

TOWN OF GRANBY, MASSACHUSETTS

**Report on the Examination
Of Basic Financial Statements**

For the Year Ended June 30, 2014

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Independent Auditor's Report

To the Honorable Select Board
Town of Granby, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type 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, 2014, 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 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 from material misstatement.

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

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

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 2 to the financial statements, management has not recorded a liability for Other Post Employment Benefits (OPEB) 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 position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position and expenses of the governmental activities has not been determined.

Adverse Opinion on the Governmental Activities

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Granby, Massachusetts, as of June 30, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Granby, Massachusetts as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 14 and the *Schedule of Funding Progress and Employer Contributions* on page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Granby, Massachusetts' basic financial statements. 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2015, on our consideration of the Town of Granby, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* in considering the Town of Granby, Massachusetts' internal control over financial reporting and compliance.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

May 7, 2015

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, 2014. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets exceeded its liabilities by \$27,329,861 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$26,181,233 or an increase of \$1,148,628 (4%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$9,805,720, showing an increase of \$11,115 (.1%) in comparison with the prior year.
- The General Fund's total fund balance decreased \$167,548 (2%) to \$7,651,852. The ending fund balance is 40% of revenues, the sale of foreclosure property and transfers in and 40% of expenditures and transfers out.
- Total liabilities of the Town decreased by \$1,482,219 (27%) to \$3,991,483 during the fiscal year. This change was mainly the result of the net decreases in warrants and accounts payable of \$761,989, in compensated absences of \$299,107 and in bonds payable of \$414,827.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$1,339,394. The key factors that attributed to the free cash amount in fiscal year 2014 are, approximately, as follows:
 - Unexpended/unencumbered appropriations \$ 274,700.
 - Amount over/(under) budget – state and local receipts \$ 900,200.
 - Prior year free cash not appropriated \$ 700.
- The Town's enterprise funds certified free cash is as follows:
 - Sewer Fund \$316,721.
 - Solid Waste Fund \$273,728.

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

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, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activities include the sewer and solid waste 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.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and solid waste activities.

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 statement 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.

Financial Highlights

Statement of Net Position Highlights

	Governmental Activities		
	2014	2013	Change
Assets:			
Current assets	\$ 12,023,776	\$ 14,104,894	\$ (2,081,118)
Capital assets	17,451,658	15,568,478	1,883,180
Total assets	29,475,434	29,673,372	(197,938)
Liabilities:			
Current liabilities (excluding debt)	1,597,898	2,425,712	(827,814)
Current debt	306,040	306,040	-
Noncurrent liabilities (excluding debt)	242,522	481,808	(239,286)
Noncurrent debt	1,048,400	1,354,440	(306,040)
Total liabilities	3,194,860	4,568,000	(1,373,140)
Net Position:			
Net investment in capital assets	16,097,218	13,907,998	2,189,220
Restricted	1,227,056	2,812,826	(1,585,770)
Unrestricted	8,956,300	8,384,548	571,752
Total net position	\$ 26,280,574	\$ 25,105,372	\$ 1,175,202

	Business-Type Activities		
	2014	2013	Change
Assets:			
Current assets	\$ 651,550	\$ 723,524	\$ (71,974)
Noncurrent assets (excluding capital assets)	-	28,870	(28,870)
Capital assets	1,194,360	1,229,169	(34,809)
Total assets	1,845,910	1,981,563	(135,653)
Liabilities:			
Current liabilities (excluding debt)	4,554	4,846	(292)
Current debt	117,069	108,787	8,282
Noncurrent debt	675,000	792,069	(117,069)
Total liabilities	796,623	905,702	(109,079)
Net Position:			
Net investment in capital assets	431,161	385,175	45,986
Restricted	29,156	-	29,156
Unrestricted	588,970	690,686	(101,716)
Total net position	\$ 1,049,287	\$ 1,075,861	\$ (26,574)

Financial Highlights
Statement of Activities Highlights

	Governmental Activities		
	2014	2013	Change
Program Revenues:			
Charges for services	\$ 1,765,328	\$ 2,209,049	\$ (443,721)
Operating grants and contributions	8,538,066	8,313,090	224,976
Capital grants and contributions	701,650	740,282	(38,632)
General Revenues:			
Property taxes	9,667,899	9,336,067	331,832
Motor vehicle excise and other taxes	768,584	710,139	58,445
Penalties and interest on taxes	74,738	47,228	27,510
Nonrestricted grants	842,233	823,069	19,164
Unrestricted investment income	37,398	89,564	(52,166)
Gain/(Loss) on sale of foreclosure property	(90,950)	-	(90,950)
Miscellaneous	744	-	744
Total revenues	22,305,690	22,268,488	37,202
Expenses:			
General government	1,089,168	1,002,052	87,116
Public safety	2,136,125	2,370,859	(234,734)
Public works	883,539	760,124	123,415
Education	11,163,110	11,813,997	(650,887)
Health and human services	295,427	272,862	22,565
Culture and recreation	239,159	232,495	6,664
Employee benefits and insurance	4,359,346	4,279,036	80,310
State assessments	873,144	824,067	49,077
Interest	33,394	35,888	(2,494)
Total expenses	21,072,412	21,591,380	(518,968)
Net (expenses) revenues	1,233,278	677,108	556,170
Transfers	(58,076)	(26,771)	(31,305)
Change in net position	1,175,202	650,337	524,865
Net position - beginning of year	25,105,372	24,455,035	650,337
Net position - end of year	\$ 26,280,574	\$ 25,105,372	\$ 1,175,202

	Business-Type Activities		
	2014	2013	Change
Program Revenues:			
Charges for services	\$ 347,106	\$ 380,195	\$ (33,089)
Capital grants and contributions	5,284	9,348	(4,064)
Total revenues	352,390	389,543	(37,153)
Expenses:			
Sewer	222,331	194,778	27,553
Solid waste	214,709	72,531	142,178
Total expenses	437,040	267,309	169,731
Net (expenses) revenues	(84,650)	122,234	(206,884)
Transfers	58,076	26,771	31,305
Change in net position	(26,574)	149,005	(175,579)
Net position - beginning of year	1,075,861	926,856	149,005
Net position - end of year	\$ 1,049,287	\$ 1,075,861	\$ (26,574)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$27,329,861 at the close of fiscal year 2014.

Net position of \$16,528,379 (60%) 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 position \$1,256,212 (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$9,545,270 (35%) 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 position, both for the government as a whole, as well as for its separate governmental activities.

The governmental activities net position increased by \$1,175,202 (5%) during the current fiscal year, which reflects the general fund's results of operation. The key elements of the increase in net position for fiscal year 2014 was attributed to the acquisition of \$3,048,969 in new capital assets and of (\$259,250) in the sale of foreclosure properties exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$906,539.

There was a decrease of \$26,574 (3%) in net position reported in the business-type activities. Of this, there was an increase attributed to the sewer fund of \$42,925 and a decrease attributed to solid waste of \$69,499.

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, the general fund *unassigned 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 \$9,805,720 an increase of \$11,115 (.1%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Nonspendable fund balance - \$17,832 (1%).
- Restricted fund balance - \$1,078,439 (11%).
- Committed fund balance - \$1,304,997 (13%).
- Assigned fund balance - \$1,598,780 (16%).
- Unassigned fund balance - \$5,805,672 (59%).

Major Governmental Funds

At the end of the fiscal year, the General Fund reported a total fund balance of \$7,651,852 decreasing \$167,548 (2%) from the prior year. Of the \$7,651,852, the unassigned amount is \$6,053,072 (79%) and the assigned amount is \$1,598,780 (21%). General fund revenues were \$203,807 (1%) more than the prior fiscal year and expenditures also increased by \$222,382 (1%). Other activity in the General fund was net transfers to other funds of \$1,309,406 and the sale of foreclosure property of \$168,300.

The main components of the increases in general fund revenues as compared to the prior year were related to increases in property taxes of \$466,344 (5%), intergovernmental "on-behalf" payments of \$94,069 (5%) and interest on taxes of \$27,510 (58%), and decreases in licenses, permits and fees of \$409,972 (38%) and interest on investments of \$52,166 (58%).

The major changes in general fund expenditures from the prior fiscal year were as follows:

- Increase in General government expenditures of \$71,110 (7%).
- Increase in Public works expenditures of \$144,506 (27%).
- Decrease in Education expenditures of \$84,902 (1%).
- Increase in Employee benefits and insurance expenditures of \$80,310 (2%).

The *Library Building Fund* is used to account for financial resources for the building of a new library. The fund has a balance of \$65,188 showing a decrease of \$264,875 (80%) at the end of the fiscal year. The activity of the fund consisted of revenues of \$1,419,277, interest of \$941 and expenditures of \$1,685,093.

Proprietary funds. The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Funds

The *Sewer Fund* has accumulated a net position of \$837,059 used in the financing and operations of the Town's sewer system. The sewer fund shows an increase of \$42,925 (5%). This was due to operational revenues exceeding operating expenditures by \$34,166, investment income of \$638, intergovernmental receipts (Massachusetts Water Pollution Abatement Trust subsidies) of \$4,039, interest expense of \$30,965 and net transfers in from the Stabilization fund of \$35,047. The operating revenues increased by \$17,916 (9%) while operating expenses also increased by \$31,583 (20%) over the prior year.

The *Solid Waste Fund* has accumulated a net position of \$212,228 used to account for the landfill and recycling activities. The landfill fund shows a decrease of \$69,499 (25%) attributed mainly to operational expenditures exceeding operational revenues by \$93,135, investment income of \$607 and net transfers in from the General fund of \$23,029. The operating revenues decreased by \$51,005 (30%) as the landfill was closed during the year while operating expenses increased by \$142,178 (196%) over the prior year as the Town signed a contract for curbside trash pickup.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2014 was \$16,351,317. This was an increase of \$254,554 (2%) over the previous year's budget.

There was an increase between the original budget and the final amended budget. The changes are attributed to the Town amending specific budget operating line items at various special town meetings throughout the year.

General fund expenditures were less than budgeted by \$554,736. Of the \$554,736 in under budgeted expenditures, \$280,047 has been carried over to fiscal year 2015.

There was a negative variance in state assessments of \$16,117 mainly attributed an over assessment in the Registry of Motor Vehicles Non-Renewal Surcharge of \$460, and expenditures in special education of \$912, and school choice and charter school sending tuitions of \$15,665 exceeding anticipated assessments.

Overall the variance with the final budget was a positive \$1,229,971 consisting of a revenue surplus of \$955,282 and an appropriation surplus of \$274,689.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$17,451,658 and \$1,194,360, respectively.

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

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

- Public safety complex carport for \$55,635.
- Police vehicles for \$59,256.
- Fire Department vehicle for \$37,996.
- Highway Department equipment for \$45,400.
- Road improvements for \$561,955.
- East Meadow School roof for \$520,412.
- Library construction for \$1,768,315.

Major capital events during the current fiscal year in the business-type funds included the following:

- Sewer construction in progress on the SCADA system for \$3,995.

Debt Administration. The Town's outstanding governmental long-term debt, as of June 30, 2014, totaled \$1,354,440; of which \$620,000 is for a school roof, \$240,000 is for the comprehensive wastewater management plan, \$43,640 for various Town building improvements, \$391,400 is for departmental vehicles and equipment and \$59,400 for the Dufresne Pond Dam repairs.

The business-type funds have total long term debt of \$792,069 for the various sewer improvements; \$710,000 is for the Five Corners sewer project, \$13,200 for sewer improvements, \$8,000 for the SCADA system, and \$60,869 is for sewer projects financed by the Massachusetts Water Pollution Abatement Trust.

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

Town Meeting – Fiscal Year 2015

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, 2014 do not reflect the

fiscal year 2015 Town Meeting action with the exception of the fund balance (free cash) and stabilization fund amounts used to fund the fiscal year 2015 budget. The Annual Town Meeting on May 12, 2014 and resumed on June 16, 2014 authorized a fiscal year 2015 operating and capital budget as follows:

From raise and appropriate		\$	15,600,228
From ambulance fees			247,955
From offset receipts			2,704
From sewer receipts	\$	172,955	
From sewer retained earnings		<u>105,892</u>	278,847
From solid waste receipts			2,100
From Other Available Funds:			
General Fund:			
Unassigned fund balance:			
Free cash			1,163,333
Capital needs stabilization fund			<u>155,400</u>
		\$	<u><u>17,450,567</u></u>

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 POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents	\$ 10,644,959	\$ 526,177	\$ 11,171,136
Receivables, net of allowance for uncollectibles:			
Property taxes	377,170	-	377,170
Tax liens	67,038	-	67,038
Excise taxes	138,256	-	138,256
User charges	-	85,595	85,595
Departmental	140,531	-	140,531
Special assessments	-	9,462	9,462
Due from other governments	637,990	30,316	668,306
Inventory	17,832	-	17,832
Total current assets	12,023,776	651,550	12,675,326
NONCURRENT:			
Capital Assets, net of accumulated depreciation:			
Nondepreciable	6,246,393	10,840	6,257,233
Depreciable	11,205,265	1,183,520	12,388,785
Total noncurrent assets	17,451,658	1,194,360	18,646,018
Total Assets	29,475,434	1,845,910	31,321,344
LIABILITIES			
CURRENT:			
Warrants and accounts payable	453,953	2,038	455,991
Accrued payroll	883,144	-	883,144
Retainage payable	61,683	-	61,683
Employee withholdings	79,536	-	79,536
Accrued interest	7,381	2,516	9,897
Other	51,570	-	51,570
Compensated absences	60,631	-	60,631
Bonds payable	306,040	117,069	423,109
Total current liabilities	1,903,938	121,623	2,025,561
NONCURRENT:			
Compensated absences	242,522	-	242,522
Bonds payable	1,048,400	675,000	1,723,400
Total noncurrent liabilities	1,290,922	675,000	1,965,922
Total Liabilities	3,194,860	796,623	3,991,483
NET POSITION			
Net Investment in capital assets	16,097,218	431,161	16,528,379
Restricted for:			
Federal & state grants	240,722	-	240,722
Capital projects	195,724	29,156	224,880
Permanent funds	262,055	-	262,055
Other purposes	528,555	-	528,555
Unrestricted	8,956,300	588,970	9,545,270
Total Net Position	\$ 26,280,574	\$ 1,049,287	\$ 27,329,861

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, 2014**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 1,089,168	\$ 100,782	\$ 10,271	\$ -	\$ (978,115)	\$ -	\$ (978,115)
Public safety	2,136,125	587,828	51,334	-	(1,496,963)	-	(1,496,963)
Public works	883,539	548,307	41,931	323,838	30,537	-	30,537
Education	11,163,110	450,279	6,234,169	-	(4,478,662)	-	(4,478,662)
Health and human services	295,427	25,795	99,966	-	(169,666)	-	(169,666)
Culture and recreation	239,159	52,337	39,322	377,812	230,312	-	230,312
Employee benefits and insurance	4,359,346	-	2,061,073	-	(2,298,273)	-	(2,298,273)
State assessments	873,144	-	-	-	(873,144)	-	(873,144)
Interest	33,394	-	-	-	(33,394)	-	(33,394)
Total Governmental Activities	21,072,412	1,765,328	8,538,066	701,650	(10,067,368)	-	(10,067,368)
Business Type Activities:							
Sewer	222,331	225,532	4,677	-	-	7,878	7,878
Solid waste	214,709	121,574	607	-	-	(92,528)	(92,528)
Total Business-Type Activities	437,040	347,106	5,284	-	-	(84,650)	(84,650)
Total Primary Government	\$ 21,509,452	\$ 2,112,434	\$ 8,543,350	\$ 701,650	\$ (10,067,368)	\$ (84,650)	\$ (10,152,018)
General Revenues:							
Property Taxes					9,667,899	-	9,667,899
Motor vehicle excise and other taxes					768,584	-	768,584
Penalties & interest on taxes					74,738	-	74,738
Grants & contributions not restricted to specific programs					842,233	-	842,233
Unrestricted investment income					37,398	-	37,398
Gain/(Loss) on Sale of Foreclosure Property					(90,950)	-	(90,950)
Miscellaneous					744	-	744
Transfers, Net					(58,076)	58,076	-
Total General Revenues & Transfers					11,242,570	58,076	11,300,646
Change in Net Position					1,175,202	(26,574)	1,148,628
Net Position:							
Beginning of year					25,105,372	1,075,861	26,181,233
End of year					\$ 26,280,574	\$ 1,049,287	\$ 27,329,861

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

**TOWN OF GRANBY, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General Fund	Library Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 8,643,023	\$ 101,204	\$ 1,900,732	\$ 10,644,959
Receivables, net of allowance for uncollectibles:				
Property taxes	377,170	-	-	377,170
Tax liens	67,038	-	-	67,038
Excise taxes	138,256	-	-	138,256
Departmental	-	-	140,531	140,531
Due from other governments	74,594	-	563,396	637,990
Inventory	-	-	17,832	17,832
Total Assets	\$ 9,300,081	\$ 101,204	\$ 2,622,491	\$ 12,023,776
Liabilities:				
Warrants and accounts payable	\$ 161,486	\$ 3,641	\$ 288,826	\$ 453,953
Accrued payroll	860,694	-	22,450	883,144
Retainage payable	-	32,375	29,308	61,683
Employee withholdings	79,536	-	-	79,536
Other	51,570	-	-	51,570
Total Liabilities	1,153,286	36,016	340,584	1,529,886
Deferred Inflows of Resources:				
Unavailable revenue	494,943	-	193,227	688,170
Fund Balances:				
Nonspendable	-	-	17,832	17,832
Restricted	-	65,188	1,013,251	1,078,439
Committed	-	-	1,304,997	1,304,997
Assigned	1,598,780	-	-	1,598,780
Unassigned	6,053,072	-	(247,400)	5,805,672
Total Fund Balance	7,651,852	65,188	2,088,680	9,805,720
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,300,081	\$ 101,204	\$ 2,622,491	\$ 12,023,776

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

**TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	General Fund	Library Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 9,733,086	\$ -	\$ -	\$ 9,733,086
Intergovernmental	5,502,514	1,419,277	2,280,907	9,202,698
Excise and other taxes	752,966	-	-	752,966
Charges for services	-	-	1,095,113	1,095,113
Licenses, permits, fees	669,437	-	-	669,437
Interest on taxes	74,738	-	-	74,738
Investment Income	37,398	941	4,994	43,333
Gifts and donations	-	-	52,203	52,203
Other	-	-	38,382	38,382
Intergovernmental - "on-behalf" payments	2,061,073	-	-	2,061,073
Total Revenues	18,831,212	1,420,218	3,471,599	23,723,029
Expenditures:				
Current:				
General government	1,064,486	-	43,442	1,107,928
Public safety	1,288,988	-	761,389	2,050,377
Public works	683,603	-	571,584	1,255,187
Education	8,888,998	-	2,656,976	11,545,974
Health and human services	217,071	-	54,465	271,536
Culture and recreation	140,435	1,685,093	191,535	2,017,063
Employee benefits and insurance	4,359,346	-	-	4,359,346
State assessments	873,144	-	-	873,144
Debt service:				
Principal	306,040	-	-	306,040
Interest	35,543	-	-	35,543
Total Expenditures	17,857,654	1,685,093	4,279,391	23,822,138
Excess of Revenues Over (Under) Expenditures	973,558	(264,875)	(807,792)	(99,109)
Other Financing Sources (Uses):				
Operating transfers in	19,000	-	1,270,330	1,289,330
Operating transfers out	(1,328,406)	-	(19,000)	(1,347,406)
Sale of foreclosure property	168,300	-	-	168,300
Total Other Financing Sources (Uses)	(1,141,106)	-	1,251,330	110,224
Net Change in Fund Balances	(167,548)	(264,875)	443,538	11,115
Fund Balances, Beginning of Year	7,819,400	330,063	1,645,142	9,794,605
Fund Balances, End of Year	\$ 7,651,852	\$ 65,188	\$ 2,088,680	\$ 9,805,720

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 Position
For the Year Ended June 30, 2014

Total Governmental Fund Balances		\$ 9,805,720
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		17,451,658
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		688,170
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds Payable	\$ (1,354,440)	
Compensated Absences	<u>(303,153)</u>	(1,657,593)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.		<u>(7,381)</u>
Net Position of Governmental Activities		<u><u>\$ 26,280,574</u></u>

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, 2014

Net Change in Fund Balances - Total Governmental Funds **\$ 11,115**

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 are reported as depreciation expense:

Capital Outlay Purchases	\$	3,048,969	
Sale of Capital Assets		(259,250)	
Depreciation		<u>(906,539)</u>	1,883,180

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 unavailable revenue. (1,326,389)

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 position:
Repayment of Debt 306,040

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	299,107		
Net Change in Accrued Interest on Long-Term Debt		<u>2,149</u>	<u>301,256</u>

Change in Net Position of Governmental Activities **\$ 1,175,202**

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, 2014

	Budgeted Amounts		Actual	Amounts	Variance with
	Original	Final	Budgetary	Carried	Final Budget
	Budget	Budget	Basis	Forward	Positive
				to Next Year	(Negative)
Revenues:					
Property Taxes	9,647,048	\$ 9,647,048	9,702,086	\$ -	\$ 55,038
Intergovernmental	5,429,385	5,429,385	5,502,514	-	73,129
Excise and Other Taxes	557,000	557,000	752,966	-	195,966
Licenses, Permits, Fees	84,500	84,500	669,437	-	584,937
Interest on Taxes	35,000	35,000	74,738	-	39,738
Interest on Investments	15,000	15,000	21,474	-	6,474
Total Revenues	15,767,933	15,767,933	16,723,215	-	955,282
Expenditures:					
Current:					
General Government	1,294,676	1,333,482	1,064,486	143,761	125,235
Public Safety	1,321,154	1,326,654	1,288,988	23,376	14,290
Public Works	720,294	745,900	683,603	37,575	24,722
Education	8,901,278	8,931,878	8,888,998	42,835	45
Health and Human Services	234,259	246,259	217,071	-	29,188
Culture and Recreation	154,620	155,378	140,435	13,500	1,443
Employee Benefits and Insurance	2,381,204	2,404,633	2,298,273	19,000	87,360
State Assessments	857,027	857,027	873,144	-	(16,117)
Debt Service:					
Principal	306,040	306,040	306,040	-	-
Interest	44,066	44,066	35,543	-	8,523
Total Expenditures	16,214,618	16,351,317	15,796,581	280,047	274,689
Excess of Revenues Over					
(Under) Expenditures	(446,685)	(583,384)	926,634	(280,047)	1,229,971
Other Financing Sources (Uses):					
Operating Transfers In (Out)	(1,486,511)	(1,525,873)	(1,613,640)	-	(87,767)
Sale of Foreclosure Property	-	-	168,300	-	168,300
Total Other Financing Sources (Uses)	(1,486,511)	(1,525,873)	(1,445,340)	-	80,533
Excess (Deficiency) of Revenues and Other					
Financing Sources Over Expenditures and					
Other Financing Uses	(1,933,196)	(2,109,257)	(518,706)	(280,047)	1,310,504
Budgetary Fund Balance - Beginning of Year	3,858,285	3,858,285	3,858,285	-	-
Budgetary Fund Balance - End of Year	\$ 1,925,089	\$ 1,749,028	\$ 3,339,579	\$ (280,047)	\$ 1,310,504

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, 2014

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 16,723,215	\$ 15,796,581
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	15,924	-
Recognition of Intergovernmental Revenue - "on behalf payments"	2,061,073	-
Recognition of Expenditures - "on behalf payments"	-	2,061,073
Net Increase in Revenue from Recording 60-Day Receipts	31,000	-
Reported on a GAAP Basis	<u>\$ 18,831,212</u>	<u>\$ 17,857,654</u>

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

TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Solid Waste	Total
ASSETS			
CURRENT:			
Cash and cash equivalents	\$ 311,911	\$ 214,266	\$ 526,177
User Charges, net of allowance for uncollectibles	85,595	-	85,595
Special assessments	9,462	-	9,462
Due from other governments	30,316	-	30,316
Total current assets	437,284	214,266	651,550
NONCURRENT:			
Capital Assets, net of accumulated depreciation			
Nondepreciable	10,840	-	10,840
Depreciable	1,183,520	-	1,183,520
Total noncurrent assets	1,194,360	-	1,194,360
Total Assets	1,631,644	214,266	1,845,910
LIABILITIES			
CURRENT:			
Warrants and accounts payable	-	2,038	2,038
Accrued interest	2,516	-	2,516
Bonds payable	117,069	-	117,069
Total current liabilities	119,585	2,038	121,623
NONCURRENT:			
Bonds payable	675,000	-	675,000
Total noncurrent liabilities	675,000	-	675,000
Total Liabilities	794,585	2,038	796,623
NET POSITION			
Net Investment in capital assets	431,161	-	431,161
Restricted for capital	29,156	-	29,156
Unrestricted	376,742	212,228	588,970
Total Net Position	\$ 837,059	\$ 212,228	\$ 1,049,287

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

TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Solid Waste	Total
Operating Revenues:			
Charges for services	\$ 225,532	\$ 121,574	\$ 347,106
Total Operating Revenues	<u>225,532</u>	<u>121,574</u>	<u>347,106</u>
Operating Expenses:			
Salaries and wages	17,160	34,910	52,070
Operating expenses	135,402	179,799	315,201
Depreciation	38,804	-	38,804
Total Operating Expenses	<u>191,366</u>	<u>214,709</u>	<u>406,075</u>
Operating Income (Loss)	<u>34,166</u>	<u>(93,135)</u>	<u>(58,969)</u>
Non-Operating Revenues (Expenses):			
Investment income	638	607	1,245
Intergovernmental	4,039	-	4,039
Interest expense	(30,965)	-	(30,965)
Total Operating Expenses	<u>(26,288)</u>	<u>607</u>	<u>(25,681)</u>
Income (Loss) Before Operating Transfers	<u>7,878</u>	<u>(92,528)</u>	<u>(84,650)</u>
Operating Transfers:			
Transfers in/(out)	35,047	23,029	58,076
Total Operating Transfers	<u>35,047</u>	<u>23,029</u>	<u>58,076</u>
Change in Net Position	<u>42,925</u>	<u>(69,499)</u>	<u>(26,574)</u>
Net Position at Beginning of Year	<u>794,134</u>	<u>281,727</u>	<u>1,075,861</u>
Net Position at End of Year	<u>\$ 837,059</u>	<u>\$ 212,228</u>	<u>\$ 1,049,287</u>

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

**TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Business-Type Activities Enterprise Fund		
	Sewer Fund	Solid Waste	Total
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 178,065	\$ 121,574	\$ 299,639
Payments to vendors	(135,402)	(177,761)	(313,163)
Payments to employees	(17,160)	(35,750)	(52,910)
Net Cash Provided by (Used for) Operating Activities	25,503	(91,937)	(66,434)
Cash Flows from Noncapital Financing Activities:			
Transfers in	35,047	23,029	58,076
Net Cash Provided by (Used for) Noncapital Financing Activities	35,047	23,029	58,076
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(3,995)	-	(3,995)
Intergovernmental aid	33,398	-	33,398
Principal payments on bonds and notes	(108,787)	-	(108,787)
Interest expense	(32,455)	-	(32,455)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(111,839)	-	(111,839)
Cash Flows from Investing Activities:			
Investment income	638	607	1,245
Net Cash Provided by (Used for) Investing Activities	638	607	1,245
Net Increase (Decrease) in Cash and Cash Equivalents	(50,651)	(68,301)	(118,952)
Cash and Cash Equivalents at Beginning of Year	362,562	282,567	645,129
Cash and Cash Equivalents at End of Year	\$ 311,911	\$ 214,266	\$ 526,177

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:

Operating Income (Loss)	\$ 34,166	\$ (93,135)	\$ (58,969)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	38,804	-	38,804
Decrease (increase) in assets:			
User charges receivable	(57,087)	-	(57,087)
Special assessments receivable	9,620	-	9,620
Increase (decrease) in liabilities:			
Warrants and accounts payable	-	2,038	2,038
Accrued payroll	-	(840)	(840)
Total Adjustments	(8,663)	1,198	(7,465)
Net Cash Provided by (Used for) Operating Activities	\$ 25,503	\$ (91,937)	\$ (66,434)

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

**TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014**

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 212,917	\$ 98,714
Total Assets	212,917	98,714
LIABILITIES		
Due to student groups	-	83,262
Escrows & deposits	-	15,452
Total Liabilities	-	98,714
NET POSITION		
Held in trust for other purposes	\$ 212,917	\$ -

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

**TOWN OF GRANBY, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Private Purpose Trust Funds
Additions	
Investment income	\$ 3,186
Total Additions	<u>3,186</u>
Deductions:	
Educational scholarships	<u>2,079</u>
Total Deductions	<u>2,079</u>
Change in Net Position	<u>1,107</u>
Net Position at Beginning of Year	<u>211,810</u>
Net Position at End of Year	<u><u>\$ 212,917</u></u>

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

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 accounting policies are described herein.

A. Reporting Entity

The Town was incorporated in 1768 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three member Select Board.

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 2014, it was determined that no entities met the required GASB-39 and GASB-61 criteria of 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 is 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.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements

The government-wide financial statements (e.g., statement of net position 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*.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

Fund Financial Statements

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.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustment necessary to reconcile ending net position and the change in net position.

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 fund 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.

Proprietary and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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 recognized 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments, internally dedicated resources are reported.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, 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 Town 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 *library building fund* is used to account for financial resources to construct a new library.

The Town reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

The *solid waste fund* is used to account for the landfill and recycling activities.

The non-major governmental fund consists of other special revenue, 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 fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects 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.

Additionally, the government 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. The Town reports the following fiduciary funds:

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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).

Investment income from proprietary funds is maintained in those funds.

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 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. Accounts 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, 2013 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

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

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 2014 on June 28, 2013, that were due on August 1, 2013 and November 1, 2013 and actual bills on December 31, 2013 that were due on February 3, 2014 and May 1, 2014.

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 owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2014 is \$9,723,259.

The total amount raised by taxation was \$9,720,339.

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

Excise Taxes

Excise taxes consist of motor vehicle excise taxes. Excise taxes are assessed annually for each vehicle registered 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 semi-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.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

Special Assessments

Special assessments consist of sewer betterments in the business-type fund.

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

Departmental

Departmental consists of ambulance, police off-duty and septic loans.

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

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. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

H. 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 and construction in progress) 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	3-10
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.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

I. 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. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers net".

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.

J. Deferred Inflows of Resources

In addition to liabilities, the governmental funds balance sheet 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise taxes, departmental receipts and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Net Position and Fund Balances

In the Government-Wide financial statements, the difference between the Town's total assets and total liabilities represents net position. Net position displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has 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.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

Assigned fund balance. This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

L. Long-term Debt

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

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

M. 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 sick and vacation leave which is (subject to certain limitations) at their current rates of pay.

N. 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.

O. 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.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

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 Other Post-Employment Benefits (OPEB) 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 position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position and expenses of the governmental activities is not reasonably determinable.

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 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 2014, the Town incurred a final budget deficit of \$2,109,257 for the General Fund.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

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

Unassigned fund balance:	
Free cash votes	\$ 1,908,929
Overlay deficits	(4,488)
Prior year's encumbrances	204,816
	<u>\$ 2,109,257</u>

B. Deficit Fund Balance

The following special revenue funds have deficits at June 30, 2014 as measured by the fund balances of the individual projects.

- The green community grant fund has a deficit fund balance of \$11,160. The deficit will need to be eliminated upon additional grant receipts or upon the issuance of an appropriation.
- The school lunch fund has a deficit fund balance of \$86,631. The deficit will need to be eliminated upon the issuance of an appropriation.
- The school choice program fund has a deficit fund balance of \$90,894. This deficit increased over the prior year. The deficit will need to be eliminated through operations or upon the issuance of an appropriation.
- The State special education reimbursement (circuit breaker) fund has a deficit fund balance of \$54,902. The deficit will need to be eliminated through operations or upon the issuance of an appropriation.
- The inspections revolving fund has a deficit fund balance of \$3,813. The deficit will need to be eliminated through operations or upon the issuance of an appropriation.

4. DETAILED NOTES

A. Deposits and Investments

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 has a deposit policy for custodial credit risk. Deposits at June 30, 2014 were \$11,789,988. Of these, none were exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less.

As of June 30, 2014, the Town had no investments that met the above criteria.

B. Receivables

At June 30, 2014, receivables for the individual major governmental funds, non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 377,170	\$ -	\$ 377,170
Tax liens	67,038	-	67,038
Excise taxes	149,256	(11,000)	138,256
Departmental	280,669	(140,138)	140,531
Due from other governments	637,990	-	637,990
	<u>\$ 1,512,123</u>	<u>\$ (151,138)</u>	<u>\$ 1,360,985</u>

At June 30, 2014, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
User charges	\$ 86,095	\$ (500)	\$ 85,595
Special assessments	9,462	-	9,462
Due from other governments	30,316	-	30,316
	<u>\$ 125,873</u>	<u>\$ (500)</u>	<u>\$ 125,373</u>

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

The composition of amounts due from other governments as of June 30, 2014 for governmental funds is as follows:

General Fund:

Commonwealth of Massachusetts:

Department of Veterans Services:

Veterans benefits	\$	74,594
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Nonmajor Governmental Funds:

U. S. Department of Agriculture:

School lunch	\$	9,445
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U. S. Department of Education:

School title grants		71,541
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Commonwealth of Massachusetts:

Department of Elementary & Secondary Education:

School lunch		1,033
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School title grants		11,939
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Special education reimbursement fund		75,370
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Department of Revenue:

School Choice		89,906
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Massachusetts Department of Transportation:

Winter Rapid Road Recovery Program	42,230	
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Highway Department - Chapter 90 funds	261,932	563,396
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	\$	637,990
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The composition of amounts due from other governments as of June 30, 2014 for business-type funds is as follows:

Sewer Fund:

Massachusetts Water Pollution Abatement Trust:

Loan subsidy	\$	30,316
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TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

C. Deferred Inflows of Resources – Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

General Fund:

Property taxes	\$	232,170		
Tax liens		67,038		
Excise taxes		138,256		
Due from other governments		57,479	\$	494,943

Nonmajor governmental funds:

Departmental		123,664		
Due from other governments		69,563		193,227
			\$	<u>688,170</u>

D. Capital Assets

Capital assets for the governmental and business-type activities for the year ended June 30, 2014, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 948,188	\$ -	\$ (259,250)	\$ 688,938
Construction in progress	2,978,493	2,578,962	-	5,557,455
Total capital assets not being depreciated	3,926,681	2,578,962	(259,250)	6,246,393
Capital assets being depreciated:				
Buildings and Renovations	17,556,472	-	-	17,556,472
Machinery, equipment and other	3,535,383	142,652	(144,224)	3,533,811
Infrastructure	3,826,778	327,355	-	4,154,133
Total capital assets being depreciated	24,918,633	470,007	(144,224)	25,244,416
Less accumulated depreciation for:				
Buildings and Renovations	8,914,898	437,673	-	9,352,571
Machinery, equipment and other	2,471,101	289,049	(144,224)	2,615,926
Infrastructure	1,890,837	179,817	-	2,070,654
Total accumulated depreciation	13,276,836	906,539	(144,224)	14,039,151
Total capital assets being depreciated, net	11,641,797	(436,532)	-	11,205,265
Total governmental activities capital assets, net	\$ 15,568,478	\$ 2,142,430	\$ (259,250)	\$ 17,451,658

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

Business-type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in Progress	\$ 6,845	\$ 3,995	\$ -	\$ 10,840
Total capital assets not being depreciated	6,845	3,995	-	10,840
Capital assets being depreciated:				
Infrastructure	2,551,462	-	-	2,551,462
Total capital assets being depreciated	2,551,462	-	-	2,551,462
Less accumulated depreciation for:				
Infrastructure	1,329,138	38,804	-	1,367,942
Total accumulated depreciation	1,329,138	38,804	-	1,367,942
Total capital assets being depreciated, net	1,222,324	(38,804)	-	1,183,520
Total business-type activities capital assets, net	\$ 1,229,169	\$ (34,809)	\$ -	\$ 1,194,360

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

Governmental Activities:

General government	\$ 24,009
Public safety	400,264
Public works	317,422
Education	136,957
Health and human services	21,666
Culture and recreation	6,221
Total depreciation expense - governmental activities	<u>\$ 906,539</u>

Business-type Activities:

Sewer fund	<u>\$ 38,804</u>
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E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2014, are summarized below:

Transfers Out:	Transfers In:			
	General fund	Nonmajor Governmental fund	Business-type fund	Total
General fund	\$ -	\$ 1,270,330	\$ 58,076	\$ 1,328,406
Nonmajor governmental funds	19,000	-	-	19,000
Total transfers out	<u>\$ 19,000</u>	<u>\$ 1,270,330</u>	<u>\$ 58,076</u>	<u>\$ 1,347,406</u>

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

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	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2014
Inside Debt:					
Municipal Purpose Loan of 2009:					
West Street School Roof	2.25-4.00%	12/15/2009	12/15/2029	\$ 801,000	\$ 620,000
State House Loan of 2011:					
Comprehensive Wastewater Management Plan	2.00%	8/1/2011	8/1/2016	400,000	240,000
State House Loan of 2012:					
Highway Vehicle and Equipment	1.90%	12/28/2012	12/28/2017	188,000	150,400
Refunding Notes:					
Library Renovations	0.60%	3/14/2014	3/13/2015	7,840	7,840
Renovations and Repairs Kellog Hall	0.60%	3/14/2014	3/13/2015	5,800	5,800
Vacuum Tanker Truck	1.00%	2/21/2014	2/20/2015	118,000	118,000
Durfresne Pond Dam Repairs	0.55%	4/23/2014	4/22/2015	59,400	59,400
Public Works Vehicle	0.55%	4/23/2014	4/22/2015	39,000	39,000
Counsel on Aging Elevator	0.55%	4/23/2014	4/22/2015	30,000	30,000
Self Contained Breathing Apparatus	0.55%	4/23/2014	4/22/2015	78,000	78,000
Fire Department Equipment	0.55%	4/23/2014	4/22/2015	6,000	6,000
Total Inside Debt					<u>1,354,440</u>
Total governmental type debt					<u>\$ 1,354,440</u>

Future Debt Service

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2014 are as follows:

Year	Principal	Interest	Total
2015	\$ 306,040	\$ 31,485	\$ 337,525
2016	292,400	26,701	319,101
2017	233,400	22,079	255,479
2018	82,600	17,989	100,589
2019	40,000	15,950	55,950
2020-2024	200,000	58,200	258,200
2025-2029	200,000	19,950	219,950
	<u>\$ 1,354,440</u>	<u>\$ 192,354</u>	<u>\$ 1,546,794</u>

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

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

	Interest	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2014
Inside Debt:					
Sewer Fund:					
Municipal Purpose Loan of 2009:					
Five Corners Sewer	2.25-4.00%	12/15/2009	12/15/2029	\$ 830,000	\$ 710,000
Refunding Notes:					
Sewer Improvement	0.50%	12/6/2013	12/5/2014	13,200	13,200
SCADA System	0.60%	3/14/2014	3/13/2015	8,000	8,000
Massachusetts Water Pollution Abatement Trust:					
Sewer Project	0.00%	6/1/1995	2/1/2015	312,271	24,569
Sewer Project	0.00%	6/1/1995	2/1/2015	68,892	30,880
Sewer Project	0.00%	5/1/1997	2/1/2015	364,264	5,420
Total Inside Debt					<u>792,069</u>
Total business-type debt					<u>\$ 792,069</u>

Future Debt Service

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2014 are as follows:

Year	Principal	Interest	Total
2015	\$ 117,069	\$ 28,355	\$ 145,424
2016	35,000	24,331	59,331
2017	35,000	23,325	58,325
2018	35,000	22,275	57,275
2019	40,000	21,100	61,100
2020-2024	210,000	83,575	293,575
2025-2029	260,000	38,538	298,538
2030-2034	60,000	1,200	61,200
	<u>\$ 792,069</u>	<u>\$ 242,699</u>	<u>\$ 1,034,768</u>

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

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

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due within One Year
Governmental activities:					
Bond Payable:					
General obligation bonds	\$ 1,173,000	\$ -	\$ 162,600	\$ 1,010,400	\$ 162,600
Refunding notes	487,480	-	143,440	344,040	143,440
Compensated absences	602,260	2,817	301,924	303,153	60,631
Governmental activity					
Long-term liabilities	\$ 2,262,740	\$ 2,817	\$ 607,964	\$ 1,657,593	\$ 366,671
Business type activities:					
Bond Payable:					
General obligation bonds	\$ 740,000	\$ -	\$ 30,000	\$ 710,000	\$ 35,000
Refunding notes	42,400	-	21,200	21,200	21,200
Massachusetts Water Pollution Abatement Trust bonds	118,456	-	57,587	60,869	60,869
Business-type activity					
Long-term liabilities	\$ 900,856	\$ -	\$ 108,787	\$ 792,069	\$ 117,069

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, 2014 for principal and interest combined for the loans are \$63,814. The net repayments, including interest, are scheduled to be \$32,133. 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 2014 principal and interest subsidies totaled \$33,398.

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, 2014 totaled \$2,146,509.

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."

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

The following is a computation of the legal debt limit as of June 30, 2014:

Equalized Valuation-Real Estate and Personal Property (2014)		\$ 582,129,300
Debt Limit: 5 % of Equalized value		29,106,465
Total Debt Outstanding	\$ 2,146,509	
Less: Debt Outside Debt Limit	-	2,146,509
		<u>\$ 26,959,956</u>
Inside Debt Excess Borrowing Capacity at June 30, 2014		<u>\$ 26,959,956</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, 2014 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
6/17/2013	Replace West Street School oil storage tanks	\$ 120,000
6/17/2013	Highway truck purchase	45,000
8/26/2013	Highway truck purchase	59,000
6/16/2014	Updating Schools' security systems	130,000
6/16/2014	Highway hook lift truck purchase	129,000
		<u>\$ 483,000</u>

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

G. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2014:

	General Fund	Library Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
School lunch inventory	\$ -	\$ -	\$ 17,832	\$ 17,832
Restricted:				
Federal, state and local grants	\$ -	\$ 65,188	\$ 74,007	\$ 139,195
School federal and state grants	-	-	97,152	97,152
Town revolving funds	-	-	272,696	272,696
School revolving funds	-	-	45,546	45,546
Donations and gifts	-	-	35,746	35,746
Insurance funds	-	-	17,462	17,462
Capital projects	-	-	130,535	130,535
Permanent funds	-	-	262,055	262,055
Other	-	-	78,052	78,052
	-	65,188	1,013,251	1,078,439
Committed:				
Ambulance fund	-	-	309,963	309,963
Capital projects	-	-	995,034	995,034
	-	-	1,304,997	1,304,997
Assigned:				
General government	143,761	-	-	143,761
Public safety	23,376	-	-	23,376
Public works	37,575	-	-	37,575
Education	42,835	-	-	42,835
Culture and recreation	13,500	-	-	13,500
Employee benefits and insurance	19,000	-	-	19,000
Subsequent year's budget	1,318,733	-	-	1,318,733
	1,598,780	-	-	1,598,780
Unassigned:				
General Fund	6,053,072	-	-	6,053,072
Deficit special revenue:				
Green community grant	-	-	(11,160)	(11,160)
School lunch fund	-	-	(86,631)	(86,631)
School choice fund	-	-	(90,894)	(90,894)
State special education reimbursement fund	-	-	(54,902)	(54,902)
Inspectors revolving fund	-	-	(3,813)	(3,813)
	6,053,072	-	(247,400)	5,805,672
Total Governmental fund balances	\$ 7,651,852	\$ 65,188	\$ 2,088,680	\$ 9,805,720

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

H. Special Trust Funds

Stabilization Funds

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, 2014 the following balances in the stabilization funds are reported in the General Fund as unassigned:

General purpose stabilization fund	\$ 1,216,641
Capital equipment needs stabilization fund	1,177,678
Municipal buildings stabilization fund	<u>1,617,554</u>
	<u><u>\$ 4,011,873</u></u>

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. 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, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2014.

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.

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

C. 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 \$2,061,073 for the fiscal year ending June 30, 2014, and, accordingly, are 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 1987 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, 2014, 2013 and 2012 is shown below, which equaled its required contribution for each fiscal year.

Fiscal Year Ended June 30	Town's Contribution
2014	\$ 744,938
2013	\$ 698,893
2012	\$ 623,354

The last actuarial valuation was prepared by Stone Consulting, Inc. as of January 1, 2012. 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 7.875% compounded annually, (b) projected salary, including longevity, increases of 4.5% per year ultimate for Groups 1&2 and 4.75% per year ultimate for Group 4 per member, (c) cost of living increase of 3% of the first \$12,000 of retirement income.

The Schedule of Employee Contributions, presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multi-year trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer;

TOWN OF GRANBY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2014

as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the sale of the information presented relative to the Town.

The total unfunded actuarial liability applicable to the entire System's employees January 1, 2012 is as follows:

Actuarial Accrued Liability	\$ 367,510,618
Less: Assets	204,116,196
Unfunded Actuarial Liability	<u>\$ 163,394,422</u>

The Town's portion of such liability is approximately 4.64% or \$7,581,501.

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.

D. Implementation Of New GASB Pronouncements

During fiscal year 2014, the GASB implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement introduced the concept of deferred outflows and deferred inflows to the financial statements. As such, certain items that were previously reported as assets and liabilities were reclassified to deferred outflows and deferred inflows.

E. Future GASB Pronouncements

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in fiscal year 2015. Management's current assessment is that this pronouncement will have a significant impact on the Town's basic financial statements by recognizing as an asset/(liability) and revenue/(expense), the Town's portion of the Hampshire County Retirement System actuarial accrued liability.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GRANBY, MASSACHUSETTS
Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
Hampshire County Retirement System
For the Year Ended June 30, 2014

Schedule of Funding Progress

Pension System							
Hampshire County Retirement System							
(Dollars in Thousands)							
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)	
1/1/2012	\$ 204,116	\$ 367,511	\$ 163,395	55.5%	\$ 68,575	238.3%	
1/1/2010	\$ 179,861	\$ 312,878	\$ 133,017	57.5%	\$ 68,276	194.8%	
1/1/2007	\$ 163,497	\$ 257,885	\$ 94,388	63.4%	\$ 68,108	138.6%	

Schedule of Funding Progress

Pension System						
Hampshire County Retirement System					Town	
Fiscal Year Ended	Annual Required Contributions	Actual Contributions (A)	Percentage Contributed	Actual Contributions (B)	Percentage of System-Wide Actual Contributions (B/A)	
6/30/2014	\$ 16,366,433	\$ 16,366,433	100.00%	\$ 744,938	4.64%	
6/30/2013	\$ 15,154,105	\$ 15,154,105	100.00%	\$ 698,893	4.61%	
6/30/2012	\$ 13,612,578	\$ 13,612,578	100.00%	\$ 623,354	4.58%	

The information presented in the above Required Supplementary Schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the Notes to Basic Financial Statements.

Actuarial Methods:

Valuation date	January 1, 2012
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Approximate level percent of payroll - closed
Asset valuation method	The actuarial value of assets is adjusted to phase in investment gains or losses above or below the expected rate of investment return over a five-year rolling period. The phase-in is 20% for year one, 40% for year two, 60% for year three, 80% for year four and 100% for year five. The actuarial valuation of assets may be no less than 85%, or more than 115% of the market value of assets plus payables and receivables.

Actuarial Assumptions:

Investment rate of return	7.875% per year net of investment expenses
Cost of living adjustments	3.0% for the first \$12,000 of retirement income

Plan Membership:

Active participants	1,879
Inactive participants	985
Retired participants and beneficiaries receiving benefits	1,111
Total	<u>3,975</u>

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, 2014**

	Fund Balances July 1, 2013	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2014
Special Revenue:					
Federal and State Grants:					
School Grants	\$ 116,926	\$ 475,537	\$ 495,311	\$ -	\$ 97,152
Arts Lottery Council Grants	4,063	4,268	6,264	-	2,067
Council on Aging Grants	4,300	10,694	12,031	-	2,963
Emergency Management Agency Grant	4,257	24,464	5,728	-	22,993
Green Community Grant	72,063	-	83,223	-	(11,160)
Health Grants	7	-	-	-	7
Highway Grants	-	562,456	562,456	-	-
Library Grants	11,707	6,495	9,829	-	8,373
Public Safety Grants	3,900	36,061	25,357	-	14,604
Tourism Grant	23,000	-	-	-	23,000
Schools:					
School Lunch Revolving	(121,236)	366,687	380,517	66,267	(68,799)
School Lunch Commodities	-	29,205	29,205	-	-
School Choice Program	(46,223)	708,103	755,974	3,200	(90,894)
Private Grants	500	-	-	-	500
Revolving Accounts	20,835	205,756	199,845	18,300	45,046
State Special Education Reimbursement Fund	(80,705)	301,477	275,674	-	(54,902)
Other:					
Ambulance Fund	267,168	314,571	444,206	172,430	309,963
Agricultural Commission	219	-	-	-	219
Cable Advisory Committee	5,300	13,635	4,635	-	14,300
Charter Day Revolving	47,243	28,228	38,895	-	36,576
Conservation Commission Fees	7,302	7	7,049	-	260
DARE Revolving	10,215	17,590	15,179	-	12,626
Dog Revolving	10,436	10,825	10,082	-	11,179
Dufresne Park Revolving	(3,705)	14,866	18,280	47,945	40,826
Forest Warden Offset Receipts Fund	2,732	1,770	1,197	-	3,305
Gifts and Donations	28,248	37,517	30,020	-	35,745
Inspections Revolving	(10,475)	57,994	52,465	1,133	(3,813)
Insurance Reimbursements	3,787	19,864	6,189	-	17,462
Landfill Waste Management Grants	119	-	-	-	119
Library Revolving	1,200	-	-	-	1,200
Total Special Revenue Funds Page 54	\$ 383,183	\$ 3,248,070	\$ 3,469,611	\$ 309,275	\$ 470,917

TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Fund Balances July 1, 2013	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2014
Continued from Page 54	\$ 383,183	\$ 3,248,070	\$ 3,469,611	\$ 309,275	\$ 470,917
Special Revenue (continued):					
Other (continued):					
Planning Board Revolving	7,186	9,197	3,007	-	13,376
Police Auction Revolving	25	-	-	-	25
Police and Fire Outside Duty	-	150,798	150,798	-	-
Recreation Revolving	3,696	8,603	9,133	-	3,166
Right to Know	319	-	-	-	319
Road Machinery Earnings	43,857	-	3,400	-	40,457
Sale of Cemetery Lots	3,745	605	-	-	4,350
Septic System Repair Fund	99,903	5,200	16,685	-	88,418
Tax Collector Fees	1,092	25,130	25,340	-	882
Town Clerk Fees	-	1,093	-	-	1,093
Conservation Fund	39,410	582	1,538	-	38,454
Hatch Fund	37,728	1,323	1,874	-	37,177
Law Enforcement Fund	2,421	-	-	-	2,421
Total Special Revenue Funds	622,565	3,450,601	3,681,386	309,275	701,055
Capital Projects:					
Athletic Fields	47,945	-	-	(47,945)	-
Demolish Aldrich Hall	50,000	-	-	-	50,000
Dufresne Dam Repair	99,000	-	-	-	99,000
East Meadow Roof	469,162	-	520,412	190,000	138,750
Fire Department Equipment	194	-	-	-	194
Highway Equipment	4,873	-	-	-	4,873
Highway Vehicles	4,464	-	-	-	4,464
Library Improvements	10,933	-	-	-	10,933
Police Sally Port	62,236	-	55,635	-	6,601
West Street School Feasibility Study	-	-	317	800,000	799,683
West Street School Roof Replacement	11,072	-	-	-	11,072
Total Capital Projects	\$ 759,879	\$ -	\$ 576,364	\$ 942,055	\$ 1,125,570

TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Fund Balances July 1, 2013	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2014
Permanent Funds:					
Cemetery Perpetual Care Funds	\$ 221,313	\$ 20,470	\$ 10,511	\$ -	\$ 231,272
Library Funds	29,144	343	11,130	-	18,357
Marie Quirk Dufresne Park Fund	12,241	185	-	-	12,426
Total Permanent Funds	262,698	20,998	21,641	-	262,055
Total - Non-Major Governmental Funds	\$ 1,645,142	\$ 3,471,599	\$ 4,279,391	\$ 1,251,330	\$ 2,088,680

**TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
JULY 1, 2013 TO JUNE 30, 2014**

	Uncollected Taxes July 1, 2013	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2014	Uncollected Taxes Per Detail June 30, 2014
Real Estate Taxes:						
Levy of 2014	\$ -	\$ 9,407,184	\$ 62,807	\$ 9,041,355	\$ 303,022	\$ 303,022
Levy of 2013	308,614	-	18,553	241,718	48,343	48,343
Levy of 2012	68,989	-	5,059	47,687	16,243	16,243
Levy of 2011	34,007	-	678	27,430	5,899	5,899
Levy of 2010	15,250	-	-	15,250	-	-
Prior Years	12,359	-	-	11,651	708	708
	<u>439,219</u>	<u>9,407,184</u>	<u>87,097</u>	<u>9,385,091</u>	<u>374,215</u>	<u>374,215</u>
Personal Property Taxes:						
Levy of 2014	-	316,968	2,910	311,576	2,482	2,482
Levy of 2013	445	-	-	192	253	253
Levy of 2012	246	-	-	26	220	220
	<u>691</u>	<u>316,968</u>	<u>2,910</u>	<u>311,794</u>	<u>2,955</u>	<u>2,955</u>
Total Real Estate and Personal Property Taxes	<u>\$ 439,910</u>	<u>\$ 9,724,152</u>	<u>\$ 90,007</u>	<u>\$ 9,696,885</u>	<u>\$ 377,170</u>	<u>\$ 377,170</u>

**TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE EXCISE TAXES
JULY 1, 2013 TO JUNE 30, 2014**

	Uncollected Taxes July 1, 2013	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2014	Uncollected Taxes Per Detail June 30, 2014
Motor Vehicle Excise Taxes:						
Levy of 2014	\$ -	\$ 710,615	\$ 13,897	\$ 584,331	\$ 112,387	\$ 112,387
Levy of 2013	116,054	65,295	9,694	151,523	20,132	20,132
Levy of 2012	14,102	86	670	8,232	5,286	5,286
Levy of 2011	4,803	-	298	1,380	3,125	3,125
Levy of 2010	3,082	-	-	462	2,620	2,620
Prior Years	4,699	166	(1,515)	674	5,706	5,706
Total Motor Vehicle Excise Taxes	\$ 142,740	\$ 776,162	\$ 23,044	\$ 746,602	\$ 149,256	\$ 149,256

**TOWN OF GRANBY, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2013 TO JUNE 30, 2014**

	Uncollected Accounts July 1, 2013	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2014	Uncollected Accounts Per Detail June 30, 2014
Tax Liens	\$ 47,225	\$ 23,497	\$ -	\$ 3,684	\$ 67,038	\$ 67,038

**TOWN OF SOUTH HADLEY, MASSACHUSETTS
SCHEDULE OF DEPARTMENTAL RECEIVABLES
JULY 1, 2013 TO JUNE 30, 2014**

	Uncollected Accounts July 1, 2013	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2014	Uncollected Accounts Per Detail June 30, 2014
General Fund:						
Highway	\$ 16,890	\$ 855	\$ -	\$ 855	\$ 16,890	\$ 16,890
Parking	16,235	2,780	-	2,540	16,475	16,475
	33,125	3,635	-	3,395	33,365	33,365
Non-major Governmental Funds:						
Special Revenue Fund:						
Ambulance	186,714	-	-	-	186,714	115,908
Total Departmental Receivables	\$ 219,839	\$ 3,635	\$ -	\$ 3,395	\$ 220,079	\$ 149,273