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MISCELLANEOUS REVENUES ?

Account #	Source of Revenues	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
3501	Sale of Municipal Property ?			
3502	Interest on Investments ?	\$400		\$815
3503 - 3509	Other ?	\$39,054		\$54,166
Miscellaneous Revenues Subtotal		\$39,454		\$54,981

INTERFUND OPERATING TRANSFERS IN ?

Account #	Source of Revenues	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
3912	From Special Revenue Funds ?	\$14,502		\$14,345
3913	From Capital Projects Funds ?			
3914	From Enterprise Funds ?			
	Sewer - (Offset)			
	Water - (Offset)			
	Electric - (Offset)			
	Airport - (Offset)			
	Other - (Offset)			
3915	From Capital Reserve Funds ?	\$146,000		\$121,000
3916	From Trust & Fiduciary Funds ?			
3917	Transfers from Conservation Fund ?			
Interfund Operating Transfers Subtotal		\$160,502		\$135,345

OTHER FINANCING SOURCES ?

Account #	Source of Revenues	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
3934	Proceeds from Long Term Bonds & Notes ?			
<small>NOTE: NH law requires all municipalities to gross appropriate. Full disclosure of those appropriations and offsetting revenues are required on this report. Those revenues accounted for in proprietary or other funds are subtracted from this report for the purposes of general fund balance sheet disclosure. See the municipality's audited financials for more information on proprietary funds, special revenue funds, or capital project funds. Also, see the supplemental schedule.</small>				
Other Financing Sources Subtotal				



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Less Propriety Funds, Spec. Rev. Funds, or Capital Project Funds

\$900

	Estimated Revenues to Set Tax Rate	Unanticipated Revenues	Actual Revenues
TOTAL GENERAL FUND REVENUE	\$8,915,272	\$8,000	\$8,928,505



Taxes/Liens Receivable Worksheet

Line Item	Year of this Report	For Prior Levy	TOTAL
Uncollected at End of Year	\$382,052	\$180,758	\$562,810
"Overlay" carried forward as "Allowance for Abatements"	\$2,307	\$22,693	\$25,000
Receivable at End of year (to Balance Sheet accounts 1080, 1100)	\$379,745	\$158,065	\$537,810

Reconciliation of Regional School District Liability

Line Item	Amount
Regional School District Liability at Beginning of Year (To Balance Sheet Account 2075, Beginning of Year)	\$2,530,825
ADD: Regional School District Assessment for Current Year	\$5,411,475
Total Liability Within Current Year (Sum of Lines 1 and 2)	\$7,942,300
SUBTRACT: Payments made to Regional School District	\$5,780,825
Due to School District End of Year (To Balance Sheet Account 2075, End of Year)	\$2,161,475

Reconciliation of Tax Anticipation Notes

Line Item	Amount
Short-Term (TANS) Debt at Beginning of Year (To Balance Sheet Account 2230, Beginning of Year)	
New Issues During Current Year	\$2,375,000
Issues Retired During Current Year	\$2,375,000
Short-Term (TANS) Debt Outstanding at End of Year (To Balance Sheet Account 2230, End of Year)	



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BALANCE SHEET

Account	Current Assets ?	Beginning of Year	End of Year
1010	Cash and Equivalents ?	\$3,191,407	\$3,504,041
1030	Investments ?		
1080	Tax Receivable ?	\$387,187	\$379,745
1110	Tax Liens Receivable ?	\$102,430	\$158,065
1150	Accounts Receivable ?	\$5,000	
1260	Due from Other Governments ?	\$367	\$367
1310	Due from Other Funds ?		\$49,300
1400	Other Current Assets ?	\$9,009	
1670	Tax Deeded Property (Subject to Resale) ?		
TOTAL ASSETS		\$3,695,400	\$4,091,518

Account	Current Liabilities ?	Beginning of Year	End of Year
2020	Warrants and Accounts Payable ?	\$54,131	\$861,414
2030	Compensated Absences Payable ?	\$28,180	\$26,018
2050	Contracts Payable ?		
2070	Due to Other Governments ?		
2075	Due to School Districts ?	\$2,530,825	\$2,161,475
2080	Due to Other Funds ?	\$21,187	\$35,800
2220	Deferred Revenue ?	\$1,099	\$6,452
2230	Notes Payable - Current ?		
2270	Other Payable ?		
TOTAL LIABILITIES		\$2,635,422	\$3,091,159



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Account	Fund Equity ?	Beginning of Year	End of Year
2440	Non-spendable Fund Balance ?	\$9,009	
2450	Restricted Fund Balance ?	\$7,500	\$23,987
2460	Committed Fund Balance ?	\$148,353	\$109,602
2490	Assigned Fund Balance ?	\$5,310	\$5,310
2530	Unassigned Fund Balance ?	\$889,806	\$861,460
TOTAL FUND EQUITY		\$1,059,978	\$1,000,359
TOTAL LIABILITIES and FUND EQUITY		\$3,695,400	\$4,091,518

NOTE: NH law requires all municipalities to gross appropriate, but this balance sheet only reflects the general fund. See the municipality's audited financials for more information on proprietary funds, special revenue funds, or capital project funds.

General Fund Balance Sheet Reconciliation

Line Item	Amount
Total Revenues	\$8,928,505
Total Expenditures	\$8,988,124
Change (Increase or Decrease)	(\$59,619)
Ending Fund Equity from Balance Sheet	\$1,000,359
Less Beginning Fund Equity from Balance Sheet	\$1,059,978
Change (Increase or Decrease)	(\$59,619)



AMORTIZATION OF LONG-TERM DEBT (Including Proprietary and Capital Project Funds)

Description	Original Obligation	Purpose	Annual Installment	Interest Rate (%) or Range (% - %)	Year of Final Payment (YYYY)	Bonds o/s at Beginning of Year	Bonds Issued this Year	Bonds Retired this Year	Bonds o/s at End of year
Highway Garage	\$508,900	General	\$25,000	3%-5%	2024	\$250,000		\$25,000	\$225,000
Municipal Building	\$899,420	General	\$45,000	4%-5.29%	2028	\$630,000		\$45,000	\$585,000
						Add Line			
Total	\$1,408,320					\$880,000		\$70,000	\$810,000



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1. CERTIFY THIS FORM

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.

Preparer's First Name

JENNIFER

Preparer's Last Name

DORR

Date

Jul 27, 2016

Preparer's Signature

☐ Audited

☒ Unaudited

☐ Compilation Report Attached

2. SAVE AND EMAIL THIS FORM

Please save and e-mail the completed PDF form to your Municipal Bureau Advisor.

3. PRINT, SIGN, AND UPLOAD THIS FORM

This completed PDF form must be PRINTED, SIGNED, SCANNED, and UPLOADED onto the Municipal Tax Rate Setting Portal (MTRSP) at <http://proptax.org/nh/>. If you have any questions, please contact your Municipal Bureau Advisor.

GOVERNING BODY CERTIFICATION

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.

Governing Body Member's Signature and Title

[Signature] Selectman

Governing Body Member's Signature and Title

[Signature] Selectman

Governing Body Member's Signature and Title

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INSTRUCTIONS For the MS-535 Financial Report of the Town, City, or Village District Budget

The MS-535 is to be used by every NH town, city, or village district to report the year end financial status of the budget. The report is to be completed at the end of the reporting year and submitted to the NH Department of Revenue Administration (DRA) pursuant to RSA 21-J:34, V.

Cover Sheet

Prior to entering reporting data, please fill out all fields on the cover page.

NOTE: NH law requires all municipalities to gross appropriate. Full disclosure of those appropriations and offsetting revenues are required on this report. Those amounts accounted for in proprietary or other funds are later removed from this report for purposes of general fund balance sheet disclosure. See the municipality's audited financials for more information on proprietary funds, special revenue funds, or capital project funds.

Budget Expenditures

Voted Appropriations	Enter gross appropriations as voted at the prior year's annual and any special meetings and as approved by DRA on the MS-2. For accounts 4931, 4932, 4933, and 4934 the voted appropriations should match the amounts shown on the tax rate calculation paperwork. In the future, DRA will pre-populate this column.
Other Authorizations	Enter expenditure authorizations in addition to amounts in column 3 and detail in the box at the bottom of the page. Examples: Emergency expenditures under RSA 32:11; grant expenditures under RSA 31:95-b; additional expenditures from capital reserve or trust funds by agents.
Actual Expenditures	Enter actual expenditures (include amounts in column 4). (Proprietary funds, special revenue, and capital project funds are to be netted out for this report, generally in acct. #4914 or #4912). Expenditures for "Payments to Other Governments" on page 4 are set in tax rates. For accounts 4931, 4932, 4933, and 4934 the actual expenditures should match the amounts shown on the tax rate calculation paperwork.

Revenues

Estimated Revenues to Set Tax Rate	Enter estimated revenues from reporting year MS-4 used to set the tax rate.
Actual Revenues	Enter revenues attributable to the reporting year. Proprietary funds, special revenue, and capital project funds are to be netted out for this report at the bottom of the column. In the first row, acct. #3110, add property tax amount from tax collector's warrant, plus any excess overlay. Enter general fund revenue in the last row.

General Fund Balance Sheet

Beginning of Year Column	Enter Beginning of the Year amounts using prior year's End of Year amounts or as adjusted by your auditors.
End of Year Column	Enter the End of Year amounts from your records or as adjusted by your auditors.

See *Reconciliation Worksheets* to help calculate amounts.

To be GASB 54 compliant, the fund balance classifications have changed. See the next sheet for further explanation.

Reconciliation Worksheet

General Fund Section	This section illustrates how revenues and expenditures flow through to Fund Balance
School District Section	Enter amounts to determine end of year school district liability, or call your SAU for year end amounts.
Tax Anticipation Notes Section	Enter amounts to determine end of year TAN liability amount.

Fund Balance Explanation: Changes from Previous Year's as Necessitated by GASB 54

As Previously Classified in Prior Years



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a. Assigned (Formerly Reserve for encumbrances)	2440
b. Committed (Formerly Reserve for Continuing Appropriations)	2450
c. Restricted (Formerly Reserve for Appropriations Voted for CRF/ETF)	2460
d. Committed (Formerly Reserve for Appropriations Voted)	2460
e. Assigned (Formerly Reserve for Special Purposes)	2490
f. Unassigned (Formerly Unreserved Fund Balance)	2530

As Required under GASB 54

a. Nonspendable Fund Balance	2440	= Non-cash items such as inventories or prepaid items.
b. Restricted Fund Balance	2450	= Funds legally restricted, such as a grant or library funds.
c. Committed Fund Balance	2460	= Only used for a specific voted purpose, like a special WA.
d. Assigned Fund Balance	2490	= Intended for specific purpose such as an encumbrance.
e. Unassigned Fund balance	2530	= Spendable fund balance (formerly: unreserved or surplus).

NEW HAMPSHIRE MUNICIPAL BOND BANK

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

BOND PAYMENT SCHEDULE FOR PUBLIC WORKS FACILITY - LOAN DATE 2004

DEBT YEAR	PERIOD	PRINCIPAL OUT- STANDING	PRINCIPAL	RATE	INTEREST	Less 2010 refunding	YEAR ENDING PAYMENT	PAYMENTS
1	8/15/2005	\$508,900.00	\$28,900.00	3.00%	\$26,003.57		\$54,903.57	\$54,903.57
2	8/15/2006	\$480,000.00	\$30,000.00	4.00%	\$23,575.00		\$53,575.00	\$53,575.00
3	8/15/2007	\$450,000.00	\$25,000.00	5.00%	\$22,375.00		\$47,375.00	\$47,375.00
4	8/15/2008	\$425,000.00	\$25,000.00	5.00%	\$21,125.00		\$46,125.00	\$46,125.00
5	8/15/2009	\$400,000.00	\$25,000.00	5.00%	\$19,875.00		\$44,875.00	\$44,875.00
6	8/15/2010	\$375,000.00	\$25,000.00	5.00%	\$18,625.00		\$43,625.00	\$43,625.00
7	8/15/2011	\$350,000.00	\$25,000.00	5.00%	\$17,375.00	-\$438.00	\$41,937.00	\$41,937.00
8	8/15/2012	\$325,000.00	\$25,000.00	5.00%	\$16,125.00	-\$438.00	\$40,687.00	\$40,687.00
9	8/15/2013	\$300,000.00	\$25,000.00	5.00%	\$14,875.00	-\$438.00	\$39,437.00	\$39,437.00
10	8/15/2014	\$275,000.00	\$25,000.00	5.00%	\$13,625.00	-\$938.00	\$37,687.00	\$37,687.00
11	8/15/2015	\$250,000.00	\$25,000.00	5.00%	\$11,437.00	-\$938.00	\$36,437.00	\$36,437.00
12	8/15/2016	\$225,000.00	\$25,000.00	5.00%	\$11,125.00	-\$438.00	\$35,687.00	\$35,687.00
13	8/15/2017	\$200,000.00	\$25,000.00	5.00%	\$9,875.00	-\$438.00	\$34,263.00	
14	8/15/2018	\$175,000.00	\$25,000.00	5.00%	\$8,625.00	-\$612.00	\$33,013.00	
15	8/15/2019	\$150,000.00	\$25,000.00	4.75%	\$7,375.00	-\$612.00	\$31,763.00	
16	8/15/2020	\$125,000.00	\$25,000.00	4.75%	\$6,187.50		\$31,187.50	
17	8/15/2021	\$100,000.00	\$25,000.00	5.00%	\$5,000.00		\$30,000.00	
18	8/15/2022	\$75,000.00	\$25,000.00	5.00%	\$3,750.00		\$28,750.00	
19	8/15/2023	\$50,000.00	\$25,000.00	5.00%	\$2,500.00		\$27,500.00	
20	8/15/2024	\$25,000.00	\$25,000.00	5.00%	\$1,250.00		\$26,250.00	
TOTALS			\$508,900.00		\$260,703.07	-\$4,464.00	\$765,077.07	

NEW HAMPSHIRE MUNICIPAL BOND BANK

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

BOND PAYMENT SCHEDULE FOR TOWN OFFICES - LOAN DATE 2008

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

SCHEDULE OF LYME PROPERTY - 2016

BUILDINGS with LAND:

	Description	Parcel Address	Map #	Lot #	Acreage	Assessment
	Library	38 Union Street	201	38	0.44	\$859,500
	Jail	2 Pleasant Street	201	94.100	0.07	\$23,100
	Fire Station	44 High Street	201	103	1.28	\$270,300
	Town Garage	24 High Street	201	110.1000	3.47	\$753,000
	Town Office/Police Building	1 High Street	201	120	3.11	\$1,264,500
	Post Pond Recreation Area	111 Orford Road	407	5.1000	11.80	\$321,300
	Lyme Center Academy Building	183 Dorchester Road	409	18	1.30	\$648,300

CEMETERIES:

	Description	Parcel Address	Map #	Lot #	Acreage	Assessment
	Old Lyme Cemetery & Tomb	1 Pleasant Street	201	78	3.70	\$341,700
	Highland Cemetery	24 High Street	201	110.2000	6.57	\$192,000
	Gilbert Cemetery	240 River Road	402	72	58.00	\$255,600
	Porter Cemetery	597 River Road	405	25	0.36	\$11,900
	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	\$24,000
	Big Rock Nature Preserve	18 Market Street	201	31.2000	9.99	\$37,300
	Big Rock Nature Preserve	20 Union Street	201	47	12.82	\$87,400
	Little Common	39 Union Street	201	59	0.38	\$16,400
	Land Under Horsesheds	6 John Tomson Way	201	93.100	0.16	\$33,700
	Land on Wilmott Way	30 Wilmott Way	401	62	1.30	\$9,000
	Land on Hewes Brook	39 Shoestrapp Road	402	39	1.80	\$12,100
	Hewes Brook Nature Preserve	111 River Road	402	89	1.00	\$23,100
	Land on Orford Road	263 Orford Road	406	1	8.80	\$30,000
	Lyme Town Forest	85 Orfordville Road	406	30	372.00	\$521,100
	Land adjoining Post Pond	105 Orford Road	407	4	2.2	\$37,000
	Chaffee Wildlife Sanctuary	115 Orford Road	407	5.2000	21.02	\$114,900
	Land on Mud Turtle Pond Road	36 Mud Turtle Pond Road	407	77	70.00	\$226,900
	Land on Post Pond Lane	92 Post Pond Lane	408	12	19.60	\$104,600
	Junction of Franklin/Acorn Hill Rds.	171 Acorn Hill Road	408	68	0.04	\$400
	Land on Canaan Ledge Lane	17 Canaan Ledge Lane	413	19	2.70	\$18,100
	Land on Canaan Ledge Lane	25 Canaan Ledge Lane	413	20	16.00	\$68,300
	Land on Dorchester Road	379 Dorchester Road	414	39	0.54	\$4,500
	Trout Pond Forest	4 Trout Pond Lane	415	3	385.40	\$396,800
	Reservoir Pond Access	637 Dorchester Road	421	1	0.37	\$70,600

SUMMARY

	Acreage	Assessment
Buildings w/Land	21.47	\$4,140,000
Cemeteries	69.20	\$810,400
Land (Vacant)	927.52	\$1,836,200
GRAND TOTALS:	1018.19	\$6,786,600

*Land Owned by Upper Valley Land Trust



SUMMARY INVENTORY OF VALUATION

Submit to the Department of Revenue Administration by September 1

Instructions

Note: for ease of use please begin at the last section and work forward.

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

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

For Assistance Please Contact:

DRA Municipal and Property Division

Phone: (603) 230-5090

<http://www.revenue.nh.gov/mun-prop/>

ENTITY'S INFORMATION ?

Entity Type: ☒ Municipality ☐ Village

Municipality: LYME

County: GRAFTON

Original Date

09/01/2016

Revision Date

ASSESSOR

DIANA CALDER

Assessor's Name

☒ 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.

MUNICIPAL OFFICIALS

SUSAN J. MACKENZIE

Municipal Official 1

PATRICIA G. JENKS

Municipal Official 3

Municipal Official 5

☒ Under penalties of perjury, We declare that we have examined the information contained in this form and to the best of our belief it is true, correct and complete.

CHARLES J. SMITH

Municipal Official 2

Municipal Official 4

Municipal Official 6

PREPARER'S INFORMATION

DINA CUTTING

Preparer's Name

☒ 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.

603-795-4639

Phone Number

dina@lymenh.gov

Email (optional)



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Municipality Values

Value Land Only (Exclude amount listed in lines 3A, 3B and 4) ?

		Number of Acres	Assessed Valuation
1-A	Current Use (At current values) RSA 79-A ?	26,222	\$2,283,900
1-B	Conservation Restriction Assessment RSA 79-B ?	134.15	\$10,700
1-C	Discretionary Easements RSA 79-C ?		
1-D	Discretionary Preservation Easements RSA 79-D ?	1	\$19,500
1-E	Taxation of Land Under Farm Structures RSA 79-F ?		
1-F	Residential Land (Improved and Unimproved) ?	2,314	\$120,770,900
1-G	Commercial/Industrial Land (excluding Utility Land) ?	87	\$5,946,300
1-H	Total of Taxable Land ?	28,758.15	\$129,031,300
1-I	Tax Exempt and Non-Taxable Land ?	5,258	\$13,669,300

Value Buildings Only (Exclude amount listed in lines 3A and 3B) ?

		Number of Structures	Assessed Valuation
2-A	Residential ?		\$199,329,600
2-B	Manufactured Housing as defined in RSA 674:31 ?		\$861,600
2-C	Commercial/Industrial (excluding Utility buildings) ?		\$12,137,800
2-D	Discretionary Preservation Easements RSA 79-D ?	10	\$71,500
2-E	Taxation of Farm Structures RSA 79-F ?		
2-F	Total of Taxable Buildings ?		\$212,400,500
2-G	Tax Exempt and Non-Taxable Buildings ?		\$16,584,200

Utilities and Timber ?

		Assessed Valuation
3-A	Utilities ?	\$6,156,700
3-B	Other Utilities ?	
4	Mature Wood and Timber RSA 79:5 ?	

5) Valuation before Exemptions (Total of lines 1H, 2F, 3A, 3B and 4) ?

\$347,588,500



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Exemptions

		Total # Granted	Assessed Valuation
6	Certain Disabled Veterans (RSA 72:36-a) ?		
7	Improvements to Assist the Deaf RSA (72:38-b V) ?		
8	Improvements to Assist Persons with Disabilities (RSA 72:37-a) ?		
9	School Dining/Dormitory/Kitchen Exemption (RSA 72:23-IV) ?		
10a	Non-Utility Water & Air Pollution Control Exemption (RSA 72:12-a) ?		
10b	Utility Water & Air Pollution Control Exemption (RSA 72:12-a) ?		
11) Modified Assessed Valuation of all Properties (Line 5 minus lines 6,7,8,9,10a,10b) ?			\$347,588,500

Summation of Exemptions ?

		Amount Per Exemption	Total # Granted	Assessed Valuation
12	Blind Exemption (RSA 72:37) ?	\$67,500	3	\$145,100
13	Elderly Exemption (RSA 72:39-a & b)		23	\$3,503,900
14	Deaf Exemption (RSA 72:38-b) ?			
15	Disabled Exemption (RSA 72:37-b) ?	\$135,000	3	\$332,300
16	Wood Heating Energy Systems Exemption (RSA 72:70) ?			
17	Solar Energy Systems Exemption (RSA 72:62) ?			
18	Wind Powered Energy Systems Exemption (RSA 72:66) ?			
19	Add'l School Dining/Dormitory/Kitchen Exemptions (RSA 72:23 IV) ?			
20) Total Dollar Amount of Exemptions (sum of lines 12-19)				\$3,981,300

Calculations

21 NET VALUATION: Used To Compute Municipal, County, and Local Education Tax Rates (Line 11 minus Line 20)	\$343,607,200
22 LESS UTILITIES: (Line 3A) Do not include the value of other utilities listed in Line 3B	\$6,156,700
23 NET VALUATION WITHOUT UTILITIES TO COMPUTE STATE EDUCATION TAX (Line 21 minus Line 22)	\$337,450,500

Notes:



Utility Summary: Electric, Hydroelectric, Renewable - Misc., Nuclear, Gas/Pipeline, Water & Sewer

Utility Value Appraiser ?

Who Appriases/Establishes the Utility Value in the Municipality? (If multiple, please list)

GEORGE SANSOUCY PE, LLC

If the Municipality Uses DRA Utility Values, is it Equalized By The Ratio? ☐ Yes ☒ No

SECTION A

List Electric Companies ?

Electric Company	Assessed Valuation
TRANSCANADA HYDRO NORTHEAST INC	\$1,254,000
NEW HAMPSHIRE ELECTRIC COOP	\$2,493,600
EVERSOURCE (PSNH)	\$2,408,600
GREEN MOUNTAIN POWER CORPORATION	\$500

A1 Total of all Electric Companies listed in this section:

\$6,156,700

List Gas Companies ?

Gas Company	Assessed Valuation

A2 Total of all Gas Companies listed in this section:



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List Water and Sewer Companies ?

Water/Sewer Company

Assessed Valuation

A3 Total of all Water and Sewer Companies listed in this section:

Grand Total Valuation of all Sect. A Utility Companies

\$6,156,700

SECTION B

List Other Utility Companies ?

Other Utility Company

Assessed Valuation

B1 Total of All Other Companies listed in this section (must agree with line 3B):



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Tax Credits and Exemptions

Veterans' Tax Credits ?

Credit Description	Limits	Number of Individuals	Estimated Tax Credits
? Veterans' Tax Credit/Optional Veterans' Tax Credit (RSA 72:28) (\$50 Standard Credit, \$51 up to \$500 upon adoption by city/town)	\$500	62	\$31,000
? Surviving Spouse (RSA 72:29-a) "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		
? Tax Credit for Service-Connected Total Disability (RSA 72:35) "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	5	\$10,000
Total Number and Amount		67	\$41,000

*If both husband and/or wife qualify for the credit they count as 2. If someone is living at a residence such as a brother & sister, and one qualifies count as 1, not one-half.

Disabled and Deaf Exemption Report ?

		Disabled Exemption Report (RSA 72:37-b)		Deaf Exemption Report (RSA 72:38-b)	
		Single	Married	Single	Married
Income Limits	?	\$30,000	\$40,000	\$30,000	\$40,000
Asset Limits	?	\$150,000	\$150,000	\$150,000	\$150,000

Elderly Exemption Report - RSA 72:39-a ?

First Time Filers Granted Elderly Exemption for Current Tax Year			Total Number of Individuals Granted an Elderly Exemption for the Current Tax Year & Total Number of Exemptions Granted			
Age	#	Amount Per Individual	Age	#	Max Allowable Exemption	Total Actual Exemption Granted
65-74	3	\$135,000	65-74	8	\$1,080,000	\$1,011,800
75-79	1	\$190,000	75-79	5	\$950,000	\$817,800
80+	1	\$240,000	80+	10	\$2,400,000	\$1,674,300
		Total		23	\$4,430,000	\$3,503,900
Income Limits		Single		Asset Limits	Single	
		Married			Married	

Community Tax Relief Incentive - RSA 79-E ?

Adopted: ☐ Yes ☒ No

Taxation of Qualifying Historic Buildings - RSA 79-G ?

Adopted: ☐ Yes ☒ No

Taxation of Certain Chartered Public School Facilities - RSA 79-H ?

Adopted: ☐ Yes ☒ No



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Property Reports

Current Use Reports - RSA 79-A ?

	Total Number of Acres Receiving Current Use	Assessed Valuation	Other Current Use Statistics	Total Number of Acres
Farm Land	2,979	\$1,032,800	Receiving 20% Rec. Adjustment	18,460
Forest Land	14,847	\$983,700	Removed from Current Use During Current Tax Year 2016	3.69
Forest Land with Documented Stewardship	7,568	\$253,600	Owners in Current Use	323
Unproductive Land	220	\$3,700	Parcels in Current Use	422
Wet Land	608	\$10,100		
Total	26,222	\$2,283,900		

Land Use Change Tax ?

Gross Monies Received for Calendar Year (Jan 1 through Dec 31)

Conservation Allocation	Percentage	100	And/Or Dollar Amount	
Monies to Conservation Fund				\$16,519
Monies to General Fund				

Conservation Restriction Assessment Report - RSA 79-B (must file PA-60) ?

	Total Number of Acres Receiving Conservation	Assessed Valuation	Other Conservation Restriction Assessment Statistics	Total Number of Acres
Farm Land	7.69	\$2,800	Receiving 20% Recreation Adjustment	4
Forest Land	118.96	\$7,700	Removed from Conservation During Current Tax Year	
Forest Land with Documented Stewardship				
Unproductive Land	7.5	\$200	Owners in Conservation	5
Wet Land			Parcels in Conservation	5
Total	134.15	\$10,700		

Discretionary Easements - RSA 79-C ?

Total Number of Acres	# of Owners	Assessed Valuation	Description of Discretionary Easements Granted (e.g. Golf Course, Ball Park, Race Track)

Taxation of Farm Structures and Land Under Farm Structures - RSA 79-F ?

Total Number Granted	Total Number of Structures	Total Number of Acres	Assessed Valuation Land	Assessed Valuation Structures



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?

Total Number of Owners	Total Number of Structures	Total Number of Acres	Assessed Valuation Land	Assessed Valuation Structures
7	10	1	\$19,500	\$71,500

[illegible]



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Tax Increment Financing Districts - RSA 162-K



TIF District Name	Date of Adoption/ Modification	Original Assessed Value	Unretained Captured Assessed Value	Amount used on page 2	Retained Captured Assessed Value	Current Assessed Value



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Revenue Administration

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LYME

1. CERTIFY THIS FORM

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.

Preparer's First Name

DINA

Preparer's Last Name

CUTTING

Date

Aug 26, 2016

2. SAVE AND EMAIL THIS FORM TO THE EQUALIZATION BUREAU

Please save and e-mail the completed, fillable PDF form to the Equalization Bureau at equalization@dra.nh.gov.

3. PRINT, SIGN, AND UPLOAD THIS FORM TO THE MTRSP

This completed PDF form must be PRINTED, SIGNED, SCANNED, and UPLOADED onto the Municipal Tax Rate Setting Portal (MTRSP) at <http://proptax.org/nh/>. If you have any questions, please contact your Municipal Bureau Advisor.

GOVERNING BODY CERTIFICATION

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.

Preparer's Signature

Assessor's Signature

Governing Body Member's Signature and Title

Governing Body Member's Signature and Title

Governing Body Member's Signature and Title

Governing Body Member's Signature and Title

Governing Body Member's Signature and Title

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Governing Body Member's Signature and Title



2016
\$25.46

Tax Rate Breakdown Lyme

Municipal Tax Rate Calculation			
Jurisdiction	Tax Effort	Valuation	Tax Rate
Municipal	\$2,300,052	\$343,607,200	\$6.69
County	\$593,437	\$343,607,200	\$1.73
Local Education	\$5,043,829	\$343,607,200	\$14.68
State Education	\$796,391	\$337,450,500	\$2.36
Total	\$8,733,709		\$25.46

Village Tax Rate Calculation			
Jurisdiction	Tax Effort	Valuation	Tax Rate
Total			

Tax Commitment Calculation	
Total Municipal Tax Effort	\$8,733,709
War Service Credits	(\$41,000)
Village District Tax Effort	
Total Property Tax Commitment	\$8,692,709

Stephan Hamilton
Director of Municipal and Property Division
New Hampshire Department of Revenue Administration

10/7/2016

Appropriations and Revenues

Municipal Accounting Overview

Description	Appropriation	Revenue
Total Appropriation	\$3,307,249	
Net Revenues (Not Including Fund Balance)		(\$904,467)
Fund Balance Voted Surplus		(\$145,000)
Fund Balance to Reduce Taxes		\$0
War Service Credits	\$41,000	
Special Adjustment	\$0	
Actual Overlay Used	\$1,270	
Net Required Local Tax Effort	\$2,300,052	

County Apportionment

Description	Appropriation	Revenue
Net County Apportionment	\$593,437	
Net Required County Tax Effort	\$593,437	

Education

Description	Appropriation	Revenue
Net Local School Appropriations	\$6,223,029	
Net Cooperative School Appropriations		
Net Education Grant		(\$382,809)
Locally Retained State Education Tax		(\$796,391)
Net Required Local Education Tax Effort	\$5,043,829	
State Education Tax	\$796,391	
State Education Tax Not Retained	\$0	
Net Required State Education Tax Effort	\$796,391	

Valuation

Municipal (MS-1)

Description	Current Year	Prior Year
Total Assessment Valuation with Utilities	\$343,607,200	\$330,509,300
Total Assessment Valuation without Utilities	\$337,450,500	\$324,994,700

Village (MS-1V)

Description	Current Year
-------------	--------------

Lyme

Tax Commitment Verification

2016 Tax Commitment Verification - RSA 76:10 II

Description	Amount
Total Property Tax Commitment	\$8,692,709
1/2% Amount	\$43,464
Acceptable High	\$8,736,173
Acceptable Low	\$8,649,245

If the amount of your total warrant varies by more than 1/2%, the MS-1 form used to calculate the tax rate might not be correct. The tax rate will need to be recalculated. Contact your assessors immediately and call us at 603.230.5090 before you issue the bills. See RSA 76:10, II

Commitment Amount	
Less amount for any applicable Tax Increment Financing Districts (TIF)	
Net amount after TIF adjustment	

Under penalties of perjury, I verify the amount above was the 2016 commitment amount on the property tax warrant.

Tax Collector/Deputy Signature:	Date:
--	--------------

Requirements for Quarterly Billing

Pursuant to RSA 76:15-a		
Lyme	Total Tax Rate	Quarterly Tax Rate
Total 2016 Tax Rate	\$25.46	\$6.37
Associated Villages		
No associated Villages to report		

Fund Balance Retention

Enterprise Funds and Current Year Bonds	\$0
General Fund Operating Expenses	\$9,740,906
Final Overlay	\$1,270

DRA has provided a reference range of fund balance retention amounts below. Please utilize these ranges in the determination of the adequacy of your municipality's unrestricted fund balance, as currently defined in GASB Statement 54. Retention amounts, as part of the municipality's stabilization fund policy [1], should be assessed dependent upon your governments own long-term forecasts and special circumstances. Please note that current best practices published by GFOA recommend, at a minimum, that "...general purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures." [2],[3]

[1] The National Advisory Council on State and Local Budgeting (NACSLB), (1998), *Framework for Improved State and Local Government Budgeting: Recommended Budget Practices (4.1)*, pg. 17.

[2] Government Finance Officers Association (GFOA), (2009), *Best Practice: Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund*.

[3] Government Finance Officers Association (GFOA), (2011), *Best Practice: Replenishing General Fund Balance*.

2016 Fund Balance Retention Guidelines: Lyme	
Description	Amount
Current Amount Retained (7.36%)	\$716,460
17% Retained <i>(Maximum Recommended)</i>	\$1,655,954
10% Retained	\$974,091
8% Retained	\$779,272
5% Retained <i>(Minimum Recommended)</i>	\$487,045

2016 RSA 198:4-b II School Fund Balance Retention Guidelines: Lyme

If a school district has adopted RSA 198:4-b II by a vote of the legislative body, the school district may retain year-end unassigned general funds in an amount not to exceed, in any fiscal year, 2.5 percent of the current fiscal year's net assessment pursuant to RSA 198:5, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and overexpenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate. This retained fund balance is not cumulative. The maximum allowed fund balance retention has been calculated as:

	Net Assessment	2.5% of Net Assessment
Local School	\$5,840,220	\$146,006



Tax Collector's Report

Form Due Date: **March 1 (Calendar Year), September 1 (Fiscal Year)**

Instructions

Cover Page

- Select the entity name from the pull down menu (County will automatically populate)
- Enter the year of the report
- Enter the preparer's information

For Assistance Please Contact:

NH DRA Municipal and Property Division

Phone: (603) 230-5090

Fax: (603) 230-5947

<http://www.revenue.nh.gov/mun-prop/>

ENTITY'S INFORMATION ?

Municipality: LYME

County:

GRAFTON

Report Year:

2016

PREPARER'S INFORMATION ?

First Name

Marci

Last Name

O'Keefe

Street No.

One

Street Name

High Street

Phone Number

(603) 795-4416

Email (optional)

taxcollector@lymenh.gov



New Hampshire
Department of
Revenue Administration

MS-61

Debits					
Uncollected Taxes Beginning of Year	Account	Levy for Year of this Report	Prior Levies (Please Specify Years)		
			Year: 2015	Year: 2014	Year: 2013
Property Taxes	3110		\$382,052.46		
Resident Taxes	3180				
Land Use Change Taxes	3120				
Yield Taxes	3185				
Excavation Tax	3187				
Other Taxes	3189				
Property Tax Credit Balance ?		(\$21,121.62)			
Other Tax or Charges Credit Balance ?					

Taxes Committed This Year	Account	Levy for Year of this Report	Prior Levies	
			2015	
Property Taxes	3110	\$8,696,773.34		
Resident Taxes	3180			
Land Use Change Taxes	3120	\$4,161.50		
Yield Taxes	3185	\$16,002.18		
Excavation Tax	3187			
Other Taxes	3189			
<div>Add Line</div>				

Overpayment Refunds	Account	Levy for Year of this Report	Prior Levies		
			2015	2014	2013
Property Taxes	3110				
Resident Taxes	3180				
Land Use Change Taxes	3120				
Yield Taxes	3185				
Excavation Tax	3187				
<div>Add Line</div>					
Interest and Penalties on Delinquent Taxes	3190	\$1.18	\$12,572.89		
Interest and Penalties on Resident Taxes	3190				

Total Debits	\$8,695,816.58	\$394,625.35		
---------------------	-----------------------	---------------------	--	--



New Hampshire
Department of
Revenue Administration

MS-61

Credits				
Remitted to Treasurer	Levy for Year of this Report	2015	Prior Levies 2014	2013
Property Taxes	\$8,209,345.30	\$238,098.72		
Resident Taxes				
Land Use Change Taxes	\$4,161.50			
Yield Taxes	\$12,625.67			
Interest (Include Lien Conversion)	\$1.18	\$12,572.89		
Penalties				
Excavation Tax				
Other Taxes				
Conversion to Lien (Principal Only)		\$143,953.74		
<input type="checkbox"/> <input type="text"/>				
<input type="button" value="Add Line"/>				
Discounts Allowed				

Abatements Made	Levy for Year of this Report	2015	Prior Levies 2014	2013
Property Taxes	\$2.61			
Resident Taxes				
Land Use Change Taxes				
Yield Taxes				
Excavation Tax				
Other Taxes				
<input type="checkbox"/> <input type="text"/>				
<input type="button" value="Add Line"/>				
Current Levy Deeded				



New Hampshire
Department of
Revenue Administration

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Uncollected Taxes - End of Year # 1080	Levy for Year of this Report	Prior Levies		
		2015	2014	2013
Property Taxes	\$503,158.81			
Resident Taxes				
Land Use Change Taxes				
Yield Taxes	\$3,376.51			
Excavation Tax				
Other Taxes				
Property Tax Credit Balance ?	(\$36,855.00)			
Other Tax or Charges Credit Balance ?				
Total Credits		\$8,695,816.58	\$394,625.35	



New Hampshire
Department of
Revenue Administration

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Summary of Debits

	Last Year's Levy	Prior Levies (Please Specify Years)		
		Year: 2015	Year: 2014	Year:
Unredeemed Liens Balance - Beginning of Year		\$101,159.46	\$79,598.62	
Liens Executed During Fiscal Year	\$151,156.97			
Interest & Costs Collected (After Lien Execution)	\$1,318.24	\$3,776.54	\$14,931.41	
-				
Add Line				
Total Debits	\$152,475.21	\$104,936.00	\$94,530.03	

Summary of Credits

	Last Year's Levy	Prior Levies	
		2015	2014
Redemptions	\$23,547.12	\$21,405.09	\$77,292.39
-			
Add Line			
Interest & Costs Collected (After Lien Execution) #3190	\$1,318.24	\$3,776.54	\$14,931.41
-			
Add Line			
Abatements of Unredeemed Liens		\$255.83	\$2,306.23
Liens Deeded to Municipality			
Unredeemed Liens Balance - End of Year #1110	\$127,609.85	\$79,498.54	
Total Credits	\$152,475.21	\$104,936.00	\$94,530.03



New Hampshire
Department of
Revenue Administration

MS-61

LYME (277)

1. CERTIFY THIS FORM

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.

Preparer's First Name

Marci

Preparer's Last Name

O'Keefe

Date

2/17/2017

2. SAVE AND EMAIL THIS FORM

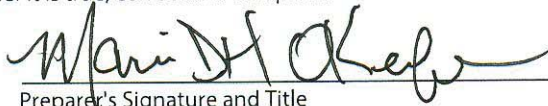
Please save and e-mail the completed PDF form to your Municipal Bureau Advisor.

3. PRINT, SIGN, AND UPLOAD THIS FORM

This completed PDF form must be PRINTED, SIGNED, SCANNED, and UPLOADED onto the Municipal Tax Rate Setting Portal (MTRSP) at <http://proptax.org/nh/>. If you have any questions, please contact your Municipal Services Advisor.

PREPARER'S CERTIFICATION

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.


Preparer's Signature and Title

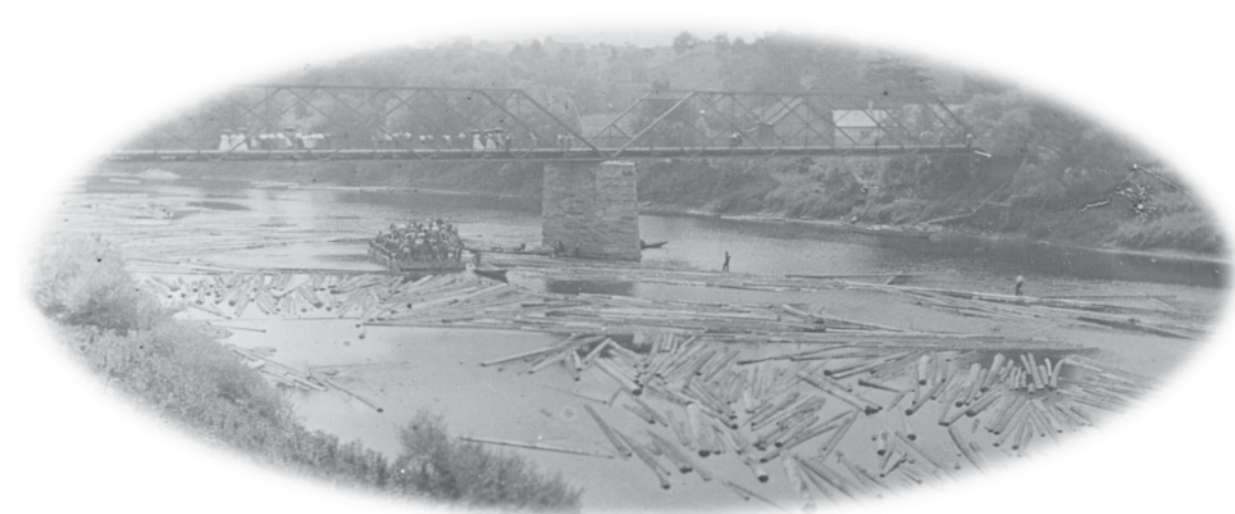
TOWN CLERK

Vehicle Registration Fees	\$	367,131.23
Dog Licenses & Penalties		1,631.50
Fees		12,763.00
Miscellaneous		3817.30
Phone Book sales		245.00
Transfer Station Inventory (Town Clerk sales only)		13,914.50
Boat Registration Fees		1,334.47
Fees to the State of New Hampshire-Motor Vehicle		119,232.50
Fees to the State of New Hampshire-other		1,201.00
TOTAL REVENUE:	\$	521,270.50

Although not a direct association to the Clerk operations, it sure was a direct hit to our hearts with the loss of our 30 year friend and colleague, Joanne Coburn. Throughout the years we mutually supported each other and our collective services to the town. She could be depended on to answer our phones, write up dog licenses and help cover at elections when needed. Her ability to control the chocolate population in the office was renowned. Her unexpected death, combined with four major and somewhat complex elections made for an extremely challenging year.

The scope of our operations broadened when we began the ability to accept credit cards. It took us awhile to warm up to the idea, and moved forward with confessed trepidation, but thanks to an incredible software support team, we weathered the change and find it to be a service we're glad to provide.

I personally want to express appreciation to both Sharon Greatorex and Faith Pushee who have continued to support me in the office and the town as a whole in the service they provide. Our goal is and will continue to be customer service and trying to make the necessary evil of spending money here as painless as possible.



Van Dyke's log drive near East Thetford bridge c.1910

Births Registered in the Town of Lyme for the year ending December 31, 2016

Date of Birth	Place of Birth	Name of Child	Parents
01-01-16	Lebanon NH	Gilligan, Arden Norah	Gilligan, Nicole Gilligan, Brendan
01-08-16	Lebanon NH	French, Adeline McNamara	Harty, Colleen French, Alexander
03-14-16	Lebanon NH	Saunders, Hazel Mae	Saunders, Tracey Saunders, Benjamin
03-23-16	Lebanon NH	Halter, Lucy Rose	Flower, Adrienne Halter, Ryan
04-02-16	Lebanon NH	Robbins, Poppy Grace	Mellor, Kathleen Robbins, Nathaniel
04-11-16	Lebanon NH	Gartner, Lars William	Gartner, Julia Gartner, John
04-13-16	Lebanon, NH	McCool, Remi Virginia	McCool, Celeste McCool, Ryan
05-06-16	Lebanon NH	Patridge, Eleanor Edith	Patridge, Merritt Patridge, Adam
05-22-16	Lebanon NH	Stokes, Jasper William	Stokes, Katherine Stokes, Henry
08-04-16	Lebanon NH	Balch, Cameron Ronald	Balch, Sarah
10-09-16	Lebanon NH	Jenks, Madelyn Edith	Collins, Nicole Jenks, Sven
10-18-16	Lebanon NH	Hayward, Bailey May	Pippin, Caitlyn Hayward Jr., David
12-27-16	Lebanon NH	Kobylarz, Zachary Andrew	Gubbins, Amy Kobylarz, Erik



Marriages Registered in the Town of Lyme for year ending December 31, 2016

Date of Marriage	Name of Bride and Groom	Residence
05-21-16	Marshall, Olivia D Inglett, Joseph N	Lyme NH Enterprise, AL

Deaths Registered in the Town of Lyme for the year ending December 31, 2016

Date of Death	Place of Death	Name	Name of Mother	Name of Father
02-18-16	Lebanon NH	Levintow, David	Melnicoff, Dora	Levintow, Benjamin
02-23-16	Pennsylvania	Dimick, Gregory	Perkins, Verla	Dimick, Kenneth
03-09-16	North Haverhill NH	Dimick, Verla	Webb, Charlotte	Perkins, Forrest
04-10-16	Lyme NH	Coburn, Joanne	Wolcott, Mary	Guthrie, Robert
05-12-16	Lyme NH	Sohrweide, Joanne	Stiles, Esther	Eastman, Alvin
05-23-16	Lebanon NH	Ackerly, William	Clark, Carita	Ackerly, Spafford
09-04-16	Littleton NH	Girard, Robert	Collins, Debra	Girard, Allan
09-09-16	Lebanon NH	Skinner, Robert	Osborne, Nina	Skinner, Homer
09-15-16	Lyme NH	Birch, Lucile	Austin, Ernestine	Merrill, Chauncey
09-30-16	Lyme NH	Knowles, Jr., Robert	Unknown, Kathleen	Knowles, Robert
10-03-16	Exeter NH	Cornwell, Mary	Fortmiller, Leta	Fortmiller, Paul
10-07-16	Lebanon NH	Hartford, John	Figge, Cora	Hartford, Isaac
12-26-16	Lyme NH	Lahr, Charles	Reel, Helen	Lahr, Charles



Report of the Treasurer for the calendar year ending December 31, 2016

Summary of Activity

Cash on Hand January 1, 2016	\$	3,504,093.58
Adjustment to 2015 per Auditor	\$	(53.07)
Debits (including investment transfers)	\$	12,945,768.18
Credits (including investment transfers)	\$	<u>(12,520,701.21)</u>
Cash on Hand December 31, 2016	\$	3,929,107.48

Note:

The Grafton County Tax was \$593,437.00

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

Balance Sheet*

Assets

Cash in hands of Treasurer (General Fund)		
Mascoma Savings Bank	\$	3,929,107.48
Uncollected Taxes		
Property Tax 2016	\$	503,158.81
Yield Tax 2016	\$	3,376.51
Unredeemed Taxes		
Levy of 2015	\$	382,052.46
Levy of 2014	\$	<u>-</u>
	\$	382,052.46
Reserve for Uncollectible Accounts	\$	<u>(25,000.00)</u>
Total Assets	\$	<u>4,792,695.26</u>

Liabilities and Fund Equity

Accounts Owed by the Town		
School District Taxes Payable	\$	3,140,220.00
Payments made in 2017 for 2016	\$	54,054.04
Other Liabilities	\$	<u>31,655.15</u>
Total Liabilities	\$	3,225,929.19

Unassigned Fund Balance	\$	1,505,501.98
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Assigned Fund Balance

Town Forest Maintenance Fund	\$	5,309.67
Reserve for Recreation Revolving Fund	\$	26,430.25
Cemetery Gifts and Donations	\$	16,486.00
Heritage Commission	\$	5,709.90
Independence Day Fund	\$	<u>7,328.27</u>
	\$	<u>61,264.09</u>

Total Liabilities & Fund Equity	\$	4,792,695.26
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*These are unaudited figures.

CONSERVATION FUND

Summary of Treasurer's Report for 2016

ACTIVITY	TOTAL COMBINED	CURRENT USE	CHAFFEE WILDLIFE	EASEMENT MONIT.	NRI BOOK REVENUE	TROUT POND C&D
YTD Interest	\$ 200.91	\$ 188.61	\$ 2.02	\$ 6.04	\$ -	\$ 4.24
Dep Current Use - donations						
WD Current Use						
Land Use Change Tax 2016	\$ 961.50	\$ 961.50				
Dep Chaffee Wildlife						
WD Chaffee Wildlife						
Dep Easement Monitoring						
Dep Trout Pond C&D from Trustees	\$ 15,927.08					\$ 15,927.08
Dep Easement Monitoring	\$ 200.00			\$ 200.00		
Net Activity	\$ 17,289.49	\$ 1,150.11	\$ 2.02	\$ 206.04	\$ -	\$ 15,931.32
Beginning Balance	\$ 200,982.27	\$ 194,358.34	\$ 419.18	\$ 5,894.75	\$ 310.00	\$ -
Ending Balance	\$ 218,271.76	\$ 195,508.45	\$ 421.20	\$ 6,100.79	\$ 310.00	\$ 15,931.32

RECREATION FUND

Summary of Treasurer's Report for 2016

Balance as of 1/1/2016	\$ 21,718.59
Revenues	\$ 20,767.00
Expenses	\$ (16,055.34)
Balance as of 12/31/2016	\$ 26,430.25

HERITAGE FUND

Balance as of 1/1/2016	\$ 5,353.53
Revenues	\$ 3,445.00
Expenses	\$ (3,088.63)
Balance as of 12/31/2016	\$ 5,709.90

INDEPENDENCE DAY FUND

Balance as of 1/1/2016	\$ 5,378.00
Revenues	\$ 6,578.00
Expenses	\$ (4,627.73)
Balance as of 12/31/2016	\$ 7,328.27

TOWN FOREST MAINTENANCE FUND

Balance as of 1/1/2016	\$ 5,309.67
Revenues	\$ -
Expenses	\$ -
Balance as of 12/31/2016	\$ 5,309.67

MILFOIL NON-LAPSING FUND

Balance as of 1/1/2016	\$ 19,375.18
Grant revenue	\$ 5,848.40
Expenditures	\$ (14,621.00)
Non-Lapsing total as of 12/31/2016	\$ 10,602.58



Capital Reserve and Trust Funds held by Trustees of the Trust Funds

Public Funds

Created	Title	Purpose	Authority for Appropriation	Authority for Expenditure
1918	School	Income-only fund. Revenue is paid directly to the School.		School Board
1956	Bridge Reserve	Maintenance and repair of all town bridges. Bridges are inspected by the State on regular basis.	Town Meeting	Selectboard
1985	Property Reappraisal	Provides for the regular reappraisal of property in accordance with State requirements.	Town Meeting	Town Meeting
1986	Cemetery General Maintenance	Income-only fund. The revenue from this fund may be used, at the discretion of TTF, after consultation with the Cemetery Trustees for the maintenance of Town Cemeteries.		Trustees of the Trust Funds
1986	Emergency Major Equipment Rebuilding & Maintenance	Covers major repair or maintenance to Town equipment and vehicles and is only available for repairs or maintenance that exceeds \$2,900.	Town Meeting	Selectboard
1988	Heavy Equipment	Heavy Equipment covers the major items of heavy equipment used by the town, such as the grader, loader, roller and backhoe.	Town Meeting	Town Meeting
1988	Vehicle	Covers the replacement of the Town's vehicles, currently the Highway Department trucks, Police Department SUVs and Fire Department vehicles.	Town Meeting	Town Meeting
1988	New Cemetery	Intention is to provide for a new cemetery when Highland Cemetery is full.	Town Meeting - determined by the amount paid for cemetery plot purchases in the previous year.	Town Meeting

1989	Substance Abuse Education	Community Education related to substance abuse.	Revenue from drug or alcohol fines imposed on minors in Town	Chief of Police
1995	High School Tuition	To address and even out the required expenditure for High School education.	School Meeting	School Board
1997	Public Land Acquisition	Available for acquisition of land for potential new town developments.	Town Meeting	Town Meeting
1997	Public Works Facility	The actual construction of such projects as are identified in the previous item.	Town Meeting	Town Meeting
1997	Emergency Highway Repair	While there is no lower limit, it is generally used for such items as exceptionally severe Mud Season issues and to cover damage from major storms.	Town Meeting	Selectboard
1997	Special Education	To address Special Education costs.	School Meeting	School Board
1998	Trout Pond Management Area	Covers management costs of Trout Pond Forest.	Town Meeting or proceeds from logging operations in Trout Pond Forest	Conservation Commission
1998	Maintenance School Building Fund	Covers long-term capital building projects.	School Meeting	School Meeting
2000	Computer System Upgrade	Provides for the rolling replacement of the town and police computer systems, including printers. Generally, equipment is replaced at five-year intervals, although this may be extended to accommodate major revisions of the operating system or applications.	Town Meeting	Town Meeting
2002	Fire Fighting Safety Equipment	Routine replacement of fire fighters' equipment.	Town Meeting	Town Meeting
2005	Town Buildings Major Maintenance & Repair	This fund is to ensure that the town's property stock is maintained at a suitable standard. The Building Maintenance committee makes recommendations on up-coming needs and their priorities.	Town Meeting	Selectboard

2006	Town Poor	The necessary appropriation into the fund is set by a discussion between the Overseer and the Selectboard. It is determined both by the Overseer's knowledge of current and likely future cases, together with an assessment of the economic climate.	Town Meeting	Overseer of Public Welfare
2009	Recreation Facility	Originally set up for the renovation of the Ball field. It is now a maintenance fund for all recreation facilities.	Town Meeting	Recreation Commission
2013	Class V Roads Rehabilitation	To cover the planned rehabilitation of Town (Class V) roads.	Town Meeting	Town Meeting
2015	Annual Leave Expendable Trust Fund	To cover vacation and comp time payments to Town employees on the departure of such an employee from Town employment	Town Meeting	Selectboard
2016	School Enrollment Response (2016)	To address costs or operating expenses triggered by changes in enrollment. Closed and re-opened by School Meeting 2016	School Meeting	School Meeting
2016	School Post Retirement Benefit	To address costs brought about by staff retirements	School Meeting	School Meeting

Private Funds

Created	Title	Purpose	Authority for Expenditure
1903	Cemetery	Income-only Fund. Created to address the perpetual care and maintenance of Cemeteries. This was originally funded by legacies from citizens. In 1998, the Town went to the Court for a writ of Cy Pres. The surplus revenue is paid in to a separate fund (Surplus Cemetery Perpetual Care Fund)	
1999	Surplus Cemetery Perpetual Care	Receives revenue from Cemetery Fund. Addresses the perpetual care cost portion of Cemetery maintenance.	Cemetery Trustees
1960	Library	Income-only Fund. The revenue from this fund is paid directly to the Library Trustees.	Library Trustees
1983	Bessie Hall Revenue	Income-only Fund. The revenue from the Bessie M. Hall Unitrust, held by Bank of America, is paid in to this fund.	Fire Chief

**Town of Lyme, Capital Reserve Funds
MS-9 for Year Ending December 31, 2016**

PRINCIPAL - ACCOUNT #xxxxxxx79

INCOME - ACCOUNT #xxxxxxx79

DATE	TRUST NAME	PURPOSE	% OF TOTAL	ANNUAL TOTALS			
				BALANCE 01/01/16	NEW FUNDS	GAIN/LOSS	EXPEND
1986	Emergency Equipment Repair Fund	Improvement for Public Use	1.01%	27,657.69	-	0.11	-
1998	Trout Pond Management Area	Improvement for Public Use	0.23%	6,262.84	-	0.02	-
1956	Bridge Reserve CFR	Maintenance of Bridges	8.34%	229,281.53	100,000.00	0.89	(8,925.73)
1985	Property Reappraisal	Reappraisal Expenses	3.25%	89,268.86	-	0.35	(16,000.00)
1988	Heavy Equipment	Purchase of Equipment	20.37%	560,127.55	37,000.00	2.18	-
1998	Maintenance School Building Fund	School Building	3.02%	83,034.36	-	0.25	(20,000.00)
1997	Public Land Acquisition	Acquisition of Public Land	1.28%	35,110.26	-	0.14	-
1997	Emergency Hwy Repair Fund	Emergency Hwy Repairs	4.05%	111,302.78	30,000.00	0.43	(27,754.86)
1997	Public Works Facility CRF	Public Works Facilities	6.21%	170,617.41	50,000.00	0.67	-
1987	Special Education CRF (I)	Education Expenses	9.10%	250,294.36	-	0.98	-
1995	High School Tuition Expendable Fund	Tuition Expenses	18.66%	512,913.30	-	2.00	-
1988	New Cemetery	New Cemetery Expenses	0.72%	19,776.55	1,600.00	0.08	-
1988	Vehicle CRF	Purchase of Vehicles	13.00%	357,442.41	145,000.00	1.39	(153,590.86)
2000	Computer System Upgrade Capital Reserve Fund	Purchase of computers	0.17%	4,582.93	7,500.00	0.02	-
2002	Fire Fighting Safety Equipment Fund	Fighting Safety Equipment	2.46%	67,749.43	-	0.26	-
2005	Town Buildings Major Maintenance & Repair	Buildings Major	0.45%	12,378.02	10,000.00	0.05	(1,500.00)
2006	Town Poor Expendable Trust	services to eligible	0.90%	24,810.00	40,000.00	0.10	(27,208.28)
1989	Substance Abuse Education Fund	Abuse Education	0.25%	6,953.16	1,010.00	0.03	-
1998	Trout Pond Gift & Donation Fund	Improvement for Public Use	0.58%	15,889.00	-	(0.00)	(15,927.00)
2009	Recreation Facility Fund	Improvements, Maintenance of	0.37%	10,244.87	5,000.00	0.04	(5,336.25)
2010	School Enrollment Response CRF	change contingency	3.64%	100,114.59	177.52	-	(100,292.11)
2013	Class V Roads Rehab CRF	Improvements, Maintenance of	1.82%	50,005.41	50,000.00	0.20	(50,000.00)
2015	Annual Leave Expendable Trust Fund	vacation and comp time	0.12%	3,315.68	4,200.00	0.01	-
2016	Lyme School Post Retirement		0.00%	-	50,060.00	0.20	-

ANNUAL TOTALS				ANNUAL TOTALS			
BALANCE 01/01/16	Gross Income	Mgmt Fees	Transf/Income/ Exp	BALANCE 12/31/16			
27.61	71.53	(86.26)	-	12.88			
4.23	15.29	(19.52)	-	0.00			
123.25	571.75	(714.68)	-	(19.68)			
64.75	221.57	(278.30)	-	8.01			
368.43	1,390.11	(1,746.13)	-	12.41			
60.33	197.58	(223.87)	-	34.04			
25.82	87.14	(109.46)	-	3.50			
74.19	278.04	(346.98)	-	5.25			
93.92	423.34	(531.82)	-	(14.57)			
172.61	621.21	(780.29)	-	13.54			
364.82	1,273.07	(1,599.03)	-	38.87			
14.73	49.07	(61.66)	-	2.15			
195.24	886.89	(1,114.16)	-	(32.02)			
19.33	15.19	(14.35)	-	20.17			
49.98	168.16	(211.22)	-	6.92			
22.06	34.12	(38.64)	-	17.54			
17.38	65.93	(77.36)	-	5.95			
4.70	17.37	(21.97)	-	0.10			
10.75	32.65	(21.67)	-	21.73			
8.65	26.31	(31.95)	-	3.01			
73.95	103.57	-	(177.52)	-			
41.98	136.07	(155.95)	-	22.10			
5.08	8.81	(10.35)	-	3.54			
-	13.95	(43.69)	-	(29.74)			

27,670.68	12.88	-	-	27,670.68
6,262.86	0.00	-	-	6,262.86
320,337.01	(19.68)	-	-	320,337.01
73,277.22	8.01	-	-	73,277.22
597,142.15	12.41	-	-	597,142.15
63,068.64	34.04	-	-	63,068.64
35,113.90	3.50	-	-	35,113.90
113,553.61	5.25	-	-	113,553.61
220,603.51	(14.57)	-	-	220,603.51
250,308.87	13.54	-	-	250,308.87
512,954.17	38.87	-	-	512,954.17
21,378.78	2.15	-	-	21,378.78
348,820.92	(32.02)	-	-	348,820.92
12,103.12	20.17	-	-	12,103.12
67,756.61	6.92	-	-	67,756.61
20,895.61	17.54	-	-	20,895.61
37,607.77	5.95	-	-	37,607.77
7,963.29	0.10	-	-	7,963.29
(16,27)	21.73	-	-	(16,27)
9,911.67	3.01	-	-	9,911.67
-	-	-	-	-
50,027.71	22.10	-	-	50,027.71
7,519.23	3.54	-	-	7,519.23
50,030.46	(29.74)	-	-	50,030.46

**Town of Lyme, Capital Reserve Funds
MS-9 for Year Ending December 31, 2016**

PRINCIPAL - ACCOUNT #xxxxxxxx79										INCOME - ACCOUNT xxxxxxx79					
DATE	TRUST NAME	PURPOSE	% OF TOTAL	ANNUAL TOTALS					ANNUAL TOTALS						
				BALANCE 01/01/16	NEW FUNDS	LOSS	GAIN/	EXPEND	BALANCE 12/31/16	BALANCE 01/01/16	Gross Income	Mgmt Fees	Transf/ Income/ Exp	BALANCE 12/31/16	
2016	Lyme School Enrollment Response		0.00%				0.20				13.95	(43.69)			50,030.46
TOTAL				100.0%	2,749,132.99	581,607.52	10.58	(426,535.09)	2,904,216.00	1,843.79	6,722.68	(8,282.97)	(177.52)	105.98	2,904,321.98

(1) \$1,087.80 was received on 01/20/2017 (for the 2016 fiscal year), and will be reported in the 2017 reports.

**Town of Lyme, Common Fund
MS-9 for Year Ending December 31, 2016**

PRINCIPAL - ACCOUNT #xxxxxxx47

DATE	TRUST NAME	PURPOSE	% OF TOTAL	ANNUAL TOTALS			
				BALANCE 01/01/16	NEW FUNDS	GAIN/ LOSS	BALANCE 12/31/16
1960	Library Fund	Library	7.70%	69,678.55	-	5,184.54	74,863.09
1903	Cemetery Fund	Perpetual Care	91.37%	730,444.12	-	221,798.47	952,242.59
1999	Cemetery Maintenance Gifts & Donation Funds	Improvement & Maintenance	0.00%	-	-	-	-
1988	Bessie Hall Revenue Fund (1)	Department Equipment	0.93%	-	-	0.00	0.00
TOTAL				800,122.67	-	226,983.01	1,027,105.68

INCOME - ACCOUNT #xxxxxxx47

BALANCE 01/01/16	Gross Income	ANNUAL TOTALS		Transf/ Income/ Exp	BALANCE 12/31/16	TOTAL
		Mgmt Fees	Income			
-	1,010.03	(428.31)	-	-	581.72	75,444.81
96,067.61	5,440.72	(5,723.39)	(26,585.00)	-	69,199.94	1,021,442.52
-	-	-	-	-	-	-
8,429.44	107.09	(26.59)	-	-	8,509.94	8,509.95
104,497.05	6,557.84	(6,178.29)	(26,585.00)	-	78,291.60	1,105,397.28

(1) \$2,203.30 was received on 01/20/2017 (for the 2016 fiscal year) and will be included in the 2017 reports.

TOWN - 168

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LIBRARY TRUSTEES REPORT OF FUNDS

2016 Non-Town Income

Trustee of Trust funds	\$ 1,922	
Grants & Donations (for lift)	\$ 41,300	
Blisters for Books 2015	\$ 95	
Blisters for Books 2016	\$ 3,168	
Birthday Book Club	\$ 1,090	
Other Donations	\$ 830	
Copier & fax fees	\$ 778	
Non-resident donations	\$ 125	
Kilham Book Fund	\$ 126	
Other sources	\$ 353	
Interest	\$ 84	

2016 Non-Town Expenses

Books & other media	\$ 1,333
Elevator installation	\$41,748
Blisters for Books 2015	\$ 4,864
Construction of front walkway	\$ 6,000
Programs	\$ 556
Building renovations & equipment	\$ 2,590
Other expenses	\$ 1,461

At the end of 2016, the library's reserve fund totaled \$33,506, and the checking account balance was \$9,478.

