

TOWN OF GRANVILLE, MASSACHUSETTS

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

For the Year Ended June 30, 2015

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TABLE OF CONTENTS

	<u>Page</u>
TABLE OF CONTENTS.....	2
 INDEPENDENT AUDITOR’S REPORT ON:	
Basic Financial Statements	3-4
 MANAGEMENT’S DISCUSSION AND ANALYSIS	5-11
 BASIC FINANCIAL STATEMENTS	12
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues and Expenditures – Budgetary Basis – (Non-GAAP) – Budget and Actual – General Fund	19
Reconciliation of Revenues and Expenditures from Budgetary Basis to GAAP Basis	20
Statement of Fiduciary Net Position – Fiduciary Funds	21
Notes to Basic Financial Statements	22-40
 REQUIRED SUPPLEMENTARY INFORMATION.....	41
Pension Plan Schedules	42-43
 SUPPLEMENTAL SCHEDULES.....	44
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	45-46
Schedule of Real Estate and Personal Property Taxes	47
Schedule of Community Preservation Surcharge.....	48
Schedule of Motor Vehicle Excise, Farm Animal Excise and Forest Products Taxes	49
Schedule of Tax Liens	50

Independent Auditor's Report

To the Honorable Selectboard
Town of Granville, Massachusetts

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Granville, Massachusetts, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified 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.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Town of Granville, Massachusetts, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Granville, Massachusetts as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other post employment benefit plan schedules as listed on the table of contents 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 Granville, 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 basic 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.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

August 5, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Granville, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015. 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$5,976,679 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$5,913,051 or an increase of \$63,628 (1%).
- As required by Governmental Accounting Standards Board (GASB) Statement No. 68, in fiscal year 2015 the Town recognized their total net pension liability of \$1,035,748 along with a deferred outflow related to pension of \$3,087 and a deferred inflow of resources related to pension of \$1,959 on the statement of net position for the first time.
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$1,717,414 a decrease of \$61,099 (3%) in comparison with prior year.
- The General Fund's total fund balance decreased \$71,896 (5%) to \$1,249,873. The ending General fund balance is 39% of revenues and transfers in and 39% of expenditures.
- Total long term liabilities of the Town are \$1,355,810.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$176,067. The key factors that attributed to the free cash amount for fiscal year 2015 were unexpended/unencumbered appropriations of \$94,100, excess over budget local receipts of \$113,900 and prior year free cash not appropriated of \$85,800.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Granville'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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them 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 Town does not have any operations that are classified as business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental 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 Granville adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

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

Financial Highlights
Statement of Net Position Highlights

	Governmental Activities 2015
Assets:	
Current assets	\$ 3,101,337
Capital assets	4,230,024
Total assets	7,331,361
Deferred Outflows of Resources	
Deferred outflows related to pensions	3,087
Liabilities:	
Current liabilities (excluding debt)	176,204
Current debt	34,300
Noncurrent liabilities (excluding debt)	1,090,306
Noncurrent debt	55,000
Total liabilities	1,355,810
Deferred Inflows of Resources	
Deferred inflows related to pensions	1,959
Net Position:	
Net investment in capital assets	4,140,724
Restricted	977,289
Unrestricted	858,666
Total net position	\$ 5,976,679

Financial Highlights

Statement of Activities Highlights

	Governmental Activities 2015
Program Revenues:	
Charges for services	\$ 128,621
Operating grants and contributions	46,244
Capital grants and contributions	442,378
General Revenues:	
Property taxes	2,375,858
Motor vehicle and other excise taxes	435,195
Penalties and interest on taxes	20,454
Nonrestricted grants and contributions	214,602
Unrestricted investment income	997
Miscellaneous	5,932
Total revenues	3,670,281
Expenses:	
General government	295,751
Public safety	327,309
Public works	729,961
Education	1,881,036
Health and human services	59,546
Culture and recreation	63,802
Employee benefits and insurance	245,335
State assessments	1,940
Interest	1,973
Total expenses	3,606,653
Change in net position	63,628
Net position - beginning of year	5,913,051
Net position - end of year	\$ 5,976,679

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,976,679 at the close of fiscal year 2015.

Net position of \$4,140,724 (69%) 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, \$977,289 (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$858,666 (15%) 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 \$63,628 (1%) during current the fiscal year, which reflects the general fund's results of operation. The key elements of the increase in net position for fiscal year 2015 were attributed to the acquisition of \$453,626 in new capital assets exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$420,246, an increase resulting from the change in compensated absences of \$50,388, and a decrease as a result of recognizing the net pension liability of \$21,065 compared to the prior year.

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, 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 \$1,717,414 a decrease of \$61,099 (3%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Nonspendable fund balance – \$20,613 (1%).
- Restricted fund balance – \$376,593 (22%).
- Committed fund balance – \$70,335 (4%).
- Assigned fund balance – \$396,191 (23%).
- Unassigned fund balance – \$853,682 (50%).

Major Governmental Funds

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the current fiscal year, the General Fund reported a total fund balance of \$1,249,873 decreasing \$71,896 (5%) from the prior year. Of the \$1,249,873, the unassigned amount is \$853,682 (68%) and the assigned amount is \$396,191 (32%). General fund revenues were \$3,137,543 and expenditures \$3,244,889. Other activity in the General Fund consisted of net transfers from other funds of \$35,450.

At the end of the fiscal year, the *Nonmajor Governmental Funds* reported a fund balance of \$467,541 increasing \$10,797 (2%) as revenues exceeded the expenditures by \$46,247. Other activity consisted of net transfers out to the General Fund of \$35,450.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2015 was \$3,456,943.

General fund expenditures were less than budgeted by \$212,054. Of the \$212,054 in under budget expenditures, \$117,933 has been carried over to fiscal year 2016.

There were negative variances in property taxes of \$65,747 as expectations (budget) were higher than the actual receipts and in investment income of \$143 as a result of the economy. The overall the total revenues exceeded budget expectations.

Overall, the variance with the final budget was a positive \$142,284 consisting of a revenue surplus of \$48,163 and the appropriation surplus of \$94,121.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets as of June 30, 2015 amounts to \$4,230,024.

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:

- Foreclosure properties for \$66,625.
- Highway equipment purchase for \$11,742.
- Road infrastructure improvements for \$375,259.

Debt Administration. The Town's outstanding governmental long-term debt, as of June 30, 2015, totaled \$89,300 of which \$62,000 is for highway equipment and \$27,300 is for a police vehicle.

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

Next Year's Annual Town Meeting

The Town of Granville 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, 2015 do not reflect the fiscal year 2016 Town Meeting action with exception of the free cash amount used to fund the fiscal year 2016 budget. The Annual Town Meeting on May 11, 2015 authorized a fiscal year 2016 operating and capital budget as follows:

From raise and appropriate		\$	3,134,606
From other available funds:			
General Fund:			
Unreserved fund balance:			
Free cash			278,258
Non-major Governmental Funds:			
Ambulance funds	\$	38,500	
Community preservation funds		38,319	76,819
			<hr/>
		\$	3,489,683
			<hr/>

Requests for Information

This financial report is designed to provide a general overview of the Town of Granville'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, Granville, Massachusetts.

BASIC FINANCIAL STATEMENTS

TOWN OF GRANVILLE, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government Governmental Activities
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 1,357,887
Investments	383,102
Receivables, net of allowance for uncollectibles:	
Property Taxes	599,241
Tax Liens	57,662
Excise Taxes	44,948
Departmental	4,855
Due from Other Governments	653,642
Total current assets	<u>3,101,337</u>
NONCURRENT:	
Capital Assets, net of accumulated Depreciation:	
Nondepreciable	515,331
Depreciable	3,714,693
Total noncurrent assets	<u>4,230,024</u>
Total Assets	<u>7,331,361</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	<u>3,087</u>
LIABILITIES	
CURRENT:	
Warrants Payable	84,319
Accrued Payroll	36,227
Payroll Withholdings	1,494
Other	11,077
Accrued Interest	567
Compensated Absences	42,520
Bonds and Notes Payable	34,300
Total current liabilities	<u>210,504</u>
NONCURRENT:	
Compensated Absences	54,558
Net Pension Liability	1,035,748
Bonds and Notes Payable	55,000
Total noncurrent liabilities	<u>1,145,306</u>
Total Liabilities	<u>1,355,810</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	<u>1,959</u>
NET POSITION:	
Net Investment in Capital Assets	4,140,724
Restricted for:	
Federal & State Grants	594,137
Community Preservation	104,880
Permanent Funds:	
Expendable	28,485
Nonexpendable	20,613
Other Purposes	229,174
Unrestricted	858,666
Total Net Position	<u>\$ 5,976,679</u>

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

**TOWN OF GRANVILLE, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 295,751	\$ 11,670	\$ 9,161	\$ -	\$ (274,920)
Public Safety	327,309	60,317	5,529	-	(261,463)
Public Works	729,961	-	499	442,378	(287,084)
Education	1,881,036	-	19,608	-	(1,861,428)
Health and Human Services	59,546	43,956	4,688	-	(10,902)
Culture and Recreation	63,802	12,678	6,703	-	(44,421)
Employee Benefits and Insurance	245,335	-	56	-	(245,279)
State Assessments	1,940	-	-	-	(1,940)
Interest	1,973	-	-	-	(1,973)
Total Governmental Activities	\$ 3,606,653	\$ 128,621	\$ 46,244	\$ 442,378	(2,989,410)
General Revenues:					
Property taxes					2,375,858
Motor vehicle excise and other taxes					435,195
Penalties & Interest on taxes					20,454
Grants & Contributions not restricted to specific programs					214,602
Unrestricted investment income					997
Miscellaneous					5,932
Total General Revenues					3,053,038
Change in Net Position					63,628
Net Position:					
Beginning of year					5,913,051
End of year					\$ 5,976,679

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

**TOWN OF GRANVILLE, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 1,205,653	\$ 152,234	\$ 1,357,887
Investments	99,779	283,323	383,102
Receivables, net of allowance for uncollectibles:			
Property Taxes	596,258	2,983	599,241
Tax Liens	57,662	-	57,662
Excise Taxes	44,948	-	44,948
Departmental	-	4,855	4,855
Due from Other Governments	-	653,642	653,642
Total Assets	\$ 2,004,300	\$ 1,097,037	\$ 3,101,337
Liabilities:			
Warrants Payable	\$ 39,999	\$ 44,320	\$ 84,319
Accrued Payroll	35,989	238	36,227
Payroll Withholdings	1,494	-	1,494
Other	11,077	-	11,077
Total Liabilities	88,559	44,558	133,117
Deferred Inflows of Resources:			
Unavailable Revenue	665,868	584,938	1,250,806
Fund Balance:			
Nonspendable	-	20,613	20,613
Restricted	-	376,593	376,593
Committed	-	70,335	70,335
Assigned	396,191	-	396,191
Unassigned	853,682	-	853,682
Total Fund Balance	1,249,873	467,541	1,717,414
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,004,300	\$ 1,097,037	\$ 3,101,337

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

TOWN OF GRANVILLE, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 2,318,562	\$ 18,160	\$ 2,336,722
Intergovernmental	214,602	396,419	611,021
Motor Vehicle Excise and Other Taxes	484,404	-	484,404
Charges for Services	-	60,450	60,450
Licenses, Permits and Fees	98,524	-	98,524
Interest on Taxes	20,454	-	20,454
Investment Income	997	379	1,376
Other	-	2,400	2,400
Total Revenues	3,137,543	477,808	3,615,351
Expenditures:			
Current:			
General Government	300,376	14,757	315,133
Public Safety	238,916	19,558	258,474
Public Works	574,660	374,051	948,711
Education	1,734,808	-	1,734,808
Health and Human Services	54,102	4,300	58,402
Culture and Recreation	40,125	18,895	59,020
Employee Benefits and Insurance	225,398	-	225,398
State Assessments	1,940	-	1,940
Debt Service:			
Principal	71,518	-	71,518
Interest	3,046	-	3,046
Total Expenditures	3,244,889	431,561	3,676,450
Excess of Revenues Over (Under) Expenditures	(107,346)	46,247	(61,099)
Other Financing Sources (Uses):			
Operating Transfers In	35,450	-	35,450
Operating Transfers Out	-	(35,450)	(35,450)
Total Other Financing Sources (Uses)	35,450	(35,450)	-
Net Change in Fund Balances	(71,896)	10,797	(61,099)
Fund Balances, Beginning of Year	1,321,769	456,744	1,778,513
Fund Balances, End of Year	\$ 1,249,873	\$ 467,541	\$ 1,717,414

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

TOWN OF GRANVILLE, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2015

Total Governmental Fund Balances		\$ 1,717,414
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		4,230,024
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		1,250,806
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.		1,128
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds and Notes Payable	\$ (89,300)	
Compensated Absences	(97,078)	
Net Pension Liability	<u>(1,035,748)</u>	(1,222,126)
Net Position of Governmental Activities		<u><u>\$ 5,976,679</u></u>

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

TOWN OF GRANVILLE, 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, 2015

Net Change in Fund Balances - Total Governmental Funds	\$	(61,099)
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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	\$ 453,626		
Depreciation	(420,246)		33,380

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.

(11,695)

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:

71,518

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 Accrued Interest on Long-Term Debt	1,073		
Net Change in Compensated Absences	50,388		
Net Change in Net Pension Liability	(21,065)		
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	1,128		31,524

Change in Net Position of Governmental Activities	\$	<u>63,628</u>
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The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRANVILLE, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried Forward from Prior Year	Original Budget	Final Budget			
Revenues:						
Property Taxes	\$ -	\$ 2,398,109	\$ 2,398,109	\$ 2,332,362	\$ -	\$ (65,747)
Intergovernmental	-	213,931	213,931	214,602	-	671
Motor Vehicle Excise and Other Taxes	-	390,000	390,000	484,404	-	94,404
Licenses, Permits and Fees	-	85,000	85,000	98,524	-	13,524
Interest on Taxes	-	15,000	15,000	20,454	-	5,454
Investment Income	-	600	600	457	-	(143)
Total Revenues	-	3,102,640	3,102,640	3,150,803	-	48,163
Expenditures:						
Current:						
General Government	51,352	337,405	388,643	300,376	69,447	18,820
Public Safety	885	287,102	255,535	238,916	-	16,619
Public Works	49,945	521,300	622,955	574,660	48,291	4
Education	-	1,734,808	1,734,808	1,734,808	-	-
Health and Human Services	1,440	65,942	67,382	54,102	-	13,280
Culture and Recreation	15	43,105	43,120	40,125	195	2,800
Employee Benefits and Insurance	-	287,137	267,993	225,398	-	42,595
State Assessments	-	1,940	1,940	1,940	-	-
Debt Service:						
Principal	-	71,518	71,518	71,518	-	-
Interest	-	3,049	3,049	3,046	-	3
Total Expenditures	103,637	3,353,306	3,456,943	3,244,889	117,933	94,121
Excess of Revenues Over (Under) Expenditures	(103,637)	(250,666)	(354,303)	(94,086)	(117,933)	142,284
Other Financing Sources (Uses):						
Operating Transfers In	-	35,450	35,450	35,450	-	-
Operating Transfers Out	-	(135,000)	(135,000)	(135,000)	-	-
Total Other Financing Sources (Uses)	-	(99,550)	(99,550)	(99,550)	-	-
Net Change in Budgetary Fund Balance	(103,637)	(350,216)	(453,853)	\$ (193,636)	\$ (117,933)	\$ 142,284
Other Budgetary Items:						
Free Cash and Other Reserves	-	350,561	350,561			
Prior Year Deficits	-	(345)	(345)			
Prior Year Encumbrances	103,637	-	103,637			
Total Other Budgetary Items	103,637	350,216	453,853			
NET BUDGET	\$ -	\$ -	\$ -			

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

TOWN OF GRANVILLE, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2015

	<u>Revenues</u>	<u>Expenditures</u>
Reported on a Budgetary Basis	\$ 3,150,803	\$ 3,244,889
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	540	-
Net Decrease in Revenue from Recording 60-Day Receipts	<u>(13,800)</u>	<u>-</u>
Reported on a GAAP Basis	<u>\$ 3,137,543</u>	<u>\$ 3,244,889</u>

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

**TOWN OF GRANVILLE, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 5,646
Total Assets	5,646
LIABILITIES	
Warrants Payable	274
Due to Others	5,372
Total Liabilities	5,646
NET POSITION	
Held in Trust for Other Purposes	\$ -

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

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Granville (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 1754 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three member Selectboard.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In Fiscal Year 2015, 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 board and/or committee members of the Southwick/Tolland/Granville Regional School District. This related organization is excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board and/or committee members. Audited financial statements are available from the respective organizations. Descriptions of the related organizations are as follows:

Southwick/Tolland/Granville Regional School District - A regional school district made up of three 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 school 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*.

Fund financial statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

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 government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and 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 funds are at least 5 percent of the corresponding element for all governmental funds combined.

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

Fiduciary funds are reported by fund type.

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

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 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.

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.

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

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

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 fund:

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 non-major governmental fund consists of other special revenue 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 *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 Town reports the following fund types:

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

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

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

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

E. Investments

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

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

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, 2014, 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 first tax payment is due November 1st, or thirty days after the date tax bills were mailed, whichever is later and must be at least one-half of the tax and any betterment. The balance of the tax is owed by May 1st of the following year. If payments are not made by the due dates, interest at the rate of 14% will be charged on the amount of the payment that is unpaid and overdue. 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 actual tax bills for the fiscal year 2015 on October 31, 2014 and March 31, 2015 that were due on December 1, 2014 and May 1, 2015, respectively.

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 2015 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2015	\$ 2,855,584
Add: Debt Exclusion	152,282
	<u>\$ 3,007,866</u>

The total amount raised by taxation was \$2,422,628.

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

Excise Taxes

Excise taxes consist of motor vehicle excise, farm animal excise and forest products taxes. Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of levy.

The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles. The tax calculation for motor vehicle excise taxes is the fair value of the vehicle multiplied by the \$25 per \$1,000 of value.

Farm animal excise taxes are assessed annually by the Board of Assessors and are based upon values of the asset.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

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

Departmental

Departmental receivables consist primarily of ambulance fees.

The allowance for uncollectibles relates to ambulance fees and is based upon historical trends.

Due from Other Governments

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

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

G. Capital Assets

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

All purchase and construction costs in excess of \$15,000 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	20-40
Machinery, equipment and other	3-15
Infrastructure	20-50

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

H. Interfund Transfers

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

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

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

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the only item in this category is *deferred outflows related to pensions*.

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

Fund financial statements

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 taxes, 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.

J. Net Position and Fund Balances

In the Governmental-Wide financial statements, the difference between the Town's total assets and deferred outflows of resources to the total liabilities and deferred inflows of resources 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.

“Community Preservation” – represents amounts restricted for the purposes under the community preservation act adopted by the Town.

“Permanent funds – expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.

“Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Other purposes” represents restrictions placed on assets from outside parties.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

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.

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.

K. Long-term Debt

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

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

L. Compensated Absences

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

M. Pension Benefits

For purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Hampden County Retirement System (the System) is provided. Additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

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% to 100% share of insurance premiums for retirees, spouses and surviving spouses 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.

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:

- Estimates are submitted by departments.
- 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.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

Massachusetts law requires cities and towns to provide for 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 2015, the Town incurred a final budget deficit of \$453,853 for the General Fund.

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

Unassigned fund balance:	
Free cash votes	\$ 350,561
Reserve for deficits	(345)
Prior year's encumbrances	103,637
	<hr/>
	\$ 453,853
	<hr/>

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, 2015 were \$1,373,619. Of these, none are 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.

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, 2015, the Town had MMDT investments in the amount of \$383,102.

Custodial Credit Risks - Investments

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$383,102 in investments, none are uninsured and unregistered investments

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

Interest Rate Risk - Investments

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

Credit Risk - Investments

The Town does not have any exposure to credit risk as of June 30, 2015.

Concentration of Credit Risk - Investments

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

B. Receivables

At June 30, 2015, receivables for the individual major governmental fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major governmental fund:			
Property taxes	\$ 623,853	\$ (24,612)	\$ 599,241
Tax liens	57,662	-	57,662
Excise taxes	83,072	(38,124)	44,948
Departmental	12,492	(7,637)	4,855
Due from other governments	653,642	-	653,642
	<u>\$ 1,430,721</u>	<u>\$ (70,373)</u>	<u>\$ 1,360,348</u>

The composition of amounts due from other governments as of June 30, 2015 for governmental funds is as follows:

Nonmajor Governmental Funds:	
U.S. Department of Homeland Security:	
Pass Through the Commonwealth of Massachusetts:	
Emergency Management Agency	\$ 4,292
Commonwealth of Massachusetts:	
Department of Environmental Protection	
Small Scale Recycling Program	499
Massachusetts Department of Transportation:	
Highway Department - Chapter 90 funded projects	608,635
Winter Rapid Roads Recovery Program	40,216
	<u>\$ 653,642</u>

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.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

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	\$	563,258	
Tax liens		57,662	
Excise taxes		44,948	\$ 665,868

Nonmajor governmental funds:

Property taxes		2,983	
Departmental		4,855	
Due from other governments		577,100	584,938
			<u>\$ 1,250,806</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2015 is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 448,706	\$ 66,625	\$ -	\$ 515,331
Total capital assets not being depreciated	448,706	66,625	-	515,331
Capital assets being depreciated:				
Buildings and Renovations	5,458,132	-	-	5,458,132
Machinery, equipment and other	2,333,959	11,742	(53,116)	2,292,585
Infrastructure	2,261,596	375,259	-	2,636,855
Total capital assets being depreciated	10,053,687	387,001	(53,116)	10,387,572
Less accumulated depreciation for:				
Buildings and Renovations	3,917,112	178,913	-	4,096,025
Machinery, equipment and other	1,796,791	139,494	(53,116)	1,883,169
Infrastructure	591,846	101,839	-	693,685
Total accumulated depreciation	6,305,749	420,246	(53,116)	6,672,879
Total capital assets being depreciated, net	3,747,938	(33,245)	-	3,714,693
Total governmental activities capital assets, net	\$ 4,196,644	\$ 33,380	\$ -	\$ 4,230,024

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

Governmental Activities:

General government	\$ 33,650
Public safety	68,835
Public works	165,607
Education	146,228
Health and human services	1,144
Culture and recreation	4,782
Total depreciation expense - governmental activities	<u>\$ 420,246</u>

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2015, are summarized below:

Transfers Out:	Transfers In: General fund
Nonmajor governmental funds	\$ 35,450

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 both governmental type activities.

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

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2015
Inside Debt:					
State House Notes:					
Highway tractor	2.50%	01/18/11	01/18/16	\$ 34,000	\$ 6,800
Highway backhoe	1.75%	07/30/12	07/30/17	92,000	55,200
Police cruiser	1.90%	10/29/12	10/29/17	45,500	27,300
Total Inside Debt					89,300
Total governmental type debt					\$ 89,300

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2015, are as follows:

Year	Principal	Interest	Total
2016	\$ 34,300	\$ 1,407	\$ 35,707
2017	27,500	742	28,242
2018	27,500	268	27,768
	\$ 89,300	\$ 2,417	\$ 91,717

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

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

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due within One Year
Governmental activities:					
<i>Bond Payable:</i>					
State house notes	\$ 160,818	\$ -	\$ 71,518	\$ 89,300	\$ 34,300
<i>Compensated absences</i>	147,467	2,643	53,032	97,078	42,520
<i>Net pension liability</i>	1,014,683	21,065	-	1,035,748	-
Governmental activity					
Long-term liabilities	\$ 1,322,968	\$ 23,708	\$ 124,550	\$ 1,222,126	\$ 76,820

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, 2015 totaled \$89,300.

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

The following is a computation of the legal debt limit as of June 30, 2015:

Equalized Valuation-Real Estate and Personal Property (2014)	\$ 206,163,900
Debt Limit: 5 % of Equalized value	10,308,195
Total Debt Outstanding	\$ 89,300
Less: Debt Outside Debt Limit	-
	89,300
Inside Debt Excess Borrowing Capacity at June 30, 2015	\$ 10,218,895

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.

There are no loan authorizations that have not been issued as of June 30, 2015.

Overlapping Debt

The Town pays assessments, which includes debt service payments to other local governmental units providing services within the Town's boundaries (commonly referred to as overlapping debt).

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

The following summary sets forth the long-term debt of the governmental unit, the estimated share of such debt being serviced by the Town and the total of its share of estimated indirect debt.

	Current Year's Debt	Town's Estimated Share	Town's Estimated Indirect Debt
Southwick/Tolland/Granville Regional School District	\$ 19,115,900	12.67%	<u>\$ 2,421,985</u>

The Southwick/Tolland/Granville Regional School District also has bond anticipation notes outstanding as of June 30, 2015 of \$7,000,000 for the building project of which the Town of Granville's share is 12.67%.

The above debt does not reflect the Commonwealth of Massachusetts School Building Assistance grants to pay for the interest and principal on allowable costs.

G. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2015:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Permanent funds	\$ -	\$ 20,613	\$ 20,613
Restricted:			
Federal, state and local grants	-	17,037	17,037
Town revolving	-	28,088	28,088
Community preservation funds	-	101,897	101,897
Donations and gifts	-	32,739	32,739
Sale of real estate	-	80,448	80,448
Permanent funds	-	28,485	28,485
Other	-	87,899	87,899
	-	376,593	376,593
Committed:			
Ambulance	-	70,335	70,335
Assigned:			
General government	69,447	-	69,447
Public works	48,291	-	48,291
Culture and Recreation	195	-	195
Subsequent year's budget	278,258	-	278,258
	396,191	-	396,191
Unassigned:			
General fund	853,682	-	853,682
Total Governmental fund balances	<u>\$ 1,249,873</u>	<u>\$ 467,541</u>	<u>\$ 1,717,414</u>

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

H. Special Trust Funds

Stabilization Fund

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

At June 30, 2015 the following balances in the stabilization funds are reported in the General Fund as unassigned:

General purpose stabilization fund	\$ 99,779
Education stabilization fund	305,601
	<u>\$ 405,380</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 that 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, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2015. The outcome of lawsuits and any findings with respect to disallowed expenditures is not expected to materially affect the financial condition of the Town.

C. Pension Plan

Plan Description

The Town is a member of the Hampden County Regional Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Hampden County Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 67 Hunt Street, Suite 106, Agawam, Massachusetts 01001.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

Benefits Provided

The System provides retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost of living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's State law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in 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. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2014 was \$77,136, representing 21.36% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current-year pension assessment. In the past years, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside money for the future benefits or employees who are currently employed. Large unfunded liabilities resulted from operating under this pay-as-you-go basis. In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. Additionally, Chapter 32 of the M.G.L. requires Massachusetts retirement systems to adopt funding schedules designed to reduce the unfunded actuarial liability of the system to zero by no later than June 30, 2040. The System's current funding schedule is designed to reduce the unfunded actuarial liability to zero by 2035.

Pension Liability

As of June 30, 2015, a reported liability of \$1,035,748 is the Town's proportionate share of the net pension liability as measured as of December 31, 2014. The net pension liability was determined using the total pension liability and the actuarial assumptions as of the January 1, 2014 and updated to the measurement date of December 31, 2014. This net pension liability is based on the Town's proportional percentage of 0.361% at December 31, 2014. As such, the total pension liability was also updated and adjusted forward to the measurement date.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

Pension Expense

For the year ended June 30, 2015, the Town recognized a pension expense of \$97,073; reported deferred outflows of resources related to pensions of \$3,087 and deferred inflows of resources related to pensions of \$1,959, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation bi-annually, there are no reported differences between the expected and actual experience or a change of assumptions as of December 31, 2014. Additionally, the changes in proportion and differences between employer contributions and the proportionate share of contributions are not presented in the initial year of reporting in accordance with GASB Statement No. 67 and Statement No. 68.

The Town's net deferred inflows/(outflows) of resources related to pensions will be recognized in the future pension expense as follows;

For years ended June 30,		
	2016	\$ 282
	2017	282
	2018	282
	2019	282
	\$	1,128

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2014;

Valuation date	January 1, 2014
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level dollar for the 2002 and 2003 ERI and funding holiday liabilities and Increasing 4.0% per year for the remaining unfunded liability. Increase in total appropriation is limited to 8.0%.
Remaining amortization period	As of July 1, 2014, 5 years remaining on the 2002 ERI, 6 years remaining on the 2003 ERI and funding holiday, and 22 years for the remaining unfunded liability.
Asset valuation method	The difference between the expected return and the actual investment return on a market value basis is recognized over a 5 year period. Asset value is adjusted, if necessary to be within 10% of the market value.
Inflation rate	4.00%
Investment rate of return	7.875%
Projected salary increase	Varies by length of service with ultimate rates 4.25%for Group 1 and 4.50% for Group 2 and 4.75% for Group 4.
Cost of living adjustments	3.00% of the first \$18,000 of retirement income.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

Mortality rates

Pre-retirement: the RP-2000 Employee Mortality Table projected generally with a Scale AA from 2010.
Healthy retiree: the RP-2000 Healthy Annuitant Mortality Table projected generally with a Scale AA from 2010.
For disabled retirees, the Healthy Annuitant Mortality Table is set forward 3 years for males only projected generally with Scale AA from 2010.

Long-term Expected Rate of Return

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

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of January 1, 2014, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Large Cap Equities	14.50%	7.75%
Small/mid Cap Equities	3.50%	8.00%
International Equities (Unhedged)	16.00%	8.25%
Emerging International Equities	6.00%	9.50%
High-yield Bonds	1.50%	6.00%
Bank Loans	1.50%	6.25%
EMD (External)	1.00%	7.00%
EMD (Local Currency)	2.00%	7.25%
TIPS	3.00%	4.50%
Long Treasuries	10.00%	4.25%
Private Equity	10.00%	9.75%
Private Debt	4.00%	8.25%
Real Estate (Core)	10.00%	6.50%
Hedge Funds	9.00%	7.00%
Timber/Natural Resources	4.00%	6.88%
Portfolio Completion Strategies	4.00%	N/A
Total	100.00%	

Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 7.70%. The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

TOWN OF GRANVILLE, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2015

Discount Rate

The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made based at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.875%. As well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.875%) or 1-percentage-point higher (8.875%) than the current rate:

	1% Decrease 6.875%	Current Discount Rate 7.875%	1% Increase 8.875%
Town's net pension liability	\$ 1,269,222	\$ 1,035,748	\$ 836,810

D. Implementation Of New GASB Pronouncements

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* for implementation in fiscal year 2015. The Town's basic financial statements recognize a net pension asset/(liability) and pension revenue/(expense) for the Town's portion of the Hampden County Regional Retirement System actuarial accrued liability.

E. Future GASB Pronouncements

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 72, *Fair Value Measurement and Application*, for implementation in 2016.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, for implementation in 2016.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GRANVILLE, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Hampden County Regional Retirement System
For the Year Ended June 30, 2015

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

Schedule of the Town's Proportionate Share of the Net pension Liability:

	<u>12/31/14</u>
Town's proportion of the net pension liability (asset)	0.361%
Town's proportionate share of the net pension liability (asset)	\$ 1,035,748
Town's covered employee payroll **	\$ 361,171
Net pension liability percentage of covered-employee payroll	286.77%
Plan fiduciary net position as a percentage of the total pension liability	51.38%

Note: these schedules are intendend to present information for 10 years.
Until a 10-year trend is compiled, the information is presented for those years of which the information is available.

** Indicates covered employee payroll as reported in the retirement system January 1, 2014 funding valuation report.

TOWN OF GRANVILLE, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Hampden County Regional Retirement System
For the Year Ended June 30, 2015

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

Schedule of the Town's Contributions:

	<u>12/31/14</u>
Actuarially determined contribution @	\$ 77,136
Less: Contributions in relation to the actuarially determined contribution	<u>(77,136)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered employee payroll **	\$ 361,171
Contributions percentage of covered-employee payroll	21.36%

Note: these schedules are intended to present information for 10 years.
Until a 10-year trend is compiled, the information is presented for those
years of which the information is available.

@ Based on the results of the January 1, 2014 actuarial valuation (including
assumptions and methods) which determined the budgeted appropriations
for fiscal year 2015.

** Indicates covered employee payroll as reported in the retirement
system January 1, 2014 funding valuation report.

SUPPLEMENTARY SCHEDULES

TOWN OF GRANVILLE, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances July 1, 2014	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2015
Special Revenue:					
Federal and State Grants:					
Arts Lottery Council Grants	\$ 3,088	\$ 4,327	\$ 3,915	\$ -	\$ 3,500
Council on Aging Grants	-	4,650	4,300	-	350
Highway Funds	-	373,552	373,552	-	-
Library Grants	5,326	2,316	1,327	-	6,315
Public Safety Grants	2,456	5,043	4,654	-	2,845
Recycling Grant	-	499	499	-	-
Source Water Protection Grant	4,026	-	-	-	4,026
Other:					
Ambulance Funds	70,461	35,397	73	(35,450)	70,335
Cable Funds	18,479	2,400	2,972	-	17,907
Conservation Fees	535	-	-	-	535
Community Preservation Funds	81,950	24,364	4,417	-	101,897
Gifts and Donations	32,510	6,116	5,887	-	32,739
Harvest Fair Revolving	4,503	6,926	5,665	(2,500)	3,264
Library Playgroup	508	-	-	-	508
Old Meeting House Maintenance Fund	9,508	1,570	1,482	-	9,596
Police Off Duty Revolving	10,240	5,725	14,831	-	1,134
Sale of Real Estate	80,448	-	-	-	80,448
Summer Reading Program	300	1,500	2,102	-	(302)
Tax Collector Fees	3,180	2,040	4,105	-	1,115
Town Green Funds	10,364	1,155	1,780	2,500	12,239
Special Revenue Page 45	\$ 337,882	\$ 477,580	\$ 431,561	\$ (35,450)	\$ 348,451

TOWN OF GRANVILLE, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances July 1, 2014	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2015
Continued from Page 45	\$ 337,882	\$ 477,580	\$ 431,561	\$ (35,450)	\$ 348,451
Special Revenue (continued):					
Other (continued):					
Conservation Fund	22,741	46	-	-	22,787
Council on Aging Roland Overson Fund	18,703	38	-	-	18,741
Worker's Compensation Liability Fund	28,408	56	-	-	28,464
Total Special Revenue Funds	<u>\$ 407,734</u>	<u>\$ 477,720</u>	<u>\$ 431,561</u>	<u>\$ (35,450)</u>	<u>\$ 418,443</u>
Perpetual Permanent Funds:					
Cemetery Perpetual Care Funds	200	-	-	-	200
Historical Commission Trust	7,500	-	-	-	7,500
Library Funds	12,913	-	-	-	12,913
Total Perpetual Permanent Funds	<u>20,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,613</u>
Permanent Funds:					
Cemetery Perpetual Care Funds	73	-	-	-	73
Historical Commission Trust	1,682	8	-	-	1,690
Library Funds	26,642	80	-	-	26,722
Total Permanent Funds	<u>28,397</u>	<u>88</u>	<u>-</u>	<u>-</u>	<u>28,485</u>
Total - Non-Major Governmental Funds	<u><u>\$ 456,744</u></u>	<u><u>\$ 477,808</u></u>	<u><u>\$ 431,561</u></u>	<u><u>\$ (35,450)</u></u>	<u><u>\$ 467,541</u></u>

**TOWN OF GRANVILLE, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
JULY 1, 2014 TO JUNE 30, 2015**

	Uncollected Taxes July 1, 2014	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2015	Uncollected Taxes Per Detail June 30, 2015
Real Estate Taxes:						
Levy of 2015	\$ -	\$ 2,139,601	\$ 17,584	\$ 1,953,783	\$ 168,234	\$ 169,231
Levy of 2014	194,453	-	3,756	74,751	115,946	115,576
Levy of 2013	71,440	-	4,147	8,141	59,152	59,106
Levy of 2012	67,715	-	4,617	3,592	59,506	59,548
Levy of 2011	42,052	-	4,570	2,659	34,823	35,128
Prior Years	182,399	-	24,320	8,061	150,018	149,211
	<u>558,059</u>	<u>2,139,601</u>	<u>58,994</u>	<u>2,050,987</u>	<u>587,679</u>	<u>587,800</u>
Personal Property Taxes:						
Levy of 2015	-	283,027	513	279,024	3,490	3,465
Levy of 2014	4,536	-	258	2,101	2,177	2,177
Levy of 2013	2,824	-	-	-	2,824	2,825
Levy of 2012	2,992	-	-	-	2,992	2,993
Levy of 2011	2,095	-	-	-	2,095	2,095
Prior Years	19,613	-	-	-	19,613	19,613
	<u>32,060</u>	<u>283,027</u>	<u>771</u>	<u>281,125</u>	<u>33,191</u>	<u>33,168</u>
Total Real Estate and Personal Property Taxes	<u>\$ 590,119</u>	<u>\$ 2,422,628</u>	<u>\$ 59,765</u>	<u>\$ 2,332,112</u>	<u>\$ 620,870</u>	<u>\$ 620,968</u>

**TOWN OF GRANVILLE, MASSACHUSETTS
COMMUNITY PRESERVATION SURCHARGE
JULY 1, 2014 TO JUNE 30, 2015**

	Uncollected Taxes July 1, 2014	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2015	Uncollected Taxes Per Detail June 30, 2015
Non-Major Governmental Funds:						
Community Preservation Surcharge:						
Levy of 2015	\$ -	\$ 18,810	\$ 194	\$ 17,234	\$ 1,382	\$ 1,320
Levy of 2014	1,408	-	-	760	648	724
Levy of 2013	176	-	-	(5)	181	71
Levy of 2012	297	-	-	74	223	181
Levy of 2011	15	-	-	8	7	13
Prior Years	551	-	-	9	542	168
	<u>\$ 2,447</u>	<u>\$ 18,810</u>	<u>\$ 194</u>	<u>\$ 18,080</u>	<u>\$ 2,983</u>	<u>\$ 2,477</u>

**TOWN OF GRANVILLE, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE EXCISE, FARM ANIMAL EXCISE
AND FOREST PRODUCTS TAXES
JULY 1, 2014 TO JUNE 30, 2015**

	Uncollected Taxes July 1, 2014	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2015	Uncollected Taxes Per Detail June 30, 2015
Motor Vehicle Excise Taxes:						
Levy of 2015	\$ -	\$ 201,742	\$ 3,004	\$ 165,255	\$ 33,483	\$ 34,066
Levy of 2014	40,394	26,822	2,828	55,083	9,305	11,034
Levy of 2013	9,950	14	560	5,216	4,188	4,845
Levy of 2012	3,471	-	16	1,305	2,150	2,433
Levy of 2011	1,104	-	-	282	822	858
Prior Years	24,768	-	-	258	24,510	23,827
Total Motor Vehicle Excise Taxes	79,687	228,578	6,408	227,399	74,458	77,063
Farm Animal Excise Taxes:						
Prior Years	8,601	-	-	-	8,601	8,601
Forest Products Tax	13	-	-	-	13	13
Total Motor Vehicle Excise, Farm Animal Excise and Forest Products Taxes	\$ 88,301	\$ 228,578	\$ 6,408	\$ 227,399	\$ 83,072	\$ 85,677

**TOWN OF GRANVILLE, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2014 TO JUNE 30, 2015**

	Uncollected Accounts July 1, 2014	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2015	Uncollected Accounts Per Detail June 30, 2015
Tax Liens	\$ 103,594	\$ -	\$ 45,682	\$ 250	\$ 57,662	\$ 57,662