

**TOWN OF RYE,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008**

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PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen
Town of Rye
Rye, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Rye as of and for the fiscal year ended December 31, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Rye's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Rye as of December 31, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Plodzik & Sanderson
Professional Association*

September 24, 2009

Town of Rye, NH
Management Discussion and Analysis
2008

1. Brief discussion of the Basic Financial Statements
2. Condensed Government – Wide Financial Information
3. Financial Results
4. Fund Balances
5. Budgets
6. Capital Assets and Long Term Debt
7. Currently know facts management is aware of at the date of the auditor's report

As management of the Town of Rye, NH, we offer readers of the Town of Rye, NH financial statements this narrative overview and analysis of the financial activities of the Town of Rye, NH for the fiscal year ended December 31, 2008

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Rye's basic financial statements. The Town of Rye's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the Town of Rye, NH include general government, public safety, roadways, cemetery, library, trust and capital reserve funds, grants, conservation, sanitation, culture and recreation.

Fund financial statements- A *fund* is a set of reports that is used to segregate specific activities. For example, Sewer department activity, which is paid from sewer user fees, is reported separately from Cemetery activity, which is paid from perpetual care trust funds. The Town of Rye, NH, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Rye, NH can be divided into two categories: governmental or fiduciary funds.

Governmental Funds. *Governmental funds* are used to report on the general operations of the town. They 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, fund financial statements focus only on current expenditures and revenue (*inflows and outflows of spendable resources this year*), as well as on balances (of *spendable resources*) available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Rye, NH adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the Rye town government, such as developer's performance bonds, capital reserve and expendable trust funds belonging to other governments, and trust funds for which the income is used for purposes that are not normally funded by the Town. Fiduciary funds are *not* reflected in the government-wide financial statement because these funds are not available to support the Town of Rye's own programs. The accounting used for the fiduciary funds is much like that used for businesses.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* consisting of a comparison of budget to actual revenues and expenditures for the general fund.

Government-wide Financial Analysis

As noted earlier, net assets may, over time serve as a useful indicator of a government's financial position. In the case of the Town of Rye, NH, assets exceeded liabilities by \$34,106,349 at the close of the most recent fiscal year.

By far the largest portion of the Town of Rye's net assets \$28,379,555 reflects its investment in capital assets (e.g., land, buildings, vehicles, etc.). The Town of Rye, NH uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Rye's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Rye, NH's Net Assets

	Governmental Activities	
	2007	2008
Current & other assets	12,857,037	11,922,960
Capital assets	33,856,038	33,813,209
Total assets	46,713,075	45,736,169
Long-term liabilities outstanding	5,367,441	5,749,799
Other liabilities	6,879,867	5,780,021
Total liabilities	12,247,308	11,629,820
Net assets:		
Investment in capital assets net of related debt	27,410,045	28,379,555
Restricted assets	2,753,275	2,173,409
Unrestricted assets	4,302,447	3,553,385
Total net assets	34,465,767	34,106,349

At the end of the current fiscal year, the Town of Rye, NH is able to report positive balances in net assets, for the government as a whole. The same situation held true for the prior fiscal year.

Town of Rye, NH Changes in Fund Balances
Governmental Activities

	2007 AMOUNT	2008 AMOUNT	DIFFERENCE
Revenues:			
Program revenues:			
Charges for services	832,474	922,106	89,632
Operating grants	365,956	328,956	(37,000)
Restricted Investment Income	196,713	90,583	(106,130)
Capital Contributions	350,000		(350,000)
General revenues:			
Taxes	3,899,314	4,781,569	882,255
Licenses and permits	1,274,747	1,325,475	50,728
Unrestricted grants	346,707	281,854	(64,853)
Unrestricted Investment Income	246,456	147,731	(98,725)
Miscellaneous	233,676	(459,097)	(692,773)
Total revenues	7,746,043	7,419,177	(326,866)
Expenses:			
General Government	1,703,726	1,657,806	(45,920)
Public Safety	2,398,997	2,413,110	14,113
Highways and Streets	1,534,955	1,754,639	219,684
Sanitation	570,715	605,915	35,200
Health	103,042	107,228	4,186
Welfare	63,312	46,867	(16,445)
Culture & Recreation	888,105	900,349	12,244
Conservation	25,652	40,753	15,101
Interest on long-term debt	307,516	251,928	(55,588)
Total governmental activities	7,596,020	7,778,595	182,575
Change in net assets	150,023	(359,418)	(509,441)
Beginning net assets	34,315,744	34,465,767	150,023
Ending net assets	34,465,767	34,106,349	(359,418)

General fund budgetary highlights

As shown in the above chart, revenues received during 2008 decreased by \$326,866 from 2007. However, the actual budgetary revenues were more than the budget for estimated revenues by \$248,143. Motor Vehicle Registrations were \$55,824 over the amount projected. Building Permits were \$47,906 over the amount projected. General income from department services was \$63,589 over projected. Interest income on deposits and investments decreased by \$141,231 over the prior year however it was \$15,175 over the 2008 projection.

The overall, total governmental expenditures increased by \$182,575 (2.4%) over the prior year. For the most part, these increases in individual department expenses closely paralleled inflation and growth, in the demand for services. However, the Town experienced a catastrophic event which impacted total expenditures.

- During the December 11th Ice Storm the Town experienced damages of approximately \$19,651.
- Note FEMA Disaster reimbursement of (75%) \$14,739 was received by the Town in April of 2009.

The Town realized a savings of \$45,291 in actual expenditures over the 2008 budgeted appropriation.

The total Town's property valuation increased by \$9,511,600, the total property tax commitment increasing by \$1,358,673 over the prior year. At the 2008 Tax Rate setting the Board of Selectmen chose to use \$600,000 of the Town's beginning general fund balance to bring the tax rate to \$9.62.

Capital Asset and Debt Administration

Capital Assets - The Town of Rye's investment in capital assets includes land and improvements, buildings, rolling stock, sewer mains, equipment, and roadways with a value in excess of \$10,000 and a useful life of over 5 years.

Assets are depreciated on a straight-line basis, with the original cost divided evenly by the useful life of the asset.

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

- Acquisitions:
 - Police cruiser
 - 2008 Ambulance
 - 2009 Public Works International Dump Truck
 - 2008 Public Works Challenger Tractor
 - 2 Conservation Land Easements
- Deletions:
 - 2000 Police Cruiser
 - 1999 Ambulance
 - 1996 Public Works International Dump Truck
 - 1981 Public Works John Deer Mower

Town of Rye, NH Capital Assets

Governmental Activities
(at original cost)

	2007	additions	deletions	2008
Land	7,959,753	518,933	3,700	8,474,986
Land Imp-PWD drainage	328,709			328,709
Land Imp-Rec. Ball-field	180,893			180,893
Buildings	6,332,437	21,500		6,353,937
Rolling Stock	1,807,864	356,029	150,079	2,013,814
Equipment	73,297			73,297
Sewer Mains - Infrastructure	4,400,000			4,400,000
Roadways - Infrastructure	29,400,589		10	29,400,579
Total	50,483,542	896,462	153,789	51,226,215

Additional information on the Town of Rye's net capital assets, depreciation, and debt may be found in the notes to the financial statements.

Long-term Debt. At the end of the current fiscal year, the Town of Rye, NH had total bonded debt outstanding of \$5,195,000 which is a 12% decrease from the \$6,170,000 owed at the end of 2007. These bonds are a general obligation of the taxpayers of Rye, N.H., of which \$1,000,000 is repaid from sewer user fees (60% of the sewer bond) and Water Supply & Pollution Control grants.

NH RSA 33:4-A establishes a debt limit. Towns may not incur outstanding indebtedness exceeding 3% (\$54,469,617) of the town valuation (\$1,815,653,900). Rye's debt is less than 1% of the valuation, so it is well within the debt limit. Rye has an allowed debt margin of \$47,274,617.

The Town of Rye issues bonds through the NH Municipal Bond Bank, and uses the bond bank credit rating of Aa2 with Moody's Investment Service.

Area Economy (per 2000 Census). The Town of Rye, NH has a very strong economy, with the average income (\$36,800) well above the state average of \$34,700, which is the sixth highest in the nation. At the same time, the poverty rate is the lowest in the country. The population which is 52% female and 48% male grew by 12.4 percent between 1990 and 2000. Children under the age of 18 make up 22.2% of it, while 19% are over the age of 65. There are 417 persons per square mile of land area.

Largely due to its eight miles of coastline, the selling price of houses is also well above the state and national averages. According to the NH Multiple Listing Service, the average residential home sales price in Rye was \$535,000, while the state average was \$229,000.

There are many reasons for the popularity of this area, such as the fact that there is no sales or income tax. Even the cost of automobile insurance (\$730/yr avg.) is low, compared to the state averages of \$596 - \$1183 per person.

Requests for information

This financial report is designed to provide a general overview of the Town of Rye, NH's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Administrator, 10 Central Road, Town of Rye, NH, 03870.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF RYE, NEW HAMPSHIRE
Statement of Net Assets
December 31, 2008

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,968,593
Investments	4,861,013
Intergovernmental receivable	26,022
Other receivables, net of allowances for uncollectible	1,054,513
Inventory	5,433
Prepaid items	7,386
Capital assets, not being depreciated:	
Land	8,474,986
Capital assets, net of accumulated depreciation:	
Land improvements	407,501
Buildings	6,001,193
Rolling stock	1,269,586
Equipment	56,179
Infrastructure	17,603,764
Total assets	<u>45,736,169</u>
LIABILITIES	
Accounts payable	144,936
Intergovernmental payable	5,413,244
Accrued interest payable	114,063
Unearned revenue	77,556
Noncurrent obligations:	
Due within one year:	
Bond	895,000
Unamortized bond premium	37,340
Compensated absences	28,646
Accrued landfill postclosure care costs	6,000
Due in more than one year:	
Bond	4,300,000
Unamortized bond premium	201,313
Compensated absences	369,722
Accrued landfill postclosure care costs	42,000
Total liabilities	<u>11,629,820</u>
NET ASSETS	
Invested in capital assets, net of related debt	28,379,555
Restricted for:	
Perpetual care	1,544,231
Library purposes	357,945
Capital project	271,233
Unrestricted	3,553,385
Total net assets	<u>\$ 34,106,349</u>

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

EXHIBIT B
TOWN OF RYE, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2008

	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Change in Net Assets
			Grants and Contributions	Operating Restricted Investment Income	
Governmental activities:					
General government	\$ 1,657,806	\$ 27,693	\$ -	\$ 74,532	\$ (1,555,811)
Public safety	2,413,110	312,296	116,345	-	(1,984,469)
Highways and streets	1,754,639	11,964	127,354	-	(1,615,321)
Sanitation	605,915	397,131	77,934	-	(130,850)
Health	107,228	-	7,323	-	(99,905)
Welfare	46,867	9,697	-	-	(37,170)
Culture and recreation	900,349	163,325	-	16,051	(720,973)
Conservation	40,753	-	-	-	(40,753)
Interest on long-term debt	251,928	-	-	-	(251,928)
Total governmental activities	<u>\$ 7,778,595</u>	<u>\$ 922,106</u>	<u>\$ 328,956</u>	<u>\$ 90,583</u>	<u>(6,436,950)</u>
General revenues:					
Taxes:					
Property					4,705,105
Other					76,464
Motor vehicle permit fees					1,104,624
Licenses and other fees					220,851
Grants and contributions not restricted to specific programs					281,854
Unrestricted investment earnings					147,731
Miscellaneous					<u>(459,097)</u>
Total general revenues					<u>6,077,532</u>
Change in net assets					<u>(359,418)</u>
Net assets, beginning					34,465,767
Net assets, ending					<u>\$ 34,106,349</u>

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

EXHIBIT C-1
TOWN OF RYE, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2008

	General	Sewer	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,779,393	\$ 364,099	\$ 216,735	\$ 608,366	\$ 5,968,593
Investments	1,719,924	-	1,740,813	1,400,276	4,861,013
Receivables, net of allowances for uncollectible:					
Taxes	925,125	-	-	-	925,125
Accounts	47,045	64,322	-	18,021	129,388
Intergovernmental	23,519	-	-	2,503	26,022
Interfund receivable	26,845	-	-	46,269	73,114
Voluntary tax liens	53,582	-	-	-	53,582
Voluntary tax liens reserved until collected	(53,582)	-	-	-	(53,582)
Inventory	5,433	-	-	-	5,433
Prepaid items	6,786	-	-	600	7,386
Total assets	<u>\$ 7,534,070</u>	<u>\$ 428,421</u>	<u>\$ 1,957,548</u>	<u>\$ 2,076,035</u>	<u>\$ 11,996,074</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 137,935	\$ 7,001	\$ -	\$ -	\$ 144,936
Intergovernmental payable	5,390,027	23,163	54	-	5,413,244
Interfund payable	8,370	8,318	55,318	1,108	73,114
Deferred revenue	-	67,847	-	9,709	77,556
Total liabilities	<u>5,536,332</u>	<u>106,329</u>	<u>55,372</u>	<u>10,817</u>	<u>5,708,850</u>
Fund balances:					
Reserved for encumbrances	134,904	-	-	-	134,904
Reserved for endowments	-	-	1,530,380	-	1,530,380
Reserved for inventory	5,433	-	-	-	5,433
Reserved for special purposes	59,558	-	371,796	291,383	722,737
Unreserved:					
Designated for contingency	200,000	-	-	-	200,000
Undesignated, reported in:					
General fund	1,597,843	-	-	-	1,597,843
Special revenue funds	-	322,092	-	1,773,835	2,095,927
Total fund balances	<u>1,997,738</u>	<u>322,092</u>	<u>1,902,176</u>	<u>2,065,218</u>	<u>6,287,224</u>
Total liabilities and fund balances	<u>\$ 7,534,070</u>	<u>\$ 428,421</u>	<u>\$ 1,957,548</u>	<u>\$ 2,076,035</u>	<u>\$ 11,996,074</u>

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

EXHIBIT C-2
TOWN OF RYE, NEW HAMPSHIRE
Reconciliation of Total Governmental Fund Balances to the Statement of Net Assets
December 31, 2008

Total fund balances of governmental funds (Exhibit C-1)		\$ 6,287,224
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost	\$ 51,226,225	
Less accumulated depreciation	<u>(17,413,016)</u>	
		33,813,209
Interfund receivables and payables between governmental funds are eliminated on the statement of net assets.		
Receivables	\$ (73,114)	
Payables	<u>73,114</u>	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(114,063)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds including unamortized premium	\$ 5,433,653	
Compensated absences	398,368	
Accrued landfill postclosure care costs	<u>48,000</u>	
		(5,880,021)
Total net assets of governmental activities (Exhibit A)		<u>\$ 34,106,349</u>

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

EXHIBIT C-3
TOWN OF RYE, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2008

	General	Sewer	Permanent	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 4,781,569	\$ -	\$ -	\$ -	\$ 4,781,569
Licenses and permits	1,325,476	-	-	-	1,325,476
Intergovernmental	538,071	47,567	-	25,171	610,809
Charges for services	252,454	322,751	-	296,983	872,188
Miscellaneous	160,273	4,931	(483,330)	147,261	(170,865)
Total revenues	<u>7,057,843</u>	<u>375,249</u>	<u>(483,330)</u>	<u>469,415</u>	<u>7,419,177</u>
Expenditures:					
Current:					
General government	1,522,357	-	81,935	11,342	1,615,634
Public safety	2,109,102	-	-	141,895	2,250,997
Highways and streets	980,498	-	-	-	980,498
Sanitation	381,669	185,407	-	6,016	573,092
Health	107,228	-	-	-	107,228
Welfare	46,867	-	-	-	46,867
Culture and recreation	206,539	-	-	690,200	896,739
Conservation	37,660	-	-	93	37,753
Debt service:					
Principal	843,000	132,000	-	-	975,000
Interest	270,652	40,095	-	-	310,747
Capital outlay	414,456	27,131	-	520,949	962,536
Total expenditures	<u>6,920,028</u>	<u>384,633</u>	<u>81,935</u>	<u>1,370,495</u>	<u>8,757,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>137,815</u>	<u>(9,384)</u>	<u>(565,265)</u>	<u>(901,080)</u>	<u>(1,337,914)</u>
Other financing sources (uses):					
Transfers in	286,162	-	-	713,895	1,000,057
Transfers out	(690,983)	-	(16,803)	(292,271)	(1,000,057)
Total other financing sources and uses	<u>(404,821)</u>	<u>-</u>	<u>(16,803)</u>	<u>421,624</u>	<u>-</u>
Net change in fund balances	(267,006)	(9,384)	(582,068)	(479,456)	(1,337,914)
Fund balances, beginning	2,264,744	331,476	2,484,244	2,544,674	7,625,138
Fund balances, ending	<u>\$ 1,997,738</u>	<u>\$ 322,092</u>	<u>\$ 1,902,176</u>	<u>\$ 2,065,218</u>	<u>\$ 6,287,224</u>

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

EXHIBIT C-4
TOWN OF RYE, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2008

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (1,337,914)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 816,143	
Depreciation expense	<u>(858,972)</u>	
		(42,829)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (1,000,057)	
Transfers out	<u>1,000,057</u>	
		-
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net assets.		
Repayment of bond principal	\$ 975,000	
Amortization of bond premium	<u>37,340</u>	
		1,012,340
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 21,479	
Increase in compensated absences payable	(13,994)	
Decrease in accrued landfill postclosure care costs	<u>1,500</u>	
		8,985
Changes in net assets of governmental activities (Exhibit B)		<u>\$ (359,418)</u>

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

EXHIBIT D-1
TOWN OF RYE, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Assets
December 31, 2008

	Private Purpose Trust	Agency
ASSETS		
Cash and cash equivalents	\$ -	\$ 273,255
Investments	1,798	498,576
Total assets	<u>1,798</u>	<u>771,831</u>
LIABILITIES		
Due to other governmental units	-	498,576
Due to developers	-	273,255
Total liabilities	<u>-</u>	<u>771,831</u>
NET ASSETS		
Held in trust for specific purposes	<u>\$ 1,798</u>	<u>\$ -</u>

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

EXHIBIT D-2
TOWN OF RYE, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended December 31, 2008

	Private Purpose Trust
ADDITIONS	
Interest	\$ 37
Net assets, beginning	1,761
Net assets, ending	<u>\$ 1,798</u>

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

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Rye, New Hampshire (the Town) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

1-A Reporting Entity

The Town of Rye is a municipal corporation governed by an elected 3-member Board of Selectmen. The reporting entity is comprised of the primary government and any other organizations that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the Town is financially accountable. The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board, and (1) the Town is able to significantly influence the programs or services performed or provided by the organization; or (2) the Town is legally entitled to or can otherwise access the organization's resources; the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Town is obligated for the debt of the organization. Based on the foregoing criteria, no other organizations are included in the Town's financial reporting entity.

1-B Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Town as a whole. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed at this reporting level as all individual funds are consolidated as governmental activities.

The statement of net assets presents the financial position of the governmental activities of the Town at year-end. This statement includes all of the Town's assets, liabilities and net assets.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with the function, and therefore, clearly identifiable to that particular function.

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with the functional activity. Program revenues include: (1) charges for services, which include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) operating grants and contributions which finance annual operating activities including restricted investment income. These revenues are subject to externally imposed restrictions to the program uses.

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which functions generate the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*. General taxes, unrestricted state aid and other revenues not specifically related to a particular function are reported as general revenues of the Town.

Fund Financial Statements - During the year, the Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements are designed to present financial information of the Town at this more detailed level. Fund financial statements are provided for governmental and fiduciary funds.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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Fund Accounting - The Town uses funds to maintain its financial records during the year. The Town uses two categories of funds: governmental and fiduciary.

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. Fund liabilities are assigned to the fund from which they will be liquidated. The Town reports the difference between governmental fund assets and liabilities as fund balance. The following are the Town's major governmental funds:

General Fund - The general fund is the primary operating fund of the Town. All general revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. This fund accounts for general operating expenditures, fixed charges, and the capital improvement costs that are not reported in other funds.

Sewer Fund - The sewer fund is used to account for funds held for transactions related to the provision of sewage disposal services.

Permanent Fund - The permanent fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, can be used to support Town activities.

The Town also reports twelve nonmajor governmental funds.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets. The Town's fiduciary funds consist of two types of funds, private purpose trust and agency funds. The agency funds are custodial in nature (assets equal liabilities), and do not involve the measurement of results of operations.

1-C Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Town are included on the statement of net assets. The statement of activities reports revenues, expenses and changes in net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports 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 governmental fund statements.

Fiduciary funds use an economic resources measurement focus. These funds report all assets and liabilities on the statement of fiduciary net assets. The statement of changes in fiduciary net assets reports additions and deductions to net assets of the private purpose trust funds.

1-D 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. At the fund reporting level, governmental funds use the modified accrual basis of accounting, and fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of some deferred revenue, and in the presentation of expenses versus expenditures.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008

Revenues - 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 the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year, generally within sixty days of year-end.

Revenues - Nonexchange Transactions - Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all grantor imposed 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 nonexchange transactions also must be available (i.e., collected within 60 days) before it can be recognized, with the exception of property taxes which are recognized if expected to be collected in time to be used to pay the liability to the school district which is due over the next six months.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: taxes, charges for services, interest, and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred revenue in the governmental funds, and as unearned revenue on the government-wide financial statements.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E Assets, Liabilities and Net Assets or Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town.

New Hampshire statutes require that the Town treasurer have custody of all moneys belonging to the Town and pay out the same only upon orders of the Board of Selectmen. The treasurer shall deposit all such moneys in participation units in the public deposit investment pool established pursuant to N.H. RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

Investments - Whenever the treasurer has in custody an excess of funds, which is not immediately needed for the purpose of expenditure, the treasurer shall, with the approval of the Board of Selectmen, invest the excess funds.

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the Town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

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

1-E-2 Receivables

Tax revenue is recorded when a warrant for collection is committed to the tax collector. Taxes receivable are reported net of an allowance established for potential abatements and amounts deemed uncollectible by management. As prescribed by law, the tax collector executes a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum. If property is not redeemed within the 2-year redemption period, the property is tax deeded to the Town.

Accounts receivable include various service charges which are recorded as revenue for the period when service was provided. These receivables are reported net of any allowances for uncollectible amounts.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated on the statement of net assets.

1-E-4 Inventory and Prepaid Items

Inventory is valued at cost using the first-in, first-out method. The consumption method is used to account for inventory. Under the consumption method, inventory is recorded when expenditures are consumed rather than when purchased. Reported inventory in the governmental funds is equally offset by a fund balance reserve which indicates that the assets are not available for appropriation even though they are a component of reported assets.

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items using the consumption method, by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

1-E-5 Capital Assets

Capital assets are those assets of a capital nature which the Town owns. These assets are reported in the government-wide 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 market values as of the date received. The Town maintains a capitalization threshold of \$10,000 and more than one year of estimated life. Improvements to capital assets are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are expensed.

All reported capital assets are depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Land improvements	25
Buildings	100
Rolling stock	10-25
Equipment	5-15
Infrastructure	30-50

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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1-E-6 Compensated Absences

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the Town's experience of making termination payments.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Town will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-E-7 Accrued Liabilities and Long-Term Obligations

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 financial resources are reported as obligations of these funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

1-E-8 Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Equity for all other reporting is classified as "net assets."

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources, and therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific purposes.

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

The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1-E-9 Interfund Activity

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

At the government-wide financial reporting level, transfers between funds that would be reported in the individual funds are eliminated.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008

1-E-10 Estimates

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

NOTE 2 - DETAILED NOTES ON ALL FUNDS AND GOVERNMENT-WIDE STATEMENTS

2-A Custodial Credit Risk for Deposits and Investment Risks

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's investment policies do not address custodial credit risk. As of December 31, 2008, \$50,678 of the Town's bank balances of \$6,241,848 was exposed to custodial credit risk as uninsured and uncollateralized.

As of December 31, 2008, the Town had the following investments:

Certificates of deposit	\$ 1,680,910
U.S. government obligations	220,503
Common stocks	1,402,225
New Hampshire Public Deposit Investment Pool	1,989,163
Other	68,586
	<u>\$ 5,361,387</u>

Investment reconciliation:

Governmental funds, balance sheet (Exhibit C-1)	\$ 4,861,013
Fiduciary funds, statement of fiduciary net assets (Exhibit D-1)	500,374
Total	<u>\$ 5,361,387</u>

Interest Rate Risk - The Town's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments to those described in Note 1-E-1. The Town's investment policy does not further limit its investment choices.

Custodial Credit Risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Of the Town's \$5,361,387 in investments, \$1,440,991 is subject to custodial credit risk because the securities are held by the counter party's trust department or agent, not in the Town's name. The Town does not have policies for custodial credit risk and subsequent events.

Subsequent Event - Subsequent to year-end, the financial markets have experienced significant levels of volatility that caused a decline in the value of investments held at year-end. While such declines may be temporary, investment values are subject to market fluctuations, and the timing of any such recovery is unknown at the present time.

2-B Taxes Receivable

The property tax year is from April 1 to March 31 and all property taxes are assessed on the inventory taken in April of that year. The net assessed valuation as of April 1, 2008, upon which the 2008 property tax levy was based is:

For the New Hampshire education tax	\$ 1,808,307,000
For all other taxes	\$ 1,815,653,900

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Under this method, tax bills are due on or around July 1 and December 1 of each year, with interest accruing at a rate of 12% on bills outstanding after the due date. The first billing is considered an estimate only and is one half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the New Hampshire Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for abatements and refunds of property taxes, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any tax allowances at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Rye School District, Jenness Beach Precinct, Rye Beach Precinct, Rye Water District and Rockingham County, which are remitted as required by law. The ultimate responsibility for the collection of taxes rests with the Town.

The tax rates and amounts assessed for the year ended December 31, 2008, were as follow:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$2.74	\$ 4,968,387
School portion:		
State of New Hampshire	\$2.27	4,097,284
Local	\$3.64	6,615,683
County portion	\$0.97	1,768,559
Precinct portions:		
Jenness Beach	\$0.18	68,289
Rye Beach	\$0.31	71,391
Rye Water District	\$0.48	543,011
Total		<u>\$ 18,132,604</u>

During the current fiscal year, the tax collector executed a lien on April 24 for all uncollected 2007 property taxes.

Taxes receivable at December 31, 2008, are as follow:

Property:	
Levy of 2008	\$ 828,043
Unredeemed (under tax lien):	
Levy of 2007	99,165
Levy of 2006	27,917
Less: allowance for estimated uncollectible taxes	(30,000)
Net taxes receivable	<u>\$ 925,125</u>

2-C Other Receivables

Other receivables at December 31, 2008, consisted of accounts (billings for sewer, police details, ambulance fees and other user charges), and intergovernmental amounts arising from grants.

Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Amounts receivable at December 31, 2008 are as follows:

	General Fund	Sewer Fund	Nonmajor Funds	Total
Accounts	\$ 68,045	\$ 64,322	\$ 18,659	\$ 151,026
Intergovernmental	23,519	-	2,503	26,022
Liens	53,582	-	-	53,582
Less: allowance for uncollectible amounts	(74,582)	-	(638)	(75,220)
Net receivable	<u>\$ 70,564</u>	<u>\$ 64,322</u>	<u>\$ 20,524</u>	<u>\$ 155,410</u>

2-D Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance, beginning	Changes	Balance, ending
Governmental activities:			
At cost:			
Not being depreciated:			
Land	\$ 7,959,753	\$ 515,233	\$ 8,474,986
Being depreciated:			
Land improvements	509,602	-	509,602
Buildings	6,332,437	21,500	6,353,937
Rolling stock	1,807,864	205,950	2,013,814
Equipment	73,297	-	73,297
Infrastructure	33,800,589	(10)	33,800,579
Total capital assets being depreciated	<u>42,523,789</u>	<u>227,440</u>	<u>42,751,229</u>
Total all capital assets	<u>50,483,542</u>	<u>742,673</u>	<u>51,226,215</u>
Less accumulated depreciation:			
Land improvements	(81,680)	(20,421)	(102,101)
Buildings	(289,420)	(63,324)	(352,744)
Rolling stock	(727,180)	(17,048)	(744,228)
Equipment	(10,792)	(6,326)	(17,118)
Infrastructure	(15,518,432)	(678,383)	(16,196,815)
Total accumulated depreciation	<u>(16,627,504)</u>	<u>(785,502)</u>	<u>(17,413,006)</u>
Net book value, capital assets being depreciated	<u>25,896,285</u>	<u>(558,062)</u>	<u>25,338,223</u>
Net book value, all capital assets	<u>\$ 33,856,038</u>	<u>\$ (42,829)</u>	<u>\$ 33,813,209</u>

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

General government	\$ 4,195
Public safety	95,664
Highways and streets	727,819
Sanitation	7,192
Culture and recreation	24,102
Total	<u>\$ 858,972</u>

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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2-E Interfund Balances and Transfers

Interfund balances at December 31, 2008 consist of overdrafts in the pooled cash and budgetary transfers not yet made as follow:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sewer	\$ 8,318
General	Nonmajor	18,527
Nonmajor	Permanent	46,269
		<u>\$ 73,114</u>

Interfund transfers during the year were for voted appropriations as follow:

	<u>Transfers In:</u>		
	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers out:			
General fund	\$ -	\$ 690,983	\$ 690,983
Permanent fund	-	16,803	16,803
Nonmajor funds	286,162	6,109	292,271
Total	<u>\$ 286,162</u>	<u>\$ 713,895</u>	<u>\$ 1,000,057</u>

2-F Intergovernmental Payable

Amounts due to other governments at December 31, 2008 consist of:

Balance of 2008-2009 district assessment due to the Rye School District	\$ 5,337,967
Fees due to the NH Retirement System	52,060
Sewer fees due to the City of Portsmouth, New Hampshire	4,644
Sewer fees due to the Town of Hampton, New Hampshire	18,519
Fees due to Rye Water District	54
Total	<u>\$ 5,413,244</u>

2-G Deferred/Unearned Revenue

Deferred/unearned revenue at December 31, 2008 consists of the following:

State reimbursement of bonds payments not made until the subsequent year	\$ 67,847
Federal grants received in advance of the grant expenditures being made	9,709
Total	<u>\$ 77,556</u>

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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2-H Long-Term Liabilities

Changes in the Town's long-term obligations during the year ended December 31, 2008, consisted of the following:

	General Obligation Bonds Payable	Unamortized Bond Premium	Compensated Absences Payable	Accrued Landfill Postclosure Care Costs	Total
Balance, beginning	\$ 6,170,000	\$ 275,993	\$ 384,374	\$ 49,500	\$ 6,879,867
Additions	-	-	13,994	-	13,994
Reductions	(975,000)	(37,340)	-	(1,500)	(1,013,840)
Balance, ending	<u>\$ 5,195,000</u>	<u>\$ 238,653</u>	<u>\$ 398,368</u>	<u>\$ 48,000</u>	<u>\$ 5,880,021</u>

Long-term liabilities are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2008	Current Portion
General obligation bonds payable:						
Sewer construction	\$ 4,400,000	1991	2012	5.6-6.75	\$ 880,000	\$ 220,000
Library addition	\$ 859,139	1999	2014	4.0-4.5	355,000	60,000
Public safety complex and conservation easements	\$ 5,185,600	2004	2015	5.625	3,105,000	520,000
Land acquisition	\$ 946,400	2006	2017	3.77	855,000	95,000
					<u>5,195,000</u>	<u>895,000</u>
Bond premium					<u>238,653</u>	<u>37,340</u>
					<u>5,433,653</u>	<u>932,340</u>
Compensated absences payable						
Vested sick leave					234,214	13,741
Accrued vacation leave					164,154	14,905
					<u>398,368</u>	<u>28,646</u>
Accrued landfill postclosure care costs					<u>48,000</u>	<u>6,000</u>
Total					<u>\$ 5,880,021</u>	<u>\$ 966,986</u>

The annual requirements to amortize the general obligation bonds outstanding as of December 31, 2008, including interest payments, are as follow:

Fiscal Year Ending December 31,	Principal	Interest	Total
2009	\$ 895,000	\$ 260,771	\$ 1,155,771
2010	895,000	213,053	1,108,053
2011	895,000	165,178	1,060,178
2012	890,000	117,227	1,007,227
2013	670,000	76,670	746,670
2014-2017	950,000	64,987	1,014,987
Totals	<u>\$ 5,195,000</u>	<u>\$ 897,886</u>	<u>\$ 6,092,886</u>

The premium is being amortized on a straight-line basis over the life of the bond.

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008

Bonds and notes authorized and unissued as of December 31, 2008 were as follow:

Per Town Meeting vote of March 11, 2003	Purpose Land purchase	Unissued Amount \$2,002,000
--	--------------------------	-----------------------------------

Accrued Landfill Postclosure Care Costs

The Breakfast Hill Road/Route 1 Landfill was closed in 1986 and requires postclosure care monitoring. Based on the time of operation for the Grove Road Landfill, and water quality test results to date, the New Hampshire Department of Environmental Services has indicated that the Town is not required to perform closure construction of the landfill at this time. If groundwater quality at the site were to become further impacted by the landfill, the Town would be required to re-evaluate the closure or implement other measures. No liability is being recognized for closure construction as there is no indication at this time that it will be required. State laws and regulations require that the Town continue to perform monitoring functions at this site.

The estimated liability for landfill postclosure care costs for both landfills is \$48,000 as of December 31, 2008, and is based on the amount that would be paid if all equipment, facilities and services required to monitor and maintain the landfills were acquired as of December 31, 2008. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations. The Town expects to finance the postclosure care costs by State grants and general tax revenue, as well as a capital reserve fund established for this purpose.

2-I State Aid to Water Pollution Projects

Under N.H. RSA Chapter 486, the Town receives from the State of New Hampshire a percentage of the annual amortization charges on the original costs resulting from the acquisition and construction of sewage disposal facilities. At December 31, 2008, the Town is due to receive the following annual amounts to offset debt payments of the 1991 sewer construction bond:

Fiscal Year Ending December 31,	Amount
2009	\$ 42,181
2010	39,813
2011	37,446
Totals	<u>\$ 119,440</u>

NOTE 3 - OTHER MATTERS

3-A Pensions

The Town of Rye participates in the New Hampshire Retirement System (the System) which consists of a cost-sharing, multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Provisions for benefits and contributions are established and can be amended by the New Hampshire Legislature. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees except police officers and firefighters are required to contribute 5% of earnable compensation. Police officers and firefighters are required to contribute 9.3% of gross earnings. For fiscal year 2008, the Town contributed 11.84% for police, 15.92% for fire and 8.74% for other employees. The contribution for the Town of Rye for the fiscal years 2006, 2007 and 2008 were \$198,126, \$243,247, and \$271,584 respectively, which were paid in full in each year.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008

The State of New Hampshire funds 35% of employer costs for police officers and firefighters employed by the Town. This amount, \$91,174, is reported as an "on-behalf payment," as an expenditure and revenue on the governmental funds operating statement, and as an expense and revenue on the government-wide statement of activities.

3-B Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2008, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex) Workers' Compensation and Property/Liability Programs, which are pooled risk management programs under RSAs 5-B and 281-A. The workers' compensation and employer's liability policy provides statutory coverage for workers' compensation and up to \$2,000,000 of employer's liability coverage. Primex retained \$500,000 of each workers' compensation and liability loss, and \$200,000 of each property loss. The combined liability package includes coverage for property, auto, liability, errors and omissions, crime, and boiler and machinery. The membership and coverage run from January 1 through December 31. The estimated net contribution from the Town of Rye billed and paid for the year ended December 31, 2008 was \$71,534 for workers' compensation and \$52,033 for property/liability. The member participation agreements permit Primex to make additional assessments to members, should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. At this time, Primex foresees no likelihood of any additional assessment for this or any prior year.

3-C Contingent Liabilities

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E-1
TOWN OF RYE, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Taxes	\$ 4,738,185	\$ 4,738,185	\$ 4,781,569	\$ 43,384
Licenses and permits	1,220,815	1,220,815	1,325,476	104,661
Intergovernmental	426,494	440,278	446,897	6,619
Charges for services	188,865	188,865	252,454	63,589
Miscellaneous	130,383	130,383	160,273	29,890
Total revenues	6,704,742	6,718,526	6,966,669	248,143
Expenditures:				
Current:				
General government	1,363,293	1,363,293	1,521,585	(158,292)
Public safety	2,115,688	2,115,688	2,017,410	98,278
Highways and streets	920,704	934,488	937,510	(3,022)
Sanitation	392,667	392,667	381,669	10,998
Health	109,962	109,962	107,228	2,734
Welfare	60,000	60,000	46,867	13,133
Culture and recreation	228,602	228,602	206,539	22,063
Conservation	42,300	42,300	18,336	23,964
Debt service:				
Principal	843,000	843,000	843,000	-
Interest and other	275,647	275,647	270,652	4,995
Capital outlay	494,896	494,896	464,436	30,440
Total expenditures	6,846,759	6,860,543	6,815,252	45,291
Excess (deficiency) of revenues over (under) expenditures	(142,017)	(142,017)	151,417	(293,434)
Other financing sources (uses):				
Transfers in	233,000	233,000	286,162	53,162
Transfers out	(690,983)	(690,983)	(690,983)	-
Total other financing sources and uses	(457,983)	(457,983)	(404,821)	53,162
Net change in fund balances	\$ (600,000)	\$ (600,000)	(253,404)	\$ (240,272)
Decrease in fund balance reserved for inventory			1,544	
Increase in fund balance reserved for special purposes			(9,708)	
Unreserved fund balance, beginning			2,059,411	
Unreserved fund balance, ending			\$ 1,797,843	

The notes to the required supplementary information are an integral part of this schedule.

EXHIBIT E-2
TOWN OF RYE, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Sewer Fund
For the Fiscal Year Ended December 31, 2008

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 47,567	\$ 47,567	\$ -
Charges for services	296,475	322,751	26,276
Miscellaneous	-	4,931	4,931
Total revenues	<u>344,042</u>	<u>375,249</u>	<u>31,207</u>
Expenditures:			
Current:			
Sanitation	139,809	155,550	(15,741)
Debt service:			
Principal	132,000	132,000	-
Interest	40,095	40,095	-
Capital outlay	32,138	27,131	5,007
Total expenditures	<u>344,042</u>	<u>354,776</u>	<u>(10,734)</u>
Net change in fund balance	<u>\$ -</u>	<u>20,473</u>	<u>\$ (20,473)</u>
Unreserved fund balance, beginning		301,619	
Unreserved fund balance, ending		<u>\$ 322,092</u>	

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008

General Budget Policies	1
Budgetary Reconciliation	2
Excess of Expenditures Over Appropriations.....	3

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008

1. General Budget Policies

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general and sewer funds, as well as some of the nonmajor funds. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In the fiscal year 2008, \$600,000 of the beginning general fund fund balance was applied for this purpose.

2. Budgetary Reconciliation

The following reconciles the budgetary basis to the GAAP basis.

	General Fund	Sewer Fund
Revenues and other financing sources:		
Per Exhibits E-1 and E-2 (budgetary basis)	\$ 7,252,831	\$ 375,249
Adjustment:		
Basis difference:		
On-behalf retirement contributions made by the State of New Hampshire recognized as revenue on the GAAP basis, but not on the budgetary basis	91,174	-
Per Exhibit C-3 (GAAP basis)	<u>\$ 7,344,005</u>	<u>\$ 375,249</u>
Expenditures and other financing uses:		
Per Exhibits E-1 and E-2 (budgetary basis)	\$ 7,506,235	\$ 354,776
Adjustments:		
Basis differences:		
Encumbrances, beginning	148,506	29,857
Encumbrances, ending	(134,904)	-
On-behalf retirement contribution payments made by the State of New Hampshire recognized as expenditures on the GAAP basis, but not on the budgetary basis	91,174	-
Per Exhibit C-3 (GAAP Basis)	<u>\$ 7,611,011</u>	<u>\$ 384,633</u>

3. Excess of Expenditures Over Appropriations

The Sewer Fund had an excess of expenditures over appropriations of \$10,734 for the period ending December 31, 2008. This over-expenditure is due primarily to the Town of Hampton increasing their treatment fees by 48% without notification. This over-expenditure is being covered by the use of fund balance.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF RYE, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2008

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 4,660,065	\$ 4,705,105	\$ 45,040
Yield	200	188	(12)
Payment in lieu of taxes	7,320	7,633	313
Interest and penalties on taxes	70,600	68,643	(1,957)
Total taxes	<u>4,738,185</u>	<u>4,781,569</u>	<u>43,384</u>
Licenses, permits and fees:			
Business licenses, permits and fees	1,200	1,095	(105)
Motor vehicle permit fees	1,048,800	1,104,624	55,824
Building permits	130,000	177,906	47,906
Other	40,815	41,851	1,036
Total licenses, permits and fees	<u>1,220,815</u>	<u>1,325,476</u>	<u>104,661</u>
Intergovernmental:			
State:			
Shared revenue block grant	47,506	47,506	-
Meals and rooms distribution	231,201	231,201	-
Highway block grant	113,002	112,615	(387)
Water pollution grants	30,367	30,367	-
Other	4,418	10,469	6,051
Federal:			
FEMA	13,784	14,739	955
Total intergovernmental	<u>440,278</u>	<u>446,897</u>	<u>6,619</u>
Charges for services:			
Income from departments	<u>188,865</u>	<u>252,454</u>	<u>63,589</u>
Miscellaneous:			
Sale of municipal property	4,033	18,034	14,001
Interest on investments	90,000	105,175	15,175
Fines and forfeits	5,600	10,140	4,540
Insurance dividends and reimbursements	6,801	10,347	3,546
Other	23,949	16,577	(7,372)
Total miscellaneous	<u>130,383</u>	<u>160,273</u>	<u>29,890</u>
Other financing sources:			
Transfers in:			
Nonmajor funds:			
Expendable trust	138,000	191,162	53,162
Special revenue fund	95,000	95,000	-
Total other financing sources	<u>233,000</u>	<u>286,162</u>	<u>53,162</u>
Total revenues and other financing sources	<u>6,951,526</u>	<u>\$ 7,252,831</u>	<u>\$ 301,305</u>
Unreserved fund balance used to reduce tax rate	600,000		
Total revenues, other financing sources and use of fund balance	<u>\$ 7,551,526</u>		

SCHEDULE 2
TOWN OF RYE, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2008

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 277,621	\$ 307,519	\$ -	\$ (29,898)
Election and registration	-	25,400	22,165	-	3,235
Financial administration	-	321,353	322,364	-	(1,011)
Revaluation of property	-	149,836	147,552	-	2,284
Legal	-	145,000	296,176	-	(151,176)
Planning and zoning	2,000	111,008	102,213	1,228	9,567
General government buildings	-	86,698	93,191	-	(6,493)
Insurance, not otherwise allocated	-	195,200	181,800	-	13,400
Advertising and regional associations	-	49,677	47,877	-	1,800
Other	-	1,500	1,500	-	-
Total general government	2,000	1,363,293	1,522,357	1,228	(158,292)
Public safety:					
Police	-	920,292	910,163	-	10,129
Ambulance	-	95,000	102,403	-	(7,403)
Fire	3,518	964,849	878,602	3,000	86,765
Building inspection	-	127,447	118,596	-	8,851
Emergency management	-	8,100	8,164	-	(64)
Total public safety	3,518	2,115,688	2,017,928	3,000	98,278
Highways and streets:					
Administration	-	492,625	529,088	-	(36,463)
Highways and streets	42,988	430,863	439,953	-	33,898
Street lighting	-	3,000	2,862	-	138
Other	-	8,000	8,595	-	(595)
Total highways and streets	42,988	934,488	980,498	-	(3,022)
Sanitation:					
Solid waste collection	-	392,667	381,669	-	10,998
Health:					
Administration	-	5,310	5,140	-	170
Pest control	-	4,918	3,914	-	1,004
Mosquito control	-	99,734	98,174	-	1,560
Total health	-	109,962	107,228	-	2,734
Welfare:					
Direct assistance	-	60,000	46,867	-	13,133
Culture and recreation:					
Parks and recreation	-	161,266	154,081	-	7,185
Beach commission	-	57,886	46,163	-	11,723
Patriotic purposes	-	6,000	5,198	-	802
Other	-	3,450	1,097	-	2,353
Total culture and recreation	-	228,602	206,539	-	22,063
Conservation	100,000	42,300	37,660	80,676	23,964

(continued)

SCHEDULE 2 (Continued)
TOWN OF RYE, NEW HAMPSHIRE
Major General Fund

Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2008

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive Negative
Debt service:					
Principal of long-term debt	-	843,000	843,000	-	-
Interest on long-term debt	-	270,647	270,652	-	(5)
Interest on tax anticipation notes	-	5,000	-	-	5,000
Total debt service	-	1,118,647	1,113,652	-	4,995
Capital outlay:					
Ambulance purchase	-	175,000	174,397	-	603
Highway plow truck	-	125,080	119,710	-	5,370
Police department	-	32,980	32,975	-	5
Fire department	-	11,000	8,035	-	2,965
Recreation playground	-	50,000	7,200	50,000	(7,200)
Highway department	-	24,020	20,207	-	3,813
Town hall	-	3,500	-	-	3,500
Town computers	-	6,000	4,616	-	1,384
Infrastructure	-	20,000	-	-	20,000
Collective bargaining agreement	-	47,316	47,316	-	-
Total capital outlay	-	494,896	414,456	50,000	30,440
Other financing uses:					
Transfers out:					
Nonmajor funds:					
Library operating	-	553,983	553,983	-	-
Expendable trust	-	137,000	137,000	-	-
Total other financing uses	-	690,983	690,983	-	-
Total appropriations, expenditures, other financing uses and encumbrances	\$ 148,506	\$ 7,551,526	\$ 7,519,837	\$ 134,904	\$ 45,291

SCHEDULE 3
TOWN OF RYE, NEW HAMPSHIRE
Major General Fund

Schedule of Changes in Unreserved - Undesignated Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2008

Unreserved, undesignated fund balance, beginning		\$ 1,659,411
Changes:		
Unreserved fund balance used to reduce 2008 tax rate		(600,000)
2008 Budget summary:		
Revenue surplus (Schedule 1)	\$ 301,305	
Unexpended balance of appropriations (Schedule 2)	<u>45,291</u>	
2008 Budget surplus		346,596
Decrease in fund balance reserved for inventory		1,544
Increase in fund balance reserved for special purposes		(9,708)
Decrease in fund balance designated for contingency		<u>200,000</u>
Unreserved, undesignated fund balance, ending		<u><u>\$ 1,597,843</u></u>

SCHEDULE 4
TOWN OF RYE, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2008

	Special Revenue Funds					
	Library Operating	Recreation Revolving	Conservation Commission			Police Outside Detail
			General	Town Forest	Land Acquisition	
ASSETS						
Cash and cash equivalents	\$ 46,389	\$ 196,572	\$ 188,633	\$ 545	\$ 9,885	\$ 82,385
Investments	57,122	-	-	-	453,862	-
Receivables, net of allowances for uncollectible:						
Accounts	-	13,008	-	-	-	5,013
Intergovernmental	-	-	-	-	-	-
Interfund receivable	16,519	-	-	-	-	-
Prepaid items	-	600	-	-	-	-
Total assets	<u>\$ 120,030</u>	<u>\$ 210,180</u>	<u>\$ 188,633</u>	<u>\$ 545</u>	<u>\$ 463,747</u>	<u>\$ 87,398</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Reserved for special purposes	20,150	-	-	-	-	-
Unreserved, undesignated	99,880	210,180	188,633	545	463,747	87,398
Total fund balances	<u>120,030</u>	<u>210,180</u>	<u>188,633</u>	<u>545</u>	<u>463,747</u>	<u>87,398</u>
Total liabilities and fund balances	<u>\$ 120,030</u>	<u>\$ 210,180</u>	<u>\$ 188,633</u>	<u>\$ 545</u>	<u>\$ 463,747</u>	<u>\$ 87,398</u>

Special Revenue Funds					Capital Project Fund	
Grants	Beach Parking Permits	Beach Cleaning	Ambulance	Expendable Trust	Safety Building	Total
\$ 7,206	\$ 26,136	\$ 23,973	\$ 22,691	\$ 3,951	\$ -	\$ 608,366
-	-	-	-	618,059	271,233	1,400,276
-	-	-	-	-	-	18,021
2,503	-	-	-	-	-	2,503
-	-	-	-	29,750	-	46,269
-	-	-	-	-	-	600
<u>\$ 9,709</u>	<u>\$ 26,136</u>	<u>\$ 23,973</u>	<u>\$ 22,691</u>	<u>\$ 651,760</u>	<u>\$ 271,233</u>	<u>\$ 2,076,035</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,108	\$ -	\$ 1,108
9,709	-	-	-	-	-	9,709
<u>9,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,108</u>	<u>-</u>	<u>10,817</u>
-	-	-	-	-	271,233	291,383
-	26,136	23,973	22,691	650,652	-	1,773,835
-	26,136	23,973	22,691	650,652	271,233	2,065,218
<u>\$ 9,709</u>	<u>\$ 26,136</u>	<u>\$ 23,973</u>	<u>\$ 22,691</u>	<u>\$ 651,760</u>	<u>\$ 271,233</u>	<u>\$ 2,076,035</u>

SCHEDULE 5
TOWN OF RYE, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2008

	Special Revenue Funds				
	Library Operating	Recreation Revolving	Conservation Commission		
			General	Town Forest	Land Acquisition
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	154,577	-	-	-
Miscellaneous	28,160	403	3,824	14	17,309
Total revenues	28,160	154,980	3,824	14	17,309
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	566,562	123,638	-	-	-
Conservation	-	-	-	-	93
Capital outlay	-	-	-	-	516,250
Total expenditures	566,562	123,638	-	-	516,343
Excess (deficiency) of revenues over (under) expenditures	(538,402)	31,342	3,824	14	(499,034)
Other financing sources (uses):					
Transfers in	576,895	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	576,895	-	-	-	-
Net change in fund balances	38,493	31,342	3,824	14	(499,034)
Fund balances, beginning	81,537	178,838	184,809	531	962,781
Fund balances, ending	\$ 120,030	\$ 210,180	\$ 188,633	\$ 545	\$ 463,747

Police Outside Detail	Special Revenue Funds					Capital Project Fund	Total
	Grants	Beach Parking Permits	Beach Cleaning	Ambulance	Expendable Trust	Safety Building	
\$ -	\$ 25,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,171
109,379	-	23,462	9,565	-	-	-	296,983
-	-	-	-	44,945	45,705	6,901	147,261
109,379	25,171	23,462	9,565	44,945	45,705	6,901	469,415
-	-	-	9,785	-	1,557	-	11,342
97,373	25,171	19,351	-	-	-	-	141,895
-	-	-	-	-	6,016	-	6,016
-	-	-	-	-	-	-	690,200
-	-	-	-	-	-	-	93
-	-	-	-	-	-	4,699	520,949
97,373	25,171	19,351	9,785	-	7,573	4,699	1,370,495
12,006	-	4,111	(220)	44,945	38,132	2,202	(901,080)
-	-	-	-	-	137,000	-	713,895
-	-	-	-	(95,000)	(197,271)	-	(292,271)
-	-	-	-	(95,000)	(60,271)	-	421,624
12,006	-	4,111	(220)	(50,055)	(22,139)	2,202	(479,456)
75,392	-	22,025	24,193	72,746	672,791	269,031	2,544,674
\$ 87,398	\$ -	\$ 26,136	\$ 23,973	\$ 22,691	\$ 650,652	\$ 271,233	\$ 2,065,218