

TOWN OF GRANBY, MASSACHUSETTS

**REPORT ON THE EXAMINATION
OF BASIC FINANCIAL STATEMENTS**

FISCAL YEAR ENDED JUNE 30, 2010

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Independent Auditor's Report

To the Honorable Selectboard
Town of Granby, Massachusetts

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Granby, Massachusetts, as of and for the fiscal year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Granby, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2 to the financial statements, management has not recorded a liability for OPEB (Other Post Employment Benefits) in governmental activities and, accordingly, has not recorded an expense for the current period change in the OPEB liability. Accounting principles generally accepted in the United States of America require that an actuarial determined OPEB liability be accrued, which would increase the liabilities, reduce the net assets, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net assets and expenses of the governmental activities is not reasonably determinable.

In our opinion, except for the effects of not recording a liability for OPEB obligations in the governmental activities, as described in the previous paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities of the Town of Granby, Massachusetts, as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Town of Granby, Massachusetts, as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2011, on our consideration of the Town of Granby, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Government Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Scanlon & Associates, LLC
Scanlon & Associates, LLC
June 17, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Granby, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2010.

Financial Highlights

- The Town's assets exceeded its liabilities by \$21,047,281 (net assets) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$19,806,553 or an increase of \$1,240,728.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$11,221,903 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net assets of \$1,815,354 are restricted by constraints imposed from outside the Town such as grantors, laws or regulations.
 - (3) Unrestricted net assets of \$8,010,024 represent a portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$11,930,639 this year. This compares to the prior year ending fund balance of \$13,119,337 showing a decrease of \$3,945,687 during the current fiscal year.
- At the end of the current fiscal year, unreserved/undesignated fund balance for the General Fund was \$2,168,842, or 11.99% of total general fund expenditures including transfers and 12.18% of total general fund revenues including transfers.
- Total liabilities of the Town increased by \$176,878 to \$4,553,107 during the fiscal year.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in

net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety including ambulance, public works including sewer, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The Town does not have any operations that are classified as business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, 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 near-term financial 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 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 decision. 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 Granby adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Statement of Net Assets Highlights

	Governmental Activities		
	2010	2009	Change
Assets:			
Current assets	\$ 11,878,754	\$ 16,207,456	\$ (4,328,702)
Noncurrent assets (excluding capital assets)	51,885	68,953	(17,068)
Capital assets	13,669,749	7,906,373	5,763,376
Total assets	25,600,388	24,182,782	1,417,606
Liabilities:			
Current liabilities (excluding debt)	1,678,679	1,443,966	234,713
Noncurrent liabilities (excluding debt)	426,582	396,572	30,010
Current debt	585,364	1,296,706	(711,342)
Noncurrent debt	1,862,482	1,238,985	623,497
Total liabilities	4,553,107	4,376,229	176,878
Net Assets:			
Capital assets net of related debt	11,221,903	5,370,682	5,851,221
Restricted	1,815,354	6,921,314	(5,105,960)
Unrestricted	8,010,024	7,514,557	495,467
Total net assets	\$ 21,047,281	\$ 19,806,553	\$ 1,240,728

	Governmental Activities		
	2010	2009	Change
Program Revenues:			
Charges for services	2,337,292	2,422,636	(85,344)
Operating grants and contributions	8,192,821	7,799,953	392,868
Capital grants and contributions	347,418	210,894	136,524
General Revenues:			
Property taxes	8,399,815	8,048,864	350,951
Motor vehicle excise and other taxes	634,101	621,061	13,040
Penalties and interest on taxes	51,526	52,299	(773)
Nonrestricted grants	843,587	1,059,330	(215,743)
Unrestricted investment income	191,129	294,301	(103,172)
Miscellaneous	5,347	-	5,347
Total revenues	21,003,036	20,509,338	493,698
Expenses:			
General government	902,308	878,455	23,853
Public safety (including ambulance)	1,891,670	1,911,692	(20,022)
Public works (including Sewer)	1,022,713	1,047,456	(24,743)
Education	11,090,324	10,496,452	593,872
Health and human services	265,220	202,283	62,937
Culture and recreation	168,493	209,009	(40,516)
Employee benefits and insurance	3,647,032	3,424,776	222,256
State assessments	702,886	715,658	(12,772)
Interest	86,073	86,531	(458)
Total expenses	19,776,719	18,972,312	804,407
Contributions to Permanent Funds	14,411	20,730	(6,319)
Change in net assets	1,240,728	1,557,756	(317,028)
Net assets - beginning of year	19,806,553	18,248,797	1,557,756
Net assets - end of year	\$ 21,047,281	\$ 19,806,553	\$ 1,240,728

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$21,047,281 at the close of FY 2010.

Net assets of \$11,221,903 (53%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its 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.

An additional portion of the net assets \$1,815,354 (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$8,010,024 (38%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

The governmental activities net assets increased by \$1,240,728 during the current fiscal year, which reflects the general fund's results of operation. This was mainly attributed to revenues exceeding expenditures by \$1,226,317 and contributions to permanent funds of \$14,411.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$9,173,650. Of this year-end total, \$2,168,842 is the unreserved/undesignated general fund balance, indicating availability for continuing Town service requirements and \$285,431 are funds designated for fiscal year 2011. Reserved and designated fund balances include \$459,636 committed to liquidate encumbrances and carried forward articles remaining from the prior year; \$5,639,503 in special revenue funds; \$371,919 in capital projects fund and \$248,319 in permanent funds.

The total ending fund balances of the governmental funds shows a decrease of \$3,945,687 in comparison with the prior year. The decrease was due to expenditures exceeding revenues by \$4,868,609 and the proceeds from notes and bonds of \$922,922.

Major Governmental Funds

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the current fiscal year, unreserved/undesignated fund balance of the general fund was \$2,168,842, while total fund balance reached \$2,761,916. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and revenues and transfers. Unreserved/undesignated fund balance represents 11.99% of total general fund expenditures and transfers and total fund balance represents 15.27% of that same amount. Unreserved/undesignated fund balance represents 12.18% of total general fund revenues including transfers and total fund balance represents 15.51% of that same amount.

The fund balance of the general fund decreased by \$289,111. Of this amount \$883,832 was attributed to revenues over expenditures, \$190,557 of net transfers to the stabilization fund, \$520,000 of net transfers to the municipal buildings construction/renovation stabilization fund, \$200,000 of transfers to the public safety complex construction fund and \$262,386 of net transfers to the nonmajor governmental funds.

The *Stabilization Fund* has accumulated a fund balance of \$787,416 that represents 4.35% of total general fund expenditures including transfers and 4.42% of total general fund revenues including transfers.

The fund balance of the stabilization fund increased by \$175,196. This increase was attributed to interest income of \$8,553, \$190,557 of net transfers from the general fund and \$23,914 of transfers to the municipal buildings construction/renovation stabilization fund. Please refer to Note 4G for additional information.

The *Municipal Buildings Construction/Renovation Stabilization Fund* has accumulated a fund balance of \$2,441,049 that represents 13.49% of total general fund expenditures including transfers and 13.71% of total general fund revenues including transfers.

The fund balance of the Municipal Buildings Construction/Renovation stabilization fund increased by \$199,034. This increase was attributed to interest income of \$22,230, \$520,000 of net transfers from the general fund, \$23,914 of transfers from the stabilization fund and \$367,110 of transfers to the nonmajor governmental funds.

The *Public Safety Complex Construction Fund* has accumulated a fund balance of \$139,375 that represents .77% of total general fund expenditures including transfers and .78% of total general fund revenues including transfers.

The fund balance of the Public Safety Complex Construction fund decreased by \$4,816,491. This decrease was attributed to grant proceeds of \$83,773, \$200,000 of transfers from the general fund, \$350,632 of transfers from the nonmajor governmental funds and capital outlay of \$5,450,896.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2010 was \$16,106,232. This was an increase of \$659,952 over the previous year's budget.

There was an increase of \$556,250 between the original budget and the final amended budget. This increase resulted from the Town appropriating \$20,250 for the purchase of a compact loader for the department of public works, \$475,000 for the purchase of land for the senior center, \$31,000 for janitorial services at the Town's municipal buildings and \$30,000 for painting the library. Of the \$938,913 in under-budgeted expenditures, \$459,636 has been carried over to fiscal year 2011.

A negative variance exists in property taxes of \$67,710. The negative variance is a result from a lag in collections.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets as of June 30, 2010 amounts to \$13,669,749.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

The capital events during the current fiscal year in the governmental type funds included the following:

- Kellogg hall improvements for \$21,468.
- Police vehicle and equipment for \$23,900.
- Department of public works vehicles and equipment for \$76,150.
- Road improvements for \$106,115.
- Security system video cameras for \$44,300.
- Library ADA improvements for \$28,265.
- Senior center renovations for \$439,385.
- Athletic fields for \$3,785.
- Public safety complex for \$5,592,585.

Debt Administration. The Town's outstanding governmental long-term debt, as of June 30, 2010, totaled \$2,447,846, of which \$917,000 is for school roofs, \$830,000 is for the Five Corners sewer, \$278,200 is for departmental equipment, \$99,400 is for sewer improvements, \$50,000 for guardrails and \$273,246 is for sewer projects financed by the Massachusetts Water Pollution Abatement Trust.

Please refer to notes 4C, 4E and 4F for further discussion of the major capital and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Granby's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, Town Hall, Granby, Massachusetts.

BASIC FINANCIAL STATEMENTS

**TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF NET ASSETS
JUNE 30, 2010**

	Primary Government Governmental Activities
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 10,458,232
Receivables, net of allowance for uncollectibles:	
Property Taxes	422,262
Tax Liens	146,040
Excise Taxes	99,786
User Charges	20,310
Departmental	62,494
Special Assessments	14,360
Due from Other Governments	655,270
Total current assets	<u>11,878,754</u>
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Special Assessments	51,885
Capital Assets, net of accumulated Depreciation:	
Nondepreciable	7,389,678
Depreciable	6,280,071
Total noncurrent assets	<u>13,721,634</u>
Total Assets	<u><u>25,600,388</u></u>
LIABILITIES	
CURRENT:	
Warrants Payable	338,076
Accrued Payroll	724,358
Accrued expenses	89,641
Employee Withholdings	85,126
Taxes Paid in Advance	1,612
Retainage Payable	268,122
Tax Refund Payable	2,500
Accrued Interest	15,719
Compensated Absences	106,645
Other	46,880
Bonds Payable	585,364
Total current liabilities	<u>2,264,043</u>
NONCURRENT:	
Compensated Absences	426,582
Bonds Payable	1,862,482
Total noncurrent liabilities	<u>2,289,064</u>
Total Liabilities	<u><u>4,553,107</u></u>
NET ASSETS:	
Invested in Capital Assets, net of related debt	11,221,903
Restricted for:	
Federal & State Grants	684,415
Capital Projects	371,919
Permanent Funds	248,319
Other Purposes	510,701
Unrestricted	8,010,024
Total Net Assets	<u><u>\$ 21,047,281</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

	Program Revenues				Net (Expenses) Revenues and and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 902,308	\$ 154,526	\$ 6,082	\$ -	\$ (741,700)
Public Safety (including ambulance)	1,891,670	445,066	75,871	-	(1,370,733)
Public Works (including sewer)	1,022,713	1,277,461	41,536	209,597	505,881
Education	11,090,324	374,691	6,411,096	137,821	(4,166,716)
Health and Human Services	265,220	26,972	96,626	-	(141,622)
Culture and Recreation	168,493	58,576	14,194	-	(95,723)
Employee Benefits and Insurance	3,647,032	-	1,547,416	-	(2,099,616)
State Assessments	702,886	-	-	-	(702,886)
Interest	86,073	-	-	-	(86,073)
Total Governmental Activities	19,776,719	2,337,292	8,192,821	347,418	(8,899,188)
Total Primary Government	\$ 19,776,719	\$ 2,337,292	\$ 8,192,821	\$ 347,418	(8,899,188)
General Revenues:					
Property Taxes					8,399,815
Motor vehicle excise and other taxes					634,101
Penalties & Interest on Taxes					51,526
Grants & Contributions not restricted to specific programs					843,587
Unrestricted Investment Income					191,129
Miscellaneous					5,347
Contributions to Permanent Funds					14,411
Total General Revenues and Contributions					10,139,916
Change in Net Assets					1,240,728
Net Assets:					
Beginning of year					19,806,553
End of year					\$ 21,047,281

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRANBY, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010**

	Municipal					
	General Fund	Stabilization Fund	Construction/ Renovation Fund	Public Safety Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 3,652,565	\$ 787,416	\$ 2,441,049	\$ 497,138	\$ 3,080,064	\$ 10,458,232
Receivables, net of allowance for uncollectibles:						
Property Taxes	422,262	-	-	-	-	422,262
Tax Liens	146,040	-	-	-	-	146,040
Excise Taxes	99,786	-	-	-	-	99,786
User Charges	-	-	-	-	20,310	20,310
Departmental	-	-	-	-	62,494	62,494
Special Assessments	-	-	-	-	66,245	66,245
Due from Other Governments	58,964	-	-	-	596,306	655,270
Total Assets	\$ 4,379,617	\$ 787,416	\$ 2,441,049	\$ 497,138	\$ 3,825,419	\$ 11,930,639
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Warrants Payable	\$ 182,456	\$ -	\$ -	\$ -	\$ 155,620	\$ 338,076
Accrued Payroll	709,149	-	-	-	15,209	724,358
Accrued Expenses	-	-	-	89,641	-	89,641
Employee Withholdings	85,126	-	-	-	-	85,126
Taxes Paid in Advance	1,612	-	-	-	-	1,612
Retainage Payable	-	-	-	268,122	-	268,122
Tax Refund Payable	2,500	-	-	-	-	2,500
Other	46,880	-	-	-	-	46,880
Deferred Revenue:						
Property Taxes	313,262	-	-	-	-	313,262
Other	276,716	-	-	-	610,696	887,412
Total Liabilities	1,617,701	-	-	357,763	781,525	2,756,989
Fund Balance:						
Reserved For:						
Encumbrances and continuing appropriations	459,636	-	-	-	-	459,636
Unreserved:						
Designated for Subsequent Years' Expenditures	133,438	-	-	-	151,993	285,431
Undesignated, reported in:						
General Fund	2,168,842	-	-	-	-	2,168,842
Special Revenue	-	787,416	2,441,049	-	2,411,038	5,639,503
Capital Projects	-	-	-	139,375	232,544	371,919
Permanent Funds	-	-	-	-	248,319	248,319
Total Fund Balance	2,761,916	787,416	2,441,049	139,375	3,043,894	9,173,650
Total Liabilities and Fund Balance	\$ 4,379,617	\$ 787,416	\$ 2,441,049	\$ 497,138	\$ 3,825,419	\$ 11,930,639

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRANBY, MASSACHUSETTS

	Municipal Buildings						Total
	General Fund	Stabilization Fund	Construction/ Renovation Fund	Public Safety Construction Fund	Nonmajor Governmental Funds	Governmental Funds	
Revenues:							
Property Taxes	\$ 8,324,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,324,018
Intergovernmental	5,617,695	-	-	-	83,773	2,009,872	7,711,340
Excise and Other Taxes	597,916	-	-	-	-	-	597,916
Charges for services	-	-	-	-	-	1,066,704	1,066,704
Licenses, Permits, Fees	1,315,306	-	-	-	-	-	1,315,306
Interest on Taxes	51,526	-	-	-	-	-	51,526
Interest on Investments	124,798	8,553	22,230	-	-	50,131	205,712
Gifts and Donations	-	-	-	-	-	33,570	33,570
Other	-	-	-	-	-	8,700	8,700
Intergovernmental - "On-behalf" Payment	1,547,416	-	-	-	-	-	1,547,416
Total Revenues	17,578,675	8,553	22,230	83,773	3,168,977	20,862,208	
Expenditures:							
Current:							
General Government	842,811	-	-	-	-	61,509	904,320
Public Safety (including ambulance)	1,172,225	-	-	-	5,450,896	722,481	7,345,602
Public Works (including sewer)	536,860	-	-	-	-	429,690	966,550
Education	8,889,777	-	-	-	-	2,076,992	10,966,769
Health and Human Services	611,409	-	-	-	-	78,015	689,424
Culture and Recreation	88,001	-	-	-	-	105,926	193,927
Employee Benefits and Insurance	3,647,032	-	-	-	-	-	3,647,032
State Assessments	702,886	-	-	-	-	-	702,886
Debt Service:							
Principal	168,000	-	-	-	-	52,767	220,767
Interest	35,842	-	-	-	-	57,698	93,540
Total Expenditures	16,694,843	-	-	5,450,896	3,585,078	25,730,817	
Excess of Revenues Over (Under) Expenditures							
	883,832	8,553	22,230	(5,367,123)	(416,101)	(4,868,609)	
Other Financing Sources (Uses):							
Operating Transfers In	223,287	200,000	573,914	550,632	813,340	2,361,173	
Operating Transfers Out	(1,396,230)	(33,357)	(397,110)	-	(534,476)	(2,361,173)	
Proceeds from Notes and Bonds	-	-	-	-	922,922	922,922	
Total Other Financing Sources (Uses)	(1,172,943)	166,643	176,804	550,632	1,201,786	922,922	
Net Change in Fund Balances							
	(289,111)	175,196	199,034	(4,816,491)	785,685	(3,945,687)	
Fund Balances, Beginning of Year							
	3,051,027	612,220	2,242,015	4,955,866	2,258,209	13,119,337	
Fund Balances, End of Year	\$ 2,761,916	\$ 787,416	\$ 2,441,049	\$ 139,375	\$ 3,043,894	\$ 9,173,650	

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRANBY, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Assets
For the Year Ended June 30, 2010

Total Governmental Fund Balances	\$ 9,173,650
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds	13,669,749
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis	1,200,674
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:	
Bonds Payable	\$ (2,447,846)
Compensated Absences	(533,227)
	(2,981,073)
In statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due	(15,719)
Net Assets of Governmental Activities	\$ 21,047,281

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRANBY, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds **\$ (3,945,687)**

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay Purchases	\$ 6,339,453	
Depreciation	<u>(576,077)</u>	5,763,376

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue. 155,239

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets:

Proceeds from Bonds and Notes	(922,922)	
Repayment of Debt	<u>220,767</u>	(702,155)

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:

Net Change in Compensated Absences	(37,512)	
Net Change in Accrued Interest on Long-Term Debt	<u>7,467</u>	(30,045)

Change in Net Assets of Governmental Activities **\$ 1,240,728**

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGETARY BASIS - (NON-GAAP) -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Amounts	Variance with
	Original	Final	Budgetary	Carried	Final Budget
	Budget	Budget	Basis	Forward	Positive
				to Next Year	(Negative)
Revenues:					
Property Taxes	\$ 8,352,728	\$ 8,352,728	\$ 8,285,018	\$ -	\$ (67,710)
Intergovernmental	5,586,869	5,586,869	5,617,695	-	30,826
Excise and Other Taxes	557,000	557,000	597,916	-	40,916
Licenses, Permits, Fees	370,994	370,994	1,315,306	-	944,312
Interest on Taxes	35,000	35,000	51,526	-	16,526
Interest on Investments	20,000	20,000	124,798	-	104,798
Total Revenues	14,922,591	14,922,591	15,992,259	-	1,069,668
Expenditures:					
Current:					
General Government	1,215,132	1,172,704	842,811	221,328	108,565
Public Safety	1,210,435	1,251,466	1,172,225	48,093	31,148
Public Works	567,996	617,246	536,860	27,750	52,636
Education	9,044,358	9,044,358	8,909,669	128,905	5,784
Health and Human Services	184,485	660,028	611,409	3,560	45,059
Culture and Recreation	133,170	163,170	88,001	30,000	45,169
Employee Benefits and Insurance	2,175,910	2,178,764	2,099,616	-	79,148
State Assessments	715,568	715,568	702,886	-	12,682
Debt Service:					
Principal	247,667	247,667	168,000	-	79,667
Interest	55,261	55,261	35,842	-	19,419
Total Expenditures	15,549,982	16,106,232	15,167,319	459,636	479,277
Excess of Revenues Over (Under) Expenditures	(627,391)	(1,183,641)	824,940	(459,636)	1,548,945
Other Financing Sources (Uses):					
Operating Transfers In (Out)	(99,230)	(1,268,980)	(1,172,943)	-	96,037
Total Other Financing Sources (Uses)	(99,230)	(1,268,980)	(1,172,943)	-	96,037
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(726,621)	(2,452,621)	(348,003)	(459,636)	1,644,982
Budgetary Fund Balance - Beginning of Year	3,023,310	3,023,310	3,023,310	-	-
Budgetary Fund Balance - End of Year	\$ 2,296,689	\$ 570,689	\$ 2,675,307	\$ (459,636)	\$ 1,644,982

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRANBY, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2010

	<u>Revenues</u>	<u>Expenditures</u>
Reported on a Budgetary Basis	\$ 15,992,259	\$ 15,167,319
Net Decrease in Revenue from Recording		
Refund Taxes Payable	(2,500)	-
Net Decrease in Expenditures - Teachers' Deferral	-	(19,892)
Recognition of Intergovernmental Revenue -		
"on behalf payments"	1,547,416	-
Recognition of Expenditures -		
"on behalf payments"	-	1,547,416
Net Increase in Revenue from Recording		
60-Day Receipts	41,500	-
	<hr/>	<hr/>
Reported on a GAAP Basis	<u>\$ 17,578,675</u>	<u>\$ 16,694,843</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRANBY, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010**

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 208,250	\$ 149,487
Total Assets	208,250	149,487
LIABILITIES		
Due to Others	-	576
Due to Student Groups	-	133,695
Escrows & Deposits	-	15,216
Total Liabilities	-	149,487
NET ASSETS:		
Held in Trust for Other Purposes	\$ 208,250	\$ -

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRANBY, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Private Purpose Trust Funds</u>
Additions	
Bequests	\$ 420
Investment Income:	
Interest & Dividends	<u>6,310</u>
Total Investment Earnings	<u>6,730</u>
Total Additions	<u>6,730</u>
Deductions:	
Educational Scholarships	<u>2,900</u>
Total Deductions	<u>2,900</u>
Change in Net Assets	<u>3,830</u>
 Net Assets at Beginning of Year	 <u>204,420</u>
 Net Assets at End of Year	 <u><u>\$ 208,250</u></u>

The Notes to the Financial Statements are an integral part of this Statement

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Granby, Massachusetts (the Town) was incorporated in 1768 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three member Selectboard.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2010, it was determined that no entities met the required GASB-39 criteria for component units.

The Town is responsible for electing the governing boards of the Granby Housing Authority and the Pathfinder Regional Vocational – Technical High School District. These are autonomous entities in the Town. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board. Audited financial statements are available from the respective organizations. A description of the related organizations are as follows:

Granby Housing Authority - A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

Pathfinder Regional Vocational - Technical High School District - A regional school district made up of eight communities to serve and provide a learning environment in specific career areas. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects one district committee member for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

The accompanying basic financial statements of the Town of Granby, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (e.g., statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),

and

- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

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 proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

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 thereafter to be used to pay current 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 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, excises 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.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The Town reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *stabilization fund* is a special revenue fund used to account for the accumulation of resources to provide general and/or capital reserves, and planning and development's ongoing and future operations.

The *municipal buildings construction/renovation stabilization fund* is a special revenue fund used to account for the accumulation of resources to provide funds for building construction/renovations.

The *public safety complex construction fund* is a capital projects fund used to account for the accumulation of resources to construct a public safety complex.

Additionally, the Town reports the following fund types:

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government programs.

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

The *agency fund* is used to account for assets held in a purely custodial capacity.

The non-major governmental fund consists of other special revenue, other capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds* column on the governmental funds financial statements. The following describes the general use of these funds types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash.

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool 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".

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

E. Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U. S. Government or agencies that have a maturity of less than one year from the date of purchase and repurchase agreements

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

All investments are carried at fair value.

F. Receivables

The recognition of revenues related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

Property Taxes and Tax Liens

Property taxes are based on assessments as of January 1, 2009 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for the fiscal year 2010 on June 26, 2009, that were due on August 3, 2009 and November 2, 2009 and actual bills on December 31, 2009 that were due on February 1, 2010 and May 3, 2010.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2010 is \$8,430,729 consisting of a base of \$8,329,698 and a debt exclusion of \$101,031. The total amount raised by taxation was \$8,428,693.

The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis.

Excise Taxes

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles.

The tax calculation for motor vehicle excise is the fair value of the vehicle multiplied by the \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated and based on historical trends and specific account analysis.

User Charges

User charges consist of sewer that is levied bi-annually based on individual meter readings and usage and are subject to penalties and interest if they are not paid by the respective due date. Liens are processed each year and are included as a lien on the property owner's tax bill. Liens are recorded as receivables in the fiscal year of the levy.

The allowance for uncollectibles is estimated and based on historical trends and specific account analysis.

Special Assessments

Special assessments consist of sewer betterments.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

Departmental

Departmental consists of ambulance and police off-duty.

The ambulance allowance for uncollectibles is estimated and based on historical trends and specific account analysis. The police off-duty receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

Due from Other Governments

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

G. Capital Assets

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g. roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchase and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

Capital Asset Type	Years
Buildings and renovations	10-40
Machinery, equipment and other	3-15
Infrastructure	20-50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

H. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities.

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

I. Deferred Revenue

Deferred revenue at the fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Deferred revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

J. Net Assets and Fund Equity

Net assets are reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net assets have been "restricted for" the following:

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

"Capital projects" represents amounts restricted for capital purposes.

"Permanent funds" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Other purposes" represents restrictions placed on assets from outside parties.

Fund balances are reserved for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designations of fund balances represent tentative management plans that are subject to change. Fund balances have been "reserved for" or "designated for" the following:

"Encumbrances and continuing appropriations" represents amounts obligated under purchase orders, contracts and other commitments for expenditures that are being carried over to the ensuing fiscal year.

"Designated for subsequent years' expenditures" represents the amount of fund balance appropriated to be used for expenditures in the subsequent year's budget. The Town includes the following in the reserve:

Major Governmental Funds:

General Fund - free cash	\$ 133,438
--------------------------	------------

Non-major Governmental Funds:

Sewer fund	\$ 79,993	
Capital equipment needs stabilization fund	72,000	151,993
	<u>72,000</u>	<u>151,993</u>
	\$	<u><u>285,431</u></u>

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

K. Long-term Debt

Long-term debt is reported as liabilities in the government-wide statement of net assets.

The face amount of governmental funds long-term debt is reported as other financing sources.

L. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

M. Post Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 50% share of insurance premiums in the general fund in the fiscal year paid.

N. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The significant departure of the financial statements from generally accepted accounting principles is that management has not recorded a liability for OPEB (Other Post Employment Benefits) in governmental activities and, accordingly, has not recorded an expense for the current period change in the OPEB liability. Accounting principles generally accepted in the United States of America require that an actuarial determined OPEB liability be accrued, which would increase the liabilities, reduce the net assets, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net assets and expenses of the governmental activities is not reasonably determinable.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non property tax revenues estimated to be received, including available funds.

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

The finance committee submits a budget at the annual Town meeting for adoption.

The budget is legally enacted by vote at the annual Town meeting.

Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.

Throughout the year appropriations may be transferred between departments with Town meeting approval.

Massachusetts law requires cities and towns to provide a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

For fiscal year 2010, the Town incurred a final budget deficit of \$2,452,621 for the General Fund.

The Town voted from the following sources to fund the deficit budget during the fiscal year:

General Fund:

Unreserved fund balance - free cash	\$ 2,005,283
Prior year's encumbrances	447,338
	<u>\$ 2,452,621</u>

4. DETAILED NOTES

A. Cash and Investments

State and local statutes place certain limitations on the nature of deposits and investments to the Town. Deposits, including demand deposits, money market and certificates of deposit in any one financial institution, may not exceed certain levels unless collateralized

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

by the financial institution involved. Generally, the treasurer of the Town is authorized to invest in the following investments: national banks, savings banks or banking companies, obligations issued or unconditionally guaranteed by the United States government or agency thereof and having a maturity from date of purchase of one year or less, with certain other limitations, or units in the Commonwealth Treasurer's Investment Pool. The pool is administered by the Massachusetts Municipal Depository Trust, (MMDT), which was established by the Treasurer of the Commonwealth who serves as trustee. The fair value of the position in the pool is the same as the value of the pool shares. The Town policy is to follow the state statutes.

Custodial Credit Risks - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2010 were \$11,031,632. Of these, \$5,464 were exposed to custodial credit risk as uninsured and uncollateralized.

Custodial Credit Risks - Investments

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, 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.

As of June 30, 2010, the Town did not have any investments.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

There is no exposure to credit risk as of June 30, 2010.

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer.

B. Receivables

At June 30, 2010, receivables for the individual major governmental funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 422,353	\$ (91)	\$ 422,262
Tax liens	146,040	-	146,040
Excise taxes	109,786	(10,000)	99,786
User charges	20,835	(525)	20,310
Departmental	114,986	(52,492)	62,494
Special assessments	66,245	-	66,245
Due from other governments	655,270	-	655,270
	<u>\$ 1,535,515</u>	<u>\$ (63,108)</u>	<u>\$ 1,472,407</u>

The composition of amounts due from other governments as of June 30, 2010 for governmental funds is as follows:

Governmental Funds:

General Fund:

Commonwealth of Massachusetts:

Department of Revenue:

Veterans, blind, surviving spouse and elderly \$ 20,150

Department of Veterans Services:

Veterans benefits 38,814 \$ 58,964

Nonmajor Governmental Funds:

U. S. Department of Agriculture

School lunch 6,459

U. S. Department of Education:

School title grants 74,843

U. S. Department of Health and Human Services:

Western Massachusetts elder care 1,148

Commonwealth of Massachusetts:

Massachusetts Department of Elementary and

Secondary Education:

School grants 12,670

School lunch 391

School Building Authority:

School building assistance - feasibility study 17,273

Massachusetts Highway Department:

Chapter 90 funded projects 483,522 596,306

\$ 655,270

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
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The balance of the general fund deferred revenues account is equal to all of June 30, 2010 receivable balances, except real estate and personal property taxes that are accrued for subsequent 60 day collections. At the end of the current fiscal year, the deferred revenue for property taxes is \$313,262.

The various components of the other deferred revenue reported in the governmental funds were as follows:

General Fund:			
Tax liens	\$	146,040	
Excise taxes		99,786	
Due from other governments		30,890	\$ 276,716
Nonmajor Governmental Funds:			
User charges		20,310	
Departmental		43,539	
Special assessments		66,245	
Due from other governments		480,602	610,696
			<u>\$ 887,412</u>

C. Capital Assets

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 575,020	\$ 165,400	\$ -	\$ 740,420
Construction in progress	1,265,170	5,663,988	(279,900)	6,649,258
Total capital assets not being depreciated	1,840,190	5,829,388	(279,900)	7,389,678
Capital assets being depreciated:				
Buildings and Renovations	10,144,564	465,575	-	10,610,139
Machinery, equipment and other	2,949,208	100,050	(171,090)	2,878,168
Infrastructure	5,062,645	224,340	-	5,286,985
Total capital assets being depreciated	18,156,417	789,965	(171,090)	18,775,292
Less accumulated depreciation for:				
Buildings and Renovations	7,512,637	215,097	-	7,727,734
Machinery, equipment and other	2,098,545	197,762	(171,090)	2,125,217
Infrastructure	2,479,052	163,218	-	2,642,270
Total accumulated depreciation	12,090,234	576,077	(171,090)	12,495,221
Total capital assets being depreciated, net	6,066,183	213,888	-	6,280,071
Total governmental activities capital assets, net	\$ 7,906,373	\$ 6,043,276	\$ (279,900)	\$ 13,669,749

Depreciation expense was charged to functions/programs of the primary government as follows:

TOWN OF GRANBY, MASSACHUSETTS
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June 30, 2010

Governmental Activities:

General government	\$ 17,502
Public safety	134,223
Public works	226,501
Education	180,253
Health and human services	14,311
Culture and recreation	3,287
Total depreciation expense - governmental activities	<u>\$ 576,077</u>

D. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2010, are summarized as follows:

Transfers Out:	Transfers In:					Total
	General fund	Stabilization fund	Municipal buildings construction/renovation stabilization fund	Public safety complex construction fund	Nonmajor governmental funds	
General fund	\$ -	\$ 200,000	\$ 550,000	\$ 200,000	\$ 446,230	\$ 1,396,230
Stabilization fund	9,443	-	23,914	-	-	33,357
Municipal buildings construction/renovation stabilization fund	30,000	-	-	-	367,110	397,110
Nonmajor governmental funds	183,844	-	-	350,632	-	534,476
Total transfers out	<u>\$ 223,287</u>	<u>\$ 200,000</u>	<u>\$ 573,914</u>	<u>\$ 550,632</u>	<u>\$ 813,340</u>	<u>\$ 2,361,173</u>

E. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

Details related to the short-term debt activity of the governmental type fund are as follows:

TOWN OF GRANBY, MASSACHUSETTS
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June 30, 2010

Purpose	Interest Rate	Final Maturity Date	Balance June 30, 2009	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2010
Bond anticipation note:						
School roof	1.50%	09/14/09	\$ 790,000	\$ -	\$ 790,000	\$ -
School roof	1.50%	12/14/09	-	790,000	790,000	-
School roof	1.50%	12/31/09	-	790,000	790,000	-
			<u>\$ 790,000</u>	<u>\$ 1,580,000</u>	<u>\$ 2,370,000</u>	<u>\$ -</u>

F. Long Term Debt

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for the governmental activities.

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2010
Inside Debt:					
School Roof	4.66%	01/02/02	08/01/11	580,000	\$ 116,000
Five Corners Sewer	2.25-4.00%	12/15/09	12/15/29	830,000	830,000
West Street School Roof	2.25-4.00%	12/15/09	12/15/29	801,000	801,000
Guardrails	3.30%	07/02/08	07/02/11	80,000	50,000
Refunding Notes:					
Departmental Equipment	1.64%	11/13/09	11/12/10	210,000	210,000
Sewer Improvement	1.62%	12/11/09	12/10/10	59,400	59,400
Departmental Equipment	1.25%	03/15/10	03/15/11	68,200	68,200
Sewer Equipment	1.25%	03/15/10	03/15/11	40,000	40,000
Massachusetts Water Pollution Abatement Trust:					
Sewer Project		06/01/95	02/01/15	312,271	110,291
Sewer Project		06/01/97	02/01/15	364,264	138,623
Sewer Project		05/01/95	02/01/15	68,892	24,332
Total Inside Debt					<u>\$ 2,447,846</u>

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2010, are as follows:

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

Governmental	Principal	Interest	Total
2011	\$ 585,364	\$ 79,472	\$ 664,836
2012	209,544	65,705	275,249
2013	129,482	58,976	188,458
2014	132,587	54,356	186,943
2015	140,869	49,295	190,164
2016-2020	400,000	197,150	597,150
2021-2025	420,000	126,312	546,312
2026-2030	430,000	40,800	470,800
	<u>\$ 2,447,846</u>	<u>\$ 672,066</u>	<u>\$ 3,119,912</u>

A summary of the changes in governmental activities long term debt during the year is as follows:

	Balance			Balance	Amounts Due
	June 30, 2009	Additions	Reductions	June 30, 2010	within One
					Year
Governmental activities:					
Bond Payable:					
General obligation bonds	\$ 1,070,278	\$ 1,631,000	\$ 904,278	\$ 1,797,000	\$ 159,000
Refunding notes	356,000	377,600	356,000	377,600	377,600
Massachusetts Water Pollution					
Abatement Trust	319,413	-	46,167	273,246	48,764
Compensated absences	495,715	80,752	43,240	533,227	106,645
Governmental activity					
Long-term liabilities	<u>\$ 2,241,406</u>	<u>\$ 2,089,352</u>	<u>\$ 1,349,685</u>	<u>\$ 2,981,073</u>	<u>\$ 692,009</u>

Massachusetts Water Pollution Abatement Trust (MWPAT)

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$745,427 and interest costs of \$469,514 for three loans which the Town has borrowed from MWPAT. The gross amount outstanding at June 30, 2010 for principal and interest combined for the loans are \$319,286. The net repayments, including interest, are scheduled to be \$145,208. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements. The fiscal year 2010 principal and interest subsidies totaled \$38,924.

Refinancing Bond

On December 15, 2009, the Town issued \$1,631,000 of general obligation refunding bonds with an average interest rate of 2.25 percent to advance refund \$816,278 of outstanding bonds with an average interest rate of 5.25 percent and also to provide new long term debt of \$801,000 for the school roof. This advance refunding was undertaken to advance refund

**TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010**

\$816,278 of the Five corners sewer construction bond. The advance refunding resulted in a net savings of \$292,602.

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2010 totaled \$2,447,846.

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

The following is a computation of the legal debt limit as of June 30, 2010

Equalized Valuation-Real Estate and Personal Property (2010)		\$ 633,273,000
Debt Limit: 5 % of Equalized value		\$ 31,663,650
Total Debt Outstanding	\$ 2,447,846	
Less: Debt Outside Debt Limit	-	2,447,846
		<u>\$ 29,215,804</u>
Inside Debt Excess Borrowing Capacity at June 30, 2010		<u>\$ 29,215,804</u>

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt.

Loan authorizations that have not been issued as of June 30, 2010 and are not reflected in the Town's financial statements are as follows:

Description	Date of Town Meeting	Amount
Comprehensive Wastewater Management Plan	04/28/08	\$ 400,000
Purchase Fire Department Vacuum Tanker Truck	05/10/10	295,000
Dufresne Pond Dam Repairs	05/10/10	99,000
Purchase Department of Public Works Truck	05/10/10	65,000
		<u>\$ 859,000</u>

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

G. Special Trust Funds

Stabilization Fund

Under Section 5B of Chapter 40 of the Massachusetts General Laws, the Town may, for the purpose of creating a stabilization fund, appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding year by taxation of real estate and tangible personal property or such larger amount as may be approved by the Emergency Finance Board. The aggregate amount in the fund at any time shall not exceed ten percent of the equalized valuation of the Town and any interest shall be added to and become a part of the fund. The stabilization fund may be appropriated in a Town at a Town meeting for any lawful purpose.

At June 30, 2010, \$787,416 has been set aside in a stabilization fund, which is classified as a major fund in the governmental funds financial statements.

Municipal Buildings Construction/Renovation Stabilization Fund

At the special Town meeting held on May 8, 2006 the Town voted to establish Municipal Buildings Construction/Renovation stabilization fund.

At June 30, 2010, \$2,441,049 has been set aside in a stabilization fund, which is classified as a major fund in the governmental funds financial statements.

5. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Town Meeting – Fiscal Year 2011

The Town of Granby operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2010 do not reflect the fiscal year 2011 Town Meeting action, with the exception of Unreserved Fund Balance-Designated for Subsequent Years' Expenditures as disclosed below. The Annual Town Meeting on May 10, 2010 authorized a fiscal year 2011 operating and capital budget as follows:

**TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010**

From the tax levy	\$ 14,104,660
From ambulance fees	181,710
From sewer receipts	189,007
From offset receipts	206,760
From state aid to highway	216,095
From other Available Funds: (Designated for Subsequent Years' Expenditures)	
Major Funds:	
General Fund	133,438
Nonmajor Governmental Funds:	
Sewer fund	\$ 79,993
Capital needs stablization fund	72,000
	<u>151,993</u>
	<u>\$ 15,183,663</u>

C. Contingent Liabilities

Litigation

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2010, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2010.

Federal Financial Assistance

The Town receives significant financial assistance from numerous federal and state agencies in the form of grants and entitlements. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit procedures prescribed under the Single Audit Act Amendments of 1996. Any disallowed expenditures resulting from such audits become a liability of the Town.

The outcome of lawsuits and any findings with respect to disallowed expenditures is not expected to materially affect the financial condition of the Town.

D. Pension Plan

Plan Description

The Town, as a member of the Hampshire County Retirement System (the System), participates in a cost-sharing multiple-employer defined benefit pension plan administered by the Hampshire County Retirement Board. Each participating employers' share of the total annual contribution is determined on the basis of active payroll. Substantially, all employees are members of the System, except for public school teachers and administrators who are members of Commonwealth of Massachusetts Teachers' Retirement System to which the Town does not contribute. Pension benefits and administrative expenses are paid by the Teachers' Retirement Board and are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$1,547,416 for the fiscal year ending June 30, 2010, and, accordingly, are

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

reported in the General Fund as intergovernmental revenues and employee benefit expenditures.

The System and the teachers' retirement system provide retirement, disability, and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Laws assigns authority to establish and amend benefit provisions of the plan. Cost of living adjustments granted between 1981 and 1987 and any increases in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Hampshire County Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System located at 99 Industrial Drive, Northampton, Massachusetts.

Funding Policy

Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. Chapter 32B of the Massachusetts general laws governs the contributions of plan members and the Town.

The Town's contribution to the System for the fiscal years ended June 30, 2010, 2009 and 2008 is shown below, which equaled its required contribution for each fiscal year.

Fiscal Year Ended June 30	Town's Contribution
2010	\$ 575,476
2009	565,674
2008	539,807

The last actuarial valuation was prepared by the Segal Company as of January 1, 2007.

The actuarial cost method of the plan has been determined in accordance with the individual entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8.25% compounded annually, (b) projected salary, including longevity, increases of 4.75% to 5.25% per year per member, (c) cost of living increase of 3% of the first \$12,000 of retirement income.

The unfunded actuarial liability for the entire county is \$94,388,066. The Town's portion of such liability is approximately 4.24% or \$4,002,054.

TOWN OF GRANBY, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

Reporting Policies

The funds of the Hampshire County Retirement System are accounted for under the accrual basis. Under the accrual basis of accounting, all revenues and expenditures are accrued and investments are amortized to value. The books are maintained on a calendar year basis from January 1st to December 31st in accordance with the standards and procedures outlined by the Commissioner of the Public Employees Retirement Administration.

Investments are reported in accordance with PERAC requirements.

SUPPLEMENTARY SCHEDULES

TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Fund Balances		Revenues		Expenditures		Other Financing Sources (Uses)		Fund Balances
	July 1, 2009								June 30, 2010
Special Revenue:									
Federal and State Grants:									
School Grants	\$	49,945	\$	722,290	\$	648,663	\$	-	\$ 123,572
Arts Lottery Council Grants		2,364		4,005		3,946		-	2,423
Council on Aging Grants		4,149		9,682		9,529		-	4,302
Elderly Meals Commodities		-		888		888		-	-
Elderly Meals Program		-		26,459		26,459		-	-
Emergency Management Agency Flood Grant		2,700		-		-		-	2,700
Health Grants		-		15,270		13,910		-	1,360
Highway Grants		-		45,318		45,318		-	-
Library Grants		7,290		8,939		8,062		-	8,167
Public Safety Grants		34,519		54,264		47,630		(2,863)	38,290
Recycling Grants		194		-		194		-	-
Tourism Grant		23,000		-		-		-	23,000
Schools:									
School Lunch Revolving		18,885		341,973		389,206		-	(28,348)
School Lunch Commodities		-		11,408		11,408		-	-
School Choice Program		280,478		797,854		635,147		-	443,185
Private Grants		502		-		502		-	-
Revolving Accounts		41,449		128,007		104,986		-	64,470
State Special Education Reimbursement Fund		5,158		47,650		50,507		-	2,301
Other:									
Ambulance Fund		269,938		273,745		348,742		176,230	371,171
Agricultural Commission		164		-		-		-	164
Cable Advisory Committee		4,734		950		-		-	5,684
Charter Day Revolving		45,121		34,213		35,815		-	43,519
Conservation Commission Fees		-		2,970		-		-	2,970
DARE Revolving		8,267		17,750		12,085		-	13,932
Dog Revolving		8,238		10,376		10,230		-	8,384
Dufresne Park Revolving		16,476		21,632		22,374		-	15,734
Forest Warden Offset Receipts Fund		842		1,911		2,503		2,863	3,113
Gifts and Donations		36,046		13,270		8,673		-	40,643
Inspections Revolving		20,019		28,683		47,187		-	1,515
Total Special Revenue Funds Page 41	\$	880,478	\$	2,619,507	\$	2,483,964	\$	176,230	\$ 1,192,251

TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Fund Balances July 1, 2009	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2010
Continued from Page 41					
Special Revenue (continued):					
Other (continued):					
Insurance Reimbursements	3,302	-	-	-	3,302
Landfill Waste Management Grants	119	-	-	-	119
Planning Board Revolving	3,051	29,733	9,979	-	22,805
Police Auction Revolving	25	-	-	-	25
Police and Fire Outside Duty	1,657	119,591	111,959	-	9,289
Recreation Revolving	10,112	1,740	3,934	-	7,918
Right to Know	421	-	-	-	421
Road Machinery Earnings	36,731	3,725	-	(27,750)	12,706
Sale of Cemetery Lots	1,965	300	-	-	2,265
Septic System Repair Fund	119,704	-	-	-	119,704
Sewer Fund	462,725	171,911	231,688	13,722	416,670
Tax Collector Fees	1,045	24,663	25,213	-	495
Town Clerk Fees	-	1,270	-	-	1,270
Capital Equipment Needs Stabilization Fund	584,693	35,548	-	68,906	689,147
Conservation Fund	40,556	1,658	3,302	-	38,912
Hatch Fund	35,972	5,711	1,547	-	40,136
Law Enforcement Fund	6,051	-	455	-	5,596
Total Special Revenue Funds	2,188,607	3,015,357	2,872,041	231,108	2,563,031
Capital Projects:					
Highway Equipment	1,322	-	44,950	45,000	1,372
Highway Guardrail Installations	6,775	-	-	-	6,775
High School Feasibility Study	-	137,821	232,870	367,110	272,061
Kellogg Hall Improvements	115,000	-	21,469	29,000	122,531
Library Improvements	-	-	28,267	39,200	10,933
Comprehensive Wastewater Management Plan	(14,000)	-	214,700	-	(228,700)
Engineering Services-Public Safety Complex Construction	492,321	-	141,689	(350,632)	-
Supervisory Control And Data Acquisition (SCADA) System	-	-	3,500	40,000	36,500
West Street School Roof Replacement	(786,226)	-	3,702	801,000	11,072
Total Capital Projects	(184,808)	137,821	691,147	970,678	232,544

TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Fund Balances July 1, 2009	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2010
Permanent Funds:					
Cemetery Perpetual Care Funds	\$ 208,395	\$ 14,548	\$ 18,363	\$ -	\$ 204,580
Library Funds	30,403	771	3,527	-	27,647
Marie Quirk Dufresne Park Fund	15,612	480	-	-	16,092
Total Permanent Funds	254,410	15,799	21,890	-	248,319
Total - Non-Major Governmental Funds	\$ 2,258,209	\$ 3,168,977	\$ 3,585,078	\$ 1,201,786	\$ 3,043,894

TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
JULY 1, 2009 TO JUNE 30, 2010

	Uncollected Taxes July 1, 2009	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2010	Uncollected Taxes Per Detail June 30, 2010
\$	-	\$ 8,254,372	\$ 60,001	\$ 7,899,113	\$ 295,258	\$ 295,258
Lewy of 2010	268,264	-	34,274	160,758	73,232	73,232
Lewy of 2009	51,177	-	17,039	18,036	16,102	16,102
Lewy of 2008	26,526	-	8,329	7,739	10,458	10,458
Lewy of 2007	6,753	-	2,608	2,460	1,685	1,685
Lewy of 2006	204,622	-	176,935	2,706	24,981	24,981
Prior Years	557,342	8,254,372	299,186	8,090,812	421,716	421,716

Real Estate Taxes:

Personal Property Taxes:

Lewy of 2010	-	175,811	-	175,174	637	637
Lewy of 2009	138	-	-	138	-	-
Lewy of 2008	-	-	-	-	-	-
Lewy of 2007	-	-	-	-	-	-
Lewy of 2006	-	-	-	-	-	-
Prior Years	-	-	-	-	-	-
	138	175,811	-	175,312	637	637

**Total Real Estate and
Personal Property Taxes**

\$	557,480	\$ 8,430,183	\$ 299,186	\$ 8,266,124	\$ 422,353	\$ 422,353
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**TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE EXCISE TAXES
JULY 1, 2009 TO JUNE 30, 2010**

	Uncollected Taxes July 1, 2009	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2010	Uncollected Taxes Per Detail June 30, 2010
Motor Vehicle Excise Taxes:						
Levy of 2010	\$ -	\$ 573,315	\$ 10,227	\$ 487,194	\$ 75,894	\$ 75,894
Levy of 2009	43,887	75,053	7,029	99,851	12,060	12,060
Levy of 2008	13,605	66	443	7,036	6,192	6,192
Levy of 2007	6,189	320	522	1,487	4,500	4,500
Levy of 2006	3,936	44	263	1,357	2,360	2,360
Prior Years	9,984	-	(48)	1,252	8,780	8,780
Total Motor Vehicle Excise Taxes	\$ 77,601	\$ 648,798	\$ 18,436	\$ 598,177	\$ 109,786	\$ 109,786

TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2009 TO JUNE 30, 2010

	Uncollected Accounts July 1, 2009	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2010	Uncollected Accounts Per Detail June 30, 2010
Tax Liens	\$ 77,178	\$ 104,889	\$ 5	\$ 36,022	\$ 146,040	\$ 146,040