

TOWN OF LANESBOROUGH, MASSACHUSETTS

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

For the Year Ended June 30, 2014

TOWN OF LANESBOROUGH, MASSACHUSETTS

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To the Honorable Board of Selectmen
Town of Lanesborough, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lanesborough, Massachusetts, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lanesborough, Massachusetts, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 13 and the *Schedule of Funding Progress and Employer Contributions* on pages 51 and 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lanesborough, 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

Scanlon & Associates, LLC
South Deerfield, Massachusetts

January 12, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Lanesborough, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets exceeded its liabilities by \$8,402,451 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$8,803,086 or a decrease of \$400,635 (5%) over last fiscal year's total net position.
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$1,821,710, a decrease of \$30,632 (2%) in comparison with prior year.
- The General Fund's total fund balance decreased \$23,331 (2%) to \$1,459,410. The ending fund balance is 13% of revenues and transfers in and 13% of expenditures.
- Total long term liabilities of the Town increased by \$361,208 (5%) to \$7,243,825 during the fiscal year. This change was mainly the result of increases in accrued payroll of \$189,063 and in the Other Post Employment Benefits (OPEB) liability of \$381,919, and net decreases in warrants payable of \$99,752 and in the net debt payable liability of \$117,620.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activities include the ambulance and sewer activities.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial 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		
	2014	2013	Change
Assets:			
Current assets	\$ 3,574,744	\$ 3,548,495	\$ 26,249
Noncurrent assets (excluding capital assets)	2,130,845	2,519,438	(388,593)
Capital assets	9,554,800	9,374,400	180,400
Total assets	15,260,389	15,442,333	(181,944)
Deferred Outflows	154,000	-	154,000
Liabilities:			
Current liabilities (excluding debt)	633,208	494,573	138,635
Current debt	876,520	646,515	230,005
Noncurrent liabilities (excluding debt)	3,364,195	3,010,298	353,897
Noncurrent debt	2,344,580	2,698,100	(353,520)
Total liabilities	7,218,503	6,849,486	369,017
Net Position:			
Net investment in capital assets	9,007,138	8,924,936	82,202
Restricted	349,701	478,590	(128,889)
Unrestricted	(1,160,953)	(810,679)	(350,274)
Total net position	\$ 8,195,886	\$ 8,592,847	\$ (396,961)

	Business-Type Activities		
	2014	2013	Change
Assets:			
Current assets	\$ 140,881	\$ 132,994	\$ 7,887
Capital assets	91,006	110,376	(19,370)
Total assets	231,887	243,370	(11,483)
Liabilities:			
Current liabilities (excluding debt)	5,021	6,005	(984)
Current debt	20,301	27,126	(6,825)
Total liabilities	25,322	33,131	(7,809)
Net Position:			
Net investment in capital assets	70,705	83,250	(12,545)
Unrestricted	135,860	126,989	8,871
Total net position	\$ 206,565	\$ 210,239	\$ (3,674)

Financial Highlights
Statement of Activities Highlights

	Governmental Activities		
	2014	2013	Change
Program Revenues:			
Charges for services	\$ 517,482	\$ 508,011	\$ 9,471
Operating grants and contributions	2,407,823	2,549,397	(141,574)
Capital grants and contributions	225,876	-	225,876
General Revenues:			
Property taxes	7,183,805	7,082,741	101,064
Motor vehicle excise and other taxes	475,471	423,998	51,473
Hotel room occupancy taxes	105,947	110,787	(4,840)
Penalties and interest on taxes	84,152	105,075	(20,923)
Nonrestricted grants	412,888	419,987	(7,099)
Unrestricted investment income	2,748	2,878	(130)
Miscellaneous	16,017	1,117	14,900
Total revenues	11,432,209	11,203,991	228,218
Expenses:			
General government	533,717	502,683	31,034
Public safety	1,064,300	1,019,449	44,851
Public works	880,220	848,742	31,478
Education	8,057,581	7,821,960	235,621
Health and human services	118,301	117,754	547
Culture and recreation	79,939	83,542	(3,603)
Employee benefits and insurance	807,655	968,337	(160,682)
State assessments	140,853	165,717	(24,864)
Interest	151,105	174,936	(23,831)
Total expenses	11,833,671	11,703,120	130,551
Contributions to permanent funds	1,200	300	900
Transfers, net	3,301	4,676	(1,375)
Change in net position	(396,961)	(494,153)	97,192
Net position - beginning of year	8,592,847	9,087,000	(494,153)
Net position - end of year	\$ 8,195,886	\$ 8,592,847	\$ (396,961)

	Business-Type Activities		
	2014	2013	Change
Program Revenues:			
Charges for services	\$ 97,067	\$ 113,253	\$ (16,186)
Operating grants and contributions	40	360	(320)
General Revenues:			
Unrestricted investment income	179	210	(31)
Total revenues	97,286	113,823	(16,537)
Expenses:			
Ambulance	68,416	77,419	(9,003)
Sewer	29,243	28,536	707
Total expenses	97,659	105,955	(8,296)
Transfers, net	(3,301)	(4,676)	(7,977)
Change in net position	(3,674)	3,192	(6,866)
Net position - beginning of year	210,239	207,047	3,192
Net position - end of year	\$ 206,565	\$ 210,239	\$ (3,674)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$8,402,451 at the close of fiscal year 2014.

Net position of \$9,077,843 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 \$349,701 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,025,093) 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 two categories of net position and a negative balance in the unrestricted net position in the governmental activities. The unrestricted governmental activities resulted in a negative balance of (\$1,160,953) as a result of the required accrual under GASB No. 45 of the OPEB liability obligation in the amount of \$3,165,336.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position for the business-type activities.

The governmental activities net position decreased by \$396,961 (5%) during the current fiscal year, which reflects the general fund's results of operation. The key elements of the decrease in net position for fiscal year 2014 was attributed to the acquisition of \$642,505 in new capital assets exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$462,105 and decreases as a result of recognizing the change in unavailable revenue of \$436,308 and OPEB obligation of \$381,919.

There was a decrease of \$3,674 (2%) in net position reported in connection with the ambulance and sewer business-type activities. Of this, there was a decrease of \$10,447 attributed to the ambulance department and an increase of \$6,773 attributed to the sewer department.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$1,821,710 a decrease of \$30,632 (2%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Nonspendable fund balance - \$22,047 (1%).
- Restricted fund balance - \$292,769 (16%).
- Committed fund balance - \$49,941 (3%).
- Assigned fund balance - \$443,848 (24%).
- Unassigned fund balance - \$1,013,105 (56%).

At the end of the fiscal year, the General Fund reported a total fund balance of \$1,459,410 decreasing \$23,331 (2%) from the prior year. Of the \$1,459,410, the unassigned amount is \$1,015,562 (70%) and the assigned amount is \$443,848 (30%). General fund revenues were \$14,016 (.1%) less than the prior fiscal year while expenditures increased by \$195,702 (2%). Other activity in the General fund was net transfers from other funds of \$6,146.

The main components of the decreases in general fund revenues as compared to the prior year were related increases in excise taxes of \$68,436 (13%) and intergovernmental "on-behalf" payments of \$77,135 and a decrease to intergovernmental receipts of \$96,972 (5%).

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

- Increase in General government expenditures of \$118,395 (24%).
- Increase in Education expenditures of \$972,564 (15%).
- Decrease in Employee benefits and insurance expenditures of \$917,026 (58%).

Proprietary Funds

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

Major Proprietary Funds

The *Ambulance Fund* has accumulated a fund balance of \$157,222 used in the financing and operations of the Town's ambulance operations. The ambulance fund shows a decrease of \$10,447 (6%) attributed to operating costs exceeding operating revenues by \$8,010, interest income of \$146, interest expense of \$163 and transfers to the general fund of \$2,420. Operating revenues decreased by \$16,395 (21%) and operating expenses also decreased by \$8,878 (12%) from the prior year.

The *Sewer Fund* has accumulated a fund balance of \$49,343 used in the financing and operations of the Town's sewer system. The sewer department shows an increase of \$6,773 (16%) mainly attributed to operating revenues exceeding operating costs by \$7,621, interest income of \$33 and transfers to the general fund of \$881. Operating revenues decreased by \$111 while operating expenses increased by \$707 (2%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2014 was \$10,069,782. This was an increase of \$45,179 (.5%) over the previous year's budget. There were adjustments between various budget operating line items of the total original budget and the total final amended budget.

General fund expenditures were less than budgeted by \$84,614. Of the \$84,614 in under budget expenditures, \$72,595 has been carried over to fiscal year 2015.

There is a negative variance in property taxes of \$26,986 and in interest on taxes of \$8,348 resulting from lower collections. Additionally, negative variances exist in intergovernmental receipts of \$1,777 as actual receipts did not meet expectations and of \$8,132 in offset receipts-BHRD (Baker Hill Road district) attributed to actual collections being less than the actual offset for the third straight year.

There were negative variances in general government expenditures of \$16,491 associated with the repairs of the Town hall roof and repaving of the parking lot, in public works expenditures of \$57,677 attributed to snow and ice expenditures exceeding the amounts budgeted, and in state assessments of \$10,912 due mainly to lower expenses in registry of motor vehicles renewal surcharges of \$1,120 and higher school choice sending tuitions than anticipated assessments by \$12,032.

Overall the variance with the final budget was a positive \$84,380 consisting of a revenue surplus of \$72,361 and an appropriation surplus of \$12,019.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets of \$9,645,806 consisting of \$9,554,800 in the governmental activities and \$91,006 in the business-type activities.

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 of properties for \$21,165.
- Parking lot repaving for \$76,157.
- Fire department vehicle for \$32,860.
- Highway truck purchase for \$179,657.
- Road infrastructure improvements for \$332,666.

There were no major capital events during the current fiscal year in the business-type funds.

Debt Administration. The Town's outstanding governmental long-term debt, as of June 30, 2014, totaled \$3,157,500 of which \$81,000 is for the Town hall renovation project, \$67,500 for land acquisition, \$369,000 for various departmental vehicles and \$2,640,000 for the school project.

The Town has received \$749,000 in Small Town Road Assistance Program grants ("STRAP") for road projects. The Town is obligated to pay back thirty percent of the grant, or \$224,700, to the Commonwealth of Massachusetts over a ten year period. The liability at June 30, 2014 is \$63,600.

The Town's outstanding business-type debt is \$20,301 in ambulance debt as of June 30, 2014.

Please refer to notes 3D, 3F, and 3G for further discussion of the major capital and debt activity.

Town Meeting – Fiscal Year 2015

The Town of Lanesborough operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2014 do not reflect

the fiscal year 2015 Town Meeting action with the exception of the fund balance (free cash) and overlay surplus amounts used to fund the 2015 budget. The Annual Town Meeting on June 17, 2014 authorized a fiscal year 2015 operating and capital budget as follows:

From raise and appropriate		\$ 9,709,375
From ambulance receipts	\$ 7,200	
From ambulance retained earnings	<u>57,851</u>	65,051
From sewer receipts		34,805
From sewer retained earnings		
From Other Available Funds:		
General Fund:		
Unassigned fund balance:		
Free cash	271,253	
Overlay surplus	<u>100,000</u>	371,253
Non-major Governmental Funds:		
Internment fees	1,975	
Sale of Cemetery lots	20,000	
Baker Hill Road district reimbursements/STRAP grant	<u>250,239</u>	272,214
		<u><u>\$ 10,452,698</u></u>

Requests for Information

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

BASIC FINANCIAL STATEMENTS

TOWN OF LANESBOROUGH, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 2,232,233	\$ 100,426	\$ 2,332,659
Receivables, net of allowance for uncollectibles:			
Property Taxes	575,382	-	575,382
Tax Liens	198,139	-	198,139
Excise Taxes	49,442	-	49,442
User Charges	2,739	40,455	43,194
Due from Other Governments	516,809	-	516,809
Total current assets	3,574,744	140,881	3,715,625
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Due from Other Governments	2,130,845	-	2,130,845
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	642,456	-	642,456
Depreciable	8,912,344	91,006	9,003,350
Total noncurrent assets	11,685,645	91,006	11,776,651
Total Assets	15,260,389	231,887	15,492,276
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	154,000	-	154,000
Total Deferred Outflows of Resources	154,000	-	154,000
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	106,874	898	107,772
Accrued Payroll	428,934	4,123	433,057
Tax Refund Payable	30,200	-	30,200
Accrued Interest	19,938	-	19,938
Due to Other Governments - STRAP	12,720	-	12,720
Compensated Absences	36,461	-	36,461
Bonds and Notes Payable	863,800	20,301	884,101
Total current liabilities	1,509,728	25,322	1,535,050
NONCURRENT:			
Due to Other Governments - STRAP	50,880	-	50,880
Compensated Absences	198,859	-	198,859
OPEB Obligation Payable	3,165,336	-	3,165,336
Bonds and Notes Payable	2,293,700	-	2,293,700
Total noncurrent liabilities	5,708,775	-	5,708,775
Total Liabilities	7,218,503	25,322	7,243,825
NET POSITION			
Net Investment in Capital Assets	9,007,138	70,705	9,077,843
Restricted for:			
Capital Projects	52,483	-	52,483
Federal & State Grants	63,089	-	63,089
Permanent Funds:			
Expendable	10,496	-	10,496
Nonexpendable	22,047	-	22,047
Other Purposes	201,586	-	201,586
Unrestricted	(1,160,953)	135,860	(1,025,093)
Total Net Position	\$ 8,195,886	\$ 206,585	\$ 8,402,451

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

**TOWN OF LANESBOROUGH, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Program Revenues					Net (Expenses) Revenues and Changes in Net Position		
Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 533,717	\$ 53,205	\$ 32,467	\$ -	\$ (448,045)	\$ -	\$ (448,045)
Public Safety	1,064,300	251,117	220,850	-	(592,333)	-	(592,333)
Public Works	880,220	17,096	18,065	-	(619,183)	-	(619,183)
Education	8,057,581	173,242	2,030,810	225,876	(5,853,529)	-	(5,853,529)
Health and Human Services	118,301	15,045	14,067	-	(89,189)	-	(89,189)
Culture and Recreation	79,939	7,777	2,650	-	(69,512)	-	(69,512)
Employee Benefits and Insurance	807,655	-	2,114	-	(805,541)	-	(805,541)
State Assessments	140,853	-	-	-	(140,853)	-	(140,853)
Interest	151,105	-	86,800	-	(64,305)	-	(64,305)
Total Governmental Activities	11,833,671	517,482	2,407,823	225,876	(8,682,490)	-	(8,682,490)
Business-Type Activities:							
Ambulance	68,416	60,203	40	-	-	(8,173)	(8,173)
Sewer	29,243	36,864	-	-	-	7,621	7,621
Total Primary Government	\$ 11,931,330	\$ 614,549	\$ 2,407,863	\$ 225,876	(8,682,490)	(552)	(8,683,042)
General Revenues:							
Property Taxes					7,183,805	-	7,183,805
Motor vehicle excise and other taxes					475,471	-	475,471
Hotel room occupancy and meals taxes					105,947	-	105,947
Penalties & Interest on taxes					84,152	-	84,152
Grants & Contributions not restricted to specific programs					412,888	-	412,888
Unrestricted Investment Income					2,748	179	2,927
Miscellaneous					16,017	-	16,017
Contributions to Permanent Funds					1,200	-	1,200
Transfers, net					3,301	(3,301)	-
Total General Revenues, Contributions to Permanent Funds and Transfers					8,285,529	(3,122)	8,282,407
Change in Net Position							
Net Position:							
Beginning of year					8,592,847	210,239	8,803,086
End of year					\$ 8,195,886	\$ 206,565	\$ 8,402,451

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

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

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 1,870,551	\$ 361,682	\$ 2,232,233
Receivables, net of allowance for uncollectibles:			
Property Taxes	575,382	-	575,382
Tax Liens	198,139	-	198,139
Excise Taxes	49,442	-	49,442
User Charges	2,739	-	2,739
Due from Other Governments	2,529,164	118,490	2,647,654
Total Assets	\$ 5,225,417	\$ 480,172	\$ 5,705,589
Liabilities:			
Warrants and Accounts Payable	\$ 74,472	\$ 32,402	\$ 106,874
Accrued Payroll	378,349	50,585	428,934
Payroll Withholdings	10,801	-	10,801
Tax Refund Payable	30,200	-	30,200
Total Liabilities	493,822	82,987	576,809
Deferred Inflows of Resources:			
Unavailable Revenue	3,272,185	34,885	3,307,070
Fund Balance:			
Nonspendable	-	22,047	22,047
Restricted	-	292,769	292,769
Committed	-	49,941	49,941
Assigned	443,848	-	443,848
Unassigned	1,015,562	(2,457)	1,013,105
Total Fund Balance	1,459,410	362,300	1,821,710
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,225,417	\$ 480,172	\$ 5,705,589

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

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

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 7,082,617	\$ -	\$ 7,082,617
Intergovernmental	1,777,898	577,258	2,355,156
Excise and Other Taxes	598,601	-	598,601
Charges for Services	-	255,378	255,378
Licenses, Permits, Fees	192,779	-	192,779
Interest on Taxes	84,152	-	84,152
Investment Income	2,748	323	3,071
Offset Receipts - BHRD	216,896	-	216,896
Gifts and Donations	-	7,416	7,416
Other	-	17,143	17,143
Intergovernmental - "On-behalf" Payments	1,035,343	-	1,035,343
Total Revenues	10,991,034	857,518	11,848,552
Expenditures:			
Current:			
General Government	603,001	174	603,175
Public Safety	811,455	215,210	1,026,665
Public Works	642,163	536,036	1,178,199
Education	7,272,305	362,970	7,635,275
Health and Human Services	108,214	6,290	114,504
Culture and Recreation	71,582	6,294	77,876
Employee Benefits and Insurance	674,896	-	674,896
State Assessments	153,573	-	153,573
Debt Service:			
Principal	551,795	-	551,795
Interest	131,527	-	131,527
Total Expenditures	11,020,511	1,126,974	12,147,485
Excess of Revenues Over (Under) Expenditures	(29,477)	(269,456)	(298,933)
Other Financing Sources (Uses):			
Operating Transfers In	6,146	-	6,146
Operating Transfers Out	-	(2,845)	(2,845)
Proceeds from Issuance of Notes	-	265,000	265,000
Total Other Financing Sources (Uses)	6,146	262,155	268,301
Net Change in Fund Balances	(23,331)	(7,301)	(30,632)
Fund Balances, Beginning of Year	1,482,741	369,601	1,852,342
Fund Balances, End of Year	\$ 1,459,410	\$ 362,300	\$ 1,821,710

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

TOWN OF LANESBOROUGH, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2014

Total Governmental Fund Balances		\$ 1,821,710
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		9,554,800
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		3,307,070
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds Payable	\$ (3,157,500)	
Deferred Charges on Debt Refunding	154,000	
Due to Other Governments - STRAP	(63,600)	
Other Post Employment Benefits Payable	(3,165,336)	
Compensated Absences	<u>(235,320)</u>	(6,467,756)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest, is not reported until due.		<u>(19,938)</u>
Net Position of Governmental Activities		<u>\$ 8,195,886</u>

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

TOWN OF LANESBOROUGH, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds **\$ (30,632)**

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	\$ 642,505	
Depreciation	<u>(462,105)</u>	180,400

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 (436,308)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds.

Neither transaction, however, has any effect on net position:

Repayment of Debt Principal	551,795	
Repayment of STRAP	12,720	
Amortization of Net Loss on Refunding	(22,000)	
Proceeds from Issuance of Notes	<u>(265,000)</u>	277,515

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Net Change in Compensated Absences	(8,439)	
Net Change in Other Post Employment Benefits	(381,919)	
Net Change in Accrued Interest on Long-Term Debt	<u>2,422</u>	(387,936)

Change in Net Position of Governmental Activities **\$ (396,961)**

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

TOWN OF LANESBOROUGH, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Amounts	Variance with
	Original	Final	Budgetary	Carried	Final Budget
	Budget	Budget	Basis	Forward	Positive
				to Next Year	(Negative)
Revenues:					
Property Taxes	\$ 7,159,803	\$ 7,159,803	\$ 7,132,817	\$ -	\$ (26,986)
Intergovernmental	1,779,675	1,779,675	1,777,898	-	(1,777)
Excise and Other Taxes	526,200	526,200	598,601	-	72,401
Licenses, Permits, Fees	148,800	148,800	192,779	-	43,979
Interest on Taxes	92,500	92,500	84,152	-	(8,348)
Investment Income	500	500	1,724	-	1,224
Offset Receipts - BHRD	225,028	225,028	216,896	-	(8,132)
Total Revenues	9,932,506	9,932,506	10,004,867	-	72,361
Expenditures:					
Current:					
General Government	651,611	636,395	603,001	49,885	(16,491)
Public Safety	837,090	837,118	811,455	7,825	17,838
Public Works	560,809	597,968	642,163	13,482	(57,677)
Education	6,344,561	6,298,169	6,236,962	-	61,207
Health and Human Services	113,965	116,996	108,214	-	8,782
Culture and Recreation	74,049	74,049	71,582	1,403	1,064
Employee Benefits and Insurance	661,190	682,580	674,896	-	7,684
State Assessments	142,661	142,661	153,573	-	(10,912)
Debt Service:					
Principal	551,795	551,795	551,795	-	-
Interest	132,051	132,051	131,527	-	524
Total Expenditures	10,069,782	10,069,782	9,985,168	72,595	12,019
Excess of Revenues Over					
(Under) Expenditures	(137,276)	(137,276)	19,699	(72,595)	84,380
Other Financing Sources (Uses):					
Operating Transfers In (Out)	3,301	3,301	6,146	-	2,845
Total Other Financing Sources (Uses)	3,301	3,301	6,146	-	2,845
Excess (Deficiency) of Revenues and Other					
Financing Sources Over Expenditures and					
Other Financing Uses	(133,975)	(133,975)	25,845	(72,595)	87,225
Budgetary Fund Balance - Beginning of Year	761,763	761,763	761,763	-	-
Budgetary Fund Balance - End of Year	\$ 627,788	\$ 627,788	\$ 787,608	\$ (72,595)	\$ 87,225

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

TOWN OF LANESBOROUGH, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2014

	<u>Revenues</u>	<u>Expenditures</u>
Reported on a Budgetary Basis	\$ 10,004,867	\$ 9,985,168
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	1,024	-
Net Decrease in Revenue from recording Refund Taxes Payable	(3,500)	-
Recognition of Intergovernmental Revenue - "on behalf payments"	1,035,343	-
Recognition of Expenditures - "on behalf payments"	-	1,035,343
Net Decrease in Revenue from Recording 60-Day Receipts	(46,700)	-
Reported on a GAAP Basis	\$ 10,991,034	\$ 11,020,511

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

**TOWN OF LANESBOROUGH, MASSACHUSETTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2014**

	Business-Type Activities Enterprise Fund		
	Ambulance Fund	Sewer Fund	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 63,389	\$ 37,037	\$ 100,426
User Charges, net of allowance for uncollectibles	33,069	7,386	40,455
Total current assets	96,458	44,423	140,881
NONCURRENT:			
Capital Assets, net of accumulated depreciation	86,086	4,920	91,006
Total noncurrent assets	86,086	4,920	91,006
Total Assets	182,544	49,343	231,887
LIABILITIES			
CURRENT:			
Accounts Payable	898	-	898
Accrued Payroll	4,123	-	4,123
Bonds and Notes Payable	20,301	-	20,301
Total current liabilities	25,322	-	25,322
Total Liabilities	25,322	-	25,322
NET POSITION:			
Net Investment in Capital Assets	65,785	4,920	70,705
Unrestricted	91,437	44,423	135,860
Total Net Position	\$ 157,222	\$ 49,343	\$ 206,565

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

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

	Business-Type Activities Enterprise Fund		
	Ambulance Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 60,203	\$ 33,119	\$ 93,322
Other	40	3,745	3,785
Total Operating Revenues	60,243	36,864	97,107
Operating Expenses:			
Salaries & Wages	16,382	-	16,382
Operating Expenses	32,741	29,003	61,744
Depreciation	19,130	240	19,370
Total Operating Expenses	68,253	29,243	97,496
Operating Income (Loss)	(8,010)	7,621	(389)
Non-Operating Revenues (Expenses):			
Interest Income	146	33	179
Interest Expense	(163)	-	(163)
Total Non-Operating Revenues (Expenses)	(17)	33	16
Operating Transfers:			
Transfers In (Out)	(2,420)	(881)	(3,301)
Total Operating Transfers	(2,420)	(881)	(3,301)
Change in Net Position	(10,447)	6,773	(3,674)
Net Position at Beginning of Year	167,669	42,570	210,239
Net Position at End of Year	\$ 157,222	\$ 49,343	\$ 206,565

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

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

	Business-Type Activities Enterprise Fund		
	Ambulance Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 53,933	\$ 42,175	\$ 96,108
Receipts from Other Revenues	40	3,745	3,785
Payments to Vendors	(33,951)	(29,003)	(62,954)
Payments to Employees	(16,156)	-	(16,156)
Net Cash Provided by (Used for) Operating Activities	3,866	16,917	20,783
Cash Flows from Noncapital Financing Activities:			
Transfers from (to) Other Funds	(2,420)	(881)	(3,301)
Net Cash Provided by (Used for) Noncapital Financing Activities	(2,420)	(881)	(3,301)
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Notes	(6,825)	-	(6,825)
Interest Expense	(163)	-	(163)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(6,988)	-	(6,988)
Cash Flows from Investing Activities:			
Investment Income	146	33	179
Net Cash Provided by (Used for) Investing Activities	146	33	179
Net Increase (Decrease) in Cash and Cash Equivalents	(5,396)	16,069	10,673
Cash and Cash Equivalents at Beginning of Year	68,785	20,968	89,753
Cash and Cash Equivalents at End of Year	\$ 63,389	\$ 37,037	\$ 100,426

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

Operating Income (Loss)	\$ (8,010)	\$ 7,621	\$ (389)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	19,130	240	19,370
Change in Assets and Liabilities:			
Increase (Decrease) in Warrants Payable	(1,210)	-	(1,210)
Increase (Decrease) in Accrued Payroll	226	-	226
Decrease (Increase) in User Charges Receivable	(6,270)	9,056	2,786
Total Adjustments	11,876	9,296	21,172
Net Cash Provided by (Used for) Operating Activities	\$ 3,866	\$ 16,917	\$ 20,783

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

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

	Other Postemployment Benefits Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 10,012	\$ 2,294	\$ 27,132
Water District User Charges Receivable	-	-	1,578
Total Assets	10,012	2,294	28,710
LIABILITIES			
Warrants Payable	-	-	360
Due to Water District	-	-	5,278
Escrow and Deposits	-	-	5,000
Due to Others	-	-	10,544
Due to Student Groups	-	-	7,528
Total Liabilities	-	-	28,710
NET POSITION:			
Held in Trust for Other Purposes	\$ 10,012	\$ 2,294	\$ -

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

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

	Other Postemployment Benefits Trust Fund	Private Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 10,000	\$ -
Total Contributions	10,000	-
Investment Income:		
Interest & Dividends	12	5
Total Investment Earnings	12	5
Total Additions	10,012	5
Deductions:		
Educational Scholarships	-	100
Total Deductions	-	100
Change in Net Position	10,012	(95)
Net Position at Beginning of Year	-	2,389
Net Position at End of Year	\$ 10,012	\$ 2,294

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1765 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three member Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In Fiscal Year 2014, it was determined that no entities met the required GASB-39 and GASB-61 criteria of component units.

The Town is responsible for electing the members of the governing board of the Mount Greylock 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 members. Audited financial statements are available from the respective organization. A description of the related organization follows:

Mount Greylock Regional School District - A regional school district made up of the Towns of Lanesborough and Williamstown to serve and provide a learning environment. The district consists of a middle and high school. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects three district committee members 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual

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

governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

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

Major Fund Criteria

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

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

and
- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental 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.

Proprietary and fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The Town reports the following major governmental funds:

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

The Town reports the following major proprietary funds:

The *ambulance fund* is used to account for the ambulance services.

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

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

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

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

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

Additionally, the 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 Town reports the following fiduciary funds:

The *Other Post Employment Benefit (OPEB) Trust Fund* is used to account for the assets held by Town in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Fund cannot be used to support the Town's operations.

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

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

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

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

D. Cash and Cash Equivalents

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

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

Investment income from proprietary funds is maintained in those funds.

E. Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U. S. Government or agencies that have a maturity of less than one year from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

All investments are carried at fair value.

F. Accounts Receivables

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

Property Taxes and Tax Liens

Property taxes are based on assessments as of January 1, 2013 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is

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actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenue from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for the fiscal year 2014 on July 1, 2013 and October 1, 2013 that were due on August 1, 2013 and November 4, 2013. The actual tax bills were mailed on December 31, 2013 and April 1, 2014 and were due on February 3, 2014 and May 1, 2014, respectively.

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

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2014 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2014	\$ 7,285,290
Less: Debt Exclusion	<u>121,487</u>
	<u>\$ 7,406,777</u>

The total amount raised by taxation was \$7,243,893.

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

Excise Taxes

Excise taxes consist of motor vehicle excise. 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 \$25 per \$1,000 of value.

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

User Charges

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

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

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

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Notes to the Financial Statements
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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. Prepaid Assets

Certain payments to vendors, if any, that reflects costs applicable to future accounting periods are recorded as prepaid items both in the government-wide and fund financial statements.

H. Capital Assets

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

All purchase and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

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

I. Interfund Transfers

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

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers net".

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

J. Deferred Outflows and 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 loss on refunding* reported on the government-wide statement of net position. A

TOWN OF LANESBOROUGH, MASSACHUSETTS
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deferred loss is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

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 recorded in the government fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise and other taxes; user charges and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Net position and Fund Balances

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

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

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

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

"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.

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.

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

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

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

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

L. Long-term Debt

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

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

M. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Individuals with more than 15 or more years of service are entitled upon retirement to buy back 55% of accumulated unused sick time at their current rates of pay. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

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 90% share of insurance premiums for retirees and 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. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

TOWN OF LANESBOROUGH, MASSACHUSETTS
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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.
- Budgets are given to the finance committee for review.
- Finance committee meets with various departments to discuss the budget.
- Finance committee approves the budget and presents the budget at the annual Town meeting.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

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

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

For fiscal year 2014, the Town incurred a final budget deficit of \$133,975 for the General Fund.

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

Unassigned fund balance:	
Free cash votes	\$ 35,000
Prior year's deficits	(24,066)
Prior year's encumbrances	123,041
	<u>\$ 133,975</u>

B. Deficit Fund Balances

The following funds had deficits at June 30, 2014 as measured by the balances of unassigned fund balance.

- The *Emergency Management Assistance Grants Special Revenue Fund*, has a deficit of \$2,457. The deficit will be eliminated upon the future receipt of funds or additional appropriation funding.

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

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government has a deposit policy for custodial credit risk. Deposits at June 30, 2014 were \$2,511,604. Of these, none were exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

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

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.

The Town does not have any investments that meet the above criteria.

B. Receivables

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 577,171	\$ (1,789)	\$ 575,382
Tax liens	198,139	-	198,139
Excise	65,942	(16,500)	49,442
User charges	2,739	-	2,739
Due from other governments	2,647,654	-	2,647,654
	<u>\$ 3,491,645</u>	<u>\$ (18,289)</u>	<u>\$ 3,473,356</u>

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

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
Ambulance Fund:			
User charges	\$ 53,123	\$ (20,054)	\$ 33,069
Sewer Fund:			
User charges	7,386	-	7,386
	<u>\$ 60,509</u>	<u>\$ (20,054)</u>	<u>\$ 40,455</u>

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

Governmental Funds:

General Fund:

Commonwealth of Massachusetts:

Department of Transportation:

Motor vehicle infractions \$ 1,195

Department of Veterans Services:

Veterans benefits 6,611

Massachusetts School Building Authority:

School Building Assistance - Capital Portion 2,519,438

Various Towns and Others:

School tuitions and expenses 1,012

Lanesborough Fire and Water District:

Expense reimbursements 908 \$ 2,529,164

Nonmajor Governmental Funds:

U. S. Department of Agriculture -

School lunch 2,324

Commonwealth of Massachusetts:

Department of Elementary & Secondary Education:

School lunch 90

Special education reimbursement fund 28,457

Massachusetts Highway Department:

Chapter 90 funded projects 69,759

Various Towns and Others:

School tuitions and expenses 17,860 118,490

\$ 2,647,654

C. Deferred Outflows/Inflows of Resources – Unavailable Revenue

The government-wide financial statements statement of net position includes a separate section, listed below total assets, for *deferred outflows of resources*. The only item in this category is the governmental type *deferred loss on refunding*. A deferred loss is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. The current balance is \$154,000 and is amortized until fiscal year 2021.

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

TOWN OF LANESBOROUGH, MASSACHUSETTS
Notes to the Financial Statements
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year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

General Fund:			
Property taxes	\$	497,782	
Tax liens		198,139	
Excise taxes		49,442	
User charges		2,739	
Due from other governments		<u>2,524,083</u>	\$ 3,272,185
Nonmajor governmental funds:			
Due from other governments			<u>34,885</u>
			<u><u>\$ 3,307,070</u></u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2014, is as follows

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 621,291	\$ 21,165	\$ -	\$ 642,456
Total capital assets not being depreciated	621,291	21,165	-	642,456
Capital assets being depreciated:				
Buildings and Renovations	8,381,197	76,157	-	8,457,354
Machinery, equipment and other	2,003,980	212,517	(110,511)	2,105,986
Infrastructure	6,594,808	332,666	-	6,927,474
Total capital assets being depreciated	16,979,985	621,340	(110,511)	17,490,814
Less accumulated depreciation for:				
Buildings and Renovations	2,971,235	208,367	-	3,179,602
Machinery, equipment and other	1,980,557	118,682	(110,511)	1,988,728
Infrastructure	3,275,084	135,056	-	3,410,140
Total accumulated depreciation	8,226,876	462,105	(110,511)	8,578,470
Total capital assets being depreciated, net	8,753,109	159,235	-	8,912,344
Total governmental activities capital assets, net	\$ 9,374,400	\$ 180,400	\$ -	\$ 9,554,800

Business-Type Activities

Ambulance Fund

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Machinery, equipment and other	\$ 133,911	\$ -	\$ -	\$ 133,911
Total capital assets being depreciated	133,911	-	-	133,911
Less accumulated depreciation for:				
Machinery, equipment and other	28,695	19,130	-	47,825
Total accumulated depreciation	28,695	19,130	-	47,825
Total capital assets being depreciated, net	105,216	(19,130)	-	86,086
Total business-type activities capital assets, net	\$ 105,216	\$ (19,130)	\$ -	\$ 86,086

TOWN OF LANESBOROUGH, MASSACHUSETTS
Notes to the Financial Statements
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Business-Type Activities

Sewer Fund

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Infrastructure	\$ 6,000	\$ -	\$ -	\$ 6,000
Total capital assets being depreciated	6,000	-	-	6,000
Less accumulated depreciation for:				
Infrastructure	840	240	-	1,080
Total accumulated depreciation	840	240	-	1,080
Total capital assets being depreciated, net	5,160	(240)	-	4,920
Total business-type activities capital assets, net	\$ 5,160	\$ (240)	\$ -	\$ 4,920

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

Governmental Activities:

General government	\$ 6,699
Public safety	50,637
Public works	210,867
Education	188,042
Health and human services	3,797
Culture and recreation	2,063
Total depreciation expense - governmental activities	<u>\$ 462,105</u>

Business-Type Activities:

Ambulance fund	<u>\$ 19,130</u>
Sewer fund	<u>\$ 240</u>

E. Interfund Receivables, Payables and Transfers

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

	Transfers In:	
	General fund	Total
Transfers Out:		
Nonmajor governmental funds	\$ 2,845	\$ 2,845
Business-type fund	3,301	3,301
Total transfers out	<u>\$ 6,146</u>	<u>\$ 6,146</u>

F. Due to Commonwealth - STRAP

The Town received \$424,000 in Small Town Road Assistance Program grants ("STRAP") for road projects. The Town must pay back thirty percent of the grant, or \$127,200, to the Commonwealth of Massachusetts over a ten year period.

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

The liability is summarized as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due within One Year
Governmental activities:					
Due to Commonwealth:					
STRAP Grant	\$ 76,320	\$ -	\$ 12,720	\$ 63,600	\$ 12,720

The annual payments to retire this debt as of June 30, 2014, are as follows:

Year Ending June 30,	Governmental Activities
2015	\$ 12,720
2016	12,720
2017	12,720
2018	12,720
2019	12,720
	<u>\$ 63,600</u>

G. 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 and business-type activities.

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

	Interest	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2014
Inside Debt:					
Land acquisition	4.90%	12/28/2006	12/28/2016	\$ 225,000	\$ 67,500
Town hall renovation	2.80%	2/15/2012	2/15/2019	116,900	81,000
Fire Department Vehicle	0.65%	10/3/2013	10/3/2014	35,000	35,000
Forestry Vehicle	0.65%	10/3/2013	10/3/2014	50,000	50,000
Highway Dump Truck	0.53%	11/8/2013	12/18/2014	180,000	180,000
Highway Loader	0.53%	11/8/2013	12/18/2014	104,000	104,000
Total Inside Debt					<u>517,500</u>
Outside Debt:					
School project	3.79%	4/1/2007	5/1/2020	4,690,000	2,640,000
Total Outside Debt					<u>2,640,000</u>
Total governmental type debt					<u>\$ 3,157,500</u>

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

Future Debt Service

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

Governmental Type

Year	Principal	Interest	Total
2015	\$ 863,800	\$ 112,870	\$ 976,670
2016	489,400	90,837	580,237
2017	484,000	71,262	555,262
2018	450,900	52,449	503,349
2019	444,400	34,603	479,003
2020	425,000	17,000	442,000
	<u>\$ 3,157,500</u>	<u>\$ 379,021</u>	<u>\$ 3,536,521</u>

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

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2014
Ambulance activities:					
Inside Debt:					
Ambulance purchase	0.74%	9/20/2013	12/18/2014	\$ 20,301	<u>\$ 20,301</u>

Future Debt Service

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

Business-Type

Year	Principal	Interest	Total
2015	\$ 20,301	\$ 187	\$ 20,488

TOWN OF LANESBOROUGH, MASSACHUSETTS
Notes to the Financial Statements
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A summary of the changes in governmental activities and business-type long-term liabilities during the year is as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due within One Year
Governmental activities:					
Bond Payable:					
General obligation bonds	\$ 3,288,800	\$ -	\$ 500,300	\$ 2,788,500	\$ 494,800
Refunding notes	155,495	369,000	155,495	369,000	369,000
Compensated absences	226,881	23,336	14,897	235,320	36,461
OPEB Obligation payable	2,783,417	381,919	-	3,165,336	-
Deferred Outflows: less					
loss on advance refunding	(176,000)	-	(22,000)	(154,000)	(22,000)
Governmental activity:					
Long-term liabilities	\$ 6,278,593	\$ 774,255	\$ 648,692	\$ 6,404,156	\$ 878,261
Business type activities:					
Bond Payable:					
Refunding notes	\$ 27,126	\$ 20,301	\$ 27,126	\$ 20,301	\$ 20,301
Business-type activity					
Long-term liabilities	\$ 27,126	\$ 20,301	\$ 27,126	\$ 20,301	\$ 20,301

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2014 totaled \$537,801.

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, 2014:

Proposed and Revised		
Equalized Valuation-Real Estate and		
Personal Property (2014)		\$ 419,083,500
Debt Limit: 5 % of Equalized value		20,954,175
Total Debt Outstanding	\$ 3,177,801	
Less: Debt Outside Debt Limit	(2,640,000)	537,801
Inside Debt Excess Borrowing Capacity		
at June 30, 2014		\$ 20,416,374

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.

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

Loan authorizations that have not been issued as of June 30, 2014 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
6/14/2011	Purchase a new ambulance	\$ 5,788
6/11/2013	Building to house a Carousel	500,000
		<u>\$ 505,788</u>

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). 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 Long Term Debt	Town's Estimated Share	Town's Estimated Indirect Debt
Mount Greylock Regional School District	\$ 281,250	10.20%	<u>\$ 28,688</u>

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

H. Fund Balances

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

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Permanent funds	\$ -	\$ 22,047	\$ 22,047
Restricted:			
Federal and state grants	-	28,204	28,204
School revolving funds	-	11,717	11,717
Town revolving funds	-	47,317	47,317
Donations and gifts	-	25,064	25,064
Capital projects	-	52,483	52,483
Permanent funds	-	10,496	10,496
Other	-	117,488	117,488
	-	292,769	292,769
Committed:			
Permanent funds	-	49,941	49,941
Assigned:			
General government	49,885	-	49,885
Public safety	7,825	-	7,825
Public works	13,482	-	13,482
Culture and Recreation	1,403	-	1,403
Subsequent year's budget	371,253	-	371,253
	443,848	-	443,848
Unassigned:			
General Fund	1,015,562	-	1,015,562
Special Revenue Fund:			
Emergency Management Grants	-	(2,457)	(2,457)
	1,015,562	(2,457)	1,013,105
Total Governmental fund balances	\$ 1,459,410	\$ 362,300	\$ 1,821,710

I. 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.

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

At June 30, 2014, the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$	574,228
Municipal capital stabilization fund		50,175
	\$	<u>624,403</u>

4. OTHER INFORMATION

A. Risk Management

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

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

B. Contingent Liabilities

Litigation

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2014.

C. Other Post Employment Benefits

GASB Statement No. 45

The cost of post employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town adopted the requirements of GASB Statement No. 45 during the year ended June 30, 2010, and thus recognizes the cost of post employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

In addition to providing pension benefits as described on the following footnote, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date there are approximately 136 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town policy and member contracts. Employees and retirees contribute to the plan at various contribution rates through payroll and pension withholdings and the remainder of the cost is funded by the Town. The Town currently contributes to the plan on a pay-as-you-go basis. For the 2014 fiscal year, total Town premiums plus implicit costs for the retiree medical program are \$609,571.

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

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the Town's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation to the plan:

Annual required contribution	\$ 974,894
Interest on net OPEB obligation	125,254
Adjustment to annual required contribution	<u>(108,658)</u>
Annual OPEB cost (expense)	991,490
Contributions made during the fiscal year	<u>(609,571)</u>
Increase in net OPEB obligation	381,919
Net OPEB Obligation - beginning of year	<u>2,783,417</u>
Net OPEB Obligation - end of year	<u><u>\$ 3,165,336</u></u>

The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2014 fiscal year and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 991,490	61.5%	\$ 3,165,336
6/30/2013	\$ 953,060	64.9%	\$ 2,783,417
6/30/2012	\$ 1,249,682	33.7%	\$ 2,448,794

Funded Status and Funding Process

As of June 30, 2012, the most recent update to the report, the plan was 0.0% funded. The actuarial liability for benefits was \$13,267,651, and the actuarial value of assets was 0.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$13,267,651. The covered payroll (annual payroll of active employees covered by the plan) was not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Amounts determined regarding the funded status of the plan and the Annual Required Contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Actuarial accrued liabilities for benefits.

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

Actuarial Methods and Assumptions

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

The Town OPEB actuarial valuation as of June 30, 2012, used the projected unit credit cost method. The OPEB liability is currently unfunded and the actuarial assumptions include a 4.50% pay-as-you-go scenario discount rate and a 3.50% inflation rate. Medical and drug cost trend was 0% in 2013 and 7.5% in 2014, decreasing by .5% for five years to an ultimate level of 5% per year.

The unfunded actuarial accrued liability is being amortized over 30 years on a level dollar amount open basis. The remaining amortization period at June 30, 2014 is 26 years.

D. Trust Fund

The Town did establish a Trust Fund in order to contribute funds to reduce the future OPEB liability. As of June 30, 2014 the trust balance is \$10,012.

E. Pension Plan

Plan Description

The Town, as a member of the Berkshire Regional Retirement System (the System), participates in a cost-sharing multiple-employer defined benefit pension plan administered by the Berkshire Regional Retirement Board. Each participating employers' share of the total annual contribution is determined on the basis of active payroll. Substantially, all employees are members of the System, except for public school teachers and administrators who are members of Commonwealth of Massachusetts Teachers' Retirement System to which the Town does not contribute. Pension benefits and administrative expenses are paid by the Teachers' Retirement Board and are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$1,035,343 for the fiscal year ending June 30, 2014, and, accordingly, are reported in the General Fund as intergovernmental revenues and employee benefit expenditures.

The System provides retirement, disability, and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Laws assigns authority to establish and amend benefit provisions of the plan. Cost of living adjustments granted between 1981 and 1987 and any increases in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1987 must be approved by the Berkshire Regional Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System located at 76 East Street, Pittsfield, Massachusetts.

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

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

The Town's contribution to the System for the fiscal years ended June 30, 2014, 2013 and 2012 is shown below, which equaled its required contribution for each fiscal year.

Year Ended June 30	Town's Contribution
2014	\$ 297,508
2013	\$ 297,131
2012	\$ 284,036

The last actuarial valuation was prepared by the Public Employee Retirement Administration Commission (PERAC) as of January 1, 2013.

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

Actuarial Accrued Liability	\$ 199,926,528
Less: Assets	155,094,412
Unfunded Actuarial Liability	<u>\$ 44,832,116</u>

The Town's portion of such liability is approximately 3.54% or \$1,587,057.

Chapter 697 of the Acts of 1987, which was enacted on January 12, 1988, provides for the funding of the Commonwealth's current unfunded pension liability over a period not greater than forty years. In addition, Chapter 697 contained significant financial incentives for local governmental units to establish its own state-approved funding schedule to eliminate its unfunded actuarial liability by June 30, 2028. The Berkshire Regional Retirement System accepted the provisions of Chapter 32, Section 22 (D) to become a funding unit.

Reporting Policies

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

Investments are reported in accordance with PERAC requirements.

F. Implementation Of New GASB Pronouncements

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

G. Future GASB Pronouncements

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LANESBOROUGH, MASSACHUSETTS
Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan
Year Ended June 30, 2014

Schedule of Funding Progress

Other Post Employment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Aid (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2012	\$ -	\$ 13,267,651	\$ 13,267,651	0%	N/A	N/A
6/30/2010	\$ -	\$ 11,536,722	\$ 11,536,772	0%	\$ 2,986,214	386.3%

Schedule of Contribution Funding

Other Post Employment Benefits			
Fiscal Year Ended June 30	Annual OPEB Cost	Actual Contributions Made	Percentage Contributed
2014	\$ 991,490	\$ 609,571	61.5%
2013	\$ 953,060	\$ 618,437	64.9%
2012	\$ 1,249,682	\$ 420,855	33.7%

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

Actuarial Methods:

Valuation date	June 30, 2012
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	30-year open amortization payments

Actuarial Assumptions:

Investment rate of return	7.75%
Discount rate	4.50%, pay-as-you-go scenario
Medical/drug cost trend rate	7.5% in 2014 decreasing by 0.5% to an ultimate trend rate of 5% per year

Plan Membership:

Current active members	76
Current retirees, beneficiaries and dependents	60
Total	136

TOWN OF LANESBOROUGH, MASSACHUSETTS
Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
Berkshire Regional Retirement System
For the Year Ended June 30, 2014

Schedule of Funding Progress

Pension System						
Berkshire Regional Retirement System						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2013	\$ 155,094,412	\$ 199,926,528	\$ 44,832,116	77.6%	\$ 40,294,434	111.3%
1/1/2011	\$ 150,244,994	\$ 179,954,870	\$ 29,709,876	83.5%	\$ 38,491,825	77.2%
1/1/2009	\$ 121,882,036	\$ 162,214,802	\$ 40,332,766	75.1%	\$ 37,674,392	107.1%

Schedule of Funding Progress

Pension System						
Berkshire Regional Retirement System				Town		
Fiscal Year Ended	Annual Required Contributions	Actual Contributions (A)	Percentage Contributed	Actual Contributions (B)	Percentage of System-Wide Actual Contributions (B/A)	
6/30/2014	\$ 7,730,000	\$ 7,730,000	100.00%	\$ 297,508	3.54%	
6/30/2013	\$ 7,390,000	\$ 7,390,000	100.00%	\$ 297,131	3.70%	
6/30/2012	\$ 7,054,856	\$ 7,054,856	100.00%	\$ 284,036	3.69%	

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

Actuarial Methods:

Valuation date	January 1, 2013
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Total appropriation increasing 4.7% per year
Remaining amortization period	12 years remaining as of January 1, 2013
Asset valuation method	The actuarial value of assets is determined in accordance with the deferred recognition method under which 20% of gains and losses occurring in the year are recognized, 40% of those occurring 2 years ago, etc., so that 100% of the gains or losses occurring 5 years ago are recognized.
	The actuarial valuation of assets will be adjusted, if necessary, in order to remain between 85% and 115% of market value.

Actuarial Assumptions:

Investment rate of return	7.75%
Projected salary increase	Service based table with ultimate rates of 4.25%, 4.50% and 4.75% for groups 1, 2, and 4 respectively.
Cost of living adjustments	3.00% per year (of the first \$14,000)

Plan Membership:

Active participants	1,165
Vested terminated members	36
Retired participants and beneficiaries receiving benefits	697
Total	<u>1,898</u>

SUPPLEMENTARY SCHEDULES

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

	Fund Balances		Revenues		Expenditures		Other Financing Sources (Uses)		Fund Balances	
	July 1, 2013								June 30, 2014	
Special Revenue:										
Federal and State Grants:										
School Grants	\$	12,662	\$	109,394	\$	115,000	\$	-	\$	7,056
Council on Aging Grants		416		5,480		5,790		-		106
Emergency Management Assistance Grants		(2,457)		1,544		1,544		-		(2,457)
Highway Grants		-		332,666		332,666		-		-
Library Grants		4,143		2,597		5,144		-		1,596
Other Grants and Programs		2,263		500		500		-		2,263
Public Safety Grants		23,918		1,500		8,235		-		17,183
Schools:										
School Lunch Revolving		45		72,983		73,023		-		5
School Choice Program		59,466		93,064		157,958		17,140		11,712
Special Education Services Revolving		-		25,317		8,177		(17,140)		-
State Special Education Reimbursement Fund		8,587		-		8,587		-		-
Other:										
Agricultural Commission Revolving		469		490		108		-		851
Cable Franchise Fee Revolving		10,034		3,898		-		-		13,932
Canine Revolving		1,615		800		2,415		-		-
Code Enforcement Revolving		2,200		-		200		-		2,000
Conservation Fund		54,406		105		-		-		54,511
Conservation Wetland Fees		22,247		850		-		-		23,097
DARE Program		1,557		-		855		-		702
Gifts and Donations		20,107		7,416		2,459		-		25,064
HAZMAT Team Revolving		800		-		-		-		800
Highway Services Revolving		-		7,700		6,057		(1,643)		-
Insurance Reimbursement		-		15,943		14,741		(1,202)		-
Mall Road Survey		5,341		10		-		-		5,351
Mountain View Cemetery		37,659		5,675		-		-		43,334
Mower Maintenance Revolving		2,120		-		2,120		-		-
Police Outside Details		2,882		167,222		168,483		-		1,621
Recreation Revolving		5,411		-		395		-		5,016
Septic Management Program		12,592		-		-		-		12,592
Special Law Enforcement		-		998		-		-		998
Unemployment Fund		49,827		114		-		-		49,941
Total Special Revenue Funds	\$	338,310	\$	856,266	\$	914,457	\$	(2,845)	\$	277,274

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

	Fund Balances July 1, 2013	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2014
Capital Projects:					
Fire Department Vehicle	\$ -	\$ -	\$ 32,860	\$ 35,000	\$ 2,140
Forestry Truck	-	-	-	50,000	50,000
Highway Dump Truck	-	-	179,657	180,000	343
Total Capital Projects	-	-	212,517	265,000	52,483
Perpetual Permanent Funds:					
Cemetery Perpetual Care Fund	13,307	1,200	-	-	14,507
Joint Ministry Fund	4,840	-	-	-	4,840
Library Funds	2,700	-	-	-	2,700
Total Perpetual Permanent Funds	20,847	1,200	-	-	22,047
Permanent Funds:					
Bradley School Fund	3,075	6	-	-	3,081
Cemetery Perpetual Care Fund	4,431	25	-	-	4,456
Joint Ministry Fund	154	10	-	-	164
Library Funds	2,784	11	-	-	2,795
Total Permanent Funds	10,444	52	-	-	10,496
Total - Non-Major Governmental Funds	\$ 369,601	\$ 857,518	\$ 1,126,974	\$ 262,155	\$ 362,300

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

Uncollected Taxes		Abatements and Adjustments		Collections Net of Refunds and Overpayments		Uncollected Taxes	Uncollected Taxes
July 1, 2013	Commitments					June 30, 2014	Per Detail June 30, 2014
Real Estate Taxes:							
Levy of 2014	\$ -	\$ 7,069,896	\$ 78,752	\$ 6,602,396	\$ 388,748	\$ 388,748	
Levy of 2013	412,770	-	59,501	200,697	152,572	152,572	
Levy of 2012	142,104	-	26,305	97,431	18,368	18,368	
Levy of 2011	32,308	-	10,865	19,620	1,823	1,823	
Levy of 2010	(4,000)	-	-	(7,237)	3,237	3,237	
Prior Years	630	-	-	138	492	492	
	<u>583,812</u>	<u>7,069,896</u>	<u>175,423</u>	<u>6,913,045</u>	<u>565,240</u>	<u>565,240</u>	
Personal Property Taxes:							
Levy of 2014	-	173,998	323	167,732	5,943	5,943	
Levy of 2013	5,642	-	-	2,932	2,710	2,710	
Levy of 2012	1,382	-	-	289	1,093	1,093	
Levy of 2011	1,658	-	-	230	1,428	1,428	
Levy of 2010	1,355	-	-	-	1,355	1,355	
Prior Years	(381)	-	-	217	(598)	(598)	
	<u>9,656</u>	<u>173,998</u>	<u>323</u>	<u>171,400</u>	<u>11,931</u>	<u>11,931</u>	
Total Real Estate and Personal Property Taxes	\$ 593,468	\$ 7,243,894	\$ 175,746	\$ 7,084,445	\$ 577,171	\$ 577,171	

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

		Uncollected Taxes		Abatements and Adjustments		Collections Net of Refunds and Overpayments		Uncollected Taxes June 30, 2014		Uncollected Taxes Per Detail June 30, 2014	
		July 1, 2013	Commitments					June 30, 2014		June 30, 2014	
Motor Vehicle Excise Taxes:											
Levy of 2014	\$ -	\$ 396,224	\$ 12,579	\$ 350,484	\$ 33,161	\$ 33,161					
Levy of 2013	55,139	53,180	5,141	95,152	8,026	8,026					
Levy of 2012	8,225	135	243	5,034	3,083	3,083					
Levy of 2011	3,734	81	54	1,332	2,429	2,429					
Levy of 2010	1,565	-	-	181	1,384	1,384					
Prior Years	17,962	-	-	103	17,859	17,859					
Total Motor Vehicle Excise Taxes	\$ 86,625	\$ 449,620	\$ 18,017	\$ 452,286	\$ 65,942	\$ 65,942					

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

	Uncollected Accounts July 1, 2013		Abatements and Adjustments		Collections Net of Refunds and Overpayments		Uncollected Accounts June 30, 2014		Uncollected Accounts Per Detail June 30, 2014	
Tax Liens	\$	148,230	\$	119,485	\$	21,502	\$	48,074	\$	198,139
										\$ 198,139