

**TOWN OF RYE,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015**

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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Rye 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 of 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As discussed in Note 1-R to the financial statements, in 2015, the Town changed its method of accounting for pension reporting with the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Town of Rye
Independent Auditor's Report

Other Matters

Required Supplementary Information - Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3 through 9), the Schedule of Funding Progress for Other Postemployment Benefit Plan (page 41), the Schedule of the Town's Proportionate Share of Net Pension Liability (page 42) and the Schedule of Town Contributions (page 43) 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 them 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.

Other Information - 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 financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

July 28, 2016

Plodzik & Sanderson
Professional Association

Town of Rye, NH
Management Discussion and Analysis
2015

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

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, 2015.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Rye's basic financial statements. The Town of Rye's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and (4) required supplementary information. 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 position* presents information on all of the Town of Rye's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 as well as several non-major funds. A budgetary comparison statement has been provided for the major 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.

Required Supplementary Information - In addition to this Management's Discussion and Analysis the basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes Funding Progress for Other Postemployment Benefits Plans and information about the New Hampshire Retirement System as required under GASB 68.

Other information - In addition to the basic financial statements, accompanying notes, and required supplementary information this report also presents certain supplementary information concerning the Town's budget presentations. Also, combining and individual statements and schedules for nonmajor funds are presented in this section of this report beginning on page 49.

Government-wide Financial Analysis

As noted earlier, net position 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 \$36,174,935 at the close of the most recent fiscal year.

By far the largest portion of the Town of Rye's net position \$32,284,470 reflects its net 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 net 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, New Hampshire

Governmental Activities Statement of Net Position

	<u>2014</u>	<u>2015</u>	<u>Change</u>
Assets and deferred outflows of resources:			
Current & other assets	16,538,356	16,698,717	160,361
Capital assets	35,094,007	34,648,158	(445,849)
Deferred Outflows of Resources	246,483	289,399	42,916
Total assets and deferred outflows of resources	<u>51,878,846</u>	<u>51,636,274</u>	<u>(242,572)</u>
Liabilities and deferred inflows of resources:			
Current liabilities	6,608,613	6,496,392	(112,221)
Noncurrent liabilities	8,550,339	8,508,076	(42,263)
Deferred inflows of resources	913,119	456,871	(456,248)
Total liabilities and deferred inflows of resources	<u>16,072,071</u>	<u>15,461,339</u>	<u>(610,732)</u>
Net position:			
Net investment in capital assets	32,374,467	32,284,470	(89,997)
Restricted	3,956,928	3,807,564	(149,364)
Unrestricted	(524,620)	82,901	607,521
Total net position	<u>35,806,775</u>	<u>36,174,935</u>	<u>368,160</u>

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

Town of Rye, New Hampshire

Governmental Activities Statement of Activities

	<u>2014</u>	<u>2015</u>	<u>Difference</u>
Revenues:			
Program revenues:			
Charges for services	945,405	1,023,435	78,030
Operating grants and contributions	236,484	298,053	61,569
General revenues:			
Taxes	6,486,861	5,430,091	(1,056,770)
Licenses and permits	1,687,855	1,740,268	52,413
Unrestricted grants	260,635	266,803	6,168
Unrestricted Investment Income	118,585	142,938	24,353
Miscellaneous	567,941	131,455	(436,486)
Total revenues	<u>10,303,766</u>	<u>9,033,043</u>	<u>(1,270,723)</u>
Expenses:			
General Government	1,668,689	1,985,113	316,424
Public Safety	2,830,931	2,812,582	(18,349)
Highways and Streets	1,876,600	1,749,093	(127,507)
Sanitation	636,978	601,661	(35,317)
Health	101,764	80,705	(21,059)
Welfare	56,985	37,098	(19,887)
Culture & Recreation	1,227,628	1,191,661	(35,967)
Conservation	97,046	50,372	(46,674)
Interest on long-term debt	10,375	72,682	62,307
Capital Outlay	140,877	83,916	(56,961)
Total expenses	<u>8,647,873</u>	<u>8,664,883</u>	<u>17,010</u>
Change in net position	<u>1,655,893</u>	<u>368,160</u>	<u>(1,287,733)</u>
Beginning net position (as restated)*	<u>41,800,242</u>	<u>35,806,775</u>	<u>(5,993,467)</u>
Ending net position (as restated) *	<u><u>35,806,775</u></u>	<u><u>36,174,935</u></u>	<u><u>368,160</u></u>

General fund budgetary highlights

*The prior years restated fund balance is related to the implementation of GSAB #68. GSBA #64 reflects the Town's share of Net Pension Liability of \$5,326,831 as of 12/31/14. This figure was obtained from the New Hampshire Retirement System audited schedules of 06/30/14. The Town paid NHRS \$2,326,831 from 07/01/2014 through 12/31/2014 in Deferred Outflow. The net difference between the projected and actual investment earnings on the pension plan investments was (\$681,572). The Town's change in percentage of overall NHRS liability is calculated each year by the NHRS actuaries. The Town's percentage of overall liability can change each year based on the number of eligible employees relative to all members of NHRS. This represents a Deferred Inflow in the amount of (\$231,547), resulting in a change in the prior year's Fund Balance from the previously reported amount \$41,800,242 to the restated Fund Balance of \$35,806,775.

As shown in the above chart, revenues received during 2015 decreased by \$1,270,723 from 2014. However, the actual budgetary revenues were less than the budget for estimated revenues by \$249,559. This is largely due to Property Taxes, which were \$355,624 less than budgeted. Motor Vehicle Registrations were \$62,973 over the amount projected. Building Permits were \$25,726 under the amount projected. General income from department services was \$12,821 under projected. Income from federal grants was \$23,074 over the projection.

There were no catastrophic events during 2014 that had a significant impact on total expenditures. However Fire, Police and Public Works operations were affected by the following conditions:

- Public Works department responded to an average number of weather events during the 2015 season. However, the snow accumulation was eighty percent (80%) greater than the average of 60 inches normally anticipated. The department recorded a total of 23 weather events: 18 were snow events and 5 were ice only. The snow events averaged approximately 5 inches of accumulation per event and 984 tons of salt at a cost of \$56,740, was deployed on the roadways to maintain safe road conditions.
- For the third year, Police departments experienced staff shortages thought-out the year, due to long term illnesses, a retirement and a resignation of full-time, permanent staff.

The Police Department activities include:

- 8,247 Calls for Service
 - 1,564 Motor Vehicle Stops
 - 531 Animal Control Events
 - 304 Arrests
 - 283 Alarm Activations
 - 268 Medical Aid Calls
 - 65 Thefts
 - 32 Domestic Violence Incidences
 - 26 Juvenile Dealings
 - 7 Burglary Reports
 - 7 Calls for Heroin Overdoes resulting in 2 deaths
- The Fire Department experienced the end of the thirty two year career upon the retirement of the senior member of the department, Lieutenant Steven Laing. In September two new Paramedic/Firefighters were added to the force, which brought the department to full staff.

The Fire Department activities of 860 calls for emergency assistance included:

- 12 Structure Fires
- 8 Outside Fires
- 42 Hazardous Conditions
- 560 Medical Aid Calls
- 477 Transports to local hospitals
- 257 advanced care level
- 191 Fire Inspections

These departments should be commended for a job well done, while staying within their budgets for the year.

The Town realized a savings of \$736,441 in actual expenditures over the 2015 budgeted appropriation.

The total Town's property assessed valuation increased by \$81,470,800. The total property tax commitment decreased by \$225,225 from the prior year. At the 2015 Tax Rate setting the Board of Selectmen chose to use \$400,000 of the Town's beginning general fund balance to bring the tax rate to \$10.90.

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 \$15,000 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:
 - Town Wide Virtual Computer Server
 - 2015 Wanco –WVTMM Solar Trailer
 - Public Safety Building -Security System
- Disposals:
 - 1998 International Dump Truck
 - 2003 Chevrolet 250 Silverado Pickup
 - 2004 Ford Crown Victoria
 - 2004 Ford Crown Victoria
 - 2007 Ford Crown Victoria

Town of Rye, NH Capital Assets

Governmental Activities
(at original cost)

	2014	additions	disposals	2015
Not being depreciated:				
Land	9,924,986	100,000		10,024,986
Intangible assets	2,676,480			2,676,480
Construction in progress	449,700	131,178		580,878
Total capital assets not being depreciated	13,051,166	231,178		13,282,344
Being depreciated:				
Land improvements	529,152			
Buildings	6,819,287			
Rolling Stock	2,355,602	67,943	(166,957)	2,256,588
Equipment	460,525	65,299		525,824
Sewer Mains - Infrastructure	4,400,000			4,400,000
Roadways – Infrastructure	30,156,209	181,801		30,338,010
Total capital assets being depreciated	44,720,775	315,043	(166,957)	44,868,861
Total all capital assets	57,771,941	546,221	(166,957)	58,151,205

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 \$2,278,093 which is a 12% decrease from the \$2,592,592 owed at the end of 2014. These bonds are a general obligation of the taxpayers of Rye, N.H.

NH RSA 33:4-A establishes a debt limit. Towns may not incur outstanding indebtedness exceeding 3% (\$56,042,481) of the town valuation (\$1,868,082,700). 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 \$53,794,886.

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.

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 Director, 10 Central Road, Town of Rye, NH, 03870.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF RYE, NEW HAMPSHIRE
Statement of Net Position
December 31, 2015

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 11,474,432
Investments	4,174,147
Account receivables (net)	247,576
Taxes receivables (net)	765,238
Intergovernmental receivable	11,250
Inventory	5,392
Prepaid items	20,682
Capital assets:	
Land and construction in progress	13,282,344
Other capital assets, net of depreciation	21,365,814
Total assets	<u>51,346,875</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	<u>289,399</u>
LIABILITIES	
Accounts payable	106,513
Accrued interest payable	28,929
Intergovernmental payable	6,356,569
Other	4,381
Long-term liabilities:	
Due within one year	415,200
Due in more than one year	2,430,733
Net pension liability	5,662,143
Total liabilities	<u>15,004,468</u>
DEFERRED INFLOWS OF RESOURCES	
Amounts related to pensions	<u>456,871</u>
NET POSITION	
Net investment in capital assets	32,284,470
Restricted	3,807,564
Unrestricted	82,901
Total net position	<u><u>\$ 36,174,935</u></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, 2015

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change In
	Expenses	Services	Contributions	Net Position
General government	\$ 1,985,113	\$ 81,130	\$ 113,387	\$ (1,790,596)
Public safety	2,812,582	288,754	2,742	(2,521,086)
Highways and streets	1,749,093	5,140	150,418	(1,593,535)
Sanitation	601,661	445,860	12,800	(143,001)
Health	80,705	-	-	(80,705)
Welfare	37,098	-	-	(37,098)
Culture and recreation	1,191,661	202,551	9,360	(979,750)
Conservation	50,372	-	9,346	(41,026)
Interest on long-term debt	72,682	-	-	(72,682)
Capital outlay	83,916	-	-	(83,916)
Total governmental activities	<u>\$ 8,664,883</u>	<u>\$ 1,023,435</u>	<u>\$ 298,053</u>	<u>(7,343,395)</u>
General revenues:				
Taxes:				
Property				5,331,604
Other				98,487
Motor vehicle permit fees				1,427,273
Licenses and other fees				312,995
Grants and contributions not restricted to specific programs				266,803
Unrestricted investment earnings				142,938
Miscellaneous				131,455
Total general revenues				<u>7,711,555</u>
Change in net position				368,160
Net position, beginning, as restated see (Note 17)				35,806,775
Net position, ending				<u>\$ 36,174,935</u>

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

EXHIBIT C-1
TOWN OF RYE, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2015

	General	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 8,432,022	\$ 234,869	\$ 2,807,541	\$ 11,474,432
Investments	859,762	3,264,992	49,393	4,174,147
Accounts receivable (net)	113,115	-	134,461	247,576
Taxes receivable	795,238	-	-	795,238
Intergovernmental receivable	11,250	-	-	11,250
Interfund receivable	57,226	-	1,874	59,100
Voluntary tax liens	201,293	-	-	201,293
Voluntary tax liens reserved until collected	(201,293)	-	-	(201,293)
Inventory	5,392	-	-	5,392
Prepaid items	113,495	-	6,937	120,432
Total assets	<u>\$ 10,387,500</u>	<u>\$ 3,499,861</u>	<u>\$ 3,000,206</u>	<u>\$ 16,887,567</u>
LIABILITIES				
Accounts payable	\$ 81,652	\$ -	\$ 24,861	\$ 106,513
Intergovernmental payable	6,356,569	-	-	6,356,569
Interfund payable	1,874	51,181	6,045	59,100
Other	-	-	4,381	4,381
Total liabilities	<u>6,440,095</u>	<u>51,181</u>	<u>35,287</u>	<u>6,526,563</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	<u>131,386</u>	<u>-</u>	<u>-</u>	<u>131,386</u>
FUND BALANCES				
Nonspendable	118,887	3,423,418	6,937	3,549,242
Restricted	448,769	25,262	1,310,415	1,784,446
Committed	881,737	-	1,647,567	2,529,304
Assigned	159,616	-	-	159,616
Unassigned	<u>2,207,010</u>	<u>-</u>	<u>-</u>	<u>2,207,010</u>
Total fund balances	<u>3,816,019</u>	<u>3,448,680</u>	<u>2,964,919</u>	<u>10,229,618</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,387,500</u>	<u>\$ 3,499,861</u>	<u>\$ 3,000,206</u>	<u>\$ 16,887,567</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 the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2015

Total fund balances of governmental funds (Exhibit C-1)		\$ 10,229,618
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.		
Cost	\$ 58,151,205	
Less accumulated depreciation	<u>(23,503,047)</u>	
		34,648,158
Certain items are not current financial resources in the governmental funds, but instead are reported in the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 289,399	
Deferred inflows of resources related to pensions	<u>(456,871)</u>	
		(167,472)
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (59,100)	
Payables	<u>59,100</u>	
		-
Repayment of long term liabilities not due until subsequent year are recorded in the governmental funds as prepaid items, but reduce the liability on the government-wide financial statements.		
Prepayment of bonds		(99,750)
Property tax revenues that are reported on the accrual basis of accounting and are not deferred until collection on the Statement of Net Position.		131,386
Recognize the allowance for doubtful property tax receivables under the accrual basis of accounting.		(30,000)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(28,929)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.		
Bonds	\$ 2,067,000	
Unamortized bond premium	211,093	
Capital lease	85,595	
Compensated absences	474,245	
Accrued landfill postclosure care costs	8,000	
Net pension liability	<u>5,662,143</u>	
		(8,508,076)
Net position of governmental activities (Exhibit A)		<u>\$ 36,174,935</u>

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

EXHIBIT C-3
TOWN OF RYE, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2015

	General	Permanent	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 5,489,847	\$ -	\$ -	\$ 5,489,847
Licenses and permits	1,740,268	-	-	1,740,268
Intergovernmental	430,346	-	3,010	433,356
Charges for services	334,499	-	688,936	1,023,435
Miscellaneous	198,044	134,412	73,437	405,893
Total revenues	8,193,004	134,412	765,383	9,092,799
EXPENDITURES				
Current:				
General government	1,676,327	289,833	15,235	1,981,395
Public safety	2,722,827	-	76,751	2,799,578
Highways and streets	1,162,913	-	533	1,163,446
Sanitation	381,683	-	217,844	599,527
Health	80,705	-	-	80,705
Welfare	37,098	-	-	37,098
Culture and recreation	995,562	-	179,283	1,174,845
Conservation	25,128	-	121,869	146,997
Debt service:				
Principal	326,353	-	-	326,353
Interest	91,904	-	-	91,904
Capital outlay	287,105	-	61,231	348,336
Total expenditures	7,787,605	289,833	672,746	8,750,184
Excess of revenues over expenditures	405,399	(155,421)	92,637	342,615
OTHER FINANCING SOURCES (USES)				
Transfers in	24,768	-	-	24,768
Transfers out	-	(24,768)	-	(24,768)
Total other financing sources (uses)	24,768	(24,768)	-	-
Net change in fund balances	430,167	(180,189)	92,637	342,615
Fund balances, beginning	3,385,852	3,628,869	2,872,282	9,887,003
Fund balances, ending	\$ 3,816,019	\$ 3,448,680	\$ 2,964,919	\$ 10,229,618

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, 2015

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 342,615
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	\$ 379,264	
Depreciation expense	<u>(825,113)</u>	
		(445,849)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (24,768)	
Transfers out	<u>24,768</u>	
		-
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expenses.		
Increase in contributions subsequent to the measurement date	\$ 7,903	
Increase in changes in proportion	35,013	
Increase in differences between expected and actual experience	(124,250)	
Decrease in net difference between projected and actual investment earnings on pension plan investments	530,245	
Decrease in changes in proportion	50,253	
Increase in net pension liability	<u>(335,312)</u>	
		163,852
Prepaid debt consumes current financial resources of governmental funds, but reduces net position on the government-wide statements.		
Increase in prepaid debt		2,375
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(59,756)
The repayment of principal of long-term debt consumes the current financial		
Repayment of bond principal	\$ 285,000	
Repayment of capital leases	41,353	
Amortization of bond premium	<u>29,499</u>	
		355,852
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.		
Increase in accrued interest expense	\$ (12,652)	
Decrease in compensated absences payable	13,723	
Decrease in accrued landfill postclosure care costs	<u>8,000</u>	
		9,071
Changes in net position of governmental activities (Exhibit B)		<u>\$ 368,160</u>

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

EXHIBIT D
TOWN OF RYE, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 5,791,399	\$ 5,430,091	\$ (361,308)
Licenses and permits	1,702,875	1,740,268	37,393
Intergovernmental	407,272	430,346	23,074
Charges for services	347,320	334,499	(12,821)
Miscellaneous	90,700	154,803	64,103
Total revenues	8,339,566	8,090,007	(249,559)
EXPENDITURES			
Current:			
General government	1,739,543	1,616,119	123,424
Public safety	2,961,063	2,711,651	249,412
Highways and streets	1,189,776	1,144,726	45,050
Sanitation	402,213	393,236	8,977
Health	107,059	80,705	26,354
Welfare	55,000	37,098	17,902
Culture and recreation	995,643	978,936	16,707
Conservation	90,000	25,128	64,872
Debt service:			
Principal	326,354	326,353	1
Interest	101,905	91,904	10,001
Capital outlay	228,000	195,774	32,226
Total expenditures	8,196,556	7,601,630	594,926
Excess of revenues over expenditures	143,010	488,377	345,367
OTHER FINANCING SOURCES (USES)			
Transfers in	36,990	-	(36,990)
Transfers out	(180,000)	(180,000)	-
Total other financing sources (uses)	(143,010)	(180,000)	(36,990)
Net change in fund balances	\$ -	308,377	\$ 308,377
Decrease in nonspendable fund balance		3,067	
Increase in restricted fund balance		(5,485)	
Unassigned fund balance, beginning		2,002,437	
Unassigned fund balance, ending		\$ 2,308,396	

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

EXHIBIT E-1
TOWN OF RYE, NEW HAMPSHIRE
Fiduciary Funds
Statement of Net Position
December 31, 2015

	Private Purpose Trust	Agency
ASSETS		
Cash and cash equivalents	\$ -	\$ 92,119
Investments	4,925	522,424
Total assets	4,925	614,543
LIABILITIES		
Intergovernmental payable	-	522,424
Due to others	-	92,119
Total liabilities	-	614,543
NET POSITION		
Held in trust for specific purposes	\$ 4,925	\$ -

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

EXHIBIT E-2
TOWN OF RYE, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended December 31, 2015

	Private Purpose Trust
ADDITIONS	
Interest	\$ 505
DEDUCTIONS	
Scholarships	4,250
Change in net position	(3,745)
Net position, beginning	8,670
Net position, ending	<u>\$ 4,925</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
DECEMBER 31, 2015

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TOWN OF RYE, NEW HAMPSHIRE
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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, 2015

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 accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

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. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The Town has no component units to include in its reporting entity.

1-B Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The Statement of Net Position presents the financial position of the governmental activities of the Town at year-end. This statement includes all of the Town's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for State shared revenue, reimbursement-based grants and interest which use one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlement, and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. 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 specific 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.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, deferred inflows/outflows, and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Town reports the following major governmental funds:

General Fund – all general revenues and other receipts that are not allocated by law or contracted 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.

Permanent Funds – are held in the custody of the Trustees of Trust Funds and are used to account for resources held in trust for use by the Town.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

Additionally, the Town reports the following fund types:

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Permanent Fund - is used to record activity of legal trusts for which the interest on the corpus provides funds for the Town's cemetery operations.

Fiduciary Funds – The Town also reports the following fiduciary funds:

Private Purpose Trust – is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency Fund – is used to account for assets held in a trustee or agency capacity on behalf of outside parties, including other governments.

1-D Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents."

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of 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 to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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DECEMBER 31, 2015

1-E Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

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.

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 for the Town are reported at fair value generally based on quoted market prices.

1-F Receivables

Receivables recorded in the financial statements represent amounts due to the Town at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

1-G Interfund Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

1-H Inventory

The inventories of the Town are valued at cost using the first-in/first-out (FIFO) method. The inventories of the Town's general fund consist of materials and supplies held for subsequent use. The cost of such inventories is recorded as expenditures when consumed rather than when purchased.

1-I Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements, and expenses as the items are used.

1-J Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$15,000 and an estimated minimum useful life of five or more years. As the Town constructs or acquires additional capital assets each year, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

Land, intangible assets, and construction in progress are not depreciated. The other property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes:	<u>Years</u>
Land improvements	10-25
Buildings and building improvements	50-100
Vehicles	5-25
Equipment	5-20
Infrastructure	30-50

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

1-K Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1-L Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 26 and November 19, and due on July 1 and December 23, respectively. Interest accrues at a rate of 12% on bills outstanding after the due date and 18% on tax liens outstanding.

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 tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable 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 Water District, Rye Beach Precinct, and Rockingham County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2015 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 1,861,804,700
For all other taxes	\$ 1,868,082,700

The tax rates and amounts assessed for the year ended December 31, 2015 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$2.96	\$ 5,529,651
School portion:		
State of New Hampshire	\$2.46	4,585,416
Local	\$4.37	8,157,048
County portion	\$1.11	2,074,543
Precinct portions:		
Jenness Beach	\$0.24	97,828
Rye Beach Village	\$0.25	61,761
Rye Water District	\$0.58	674,787
Total		<u>\$ 21,181,034</u>

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

1-M Compensated Absences

The Town's policy allows certain employees to earn varying amounts of vacation based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by personnel policy. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

1-N Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

1-O Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. Claims and judgments are recorded in the government-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year-end.

1-P Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-Q Net Position/Fund Balance Reporting

Government-wide Statements – Equity is classified as net position and displayed in three components:

- a) *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) *Restricted net position* – Consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) *Unrestricted net position* – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

Fund Balance Classifications - The fund balance of governmental funds is reported in five categories based on the nature of any limitations requiring the use of resources for specific programs. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The classifications used in the Town's governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process.

Unassigned - This classification includes the residual fund balance for the general fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When multiple net position/fund balance classifications are available for use, it is the government's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

In the general fund, the Board of Selectmen will maintain an appropriate level of unassigned fund balance following the guidelines established by the New Hampshire Government Finance Officers Associate (NHGFOA), which are as follows:

- 5% to 15% of regular general fund operating revenues, or
- 5% to 17% of regular general fund operating expenditures.

1-R Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* requires participating

ed by a formal integrated system. At its annual meeting, the Town adopts a budget for the current year for the general fund as well as five nonmajor funds (sewer, recreation, police, beach cleaning, and beach parking permit funds). Except as reconciled below, the budget was in statutory requirements.

s independent auditors, require . Due to the inherent nature and

The schedules prepared by New Hampshire Retirement System, and audited by the plan management to make a number of estimates and assumptions relating to the reported amounts uncertainty of these estimates, actual results could differ, and the differences may be material.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

controlled by a formal integrated Town's operations. At its annual onmajor funds (sewer, recreation reconciled below, the budget was

General governmental revenues and expenditures accounted for in budgetary funds are c budgetary accounting system in accordance with various legal requirements which govern the meeting, the Town adopts a budget for the current year for the general fund as well as five n revolving, police outside detail, beach cleaning, and beach parking permit funds). Except as r adopted on a basis consistent with US generally accepted accounting principles.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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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 assigned 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 unassigned fund balance to achieve that end. For the fiscal year 2015, none of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

The Town employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis, presents the actual results to provide a comparison with the budget. The major difference between the budgetary basis and GAAP basis is as follows:

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities, but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and commitments (encumbrances) for goods or services not received at year-end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no liability exists.

The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 8,090,007
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record revenue of the blended funds	43,241
Net effect of transfers between blended funds	24,768
Per Exhibit C-3 (GAAP basis)	<u>\$ 8,217,772</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 7,781,630
Adjustment:	
Basis differences:	
Encumbrances, beginning	207,965
Encumbrances, ending	(109,616)
GASB Statement No. 54:	
To record expenditures of the blended funds	229,141
Net effect of transfers between blended funds	(321,515)
Per Exhibit C-3 (GAAP basis)	<u>\$ 7,787,605</u>

2-C Change in Accounting Principle

Effective July 1, 2014, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The requirements of this Statement change the way the Town calculates and reports the costs and obligations associated with pensions. As a result of implementing GASB Statement No. 68 the Town has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of January 1, 2015 by \$5,993,467 (see Note 17). The reduction accounts for the associated net position liability, deferred inflows of resources, and deferred outflows of resources related to pensions.

Also, the Town adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. This Statement addresses and issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employer and nonemployer contributing entities.

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DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2015, the reported amount of the Town's deposits was \$11,566,551 and the bank balance was \$11,694,544. Of the bank balance \$11,498,473 was covered by federal depository insurance or by collateral held by the Town's agent in the Town's name, and \$196,071 was uninsured and uncollateralized.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 11,474,432
Cash per Statement of Net Position-Fiduciary Funds (Exhibit E-1)	92,119
Total cash and cash equivalents	<u>\$ 11,566,551</u>

NOTE 4 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the Town funds. The Town also maintains a portfolio of short-term maturity investments that are reported at amortized cost or at fair value, based on quoted market prices.

At December 31, 2015, this Town had the following investments and maturities:

Investments type:	<u>Fair Value</u>
New Hampshire Public Deposit Investment Pool	\$ 1,486,263
Common stock	2,952,988
Mutual funds	27,892
Other	234,354
	<u>\$ 4,701,497</u>

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town does have a formal investment policy but it doesn't limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g. broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have custodial credit risk policies for investments.

Concentration of Credit Risk – The Town places no limit on the amount it may invest in any one issuer. No more than 5% of the Town's investments are invested in any one issuer.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 4,174,147
Investments per Statement of Net Position-Fiduciary Funds (Exhibit E-1)	527,349
Total investments	<u>\$ 4,701,496</u>

TOWN OF RYE, NEW HAMPSHIRE
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NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2015. The amount has been reduced by an allowance for an estimated uncollectible amount of \$30,000 in the governmental activities. Taxes receivable by year are as follows:

	Exhibit A (Full Accrual)	Exhibit C-1 (Modified Accrual)
Property:		
Levy of 2015	\$ 668,104	\$ 668,104
Unredeemed (under tax lien):		
Levy of 2014	80,632	80,632
Levy of 2013	46,502	46,502
Less: allowance for estimated uncollectible taxes*	(30,000)	-
Net taxes receivable	<u>\$ 765,238</u>	<u>\$ 795,238</u>

*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60 day rule as explained in Note 1-C. However, the allowance is recognized under the full accrual basis of accounting (Exhibits A and B).

NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2015, consisted of accounts (billings for police details, sewer, ambulance, 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.

Receivables as of December 31, 2015 for the Town's individual major fund and nonmajor funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

	General Fund	Nonmajor Funds	Governmental Activities
Receivables:			
Accounts	\$ 179,663	\$ 135,936	\$ 315,599
Intergovernmental	11,250	-	11,250
Liens	201,293	-	201,293
Gross receivables	392,206	135,936	528,142
Less: allowance for uncollectibles	(267,841)	(1,475)	(269,316)
Net total receivables	<u>\$ 124,365</u>	<u>\$ 134,461</u>	<u>\$ 258,826</u>

NOTE 7 – PREPAID ITEMS

Prepaid items at December 31, 2015 consisted of the following:

	Exhibit A (Full Accrual)	Exhibit C-1 (Modified Accrual)
Major general fund:		
Bond payment	\$ -	\$ 99,750 *
Dues/fees/subscriptions	6,053	6,053
Software licenses	7,692	7,692
	<u>13,745</u>	<u>113,495</u>
Nonmajor governmental funds:		
Dues/fees/subscriptions	6,278	6,278
Software licenses	659	659
	<u>6,937</u>	<u>6,937</u>
Total	<u>\$ 20,682</u>	<u>\$ 120,432</u>

*Balance not recognized on full accrual basis of accounting (Exhibit A).

TOWN OF RYE, NEW HAMPSHIRE
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NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 consisted of the following:

	Balance, beginning	Additions	Disposals	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 9,924,986	\$ 100,000	\$ -	\$ 10,024,986
Intangible assets	2,676,480	-	-	2,676,480
Construction in progress	449,700	131,178	-	580,878
Total capital assets not being depreciated	13,051,166	231,178	-	13,282,344
Being depreciated:				
Land improvements	529,152	-	-	529,152
Buildings and building improvements	6,819,287	-	-	6,819,287
Vehicles	2,355,602	67,943	(166,957)	2,256,588
Equipment	460,525	65,299	-	525,824
Infrastructure	34,556,209	181,801	-	34,738,010
Total capital assets being depreciated	44,720,775	315,043	(166,957)	44,868,861
Total all capital assets	57,771,941	546,221	(166,957)	58,151,205
Less accumulated depreciation:				
Land improvements	(226,580)	(22,375)	-	(248,955)
Buildings and building improvements	(744,700)	(71,322)	-	(816,022)
Vehicles	(1,195,451)	(128,062)	144,426	(1,179,087)
Equipment	(177,843)	(43,609)	-	(221,452)
Infrastructure	(20,333,360)	(704,171)	-	(21,037,531)
Total accumulated depreciation	(22,677,934)	(969,539)	144,426	(23,503,047)
Net book value, capital assets being depreciated	22,042,841	(654,496)	(22,531)	21,365,814
Net book value, all capital assets	\$ 35,094,007	\$ (423,318)	\$ (22,531)	\$ 34,648,158

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

General government	\$ 17,551
Public safety	113,579
Highways and streets	794,369
Sanitation	13,773
Culture and recreation	26,892
Conservation	3,375
Total depreciation expense	<u>\$ 969,539</u>

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General	Permanent fund	\$ 51,181
	Nonmajor	6,045
Nonmajor	General	1,874
		<u>\$ 59,100</u>

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The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers - Interfund transfers for the year ended December 31, 2015 consist of \$24,768 from the permanent funds to the general fund.

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

NOTE 10 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$6,878,993 at December 31, 2015 consist of the following:

General fund:	
Balance due to the 2015-2016 district assessment due to the Rye School District	\$ 6,262,464
Due to the New Hampshire Retirement System	91,358
Miscellaneous fees due to the State of Maine	1,730
Miscellaneous fees due to the State of New Hampshire	742
Miscellaneous fees due to the Town of Portsmouth	275
Total general fund	<u>6,356,569</u>
Agency fund:	
Balance of the expendable trust funds due to the Rye Water District	112,426
Balance of the expendable trust funds due to the Rye Beach Precinct	3,990
Balance of the expendable trust funds due to the Rye School District	406,008
Total agency fund	<u>522,424</u>
Total intergovernmental payables due	<u><u>\$ 6,878,993</u></u>

NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources of \$289,399 in the governmental activities at December 31, 2015 consists of amounts related to pensions.

Deferred inflows of resources are as follows:

	Exhibit A (Full Accrual)	Exhibit C-1 (Modified Accrual)
Amounts related to pensions	\$ 456,871	\$ -
Unavailable revenue - Property taxes	-	131,386
Total deferred inflows of resources	<u><u>\$ 456,871</u></u>	<u><u>\$ 131,386</u></u>

NOTE 12 – CAPITAL LEASE OBLIGATIONS

The Town has entered into certain capital lease agreements under which the related equipment will become the property of the Town when all the terms of the lease agreement are met.

	Standard Interest Rate	Present Value of Remaining Payments as of December 31, 2015
Capital lease obligations:		
Wheel loader	2.31%	<u><u>\$ 85,595</u></u>

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Leased equipment under capital lease, included in capital assets, is as follows:

	Governmental Activities
Equipment:	
Wheel loader	\$ 171,234
Less: accumulated depreciation	(10,702)
Total capital lease equipment	<u>\$ 160,532</u>

The annual requirements to amortize the capital lease payable as of December 31, 2015, including interest payments, are as follows:

Fiscal Year Ending December 31,	Governmental Activities
2016	\$ 44,286
2017	44,286
Total requirements	88,572
Less: interest	(2,977)
Present value of remaining payments	<u>\$ 85,595</u>

Amortization of lease equipment under capital assets is included with depreciation expense.

NOTE 13 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2015:

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 2,352,000	\$ -	\$ (285,000)	\$ 2,067,000	\$ 307,000
Premium	240,592	-	(29,499)	211,093	29,499
Total bonds payable	2,592,592	-	(314,499)	2,278,093	\$ 336,499
Capital lease	126,948	-	(41,353)	85,595	42,309
Compensated absences	487,968	9,898	(23,621)	474,245	28,392
Accrued landfill postclosure care costs	16,000	-	(8,000)	8,000	8,000
Total long-term liabilities	<u>\$ 3,223,508</u>	<u>\$ 9,898</u>	<u>\$ (387,473)</u>	<u>\$ 2,845,933</u>	<u>\$ 415,200</u>

Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2015
General obligation bonds payable:					
Land acquisition	\$ 946,400	2006	2017	3.770	\$ 95,000
Land acquisition	\$ 973,055	2009	2019	2.990	380,000
Land acquisition	\$ 942,500	2010	2020	2.788	470,000
Land acquisition	\$ 1,122,000	2014	2025	2.035	1,122,000
					<u>2,067,000</u>
Bond premium					211,093
Total bonds payable					<u>\$ 2,278,093</u>

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The annual requirements to amortize all general obligation bonds outstanding as of December 31, 2015, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2016	\$ 307,000	\$ 88,502	\$ 395,502
2017	400,000	79,005	479,005
2018	305,000	62,196	367,196
2019	305,000	49,662	354,662
2020	200,000	35,355	235,355
2021-2025	550,000	70,125	620,125
Totals	<u>\$ 2,067,000</u>	<u>\$ 384,845</u>	<u>\$ 2,451,845</u>

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.

Accrued Landfill Postclosure Care Costs – The Breakfast Hill Road/Route 1 Landfill was closed in 1986 and requires postclosure care monitoring. Based on 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 costs for both landfills is \$8,000 as of December 31, 2015, 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, 2015. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in the landfill laws and regulations. The Town expects to finance the postclosure care by State grants and general tax revenue, as well as a capital reserve fund established for this purpose.

Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of December 31, 2015 were as follows:

Per District Meeting Vote of	Purpose	Unissued Amount
March 11, 2014	Acquisition of conservation easements	<u>\$ 1,700,000</u>

NOTE 14 – ENCUMBRANCES

Encumbrances outstanding at December 31, 2015 are as follows:

General fund:		
General government	\$	7,395
Public safety		4,806
Highways and streets		6,206
Sanitation		23,400
Culture and recreation		9,600
Capital outlay		58,209
Total encumbrances	<u>\$</u>	<u>109,616</u>

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NOTE 15 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2015 include the following:

Net investment in capital assets:	
Net property, buildings, and equipment	\$ 34,648,158
Less:	
General obligation bonds payable	(2,067,000)
Unamortized bond premiums	(211,093)
Capital lease payable	(85,595)
Total net investment in capital assets	<u>32,284,470</u>
Restricted for:	
Library	358,884
Permanent funds - principal portion	3,423,418
Permanent funds - income portion	25,262
Total restricted	<u>3,807,564</u>
Unrestricted	<u>82,901</u>
Total net position	<u>\$ 36,174,935</u>

NOTE 16 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2015 include the following:

Nonspendable:

Major funds:

General:

Inventory	\$ 5,392
Prepaid items	113,495
	<u>118,887</u>
Permanent - principal portion	<u>3,423,418</u>

Nonmajor funds:

Special revenue:

Sewer	659
Recreation revolving	5,550
Beach cleaning	728
	<u>6,937</u>

Total nonspendable fund balance \$ 3,549,242

Restricted:

Major funds:

General:

Library purposes	\$ 358,884
Asset forfeiture	10,770
Recreation youth activities	79,115
	<u>448,769</u>
Permanent - income portion	<u>25,262</u>

Nonmajor funds:

Special revenue:

Heritage commission	10,415
Conservation commission - bond proceeds	1,300,000
	<u>1,310,415</u>

Total restricted fund balance 1,784,446

(continued)

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Governmental fund balances continued:

Committed:		
Major fund:		
General:		
Expendable trust	\$ 881,737	
Nonmajor fund:		
Special revenue:		
Sewer	869,492	
Police outside detail	25,106	
Beach parking permits	48,079	
Recreation revolving	343,849	
Beach cleaning	8,205	
Ambulance	331,833	
Conservation commission	20,083	
Parsonage fund	920	
	<u>1,647,567</u>	
Total committed fund balance		2,529,304
Assigned:		
Major fund:		
General:		
Encumbrances	\$ 109,616	
Contingency	50,000	
Total assigned fund balance		159,616
Unassigned:		
Major fund:		
General		<u>2,207,010</u>
Total governmental fund balances		<u>\$ 10,229,618</u>

NOTE 17 – PRIOR PERIOD ADJUSTMENTS

Net position at January 1, 2015 was restated to give retroactive effect to the following prior period adjustments:

	Government-wide Statements
To record the Town's share of the net pension liability	\$ (5,326,831)
To record prior year deferred outflows related to net pension contributions subsequent to the measurement date	246,483
To record prior year deferred inflows related to the net difference between projected and actual investment earnings on pension plan investments	(681,572)
To record prior year deferred inflows related to changes in proportion of the net pension liability	(231,547)
Net position, as previously reported	41,800,242
Net position, as restated	<u>\$ 35,806,775</u>

NOTE 18 – DEFINED BENEFIT PENSION PLAN

Plan Description: The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), 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 Pension Plan was 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 Pension Plan is a

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contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers with in the State are eligible and required to participate in the Pension Plan. The System issues a publically available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

Benefits Provided: 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 available to pay retirement benefits to all members.

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 nonvested 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 has at least 25 years of creditable service where the allowance shall be reduced, for each month by 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.

Contributions: 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. For fiscal year 2015, all employees except police officers and firefighters were required to contribute 7% of earnable compensation. The contribution rates were 11.55% for police officers and 11.80% for firefighters. The Town's contribution rates for 2015 for pension and medical subsidy were as follows:

Period	Police	Fire	All Other Employees
January 1, 2015 thru June 30, 2015	25.30%	27.74%	10.77%
July 1, 2015 thru December 31, 2015	26.38%	29.16%	11.17%

The contribution requirements for the fiscal years 2013, 2014, and 2015 were \$479,477, \$542,690, and \$547,785, respectively, which were paid in full in each year.

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 \$5,662,143 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 an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2015, the Town's proportion was 0.14292830% which was an increase of 0.00101517% from its proportion measured as of June 30, 2014.

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For the year ended December 31, 2015, the Town recognized pension expense of \$383,933. At December 31, 2015 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 35,013	\$ 181,294
Differences between expected and actual experience	-	124,250
Net difference between projected and actual investment earnings on pension plan investments	-	151,327
Contributions subsequent to the measurement date	254,386	-
Total	<u>\$ 289,399</u>	<u>\$ 456,871</u>

The \$254,386 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2016	\$ (151,296)
2017	(151,296)
2018	(151,296)
2019	40,034
2020	(8,003)
Totals	<u>\$ (421,857)</u>

Actuarial Assumptions: The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2014, using the following actuarial assumptions which, accordingly apply to both 2015 and 2014 measurements:

Inflation:	3.0%
Salary increases:	3.75- 5.8% average, including inflation
Investment rate of return:	7.75% 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.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 – June 30, 2010.

Long-term Rates of Return: The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and long-term rates of return for 2015:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2015
Large Cap Equities	22.75%	3.00%
Small/Mid Cap Equities	7.50%	3.00%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	13.00%	4.00%
Emerging Int'l Equities	7.00%	6.00%
Total international equity	20.00%	
Core Bonds	4.50%	(0.70)%
Short Duration	2.50%	(1.00)%
Global Multi-Sector Fixed Income	11.00%	(0.28)%
Unconstrained Fixed Income	7.00%	(0.16)%
High-Yield Bonds	0.00%	0.00%
Global Bonds (unhedged)	0.00%	0.00%
Emerging Market Debt (external)	0.00%	0.00%
Total fixed income	25.00%	
Private equity	5.00%	5.50%
Private debt	5.00%	4.50%
Real estate	10.00%	3.50%
Opportunistic	5.00%	2.75%
Total alternative investments	25.00%	
Total	100.00%	

Discount Rate: The discount rate used to measure the collective total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan 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. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. 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 investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75% 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 (6.75%) or 1-percentage point higher (8.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.75%	Current Single Rate Assumption 7.75%	1% Increase 8.75%
June 30, 2015	\$ 7,453,475	\$ 5,662,143	\$ 4,135,021
June 30, 2014	\$ 7,016,303	\$ 5,326,831	\$ 3,901,508
June 30, 2013	\$ 8,191,390	\$ 6,389,435	\$ 4,874,723

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

NOTE 19 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Annual OPEB Cost - The Town provides postemployment health insurance to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the Town's contractual agreements.

The Town implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, in the year ended December 31, 2011. This required the Town to calculate and record a net other postemployment benefit obligation at year end. The Town used the alternative measurement method to prepare this valuation permitted by GASB Statement No. 45. The net other postemployment benefit obligation is basically the cumulative difference between the required contribution and the actual contributions made.

The Town has prepared a valuation report as of December 31, 2015 which indicates that the total liability for other postemployment benefits is \$0.

The Town's annual other postemployment benefit (OPEB) cost (expense) for its plan is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed 30 years.

Funding Policy - The Town offers benefits that require the retiree to pay 100% of the cost of premiums. The underlying OPEB obligation for the Town arises from an implied subsidy based on the fact that the benefits provided to the active and retired employees are identical. As a result, the active employees are subsidizing the cost of the benefits provided to the retired employees. The funding policy used by the Town is based on the pay-as-you-go methodology with the exception that the funding for the cost of retiree benefits is recognized annually through the payment of the premiums for the active employees. This funding practice results in no net OPEB obligation being carried to the balance sheet for the retirees.

The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2015:

Annual required contribution/OPEB cost	\$ -
Contributions made (pay-as-you-go)	-
Increase in net OPEB obligation	-
Net OPEB obligation, beginning	-
Net OPEB obligation, ending	\$ -

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 was as follows:

Fiscal Year Ended	Annual OPEB Contribution Cost	Actual Contributions (pay-as-you-go)	Percentage Contributed	Net OPEB Obligation
December 31, 2015	\$ -	\$ -	0.00%	\$ -
December 31, 2014	\$ -	\$ -	0.00%	\$ -
December 31, 2013	\$ -	\$ -	0.00%	\$ -
December 31, 2012	\$ -	\$ -	0.00%	\$ -

As of December 31, 2015, the most recent valuation date, there was zero actuarial accrued liability (AAL) for benefits, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was \$2,746,043, and the ratio of the UAL to the covered payroll was 0.00%. Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for Other Postemployment Benefit Plan, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The cost methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit cost method was used. The assumptions included a 2.00% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date.

NOTE 20 – 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 2015, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs. This entity is considered a public entity risk pool, currently operating as common risk management and insurance programs for its members.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2015 to December 31, 2015 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The estimated net contribution from the Town billed and paid for the year ended December 31, 2015 was \$57,463 for workers' compensation and \$94,404 for property/liability.

NOTE 21 – CONTINGENCIES

There are various legal claims and suits pending against the Town which arose in the normal course of the governments activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through July 28, 2016, the date the December 31, 2015 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF RYE, NEW HAMPSHIRE
Schedule of Funding Progress for Other Postemployment Benefit Plan
For the Fiscal Year Ended December 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
December 31, 2015	\$ -	\$ -	\$ -	0.00%	\$ 2,746,043	0.00%
December 31, 2014	\$ -	\$ -	\$ -	0.00%	\$ 2,836,414	0.00%
December 31, 2013	\$ -	\$ -	\$ -	0.00%	\$ 2,691,175	0.00%
December 31, 2012	\$ -	\$ -	\$ -	0.00%	\$ 2,729,499	0.00%
December 31, 2011	\$ -	\$ 371,812	\$ 371,812	0.00%	\$ 2,679,091	13.90%

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

EXHIBIT G
TOWN OF RYE, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2015

<u>Fiscal Year</u>	<u>Valuation Date</u>	<u>Town's Proportion of Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Town Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
December 31, 2015	July 1, 2015	0.14292830%	\$ 5,662,143	\$ 2,867,729	197.44%	65.47%
December 31, 2014	July 1, 2014	0.14191313%	\$ 5,326,831	\$ 2,715,272	196.18%	66.32%
December 31, 2013	July 1, 2013	0.14846086%	\$ 6,389,435	\$ 2,776,740	230.11%	59.81%

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

EXHIBIT H
TOWN OF RYE, NEW HAMPSHIRE
Schedule of Town Contributions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2015

Fiscal Year	Valuation Date	Contractually Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2015	July 1, 2015	\$ 479,508	\$ 479,508	\$ -	\$ 2,867,729	16.72%
December 31, 2014	July 1, 2014	\$ 460,399	\$ 460,399	\$ -	\$ 2,715,272	16.96%
December 31, 2013	July 1, 2013	\$ 369,153	\$ 369,153	\$ -	\$ 2,776,740	13.29%

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

TOWN OF RYE, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

Schedule of Funding Progress for Other Postemployment Benefits (OPEB)

As required by GASB Statement No. 45, Exhibit F represents the actuarial determined costs associated with the Town's other postemployment benefits for the fiscal year ended December 31, 2015.

Schedule of the Town's Proportionate Share of Net Pension Liability & Schedule of Town Contributions

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits G and H represent the actuarial determined costs associated with the Town's pension plan at December 31, 2015.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2015:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	25 Years beginning July 1, 2014
Asset Valuation Method	5-Year smooth market for funding purposes
Price Inflation	3.0% per year
Wage Inflation	3.75% per year
Salary Increases	5.8% Average, including inflation
Municipal Bond Rate	4.29% per year
Investment Rate of Return	7.75% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2005-2010.
Mortality	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.

Other Information:

Notes	Contribution rates for Fiscal Year 2015 were determined based on the benefit changes adopted under House Bill No. 2 as amended by 011-2513-CofC.
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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, 2015

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 5,681,038	\$ 5,325,414	\$ (355,624)
Yield	500	486	(14)
Payment in lieu of taxes	15,361	18,573	3,212
Interest and penalties on taxes	94,500	85,618	(8,882)
Total from taxes	5,791,399	5,430,091	(361,308)
Licenses, permits, and fees:			
Business licenses, permits, and fees	500	345	(155)
Motor vehicle permit fees	1,364,300	1,427,273	62,973
Building permits	300,000	274,274	(25,726)
Other	38,075	38,376	301
Total from licenses, permits, and fees	1,702,875	1,740,268	37,393
Intergovernmental:			
State:			
Meals and rooms distribution	258,767	258,767	-
Highway block grant	124,620	125,691	1,071
Water pollution grants	-	12,800	12,800
Other	5,040	5,995	955
Federal:			
FEMA	16,345	24,727	8,382
Other	2,500	2,366	(134)
Total from intergovernmental	407,272	430,346	23,074
Charges for services:			
Income from departments	347,320	334,499	(12,821)
Miscellaneous:			
Sale of municipal property	5,000	20,107	15,107
Interest on investments	5,000	5,929	929
Rent of property	2,822	2,822	(0)
Fines and forfeits	7,500	12,283	4,783
Insurance dividends and reimbursements	27,278	60,641	33,363
Contributions and donations	-	9,360	9,360
Other	43,100	43,661	561
Total from miscellaneous	90,700	154,803	64,103
Other financing sources:			
Transfers in	36,990	-	(36,990)
Total revenues and other financing sources	\$ 8,376,556	\$ 8,090,007	\$ (286,549)

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, 2015

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 214,290	\$ 209,798	\$ -	\$ 4,492
Election and registration	-	19,625	15,067	-	4,558
Financial administration	-	476,744	436,164	-	40,580
Revaluation of property	-	156,588	172,348	-	(15,760)
Legal	-	100,000	130,884	2,500	(33,384)
Planning and zoning	-	150,776	142,487	-	8,289
General government buildings	-	121,806	124,020	2,395	(4,609)
Cemeteries	-	102,025	-	-	102,025
Insurance, not otherwise allocated	-	275,781	249,214	-	26,567
Advertising and regional associations	-	54,808	54,808	-	-
Other	-	67,100	73,934	2,500	(9,334)
Total general government	-	1,739,543	1,608,724	7,395	123,424
Public safety:					
Police	-	1,372,594	1,254,600	-	117,994
Ambulance	-	132,625	93,956	-	38,669
Fire	7,600	1,291,975	1,222,849	4,806	71,920
Building inspection	-	157,969	140,897	-	17,072
Emergency management	8,382	5,900	10,525	-	3,757
Total public safety	15,982	2,961,063	2,722,827	4,806	249,412
Highways and streets:					
Highways and streets	24,393	1,184,626	1,157,703	6,206	45,110
Street lighting	-	5,150	5,210	-	(60)
Total highways and streets	24,393	1,189,776	1,162,913	6,206	45,050
Sanitation:					
Solid waste collection	9,300	207,145	203,400	4,400	8,645
Solid waste disposal	-	195,068	175,736	19,000	332
Total sanitation	9,300	402,213	379,136	23,400	8,977
Health:					
Administration	-	5,220	5,202	-	18
Pest control	-	15,839	6,698	-	9,141
Other	-	86,000	68,805	-	17,195
Total health	-	107,059	80,705	-	26,354
Welfare:					
Administration	-	4,000	2,100	-	1,900
Direct assistance	-	1,000	-	-	1,000
Vendor payments	-	49,000	34,998	-	14,002
Other	-	1,000	-	-	1,000
Total welfare	-	55,000	37,098	-	17,902
Culture and recreation:					
Parks and recreation	8,750	339,865	315,038	9,600	23,977
Library	-	643,663	652,413	-	(8,750)
Patriotic purposes	-	6,815	5,736	-	1,079
Other	-	5,300	4,899	-	401
Total culture and recreation	8,750	995,643	978,086	9,600	16,707
Conservation	-	90,000	25,128	-	64,872

(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, 2015

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal of long-term debt	-	326,354	326,353	-	1
Interest on long-term debt	-	91,905	91,904	-	1
Interest on tax anticipation notes	-	10,000	-	-	10,000
Total debt service	-	428,259	418,257	-	10,002
Capital outlay	149,540	228,000	287,105	58,209	32,226
Other financing uses:					
Transfers out	-	180,000	180,000	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 207,965</u>	<u>\$ 8,376,556</u>	<u>\$ 7,879,979</u>	<u>\$ 109,616</u>	<u>\$ 594,926</u>

SCHEDULE 3
TOWN OF RYE, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2015

Unassigned fund balance, beginning		\$ 2,002,437
2015 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (286,549)	
Unexpended balance of appropriations (Schedule 2)	<u>594,926</u>	
2015 Budget surplus		308,377
Decrease in nonspendable fund balance		3,067
Increase in restricted fund balance		<u>(5,485)</u>
Unassigned fund balance, ending		<u>2,308,396</u>

Reconciliation of Non-GAAP Basis to GAAP Basis

To comply with generally accepted accounting principles by deferring property taxes not collected with 60 days of December 31, 2015		(131,386)
Elimination of the allowance for doubtful accounts as part of the 60-day calculation		<u>30,000</u>
Unassigned fund balance, ending GAAP basis (Exhibit C-1)		<u><u>\$ 2,207,010</u></u>

SCHEDULE 4
TOWN OF RYE, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2015

	Special Revenue Funds									
	Police					Beach				
	Sewer	Grants	Outside Detail	Parking Permits	Heritage Commission	Recreation Revolving	Bleach Cleaning	Ambulance	Conservation Commission	Parsonage Fund
ASSETS										Total
Cash and cash equivalents	\$ 733,740	\$ 4,381	\$ 22,341	\$ 48,079	\$ 10,415	\$ 328,464	\$ 8,205	\$ 331,833	\$ 1,320,083	\$ -
Investments	49,393	-	-	-	-	-	-	-	-	-
Accounts receivable (net)	116,293	-	2,765	-	-	15,403	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-	-	-	-
Prepaid items	659	-	-	-	-	5,550	728	-	-	1,874
Total assets	\$ 900,085	\$ 4,381	\$ 25,106	\$ 48,079	\$ 10,415	\$ 349,417	\$ 8,933	\$ 331,833	\$ 1,320,083	\$ 1,874
										\$ 3,000,206
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 23,889	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ -	\$ -	\$ -	\$ 934
Interfund payable	6,045	-	-	-	-	-	-	-	-	-
Other	-	4,381	-	-	-	-	-	-	-	-
Total liabilities	29,934	4,381	-	-	-	18	-	-	-	934
										\$ 24,861
										6,045
										4,381
										35,287
Fund balances:										
Nonspendable	659	-	-	-	-	5,550	728	-	-	-
Restricted	-	-	-	-	10,415	-	-	-	1,300,000	-
Committed	869,492	-	25,106	48,079	-	343,849	8,205	331,833	20,083	920
Total fund balances	870,151	-	25,106	48,079	10,415	349,399	8,933	331,833	1,320,083	920
Total liabilities and fund balances	\$ 900,085	\$ 4,381	\$ 25,106	\$ 48,079	\$ 10,415	\$ 349,417	\$ 8,933	\$ 331,833	\$ 1,320,083	\$ 1,874
										\$ 3,000,206

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, 2015

Special Revenue Funds											
	Sewer	Grants	Police Outside Detail	Beach Parking Permits	Heritage Commission	Recreation Revolving	Bleach Cleaning	Ambulance	Conservation Commission	Parsonage Fund	Total
Revenues:											
Intergovernmental	\$ -	\$ 3,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,010
Charges for services	388,451	-	67,273	30,661	-	177,583	24,968	-	-	-	688,936
Miscellaneous	607	1,000	-	-	1,109	1,232	-	50,720	11,360	7,409	73,437
Total revenues	389,058	4,010	67,273	30,661	1,109	178,815	24,968	50,720	11,360	7,409	765,383
Expenditures:											
Current:											
General government	-	2,194	-	-	-	-	-	-	6,552	6,489	15,235
Public safety	-	1,283	45,324	30,144	-	-	-	-	-	-	76,751
Highways and streets	-	533	-	-	-	-	-	-	-	-	533
Sanitation	217,844	-	-	-	-	-	-	-	-	-	217,844
Culture and recreation	-	-	-	-	120	156,976	22,187	-	-	-	179,283
Conservation	-	-	-	-	-	-	-	-	121,869	-	121,869
Capital outlay	-	-	61,231	-	-	-	-	-	-	-	61,231
Total expenditures	217,844	4,010	106,555	30,144	120	156,976	22,187	-	128,421	6,489	672,746
Net change in fund balances	171,214	-	(39,282)	517	989	21,839	2,781	50,720	(117,061)	920	92,637
Fund balances, beginning	698,937	-	64,388	47,562	9,426	327,560	6,152	281,113	1,437,144	-	2,872,282
Fund balances, ending	\$ 870,151	\$ -	\$ 25,106	\$ 48,079	\$ 10,415	\$ 349,399	\$ 8,933	\$ 331,833	\$ 1,320,083	\$ 920	\$ 2,964,919