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Town Manager

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## TOWN OF GREAT BARRINGTON MASSACHUSETTS

OFFICE OF THE TOWN MANAGER

**Revised**

### **AGENDA**

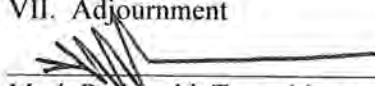
**Selectboard and Finance Committee FY21 Joint Budget Meeting**  
**Town Hall, 334 Main Street Great Barrington MA 01230**  
**Tuesday, February 11, 2020 at 5:30pm**

- I. Call to Order
- II. Audit Report FY 2018 - Tom Scanlon/Scanlon & Associates, LLC
- III. Southern Berkshire Ambulance Squad (SBAS)/ Bill Hathaway
- IV. Reserve Fund Transfer Request - Legal
- V. FY2021 Budget Review
  - a. Police Department
  - b. Emergency Management
  - c. Animal Control
  - d. Budget Wrap-ups (Discussion/Vote)

#### VI. Citizen Speak Time

*Citizen Speak Time is simply an opportunity for the Selectboard to listen to residents. Topics of particular concern or importance may be placed on a future agenda for discussion. This time is reserved for town residents only unless otherwise permitted by the chair, and speakers are limited to 3 minutes each.*

#### VII. Adjournment

  
Mark Pruhenski, Town Manager

*Pursuant to MGL, c. 30A sec. 20 (f), after notifying the chair of the public body, any person may make a video or audio recording of an open session of a meeting of a public body, or may transmit the meeting through any medium. At the beginning of the meeting, the chair shall inform other attendees of any such recordings. Any member of the public wishing to speak at the meeting must receive permission of the chair. The listings of agenda items are those reasonably anticipated by the chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.*

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**

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

**For the Year Ended June 30, 2018**

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Report on the Examination of Basic Financial Statements**  
**For the Year Ended June 30, 2018**

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## **Independent Auditor's Report**

To the Honorable Selectboard  
Town of Great Barrington, 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 Great Barrington, Massachusetts, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Great Barrington, Massachusetts' 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. Except as discussed in the section titled scope limitation, 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.

Except as discussed in the section titled scope limitation, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Scope Limitation**

We were unable to secure sufficient audit evidence to allow us to assess the receivables as presented in the financial statements are materially correct. We cannot measure the impact, if any, of this scope limitation to the financial statements as presented.

## Opinions

In our opinion, except for the impact on the financial statements, if any, due to the condition under scope limitation as described in the preceding paragraph, 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 Great Barrington, Massachusetts, as of June 30, 2018, 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, pension plan and other post employment benefit plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Great Barrington, 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 and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

February 6, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the Town of Great Barrington, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

### Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$28,601,819 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$28,220,256, or an increase of \$381,563 (1%).
- As required by Government Accounting Standards Board (GASB) Statement No. 75, in fiscal year 2018, the Town recognized an increase to the Other Post Employment Benefits (OPEB) obligation payable of \$11,343,719 on the statement of net position from the previous year, see Note 5.
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$11,117,801, an increase of \$1,578,026 (17%) in comparison with prior year.
- The General Fund's total fund balance decreased \$57,555 (1%) to \$6,467,626. The ending General fund balance is 25% of revenues and transfers in and 25% of expenditures and transfers out.
- Total liabilities of the Town increased by \$235,341 (1%) to \$40,846,781 during the fiscal year. This change was mainly the result of a net increase in the bonds payable of \$1,750,763 and a decrease in the net pension liability of \$1,205,192.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$3,515,497. The key factors that attributed to the free cash amount for fiscal year 2018 were unexpended/unencumbered appropriations of \$1,080,200, excess over budget state and local receipts of \$1,175,300 and prior year free cash not appropriated of \$385,600.
- The Town's enterprise funds certified free cash is as follows:
  - Sewer fund                      \$ 4,675,701.

### Overview of the Financial Statements

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

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

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activities include the sewer 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 Great Barrington adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer 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**

	<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Change</b>
<b>Assets:</b>			
Current assets	\$ 15,784,542	\$ 13,576,021	\$ 2,208,521
Noncurrent assets	-	113,688	(113,688)
Capital assets	36,089,934	35,395,388	694,546
<b>Total assets</b>	<b>51,874,476</b>	<b>49,085,097</b>	<b>2,789,379</b>
<b>Deferred Outflows of Resources</b>	<b>819,172</b>	<b>1,103,685</b>	<b>(284,513)</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	1,077,224	593,127	484,097
Current debt	3,101,990	3,589,250	(487,260)
Noncurrent liabilities (excluding debt)	16,365,279	17,468,094	(1,102,815)
Noncurrent debt	9,270,000	7,230,000	2,040,000
<b>Total liabilities</b>	<b>29,814,493</b>	<b>28,880,471</b>	<b>934,022</b>
<b>Deferred Inflows of Resources</b>	<b>1,388,391</b>	<b>177,097</b>	<b>1,211,294</b>
<b>Net Position:</b>			
Net investment in capital assets	23,717,944	25,651,264	(1,933,320)
Restricted	5,552,645	3,119,611	2,433,034
Unrestricted	(7,779,825)	(7,639,661)	(140,164)
<b>Total net position</b>	<b>\$ 21,490,764</b>	<b>\$ 21,131,214</b>	<b>\$ 359,550</b>

	<b>Business-Type Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Change</b>
<b>Assets:</b>			
Current assets	\$ 5,781,507	\$ 6,301,680	\$ (520,173)
Noncurrent assets (excluding capital assets)	6,446	106,490	(100,044)
Capital assets	12,421,773	12,323,991	97,782
<b>Total assets</b>	<b>18,209,726</b>	<b>18,732,161</b>	<b>(522,435)</b>
<b>Deferred Outflows of Resources</b>	<b>95,593</b>	<b>104,641</b>	<b>(9,048)</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	453,215	623,045	(169,830)
Current debt	462,045	454,237	7,808
Noncurrent liabilities (excluding debt)	1,904,304	1,978,918	(74,614)
Noncurrent debt	8,212,724	8,674,769	(462,045)
<b>Total liabilities</b>	<b>11,032,288</b>	<b>11,730,969</b>	<b>(698,681)</b>
<b>Deferred Inflows of Resources</b>	<b>161,976</b>	<b>16,791</b>	<b>145,185</b>
<b>Net Position:</b>			
Net investment in capital assets	3,454,680	3,830,091	(375,411)
Restricted	377,941	-	377,941
Unrestricted	3,278,434	3,258,951	19,483
<b>Total net position</b>	<b>\$ 7,111,055</b>	<b>\$ 7,089,042</b>	<b>\$ 22,013</b>

**Financial Highlights**  
**Statement of Activities Highlights**

	<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Change</b>
<b>Program Revenues:</b>			
Charges for services	\$ 1,093,368	\$ 1,472,105	\$ (378,737)
Operating grants and contributions	1,095,974	1,275,029	(179,055)
Capital grants and contributions	871,265	294,665	576,600
<b>General Revenues:</b>			
Property taxes	22,481,092	20,729,673	1,751,419
Motor vehicle excise and other taxes	1,659,338	1,620,155	39,183
Penalties and interest on taxes	179,980	241,648	(61,668)
Nonrestricted grants	1,221,095	961,259	259,836
Unrestricted investment income	34,756	28,174	6,582
Miscellaneous	11,850	58,019	(46,169)
<b>Total revenues</b>	<b>28,648,718</b>	<b>26,680,727</b>	<b>1,967,991</b>
<b>Expenses:</b>			
General government	2,635,195	2,705,550	(70,355)
Public safety	3,101,115	4,191,309	(1,090,194)
Public works	2,929,485	14,463,399	(11,533,914)
Education	15,329,397	3,104,371	12,225,026
Health and human services	474,637	509,163	(34,526)
Culture and recreation	942,773	1,024,550	(81,777)
Employee benefits and insurance	2,510,748	222,436	2,288,312
State assessments	101,656	71,964	29,692
Interest	352,412	309,127	43,285
<b>Total expenses</b>	<b>28,377,418</b>	<b>26,601,869</b>	<b>1,775,549</b>
<b>Net (expenses) revenues</b>	<b>271,300</b>	<b>78,858</b>	<b>192,442</b>
<b>Contributions to permanent funds</b>	<b>2,150</b>	<b>-</b>	<b>2,150</b>
<b>Transfers</b>	<b>86,100</b>	<b>86,100</b>	<b>-</b>
<b>Change in net position</b>	<b>359,550</b>	<b>164,958</b>	<b>194,592</b>
<b>Net position - beginning of year</b>	<b>21,131,214</b>	<b>20,966,256</b>	<b>164,958</b>
<b>Net position - end of year</b>	<b>\$ 21,490,764</b>	<b>\$ 21,131,214</b>	<b>\$ 359,550</b>

	Business-Type Activities		
	2018	2017	Change
<b>Program Revenues:</b>			
Charges for services	\$ 2,069,098	\$ 1,977,462	\$ 91,636
Operating grants and contributions	21,729	60,903	(39,174)
Capital grants and contributions	-	151,889	(151,889)
<b>Total revenues</b>	<b>2,090,827</b>	<b>2,190,254</b>	<b>(99,427)</b>
<b>Expenses:</b>			
Sewer	1,982,714	1,709,509	273,205
<b>Total expenses</b>	<b>1,982,714</b>	<b>1,709,509</b>	<b>273,205</b>
<b>Net (expenses) revenues</b>	<b>108,113</b>	<b>480,745</b>	<b>(372,632)</b>
<b>Transfers</b>	<b>(86,100)</b>	<b>(86,100)</b>	<b>-</b>
<b>Change in net position</b>	<b>22,013</b>	<b>394,645</b>	<b>(372,632)</b>
<b>Net position - beginning of year</b>	<b>7,089,042</b>	<b>6,694,397</b>	<b>394,645</b>
<b>Net position - end of year</b>	<b>\$ 7,111,055</b>	<b>\$ 7,089,042</b>	<b>\$ 22,013</b>

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,601,819 at the close of fiscal year 2018.

Net position of \$27,172,624 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, \$5,930,586, represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$4,501,391).

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 category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB obligation and net pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

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

The governmental activities net position increased by \$359,550 (2%) during the current fiscal year. The key elements of the decrease in net position for fiscal year 2018 are attributed to net increases in the governmental fund balances of \$1,578,026, in the acquisition of \$2,689,569 in new capital assets exceeding the depreciation expense (cost spread out over the useful life of the asset) for the year of \$1,995,023 and the changes in the net pension liability of \$1,138,908; and net decreases resulting from the repayment of debt \$2,205,000 and in recognizing the changes in this year's deferred outflow/(inflow) of resources related to pensions of \$914,280.

There was an increase of \$22,013 (.3%) in net position reported in the sewer business-type activities.

### **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 \$11,117,801, an increase of \$1,578,026 (17%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Non-spendable fund balance – \$291,865 (3%).
- Restricted fund balance – \$3,635,047 (33%).
- Committed fund balance – \$1,312,588 (12%).
- Assigned fund balance – \$2,278,286 (20%).
- Unassigned fund balance – \$3,600,015 (32%).

#### **Major Governmental Funds**

At the end of the fiscal year, the General Fund reported a total fund balance of \$6,467,626 decreasing \$57,555 (1%) from the prior year. Of the \$6,467,626, the unassigned amount is \$4,169,217 (64%), the assigned amount is \$2,278,286 (35%) and the committed amount is \$20,123 (1%). General fund revenues were \$1,152,141 (5%) more than the prior fiscal year and expenditures also increased by \$927,987 (4%). Other activity in the General Fund consisted of net transfers in from other funds of \$87,240.

The main components of the increase in general fund revenues were related to an increase in property taxes collected of \$1,035,103 (5%) from the prior year.

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

- Increase in Public safety expenditures of \$114,345 (5%).
- Increase in Education expenditures of \$865,998 (6%).
- Decrease in Debt service expenditures (principal and interest) of \$170,086 (12%).

The *Capital Project Fund* is used to account for multiple projects authorized by Town Meeting. The fund has a negative balance of \$120,443 at the end of the fiscal year and shows an increase of \$1,414,600 (92%). This is attributed to the expenditures of \$1,953,485, a bond premium of \$3,085 and bond proceeds of \$3,365,000. The Town has issued a bond anticipation note of \$1,130,000 which is not reflected in the Fund Balance.

The *Community Preservation Fund* has accumulated a fund balance of \$1,530,605. The fund balance shows a decrease of \$143,916 (9%) in total operations. This amount was attributed to collections of \$484,807, the Commonwealth of Massachusetts grant receipt of \$120,986, interest income of \$5,359, expenditures of \$705,068 and net transfers out to the nonmajor governmental funds of \$50,000.

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

## Major Proprietary Funds

The *Sewer Fund* has accumulated a fund balance of \$7,111,055 used in the financing and operations of the Town's sewer system. The fund shows an increase of \$22,013 (.3%) in total operations. This change was attributed to operating revenues exceeding operating expenses by \$287,032, interest income of \$19,555, intergovernmental receipts of \$2,174, interest expense of \$200,648 and net transfers out to the governmental funds of \$86,100. Operating revenues increased by \$91,636 (5%) and operating expenses also increased by \$258,570 (17%) from the prior year.

## General Fund Budgetary Highlights

The final general fund budget for fiscal year 2018 was \$27,305,623. This was an increase of \$1,725,632 (7%) from the previous year's budget.

General fund expenditures were less than budgeted by \$1,715,967. Of the \$1,715,967 in under budget expenditures, \$635,782 has been carried over to fiscal year 2019.

Overall, the variance with the final budget was a positive \$2,417,172 consisting of a revenue surplus of \$1,336,987 and an appropriation surplus of \$1,080,185.

## Capital Asset and Debt Administration

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$36,089,934 and \$12,421,773, respectively.

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

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

- Dewey Building improvements for \$192,391.
- Other Buildings' improvements for \$25,923.
- Police vehicle purchases for \$64,599.
- Fire Department vehicle purchase for \$599,790.
- Highway Storage Facility construction for \$97,344.
- Highway vehicle and equipment purchases for \$294,759.
- Road and sidewalk infrastructure improvements for \$1,414,773.

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

### Sewer fund:

- Sewer vehicle purchase for \$18,293.

**Debt Administration.** The Town's outstanding governmental debt as of June 30, 2018 totaled \$10,570,000 for various building improvements, vehicles and equipment, and street improvements.

The governmental activities currently have \$1,801,990 in bond anticipation notes outstanding for multiple capital activities.

The Town's outstanding business-type debt as of June 30, 2018 totaled \$8,674,769 consisting of various sewer system improvements.

The business-type activities currently have \$305,000 for phase II of the sewer improvement project.

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

### Next Year's Annual Town Meeting

The Town of Great Barrington 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, 2018 do not reflect the fiscal year 2019 Town Meeting actions with exception of the free cash and stabilization amounts used to fund the budget. The Annual Town Meeting on May 7, 2018 authorized the fiscal year 2019 operating and capital budgets as follows:

From raise and appropriate		\$	25,884,781
From sewer receipts			2,120,706
From Other Available Funds:			
<b>General Fund:</b>			
Unassigned fund balance:			
Free cash	\$	1,542,504	
Continuing appropriations		38,000	1,580,504
Stabilization fund			100,000
<b>Community Preservation Fund</b>			951,954
<b>Capital Projects Fund</b>			350,000
<b>Non-major Governmental Funds:</b>			
Building Improvements			75,000
		\$	<u>31,062,945</u>

### Requests for Information

This financial report is designed to provide a general overview of the Town of Great Barrington'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 Manager, Town Hall, 334 Main Street, Great Barrington, Massachusetts 01230.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 13,297,332	\$ 5,266,044	\$ 18,563,376
Investments	204,113	-	204,113
Receivables, net of allowance for uncollectibles:			
Property Taxes	682,145	-	682,145
Tax Liens	650,165	-	650,165
Excise Taxes	143,979	-	143,979
Departmental	62,824	-	62,824
User Charges	-	492,591	492,591
Due from Other Governments	743,984	22,872	766,856
Total current assets	15,784,542	5,781,507	21,566,049
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Due from Other Governments	-	6,446	6,446
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	6,723,864	10,655	6,734,519
Depreciable	29,366,070	12,411,118	41,777,188
Total noncurrent assets	36,089,934	12,428,219	48,518,153
<b>Total Assets</b>	<b>51,874,476</b>	<b>18,209,726</b>	<b>70,084,202</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	819,172	95,593	914,765
<b>Total Deferred Outflows of Resources</b>	<b>819,172</b>	<b>95,593</b>	<b>914,765</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants Payable	875,068	57,798	932,866
Accrued Payroll	119,795	14,530	134,325
Payroll Withholdings	29,642	-	29,642
Accrued Interest	37,719	75,887	113,606
Landfill Post-Closure Care Costs	15,000	-	15,000
Bond Anticipation Notes Payable	1,801,990	305,000	2,106,990
Bonds Payable	1,300,000	462,045	1,762,045
Total current liabilities	4,179,214	915,260	5,094,474
<b>NONCURRENT:</b>			
Compensated Absences	229,520	47,500	277,020
Landfill Post-Closure Care Costs	120,000	-	120,000
Net OPEB Liability	14,110,402	1,634,459	15,744,861
Net Pension Liability	1,905,357	222,345	2,127,702
Bonds Payable	9,270,000	8,212,724	17,482,724
Total noncurrent liabilities	25,635,279	10,117,028	35,752,307
<b>Total Liabilities</b>	<b>29,814,493</b>	<b>11,032,288</b>	<b>40,846,781</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	806,864	94,157	901,021
Deferred Inflows Related to OPEB	581,527	67,819	649,346
<b>Total Deferred Inflows of Resources</b>	<b>1,388,391</b>	<b>161,976</b>	<b>1,550,367</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	23,717,944	3,454,680	27,172,624
Restricted for:			
Capital Projects	1,375,379	377,941	1,753,320
Federal & State Grants	956,613	-	956,613
Community Preservation	1,552,500	-	1,552,500
Permanent Funds:			
Expendable	18,781	-	18,781
Nonexpendable	291,865	-	291,865
Other Purposes	1,357,507	-	1,357,507
Unrestricted	(7,779,825)	3,278,434	(4,501,391)
<b>Total Net Position</b>	<b>\$ 21,490,764</b>	<b>\$ 7,111,055</b>	<b>\$ 28,601,819</b>

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



**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

		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
<b>Governmental Activities:</b>	General Government	\$ 2,635,195	\$ 332,164	\$ 796,920	\$ -	\$ (1,506,111)	\$ -
	Public Safety	3,101,115	598,229	90,082	-	(2,412,804)	-
	Public Works	2,929,485	52,979	-	871,265	(2,005,241)	-
	Education	15,329,397	-	-	-	(15,329,397)	-
	Health and Human Services	474,637	91,982	106,872	-	(275,783)	-
	Culture and Recreation	942,773	18,014	23,901	-	(900,858)	-
	Employee Benefits and Insurance	2,510,748	-	78,199	-	(2,432,549)	-
	Intergovernmental Assessments	101,656	-	-	-	(101,656)	-
	Interest	352,412	-	-	-	(352,412)	-
	<b>Total Governmental Activities</b>	<b>28,377,418</b>	<b>1,093,368</b>	<b>1,095,974</b>	<b>871,265</b>	<b>(25,316,811)</b>	<b>-</b>
<b>Business-Type Activities:</b>	Sewer	1,982,714	2,069,098	21,729	-	-	108,113
	<b>Total Primary Government</b>	<b>\$ 30,360,132</b>	<b>\$ 3,162,466</b>	<b>\$ 1,117,703</b>	<b>\$ 871,265</b>	<b>(25,316,811)</b>	<b>(25,208,698)</b>
<b>General Revenues:</b>							
Property Taxes						22,481,092	22,481,092
Motor vehicle and other excise taxes						925,998	925,998
Hotel room occupancy and meal taxes						733,340	733,340
Penalties & Interest on taxes						179,980	179,980
Grants & Contributions not restricted to specific programs						1,221,095	1,221,095
Unrestricted Investment Income						34,756	34,756
Miscellaneous						11,850	11,850
<b>Contributions to Permanent Funds</b>						2,150	2,150
<b>Transfers, net</b>						86,100	(86,100)
<b>Total General Revenues, Contributions and Transfers</b>						<b>25,676,361</b>	<b>(86,100)</b>
<b>Change in Net Position</b>						<b>359,550</b>	<b>22,013</b>
<b>Net Position:</b>							
Beginning of year (as restated)						21,131,214	7,089,042
End of year						\$ 21,490,764	\$ 7,111,055
							\$ 28,601,819

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	General Fund	Capital Project Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 6,540,414	\$ 1,347,762	\$ 1,535,650	\$ 3,873,506	\$ 13,297,332
Investments	204,113	-	-	-	204,113
Receivables, net of allowance for uncollectibles:					
Property Taxes	669,748	-	12,397	-	682,145
Tax Liens	640,667	-	9,498	-	650,165
Excise Taxes	143,979	-	-	-	143,979
Departmental	31,017	-	-	31,807	62,824
Due from Other Governments	102,019	-	-	641,965	743,984
<b>Total Assets</b>	<b>\$ 8,331,957</b>	<b>\$ 1,347,762</b>	<b>\$ 1,557,545</b>	<b>\$ 4,547,278</b>	<b>\$ 15,784,542</b>
<b>Liabilities:</b>					
Warrants Payable	\$ 279,550	\$ 338,205	\$ 5,045	\$ 252,268	\$ 875,068
Accrued Payroll	107,838	-	-	11,957	119,795
Employee Withholdings	29,642	-	-	-	29,642
Bond Anticipation Notes Payable	-	1,130,000	-	671,990	1,801,990
<b>Total Liabilities</b>	<b>417,030</b>	<b>1,468,205</b>	<b>5,045</b>	<b>936,215</b>	<b>2,826,495</b>
<b>Deferred Inflows of Resources - Unavailable Revenue</b>	<b>1,447,301</b>	<b>-</b>	<b>21,895</b>	<b>371,050</b>	<b>1,840,246</b>
<b>Fund Balance:</b>					
Nonspendable	-	-	-	291,865	291,865
Restricted	20,123	-	1,530,605	2,084,319	3,635,047
Committed	-	-	-	1,312,588	1,312,588
Assigned	2,278,286	-	-	-	2,278,286
Unassigned	4,169,217	(120,443)	-	(448,759)	3,600,015
<b>Total Fund Balance</b>	<b>6,467,626</b>	<b>(120,443)</b>	<b>1,530,605</b>	<b>3,240,013</b>	<b>11,117,801</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,331,957</b>	<b>\$ 1,347,762</b>	<b>\$ 1,557,545</b>	<b>\$ 4,547,278</b>	<b>\$ 15,784,542</b>

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	Capital Project Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 21,676,676	\$ -	\$ 482,368	\$ -	\$ 22,159,044
Intergovernmental	1,083,214	-	120,986	1,326,134	2,530,334
Excise and Other Taxes	855,971	-	-	-	855,971
Hotel Room Occupancy and Meal Taxes	733,340	-	-	-	733,340
Licenses, Permits, Fees	883,363	-	-	-	883,363
Charges for Services	-	-	-	271,106	271,106
Interest on Taxes	177,541	-	2,439	-	179,980
Investment Income	34,756	-	5,359	10,820	50,935
Gifts and Donations	-	-	-	14,662	14,662
Other	-	-	-	7,405	7,405
<b>Total Revenues</b>	<b>25,444,861</b>	<b>-</b>	<b>611,152</b>	<b>1,630,127</b>	<b>27,686,140</b>
<b>Expenditures:</b>					
Current:					
General Government	1,690,355	192,391	705,068	177,997	2,765,811
Public Safety	2,308,850	633,645	-	321,556	3,264,051
Public Works	1,692,840	1,127,449	-	760,682	3,580,971
Education	15,329,397	-	-	-	15,329,397
Health and Human Services	427,359	-	-	34,928	462,287
Culture and Recreation	629,409	-	-	38,622	668,031
Employee Benefits and Insurance	2,154,356	-	-	-	2,154,356
Intergovernmental Assessments	71,436	-	-	30,220	101,656
Debt Service:					
Principal	1,010,000	-	-	150,000	1,160,000
Interest	275,654	-	-	47,981	323,635
<b>Total Expenditures</b>	<b>25,589,656</b>	<b>1,953,485</b>	<b>705,068</b>	<b>1,561,986</b>	<b>29,810,195</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(144,795)</b>	<b>(1,953,485)</b>	<b>(93,916)</b>	<b>68,141</b>	<b>(2,124,055)</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	132,240	-	-	100,100	232,340
Operating Transfers Out	(45,000)	-	(50,000)	(51,240)	(146,240)
Bond Premium	-	3,085	-	247,896	250,981
Proceeds From the Issuance of Bonds	-	3,365,000	-	-	3,365,000
<b>Total Other Financing Sources (Uses)</b>	<b>87,240</b>	<b>3,368,085</b>	<b>(50,000)</b>	<b>296,756</b>	<b>3,702,081</b>
<b>Net Change in Fund Balances</b>	<b>(57,555)</b>	<b>1,414,600</b>	<b>(143,916)</b>	<b>364,897</b>	<b>1,578,026</b>
<b>Fund Balances, Beginning of Year (as restated)</b>	<b>6,525,181</b>	<b>(1,535,043)</b>	<b>1,674,521</b>	<b>2,875,116</b>	<b>9,539,775</b>
<b>Fund Balances, End of Year</b>	<b>\$ 6,467,626</b>	<b>\$ (120,443)</b>	<b>\$ 1,530,605</b>	<b>\$ 3,240,013</b>	<b>\$ 11,117,801</b>

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**Total Fund Balances to the Statement of Net Position**  
**For the Year Ended June 30, 2018**

<b>Total Governmental Fund Balances</b>			\$ 11,117,801
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.			36,089,934
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.			1,840,246
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.			(569,219)
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:			
Bonds Payable	\$ (10,570,000)		
Landfill Post-Closure Care Costs	(135,000)		
Net Other Post Employment Benefits Liability	(14,110,402)		
Net Pension Liability	(1,905,357)		
Compensated Absences	(229,520)		
		(26,950,279)	
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.			(37,719)
<b>Net Position of Governmental Activities</b>			<u><u>\$ 21,490,764</u></u>

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

**TOWN OF GREAT BARRINGTON, 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, 2018**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 1,578,026**

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	\$ 2,689,569	
Depreciation	<u>(1,995,023)</u>	694,546

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflow - unavailable revenue. 713,747

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	1,160,000	
Proceeds from Issuance of Bonds and Notes	<u>(3,365,000)</u>	(2,205,000)

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	(51,600)	
Net Change in Landfill Post-Closure Care Costs	15,000	
Net Change in Net Other Post Employment Benefit Liability	507	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(581,527)	
Net Change in Net Pension Liability	1,138,908	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(914,280)	
Net Change in Accrued Interest	<u>(28,777)</u>	<u>(421,769)</u>

**Change in Net Position of Governmental Activities** **\$ 359,550**

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts					Amounts	Variance with
	Amounts					Carried	Final Budget
	Carried	Original	Final	Actual		Forward to	Positive
	Forward from	Budget	Budget	Budgetary		Next Year	(Negative)
	Prior Year			Basis			
Revenues:							
Property Taxes	\$ -	\$ 21,411,973	\$ 21,411,973	\$ 21,573,676	\$ -	\$ 161,703	
Intergovernmental	-	1,066,208	1,066,208	1,083,214	-	17,006	
Excise and Other Taxes	-	422,000	422,000	855,971	-	433,971	
Hotel Room Occupancy and Meal Taxes	-	470,000	470,000	733,340	-	263,340	
Licenses, Permits, Fees	-	568,000	568,000	883,363	-	315,363	
Interest on Taxes	-	45,000	45,000	177,541	-	132,541	
Investment Income	-	20,000	20,000	33,063	-	13,063	
Total Revenues	-	24,003,181	24,003,181	25,340,168	-	1,336,987	
Expenditures:							
Current:							
General Government	549,066	1,915,832	2,283,726	1,690,355	383,900	209,471	
Public Safety	7,474	2,351,676	2,423,586	2,308,850	17,151	97,585	
Public Works	92,719	1,623,982	1,770,643	1,692,840	73,444	4,359	
Education	-	15,329,397	15,329,397	15,329,397	-	-	
Health and Human Services	12,524	516,527	555,929	427,359	2,100	126,470	
Culture and Recreation	25,973	628,686	683,075	629,409	8,637	45,029	
Employee Benefits and Insurance	-	2,555,331	2,562,831	2,154,356	-	408,475	
Intergovernmental Assessments	-	71,436	71,436	71,436	-	-	
Debt Service:							
Principal	150,000	1,010,000	1,160,000	1,010,000	150,000	-	
Interest	-	465,000	465,000	275,654	550	188,796	
Total Expenditures	837,756	26,467,867	27,305,623	25,589,656	635,782	1,080,185	
Excess of Revenues Over (Under) Expenditures	(837,756)	(2,464,686)	(3,302,442)	(249,488)	(635,782)	2,417,172	
Other Financing Sources (Uses):							
Operating Transfers In	-	81,000	81,000	132,240	-	51,240	
Operating Transfers Out	-	(45,000)	(45,000)	(45,000)	-	-	
Total Other Financing Sources (Uses)	-	36,000	36,000	87,240	-	51,240	
Net Change in Budgetary Fund Balance	(837,756)	(2,428,686)	(3,266,442)	\$ (162,248)	\$ (635,782)	\$ 2,468,412	
Other Budgetary Items:							
Free Cash and Other Reserves	-	2,450,000	2,450,000				
Prior Year Deficits	-	(21,314)	(21,314)				
Prior Year Encumbrances	837,756	-	837,756				
Total Other Budgetary Items	837,756	2,428,686	3,266,442				
NET BUDGET	\$ -	\$ -	\$ -	-			

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Reconciliation of Revenues and Expenditures**  
**from Budgetary Basis to GAAP Basis**  
**For the Year Ended June 30, 2018**

	<u>Revenues</u>	<u>Expenditures</u>
<b>Reported on a Budgetary Basis</b>	\$ 25,340,168	\$ 25,589,656
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	1,693	-
Net Increase in Revenue from Recording 60-Day Receipts	103,000	-
<b>Reported on a GAAP Basis</b>	<u>\$ 25,444,861</u>	<u>\$ 25,589,656</u>

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2018**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Sewer Fund</b>
<b>ASSETS</b>	
CURRENT:	
Cash and Cash Equivalents	\$ 5,266,044
Investments	
User Charges, net of allowance for uncollectibles	492,591
Due from Other Governments	22,872
Total current assets	<u>5,781,507</u>
NONCURRENT:	
Due from Other Governments	6,446
Capital Assets, net of accumulated depreciation:	
Nondepreciable	10,655
Depreciable	12,411,118
Total noncurrent assets	<u>12,428,219</u>
<b>Total Assets</b>	<u><u>18,209,726</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pensions	95,593
<b>Total Deferred Outflows of Resources</b>	<u><u>95,593</u></u>
<b>LIABILITIES</b>	
CURRENT:	
Warrants Payable	57,798
Accrued Payroll	14,530
Accrued Interest	75,887
Bond Anticipation Notes Payable	305,000
Bonds Payable	462,045
Total current liabilities	<u>915,260</u>
NONCURRENT:	
Compensated Absences	47,500
Net OPEB Liability	1,634,459
Net Pension Liability	222,345
Bonds Payable	8,212,724
Total noncurrent liabilities	<u>10,117,028</u>
<b>Total Liabilities</b>	<u><u>11,032,288</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pensions	94,157
Deferred Inflows Related to OPEB	67,819
<b>Total Deferred Inflows of Resources</b>	<u><u>161,976</u></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	3,454,680
Restricted for Capital Projects	377,941
Unrestricted	3,278,434
<b>Total Net Position</b>	<u><u>\$ 7,111,055</u></u>

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



**TOWN OF GREAT BARRINGTON, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Sewer Fund</b>
<b>Operating Revenues:</b>	
Charges for Services	\$ 2,048,040
Other	21,058
<b>Total Operating Revenues</b>	<b>2,069,098</b>
<b>Operating Expenses:</b>	
Salaries & Wages	414,609
Operating Expenses	884,779
Depreciation	482,678
<b>Total Operating Expenses</b>	<b>1,782,066</b>
<b>Operating Income (Loss)</b>	<b>287,032</b>
<b>Non-Operating Revenues (Expenses):</b>	
Interest Income	19,555
Intergovernmental	2,174
Interest Expense	(200,648)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(178,919)</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>108,113</b>
<b>Operating Transfers:</b>	
Transfer In	-
Transfers (Out)	(86,100)
<b>Total Operating Transfers</b>	<b>(86,100)</b>
<b>Change in Net Position</b>	<b>22,013</b>
<b>Net Position at Beginning of Year (as restated)</b>	<b>7,089,042</b>
<b>Net Position at End of Year</b>	<b>\$ 7,111,055</b>

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Sewer Fund</b>
<b>Cash Flows From Operating Activities:</b>	
Receipts from Customers and Users	\$ 2,006,664
Receipts from Other Revenues	21,058
Payments to Vendors	(810,745)
Payments to Employees	(413,136)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>803,841</b>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Transfers from (to) Other Funds	(86,100)
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>(86,100)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Intergovernmental	8,136
Proceeds from MCWT Loan Funds	1,028,570
Proceeds from the Issuance of Notes and Bonds	305,000
Acquisition and Construction of Capital Assets	(1,046,865)
Principal Payments on Bonds and Notes	(454,237)
Interest Expense	(204,961)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(364,357)</b>
<b>Cash Flows from Investing Activities:</b>	
Investment Income	19,555
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>19,555</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>372,939</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>4,893,105</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 5,266,044</b>

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

<b>Operating Income (Loss)</b>	<b>\$ 287,032</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>	
Depreciation	482,678
Deferred (Outflows)/Inflows of Resources Related to Pensions	86,414
Deferred (Outflows)/Inflows of Resources Related to OPEB	67,819
Change in Assets and Liabilities:	
Increase (Decrease) in Warrants Payable	(2,725)
Increase (Decrease) in Accrued Payroll	(1,387)
Increase (Decrease) in Compensated Absences	2,860
Increase (Decrease) in Net OPEB Liability	(11,190)
Increase (Decrease) in Net Pension Liability	(66,284)
Decrease (Increase) in User Charges Receivable	(41,376)
<b>Total Adjustments</b>	<b>516,809</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 803,841</b>

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 29,893
<b>Total Assets</b>	<b>29,893</b>
<b>LIABILITIES</b>	
Warrants Payable	19,556
Due to Others	10,337
<b>Total Liabilities</b>	<b>29,893</b>
<b>NET POSITION</b>	
Held in Trust for Other Purposes	\$ -

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town was incorporated in 1761 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five-member Selectboard.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2018, it was determined that no entities met the required GASB-39 and GASB-61 criteria of component units.

The Town is responsible for electing the governing board and/or committee members of the Berkshire Hills Regional School District, the Great Barrington Housing Authority and the Great Barrington Fire District. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board members. A description of the related organizations follows:

**Berkshire Hills Regional School District** - A regional school district made up of three communities to serve and provide a learning experience. The regional school district is a separate entity under the Commonwealth of Massachusetts. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

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

**Great Barrington Fire District** – A District that provides water services to the residents of the Town. The districts are autonomous and self-sufficient units under the General Laws of the Commonwealth of Massachusetts. The Town has no significant influence over management, budget or policies of the districts.

**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.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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 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 government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and change in net position.

**Major Fund Criteria**

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

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),
- and*
- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

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

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. Under the modified accrual basis of accounting 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.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The Town reports the following major governmental fund:

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

The *capital project fund* is used to account for multiple projects authorized by Town Meeting to be funded with bond proceeds and/or Town appropriations.

The *community preservation fund* is a special revenue fund that is used to account for the accumulation of resources generated from a surcharge levy on its real property tax and the receipt of state matching funds for the acquisition, creation, preservation, rehabilitation and restriction of open space, historic resources and affordable housing.

The Town reports the following major proprietary funds:

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.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

Additionally, the Town reports the following fund types:

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

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

#### **D. Cash and Cash Equivalents**

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

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

Investment income from proprietary funds is maintained in those funds.

#### **E. Investments**

The Town maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

Additional investment disclosures are presented in these Notes.

**F. Receivables**

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

**Property Taxes and Tax Liens**

Property taxes are based on assessments as of January 1, 2017. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The first tax payment is due November 1st, or thirty days after the date tax bills were mailed, whichever is later and must be at least one-half of the tax and any betterments. The balance of the tax is owed by May 1st of the following year. If payments are not made by the due dates, interest at the rate of 14% will be charged on the amount of the payment that is unpaid and overdue. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed actual tax bills for fiscal year 2018 on September 7, 2017 and March 30, 2018 that were due on November 1, 2017 and May 1, 2018.

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 2017 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2018	\$ 21,717,815
Less: Debt Exclusion	<u>1,380,052</u>
Maximum Allowable Levy	<u><u>\$ 23,097,867</u></u>

The total amount to be raised by taxation was \$21,574,492.

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

**Excise Taxes**

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually 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 is the fair market value of the vehicle multiplied by \$25 per \$1,000 of value.

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



**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**User Charges**

User charges and fees consist of sewer fees. Sewer fees are levied based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. 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 uncollectible accounts is estimated based on historical trends and specific account analysis.

**Departmental**

Departmental receivables consist of fees for parking tickets and public safety false alarms, and police off-duty details.

The allowance for uncollectible accounts is estimated based on 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 the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

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

**G. Capital Assets**

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

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

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

<b>Capital Asset Type</b>	<b>Years</b>
Buildings and renovations	20-40
Machinery, equipment and other	3-15
Infrastructure	20-40

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

**H. Interfund Transfers**

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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.

**I. Deferred Outflows/Inflows of Resources**

**Government-wide financial statements**

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

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

**Fund financial statements**

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

**J. Net Position and Fund Balances**

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

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

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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

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

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

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

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

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

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

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

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

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

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

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

#### **K. Long-term Debt**

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

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**L. Compensated Absences**

The Town grants to employees unused sick leave benefits in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused sick leave (subject to certain limitations) at their current rates of pay. The Town has established a trust fund with Town appropriations (typically \$35,000 annually, \$30,000 from the general fund and \$5,000 from the sewer fund) to be used to fund the accumulated sick leave benefits. The balance in the trust fund at June 30, 2018 is \$441,237.

**M. Pension Benefits**

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

**N. Post Retirement Benefits**

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

**O. Use of Estimates**

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

**P. Total Column**

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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

- Estimates are submitted by departments in accordance with Massachusetts general Laws.
- 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 for a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

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

For fiscal year 2018, the Town incurred a final budget deficit of \$3,266,442 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	\$ 2,450,000
Reserve for Deficits	(21,314)
Prior year's encumbrances	837,756
	<hr/>
	\$ 3,266,442
	<hr/>

**B. Deficit Fund Balances**

The following funds have deficits at June 30, 2018 as measured by the balances of unassigned fund balance.

- The *Capital project fund* and major fund has a deficit of \$120,443. The Town has an outstanding bond anticipation note for \$1,130,000. This deficit will be eliminated upon the issuance of permanent debt.
- The *Highway storage facility* capital project fund has a deficit of \$97,333. The Town has an outstanding bond anticipation note for \$210,000. This deficit will be eliminated upon the issuance of permanent debt.
- The *Building improvement* capital project fund has a deficit of \$25,923. The Town has an outstanding bond anticipation note for \$75,000. This deficit will be eliminated upon the issuance of permanent debt.
- The *Police cruisers* capital project fund has a deficit of \$30,744. The Town has an outstanding bond anticipation note for \$92,000. This deficit will be eliminated upon the issuance of permanent debt.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

- The *Highway dump truck* capital project fund has a deficit of \$178,090. The Town has an outstanding bond anticipation note for \$178,090. This deficit will be eliminated upon the issuance of permanent debt.
- The *Cemetery dump truck* capital project fund has a deficit of \$62,869. The Town has an outstanding bond anticipation note for \$63,000. This deficit will be eliminated upon the issuance of permanent debt.
- The *Highway skid steer* capital project fund has a deficit of \$53,800. The Town has an outstanding bond anticipation note for \$53,900. This deficit will be eliminated upon the issuance of permanent debt.

### **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 does not have a deposit policy for custodial credit risk. Deposits at June 30, 2018 were \$18,927,338. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

##### **Investment Policies**

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

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost.

As such, the Town reports its investments in MMDT in the amount of \$204,113. MMDT's fair value is measured at amortized cost.

##### **Custodial Credit Risks - Investments**

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments all are in the MMDT and thus are exempt from collateralization. The Town has no policy on custodial credit risk.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**Interest Rate Risk**

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

**Credit Risk**

There is no exposure to credit risk.

**Concentration of Credit Risk**

The Town places no limit on the amount the Town may invest in one issuer. The Town's entire investment is in the MMDT.

**Fair Value of Investments**

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2018:

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	\$ 204,113			

**B. Receivables**

At June 30, 2018, receivables for the individual major governmental funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 692,464	\$ (10,319)	\$ 682,145
Tax liens	650,165	-	650,165
Excise taxes	191,972	(47,993)	143,979
Departmental	78,447	(15,623)	62,824
Due from other governments	743,984	-	743,984
	<u>\$ 2,357,032</u>	<u>\$ (73,935)</u>	<u>\$ 2,283,097</u>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

At June 30, 2018, receivables for the business-type activities consist of the following:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
<b>Sewer Fund:</b>			
User charges	\$ 414,630	\$ (10,275)	\$ 404,355
Tax liens	88,236	-	88,236
Due from other governments	29,318	-	29,318
	<u>\$ 532,184</u>	<u>\$ (10,275)</u>	<u>\$ 521,909</u>

The composition of amounts due from other governments as of June 30, 2018 for the governmental funds is as follows:

<b>General Fund:</b>		
<b>Commonwealth of Massachusetts:</b>		
Department of Revenue:		
Veterans, blind and surviving spouse exemptions	\$ 14,080	
Department of Veterans Services:		
Veterans benefits	<u>87,939</u>	\$ 102,019
<b>Nonmajor Governmental Funds:</b>		
<b>Commonwealth of Massachusetts:</b>		
Department of Elder Affairs:		
Council on Aging Service Incentive Grant	9,215	
Department of Energy Resources:		
Green Communities Grant	16,815	
Executive Office of Economic Development:		
Massachusetts Works Grant	13,568	
Executive Office of Public Safety and Homeland Security:		
State 911 Support and Incentive Grants	16,944	
Massachusetts Department of Transportation:		
Highway Department - Chapter 90 funded projects	<u>585,423</u>	641,965
	<u>\$</u>	<u>\$ 743,984</u>

The composition of amounts due from other governments as of June 30, 2018 for the business-type funds is as follows:

<b>Business-Type Funds:</b>	
<b>Sewer Fund:</b>	
<b>Massachusetts Clean Water Trust:</b>	
Principal loan subsidy	\$ 12,676
Sewer project	<u>16,642</u>
	<u>\$ 29,318</u>



**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**C. Deferred Inflows of Resources – Unavailable Revenue**

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

<b>General Fund:</b>			
Property taxes	\$	566,748	
Tax liens		640,667	
Excise taxes		143,979	
Departmental		31,017	
Due from other governments		64,890	\$ 1,447,301
<b>Community Preservation Fund:</b>			
Property taxes		12,397	
Tax liens		9,498	21,895
<b>Nonmajor governmental funds:</b>			
Departmental		27,718	
Due from other governments		343,332	371,050
			<u>\$ 1,840,246</u>

**D. Capital Assets**

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2018, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,506,248	\$ -	\$ -	\$ 5,506,248
Construction in progress	2,723,497	1,410,007	(2,915,888)	1,217,616
Total capital assets not being depreciated	8,229,745	1,410,007	(2,915,888)	6,723,864
Capital assets being depreciated:				
Buildings and Renovations	15,041,814	1,316,785	-	16,358,599
Machinery, equipment and other	8,560,832	959,148	(72,712)	9,447,268
Infrastructure	17,948,991	1,919,517	-	19,868,508
Total capital assets being depreciated	41,551,637	4,195,450	(72,712)	45,674,375
Less accumulated depreciation for:				
Buildings and Renovations	5,416,086	505,411	-	5,921,497
Machinery, equipment and other	5,029,841	550,266	(72,712)	5,507,395
Infrastructure	3,940,067	939,346	-	4,879,413
Total accumulated depreciation	14,385,994	1,995,023	(72,712)	16,308,305
Total capital assets being depreciated, net	27,165,643	2,200,427	-	29,366,070
Total governmental activities capital assets, net	\$ 35,395,388	\$ 3,610,434	\$ (2,915,888)	\$ 36,089,934

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 10,655	\$ -	\$ -	\$ 10,655
Construction in Progress	9,022,287	562,165	(9,584,452)	-
Total capital assets not being depreciated	9,032,942	562,165	(9,584,452)	10,655
Capital assets being depreciated:				
Buildings and renovations	10,077,690	-	-	10,077,690
Machinery, equipment and other	1,299,428	18,293	(29,537)	1,288,184
Infrastructure	582,026	9,584,452	-	10,166,478
Total capital assets being depreciated	11,959,144	9,602,745	(29,537)	21,532,352
Less accumulated depreciation for:				
Buildings and renovations	7,495,932	188,269	-	7,684,201
Machinery, equipment and other	941,705	88,329	(29,537)	1,000,497
Infrastructure	230,457	206,079	-	436,536
Total accumulated depreciation	8,668,094	482,677	(29,537)	9,121,234
Total capital assets being depreciated, net	3,291,050	9,120,068	-	12,411,118
Total business-type activities capital assets, net	\$ 12,323,992	\$ 9,682,233	\$ (9,584,452)	\$ 12,421,773

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

**Governmental Activities:**

General government	\$ 80,738
Public safety	477,853
Public works	1,156,140
Health and human services	5,550
Culture and recreation	274,742
Total depreciation expense - governmental activities	<u>\$ 1,995,023</u>

**Business-Type Activities:**

Sewer fund	<u>\$ 482,677</u>
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**E. Short-Term Financing**

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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

<b>Governmental Activities</b>						
<b>Purpose</b>	<b>Interest Rate</b>	<b>Final Maturity Date</b>	<b>Balance July 1, 2017</b>	<b>Renewed/ Issued</b>	<b>Retired/ Redeemed</b>	<b>Outstanding June 30, 2018</b>
<b>Bond Anticipation Notes:</b>						
Municipal Purpose Loan of 2017	1.15%	10/30/2017	\$ 2,454,250	\$ -	\$ 2,454,250	\$ -
Municipal Purpose Loan of 2018	2.00%	5/15/2019	-	1,801,990	-	1,801,990
Total Governmental Activities			<u>\$ 2,454,250</u>	<u>\$ 1,801,990</u>	<u>\$ 2,454,250</u>	<u>\$ 1,801,990</u>

<b>Business-Type Activities:</b>						
<b>Purpose</b>	<b>Interest Rate</b>	<b>Final Maturity Date</b>	<b>Balance July 1, 2017</b>	<b>Renewed/ Issued</b>	<b>Retired/ Redeemed</b>	<b>Outstanding June 30, 2018</b>
<b>Bond Anticipation Notes:</b>						
Municipal Purpose Loan of 2018	2.00%	5/15/2019	\$ -	\$ 305,000	\$ -	\$ 305,000

## **F. Long Term Debt**

### **General Obligation Bonds**

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

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

	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2018</b>
<b>Inside Debt:</b>					
Municipal Purpose Loan of 2013	2.62%	8/1/2013	6/1/2028	\$ 2,526,400	\$ 1,615,000
Municipal Purpose Loan of 2014	1.89%	6/15/2014	6/1/2024	1,657,280	940,000
Municipal Purpose Loan of 2016	1.31%	6/26/2016	6/15/2027	4,725,000	4,075,000
Municipal Purpose Loan of 2017	2.13%	10/26/2017	4/15/2033	3,940,000	3,940,000
Total governmental type debt					<u>\$ 10,570,000</u>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**Future Debt Service**

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2018, are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 1,300,000	\$ 328,650	\$ 1,628,650
2020	1,270,000	315,550	1,585,550
2021	1,275,000	243,813	1,518,813
2022	1,195,000	201,872	1,396,872
2023	1,200,000	158,022	1,358,022
2024-2028	3,495,000	347,005	3,842,005
2029-2033	835,000	71,100	906,100
	<u>\$ 10,570,000</u>	<u>\$ 1,666,012</u>	<u>\$ 12,236,012</u>

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

	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2018</b>
<b>Sewer Fund:</b>					
<b>Inside Debt:</b>					
Municipal Purpose Loan of 2013	2.62%	8/1/2013	6/1/2028	\$ 268,600	\$ 195,000
Municipal Purpose Loan of 2016	1.31%	6/26/2016	6/15/2027	296,000	180,000
<b>Massachusetts Clean Water Trust:</b>					
Sewer system improvements	5.00%	11/11/2004	8/1/2019	271,555	40,000
Sewer system improvements	2.00%	2/11/2016	1/15/2036	4,210,000	3,865,701
Sewer system improvements	2.00%	4/13/2017	1/15/2037	4,579,305	4,394,068
Total Business-type debt					<u>\$ 8,674,769</u>

**Future Debt Service**

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 462,045	\$ 179,886	\$ 641,931
2020	475,022	168,754	643,776
2021	463,173	157,704	620,877
2022	411,501	147,041	558,542
2023	420,009	138,611	558,620
2024-2028	2,234,292	560,465	2,794,757
2029-2033	2,376,524	327,855	2,704,379
2034-2038	1,832,203	84,882	1,917,085
	<u>\$ 8,674,769</u>	<u>\$ 1,765,198</u>	<u>\$ 10,439,967</u>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due within One Year
<b>Governmental activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds	\$ 8,365,000	\$ 3,940,000	\$ 1,735,000	\$ 10,570,000	\$ 1,300,000
<b>Landfill post-closure care costs</b>	150,000	-	15,000	135,000	15,000
<b>Compensated absences</b>	177,920	51,600	-	229,520	-
<b>Net OPEB liability</b>	14,110,909	-	507	14,110,402	-
<b>Net pension liability</b>	3,044,265	-	1,138,908	1,905,357	-
Governmental activity					
Long-term liabilities	\$ 25,848,094	\$ 3,991,600	\$ 2,889,415	\$ 26,950,279	\$ 1,315,000
<b>Business type activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds	\$ 450,000	\$ -	\$ 75,000	\$ 375,000	\$ 75,000
Massachusetts Clean Water Trust bonds	8,679,006	-	379,237	8,299,769	387,045
<b>Compensated absences</b>	44,640	2,860	-	47,500	-
<b>Net OPEB liability</b>	1,645,649	-	11,190	1,634,459	-
<b>Net pension liability</b>	288,629	-	66,284	222,345	-
Business-type activity					
Long-term liabilities	\$ 11,107,924	\$ 2,860	\$ 531,711	\$ 10,579,073	\$ 462,045

**Massachusetts Clean Water Trust (MCWT)**

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$9,060,860 and interest costs of \$2,061,219 for a loan which the Town has borrowed from MCWT. The principal subsidies are guaranteed and, therefore, \$12,676 has been reported as an intergovernmental receivable in the government-wide financial statements. The gross amount outstanding at June 30, 2018 for principal and interest combined for the loan is \$10,016,267. The net repayments, including interest, are scheduled to be \$10,001,551. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements. The fiscal year 2018 interest subsidies totaled \$8,136.

**Landfill Post-Closure Care Costs**

State and Federal laws and regulations require the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

The \$135,000 reported as landfill post-closure care liability as of June 30, 2018 represents the remaining estimated post-closure maintenance costs. These amounts are based on what it will cost to perform all post-closure care in 2018. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**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, 2018 totaled \$19,244,769.

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, 2018.

Equalized Valuation-Real Estate and Personal Property (2016)		<u>\$ 1,430,331,200</u>
Debt Limit: 5 % of Equalized value		71,516,560
Total Debt Outstanding	\$ 19,244,769	
Less: Debt Outside Debt Limit	-	<u>19,244,769</u>
Inside Debt Excess Borrowing Capacity at June 30, 2018		<u>\$ 52,271,791</u>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**G. Fund Balances**

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2018:

	<b>General Fund</b>	<b>Major Funds</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Nonspendable:				
Permanent funds	\$ -	\$ -	\$ 291,865	\$ 291,865
Restricted:				
Federal, state and local grants	-	-	613,281	613,281
Town Revolving funds	-	-	3,802	3,802
Community preservation funds	-	1,530,605	-	1,530,605
Debt service	20,123	-	-	20,123
Donations and gifts	-	-	103,328	103,328
Capital projects	-	-	142,592	142,592
Permanent funds	-	-	18,782	18,782
Other	-	-	1,202,534	1,202,534
	<u>20,123</u>	<u>1,530,605</u>	<u>2,084,319</u>	<u>3,635,047</u>
Committed:				
Conservation Fund	-	-	28,786	28,786
Employee Fringe Benefits Fund	-	-	441,237	441,237
Pension Reserve Fund	-	-	791,898	791,898
Unemployment Fund	-	-	50,667	50,667
	<u>-</u>	<u>-</u>	<u>1,312,588</u>	<u>1,312,588</u>
Assigned:				
General government	383,900	-	-	383,900
Public safety	17,151	-	-	17,151
Public works	73,444	-	-	73,444
Health and Human Services	2,100	-	-	2,100
Culture and Recreation	8,637	-	-	8,637
Debt Service	150,550	-	-	150,550
Subsequent year's budget	1,642,504	-	-	1,642,504
	<u>2,278,286</u>	<u>-</u>	<u>-</u>	<u>2,278,286</u>
Unassigned:				
General fund	4,169,217	-	-	4,169,217
Capital project deficits	-	(120,443)	(448,759)	(569,202)
	<u>4,169,217</u>	<u>(120,443)</u>	<u>(448,759)</u>	<u>3,600,015</u>
Total Governmental fund balances	<u>\$ 6,467,626</u>	<u>\$ 1,410,162</u>	<u>\$ 3,240,013</u>	<u>\$ 11,117,801</u>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**H. Special Trust Funds**

**Stabilization Fund**

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. Any interest shall be added to and become a part of the fund.

At June 30, 2018, the balance in the stabilization funds is \$278,217 and is reported in the General Fund as unassigned fund balance.

**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 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, 2018, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2018.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

**C. Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

**D. Tax Abatements**

The Town enters into property tax abatement agreements with local businesses under the Commonwealth of Massachusetts Economic Development Incentive Program Act of 1993 and as amended in 2009. Under this Act, state municipalities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining these businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town of Great Barrington.



**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

As of June 30, 2018, the Town of Great Barrington abated property taxes amounting to \$45,021 under this program, including the following tax abatement agreements.

A 70% declining to 20% over ten years property tax abatement agreement was approved in May 2011 for the Iredale Mineral Cosmetics, Limited, to make renovations and improvements to the property on 50 Church Street of at least \$7.5 million, retain 81 full-time employees and create at least 32 new, permanent full-time jobs. In addition, the Iredale Mineral Cosmetics, Limited, agrees to operate its business and maintain the level of jobs as long as the agreement is in effect (term is ten years). The company has not met the Massachusetts Executive office of Housing and Economic Development Economic Assistance Coordinating Council (EACC) standards (job creation quota). The company had \$45,021 of abatements in this fiscal year.

A property tax abatement agreement was approved for the 20 Castle Street, L.L.C., to make improvements to the property and create new, permanent full-time jobs. In addition, the 20 Castle Street, L.L.C., agrees to operate its business and maintain the level of jobs as long as the agreement is in effect. The company has not met the Massachusetts Executive office of Housing and Economic Development Economic Assistance Coordinating Council (EACC) standards, has made no meaningful improvements and, therefore, had no abatements in this fiscal year.

#### **E. Pension Plan**

##### **Plan Description**

The Town is a member of the Berkshire County Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by a five-member board. Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 29 Dunham Hall, Pittsfield, Massachusetts 01201-6207.

##### **Benefits Provided**

The System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. MGL Chapter 32 establishes uniform benefit and contributory requirements for all contributory public employee retirement systems (PERS). The Massachusetts PERS benefits are uniform from system to system, with a few minor exceptions. Members of the System become vested after 10 years of creditable service. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. Most employees who joined the system on or after April 2, 2012 cannot retire prior to age 60. The authority for amending these provisions rests with the Massachusetts Legislature.

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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

**Contributions**

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2017 was \$757,064, representing 21.06% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

**Pension Liability**

As of June 30, 2018, the Town reported a liability of \$2,127,702 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2017, the Town's proportional percentage was 8.23%, which was a slight decrease from the last measurement.

**Pension Expense**

For the year ended June 30, 2018, the Town recognized a pension expense of \$642,763; reported deferred outflows of resources related to pensions of \$914,765 from changes in assumptions; and deferred inflows of resources related to pensions of \$901,021 from the difference between expected and actual experience and the net difference between projected and actual investment earnings on pension plan investments.

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

<b>For years ended June 30,</b>		
	<b>2019</b>	<b>\$ 185,010</b>
	<b>2020</b>	<b>177,439</b>
	<b>2021</b>	<b>(153,983)</b>
	<b>2022</b>	<b>(194,722)</b>
		<b>\$ 13,744</b>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2017:

Valuation date	January 1, 2017
Actuarial cost method	Entry Age Normal Cost Method
Asset valuation method	Determined in accordance with the deferred recognition method under which 20% of the gains or losses occurring in the prior year are recognized, 40% of those occurring 2 years ago, etc., so that 100% of the gains and losses occurring 5 years ago are recognized. The actuarial value of assets will be adjusted, if necessary, in order to remain between 85% and 115% of market value.
Investment rate of return	7.25% per year net of investment expenses
Projected salary increase	Select and ultimate by job group; ultimate rates 4.25% for Group 1 and 4.75% for Group 4.
Inflation	Not explicitly assumed
Cost of living adjustments	3.00% of the first \$14,000.
Mortality rates	Pre-retirement rates reflect the RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct). Post retirement rates reflect the RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct). For disabled retirees, rates reflect the RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2012 (gender distinct).

**Long-term Expected Rate of Return**

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2017, are summarized in the following table;

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Real Return Arithmetic Basis</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap Equities	14.50%	7.50%	1.09%
Small/mid Cap Equities	3.50%	7.75%	0.27%
International Equities	16.00%	7.80%	1.25%
Emerging International Equities	6.00%	9.30%	0.56%
Core Bonds	5.00%	3.75%	0.19%
20+ Year Treasury STRIPS	2.00%	3.50%	0.07%
TIPS	5.00%	3.75%	0.19%
High-yield Bonds	1.50%	5.50%	0.08%
Bank Loans	2.50%	5.50%	0.14%
EMD (External)	1.00%	5.00%	0.05%
EMD (Local Currency)	0.00%	6.50%	0.00%
Private Debt	0.00%	0.00%	0.00%
Distressed Debt	3.00%	8.80%	0.26%
Other Credit Opportunities	2.00%	6.50%	0.13%
Private Equity	11.00%	9.50%	1.05%
Real Estate (Core)	10.00%	6.70%	0.67%
Timber/Natural Resources	4.00%	6.25%	0.25%
Total	<u>100.00%</u>		

### **Rate of Return**

For the year ended December 31, 2017, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 17.28%. The money-weighted rate of return considers the changing amounts actually invested during a period and weighs the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The rate of return is then calculated by solving, through an iterative process, for the rate that equates the sum of the weighted external cash flows into and out of the pension plan investments to the ending fair value of pension plan investments.

### **Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarial determined rates based on the Board's funding policy, which establishes the contractually required rates by Statute and in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments or current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25%. As well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.25%</b>	<b>Discount Rate</b>	<b>8.25%</b>
	<b>6.25%</b>	<b>7.25%</b>	<b>8.25%</b>
Town's net pension liability	\$ 4,724,102	\$ 2,127,702	\$ (162,131)

**F. Other Post Employment Benefits Payable**

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 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, 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 121 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

**Investment Policy**

The Town's does not have a policy to contribute to an OPEB trust and has not contributed as of June 30, 2018. The Town has not established an irrevocable trust for the purpose of accumulating assets to prefund the OPEB liabilities. If such a trust existed, Plan assets segregated and restricted in an OPEB trust must be dedicated to providing plan benefits to retirees and beneficiaries in accordance with the terms of the plan and must be legally protected from creditors of the employer. Further, employer contributions to the trust must be irrevocable.

**GASB Statement No. 75 – Financial Reporting for OPEB Employer**

**Funding Policy**

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending June 30, 2018, the total Town premiums plus implicit costs for the retiree medical program were \$469,964. The Town also made a contribution to an OPEB Trust of \$0 for a total contribution during the reporting period of \$469,964 to be reported on the financial statement for the fiscal year ending June 30, 2018.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**Measurement Date**

GASB Statement No. 75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

**Plan Membership:**

Current active members	67
Current retirees, beneficiaries and dependents	54
Total	121

**Net OPEB Liability**

The components of the net OPEB liability are as follows:

	<b>6/30/2018</b>
Total OPEB liability	\$ 15,744,861
Less: Plan fiduciary net position	-
Town's Net OPEB liability	\$ 15,744,861
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2018:

Valuation date	July 1, 2017
Actuarial cost method	Individual Entry Age Normal
Inflation	2.60% annually, based on the 2017 Social Security Trustees Report
Single equivalent discount rate	3.87%, compounded annually, for the measurement as of June 30, 2018
Projected salary increases	3.50% annually
Mortality rates	
Pre-retirement mortality (General & Public Safety)	RP-2000 Employees Mortality Table, base year 2009, projected with generational mortality improvement using Scale BB.
Post-retirement mortality (General & Public Safety)	RP-2000 Healthy Annuitant Table, base year 2009, projected with generational mortality improvement using Scale BB.

The actuarial assumptions used in the July 1, 2017 valuation were reflective of published municipal bond indices; the Bond Buyer 20-Bond GO Index as of June 30, 2018 is 3.87%.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**Rate of Return**

For the year ended June 30, 2018, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was not provided.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance Massachusetts General Law Chapter 32. Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at July 1, 2017 GASB 75	\$ 15,756,558	\$ -	\$ 15,756,558
Service cost	655,305	-	655,305
Interest on Total OPEB Liability	579,133	-	579,133
Changes in benefit terms	-	-	-
Changes in assumptions	(776,171)	-	(776,171)
Difference between actual and expected experience	-	-	-
Net investment income	-	-	-
Employer contributions to Trust	-	469,964	(469,964)
Total benefit payments including implicit cost	(469,964)	(469,964)	-
Administrative expense	-	-	-
Net change in total OPEB liability	(11,697)	-	(11,697)
Balances at June 30, 2018 GASB 75	\$ 15,744,861	\$ -	\$ 15,744,861

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	<b>1% Decrease (2.87%)</b>	<b>Current Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
Town's net OPEB liability	\$ 18,673,921	\$ 15,744,861	\$ 13,446,179

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates**

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Town's net OPEB liability	\$ 12,933,510	\$ 15,744,861	\$ 19,697,356

**Expense, Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$1,107,613 and reported deferred outflows of resources related to OPEB of \$0 and deferred inflows of resources related to OPEB of \$649,346.

The Town's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

<b>For years ended June 30,</b>	
<b>2019</b>	\$ (126,825)
<b>2020</b>	(126,825)
<b>2021</b>	(126,825)
<b>2022</b>	(126,825)
<b>2023</b>	(126,825)
<b>Thereafter:</b>	(15,221)
	<u>\$ (649,346)</u>

**G. Implementation of New GASB Pronouncements**

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Post employment Benefit Plans Other Than Pension Plans*, for implementation in fiscal year 2018.

The GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, for implementation in fiscal year 2018.



**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2018**

The GASB issued Statement No. 85, *Omnibus 2017*, for implementation in fiscal year 2018.

The GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, for implementation in fiscal year 2018.

**H. Future GASB Pronouncements**

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

The GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, for implementation in fiscal year 2019.

The GASB issued Statement No. 84, *Fiduciary Activities*, which is required to be implemented in fiscal year 2020.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2021.

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, for implementation in fiscal year 2019.

**5. RESTATEMENT**

The net position as of June 30, 2017 has been restated. As required by GASB Statement No. 75, the beginning net position decreased \$11,343,719 (\$10,350,431 for governmental activities and \$993,288 for business-type activities) to reflect the change in the other post employment (OPEB) liability and increased the governmental activities for \$785,290 to reclassify the Pension Fund from Fiduciary activities. Accordingly, the previously reported net position of \$38,778,685 has been revised to \$28,220,256 (\$21,131,214 for governmental activities and \$7,089,042 for business-type activities).

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Pension Plan Schedules**  
**Berkshire County Retirement System**  
**For the Year Ended June 30, 2018**

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

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

Date	Town's proportion of the net pension liability (asset)	Town's		Town's covered employee payroll	Net pension liability percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability	
		proportionate share of the net pension liability (asset)					
12/31/2017	8.23%	\$	2,127,702	\$	3,595,440	59.18%	90.41%
12/31/2016	8.38%	\$	3,332,894	\$	3,545,000	94.02%	84.06%
12/31/2015	8.49%	\$	3,592,713	\$	3,592,000	100.02%	82.25%
12/31/2014	8.61%	\$	2,260,900	\$	3,469,000	65.17%	88.13%

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Pension Plan Schedules**  
**Berkshire County Retirement System**  
**For the Year Ended June 30, 2018**

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

**Schedule of the Town's Contributions:**

Date	Actuarially determined contribution	Less:		Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
		Contributions in relation to the actuarially determined contribution	the actuarially determined contribution			
12/31/2017	\$ 757,064	\$ (757,064)	\$	-	\$ 3,595,440	21.06%
12/31/2016	\$ 735,666	\$ (735,666)	\$	-	\$ 3,545,000	20.75%
12/31/2015	\$ 711,322	\$ (711,322)	\$	-	\$ 3,592,000	19.80%
12/31/2014	\$ 688,658	\$ (688,658)	\$	-	\$ 3,469,000	19.85%

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2018**

**Schedule of Changes in the Net OPEB Liability:**

	<u>6/30/2018</u>
<b>Total OPEB liability</b>	
Service cost	\$ 655,305
Interest on net OPEB liability	579,133
Changes in benefit terms	-
Difference between actual and expected experience	-
Changes in assumptions	(776,171)
Benefit payments, including refunds of member contributions	(469,964)
Administrative expense	-
Net change in total OPEB liability	<u>(11,697)</u>
Total OPEB liability-beginning	15,756,558
<b>Total OPEB liability-ending (a)</b>	<u><b>\$ 15,744,861</b></u>
<b>Plan fiduciary net position</b>	
Employer contributions to Trust	\$ 469,964
Benefit payments, including refunds of member contributions	(469,964)
Administrative expense	-
Net change in plan fiduciary net position	-
Total fiduciary net position-beginning	-
<b>Total fiduciary net position-ending (b)</b>	<u><b>\$ -</b></u>
<b>Town's net OPEB liability (a-b)</b>	<u><u><b>\$ 15,744,861</b></u></u>

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2018**

**Schedule of Net OPEB Liability:**

	<u><b>6/30/2018</b></u>
Total OPEB liability	\$ 15,744,861
Less: Plan fiduciary net position	-
Town's Net OPEB liability	<u><u>\$ 15,744,861</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Town's share of covered employee payroll	\$ 3,702,261
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	425.28%

**Schedule of Contributions:**

	<u><b>6/30/2018</b></u>
Actuarially determined contribution	\$ 1,228,837
Less: Contributions in relation to the actuarially determined contribution	(469,964)
Contribution deficiency (excess)	<u><u>\$ 758,873</u></u>
Town's share of covered employee payroll	\$ 3,702,261
Contributions percentage of covered-employee payroll	12.69%
Annual money-weighted rate of return net of investment expense	N/A

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

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2018**

**Schedule of Funding Progress:**

Other Post Employment Benefits									
Date	Actuarial Fiduciary Net Position (A)	Actuarial			Actuarial			Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)
		Total	Net	Funded	OPEB	Liability	Ratio		
		OPEB	OPEB	Ratio	Liability	(A/B)	(B-A)		
		Liability (B)	Liability (B-A)						
6/30/2018	\$ -	\$ 15,744,861	\$ 15,744,861	\$ 0.00%	\$ 3,702,261				425.28%
6/30/2017	\$ -	\$ 15,756,558	\$ 15,756,558	\$ 0.00%	N/A				N/A

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

## **SUPPLEMENTARY SCHEDULES**



**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Fund Balances July 1, 2017	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2018
<b>Special Revenue:</b>					
<b>Federal and State Grants:</b>					
Arts Lottery Council Grant	\$ 3,313	\$ 4,407	\$ 4,973	\$ -	\$ 2,747
Board of Health Grants	-	5,975	1,330	-	4,645
Brownfields Assessment	-	17,574	17,561	-	13
Community Compact Grants	10,000	-	-	(10,000)	-
Community Development Block Grants	(13,571)	52,370	38,799	-	-
Council on Aging Grants	8,545	28,503	28,501	(8,547)	-
Highway Grants	(143,870)	527,933	368,590	-	15,473
Library Grants	41,826	11,882	16,669	-	37,039
Other Grants and Programs	551	37,815	36,103	(511)	1,752
Public Safety Grants	1,118	68,246	35,570	(32,182)	1,612
Smart Growth Grants	-	550,000	-	-	550,000
<b>Other:</b>					
Blue Hill Commons	3,833	20	-	-	3,853
Cemetery Revolving	-	1,553	909	-	644
Electrical Inspections	709	34,386	35,095	-	-
Gas Inspections	164	9,327	9,491	-	-
Gifts and Donations	96,897	14,675	8,244	-	103,328
Insurance Reimbursements	7,499	5,256	780	-	11,975
Parks Department Revolving	2,501	-	-	-	2,501
Plumbing Inspections	-	11,763	11,763	-	-
Police Drug Task Force	154	16,712	9,167	-	7,699
Police Narcotic	1,903	4,724	-	-	6,627
Outside Details	9,291	180,031	189,322	-	-
Sale of Cemetery Lots	343,103	21,000	-	-	364,103
Sale of Real Estate	675,780	-	-	-	675,780
Tax Title Revolving	200	6,148	5,691	-	657
Wellness Program	10,618	2,000	2,617	-	10,001
Wetland Fund	53,209	4,897	125	-	57,981
<b>Total Special Revenue page 64</b>	<b>\$ 1,113,773</b>	<b>\$ 1,617,197</b>	<b>\$ 821,300</b>	<b>\$ (51,240)</b>	<b>\$ 1,858,430</b>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Fund Balances July 1, 2017	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2018
<b>Continued from Page 64</b>					
<b>Special Revenue (Continued):</b>					
<b>Other (Continued):</b>					
Affordable Housing Fund	-	-	485	65,000	64,515
Conservation Fund	28,598	188	-	-	28,786
Employee Fringe Benefits Fund	429,667	2,044	25,574	35,100	441,237
Pension Reserve Fund	785,290	6,608	-	-	791,898
Unemployment Fund	54,949	363	4,645	-	50,667
<b>Total Special Revenue Funds</b>	<b>2,412,277</b>	<b>1,626,400</b>	<b>852,004</b>	<b>48,860</b>	<b>3,235,533</b>
<b>Capital Projects:</b>					
Highway Storage garage	-	-	97,333	-	(97,333)
Building Improvements	-	-	25,923	-	(25,923)
Police Cruisers	-	-	30,744	-	(30,744)
Highway Dump Truck	-	-	178,090	-	(178,090)
Cemetery Dump Truck	-	-	62,869	-	(62,869)
Skid Steer	-	-	53,800	-	(53,800)
Library Improvements	155,919	-	13,327	-	142,592
Bond Premium	-	-	247,896	247,896	-
<b>Total Capital Projects</b>	<b>155,919</b>	<b>-</b>	<b>709,982</b>	<b>247,896</b>	<b>(306,167)</b>
<b>Perpetual Permanent Funds:</b>					
Cemetery Perpetual Care	224,852	2,150	-	-	227,002
E.E. Smith Library Trust	24,045	-	-	-	24,045
Hollenbeck Trust	1,063	-	-	-	1,063
L. Chesanow Library Trust	3,500	-	-	-	3,500
M. Dewey Trust	1,707	-	-	-	1,707
Mason Library Trust	3,000	-	-	-	3,000
McKenley Trust	28,548	-	-	-	28,548
Ramsdell Library Trust	3,000	-	-	-	3,000
<b>Total Perpetual Permanent Funds</b>	<b>\$ 289,715</b>	<b>\$ 2,150</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 291,865</b>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Fund Balances July 1, 2017	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2018
<b>Permanent Funds:</b>					
Cemetery Perpetual Care	\$ 7,853	\$ 1,083	\$ -	\$ -	8,936
Community Building Trust	26	4	-	-	30
E.E. Smith Library Trust	1,040	167	-	-	1,207
Elizabeth Wheeler Trust	274	2	-	-	276
Hollenbeck Trust	142	8	-	-	150
L. Chesanow Library Trust	615	27	-	-	642
M. Dewey Trust	173	13	-	-	186
Mason Library Trust	172	21	-	-	193
McKenley Trust	4,350	216	-	-	4,566
Ramsdell Library Trust	2,560	36	-	-	2,596
<b>Total Permanent Funds</b>	<b>17,205</b>	<b>1,577</b>	<b>-</b>	<b>-</b>	<b>18,782</b>
<b>Total - Non-Major Governmental Funds</b>	<b>\$ 2,875,116</b>	<b>\$ 1,630,127</b>	<b>\$ 1,561,986</b>	<b>\$ 296,756</b>	<b>\$ 3,240,013</b>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES**  
**JULY 1, 2017 TO JUNE 30, 2018**

	Uncollected Taxes July 1, 2017	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2018	Uncollected Tax Per Detail June 30, 2018
<b>Real Estate Taxes:</b>						
Levy of 2018	\$ -	\$ 20,797,132	\$ 251,125	\$ 19,907,241	\$ 638,766	\$ 638,766
Levy of 2017	756,881	-	33,651	723,205	25	25
	756,881	20,797,132	284,776	20,630,446	638,791	638,791

**Personal Property Taxes:**

Levy of 2018	-	777,367	3,767	755,679	17,921	17,921
Levy of 2017	15,943	-	-	7,499	8,444	8,444
Levy of 2016	8,121	-	-	3,789	4,332	4,316
Levy of 2015	6,360	-	-	3,485	2,875	2,875
Levy of 2014	3,823	-	-	736	3,087	3,087
Prior Years	5,876	-	-	1,259	4,617	4,627
	40,123	777,367	3,767	772,447	41,276	41,270

**Total Real Estate and  
Personal Property Taxes**

\$ 797,004	\$ 21,574,499	\$ 288,543	\$ 21,402,893	\$ 680,067	\$ 680,061
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**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**SCHEDULE OF COMMUNITY PRESERVATION SURCHARGE**  
**JULY 1, 2017 TO JUNE 30, 2018**

	Uncollected Taxes July 1, 2017	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2018	Uncollected Taxes Per Detail June 30, 2018
<b>Non-Major Governmental Funds:</b>						
<b>Community Preservation Surcharge</b>						
Levy of 2018	\$ -	\$ 484,376	\$ 6,280	\$ 465,699	\$ 12,397	\$ 12,336
Levy of 2017	14,359	-	631	13,728	-	-
<b>Total Community Preservation Surcharge</b>	<b>\$ 14,359</b>	<b>\$ 484,376</b>	<b>\$ 6,911</b>	<b>\$ 479,427</b>	<b>\$ 12,397</b>	<b>\$ 12,336</b>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**SCHEDULE OF MOTOR VEHICLE EXCISE TAXES**  
**JULY 1, 2017 TO JUNE 30, 2018**

	Uncollected Taxes July 1, 2017	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2018	Uncollected Taxes Per Detail June 30, 2018
<b>Motor Vehicle Excise Taxes:</b>						
Levy of 2018	\$ -	\$ 786,412	\$ 11,294	\$ 699,641	\$ 75,477	\$ 75,477
Levy of 2017	64,168	84,883	8,757	123,451	16,843	16,843
Levy of 2016	13,990	-	615	4,498	8,877	8,877
Levy of 2015	6,238	-	295	1,050	4,893	4,893
Levy of 2014	4,966	-	-	296	4,670	4,670
Prior Years	81,914	132	-	834	81,212	81,161
<b>Total Motor Vehicle Excise Taxes</b>	<b>\$ 171,276</b>	<b>\$ 871,427</b>	<b>\$ 20,961</b>	<b>\$ 829,770</b>	<b>\$ 191,972</b>	<b>\$ 191,921</b>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**SCHEDULE OF TAX LIENS**  
**JULY 1, 2017 TO JUNE 30, 2018**

	Uncollected Accounts July 1, 2017	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2018	Uncollected Accounts Per Detail June 30, 2018
<b>Tax Liens</b>						
	\$ 703,614	\$ 197,978	\$ 87,641	\$ 173,284	\$ 640,667	\$ 640,667
<b>Non-Major Governmental Funds:</b>						
<b>Community Preservation Taxes</b>						
<b>Tax Liens</b>	\$ 8,147	\$ 5,421	\$ 1,167	\$ 2,903	\$ 9,498	\$ 9,498

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**  
**MANAGEMENT LETTER**  
**FOR THE YEAR ENDED JUNE 30, 2018**



**TOWN OF GREAT BARRINGTON, MASSACHUSETTS**

**Management Letter**

**Year Ended June 30, 2018**

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To the Honorable Selectboard  
Town of Great Barrington  
Great Barrington, Massachusetts

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Town of Great Barrington as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Great Barrington's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control over financial reporting was for limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in the Town's internal control and presented in Finding 2018-1 to be a material weakness.

In addition during our audit we noted other matters involving the internal control and its operation, other than significant deficiencies or material weaknesses, which are opportunities for strengthening internal controls and operating efficiency. We have already discussed these comments and suggestions with Town personnel, and we will be pleased to discuss them in further detail at your convenience.

This communication is intended solely for the information and use of the management, the Selectboard, others within the entity and the Commonwealth of Massachusetts Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

February 6, 2020

## CURRENT YEAR COMMENTS AND RECOMMENDATIONS – MATERIAL WEAKNESS

### 2018-1 Tax Collector's Office (Material Weakness)

#### Comment:

The Tax Collector's office is responsible for collecting approximately \$22 million in real estate and personal property taxes, \$2 million in sewer charges and \$1 million in motor vehicle excise taxes and other fees. The individual transactions associated with collecting these accounts are high in volume given the relatively small size of each account.

As part of our audit procedures over the revenue and receivable process, we gained an understanding and tested internal controls in the Tax Collector's office. During our audit for the fiscal year ended June 30, 2018, we discovered the likely existence of fraud in the Tax Collector's office as we found several irregular transactions within taxpayers' accounts. The potential existence of fraud is most often created by opportunities resulting from deficiencies in internal control procedures. Control activities are generally considered one of the interrelated elements of internal control over financial reporting. Control activities are defined as "practices, policies and procedures that reduce the possibility of errors entering in the financial reporting system (preventive controls) or that detect errors that are made (detective controls)."

The Town lacked formal control procedures with respect to the following:

- Due to the number of personnel (two) within the Tax Collector's office the assistant collector was responsible for maintaining and reconciling the accounts receivable software subsidiary ledgers, reconciling the daily collections and preparing deposits. This contributed to a lack of management oversight with regard to proper review and reconciliation of the assistant collector's daily work and whether the duties performed were in accordance with management's underlying assertions. One relevant assertion is that the receipt drawer should be adequately reconciled and all currency properly accounted for.
- Effective procedures were not in place to reconcile the Tax Collector's accounts receivable subsidiary records to the general ledger.
- Monitoring payment reversals in the accounts receivable subsidiary ledgers.

As a result of the potential fraud, Town management took immediate and necessary action to identify and investigate the matter. The matter is still being investigated at this time.

#### Town's Response:

The Town took immediate action by increasing control measures within the Tax Collector's office. These measures included the following:

- Cash Stamp – employees are now required to use this stamp for all cash payments in addition to the "paid date" stamp.
- Door is locked at all times and only authorized personnel are permitted to enter
- Separation of duties – functions and responsibilities are now shared to provide more checks and balances

## CURRENT YEAR COMMENTS AND RECOMMENDATIONS – Informational Items

### A. Implementation of Future GASB Statements

#### Comment:

In an effort to enhance financial information of a government's financial statements, the GASB is continually issuing new pronouncements that will effect what is required to be reported in a government's financial statements. Over the past couple years GASB has been active in developing new standards. It is important that the Town be aware of the current and future statements. The following are some of new GASB pronouncements that will be required to be implemented in future fiscal years:

- GASB Statement No. 84 – *Fiduciary Activities*. This statement is required to be implemented in fiscal year 2020.
- GASB Statement No. 87 – *Leases*. This statement is required to be implemented in fiscal year 2021.

Given the significant impact of these GASB statements on the Town's financial accounting and reporting, we recommend that the Town familiarize and educate themselves with the aforementioned statements to ensure proper implementation.

#### Town's Response:

The Town will familiarize and educate themselves with GASB Statement No. 84 and Statement No. 87 to ensure proper implementation.

## **CURRENT YEAR COMMENTS AND RECOMMENDATIONS – Other Matters**

### **1. State Aid to Highway (Chapter 90) Deficit**

#### *Comment:*

During our audit we noted that the Chapter 90 (State Aid to Highway) grant has expenditures that have not been submitted for reimbursement on a timely basis. As of June 30, 2018, the account has a deficit balance of approximately \$258,484, which is made up of expenditures incurred from fiscal year 2017 to 2018. As of the date of our audit the Town received \$229,006, resulting in unreimbursed expenditure of \$29,478. We recommend that the Town review and monitor this situation to ensure the expenditures charged to chapter 90 grant are properly submitted for reimbursement. If there is a deficit as a result of expenditures not being reimbursed then the Town must take the necessary actions to provide for it.

#### *Town's Response:*

At the end of fiscal year 2019, the Town implemented strict procedures that no payment related to Chapter 90 expenses would occur without the accompanying reimbursement request.

### **2. Capital Assets**

#### *Comment:*

The Town has compiled a list of capital assets that are required to be on the financial statements to be in compliance with GASB Statements as in previous years. During our current audit we tested the capital assets and found that the Town did not keep adequate records with regard to additions, deletions and depreciation.

We recommend that the Town implement procedures to ensure that all capital assets are being accounted for under the financial reporting model of GASB.

#### *Town's Response:*

The Town will implement procedures to ensure that all existing and new capital assets are being accounted for.

### 3. Other Areas

- Internal Control Policies and Procedures Manual.
- Establish procedures to Document Reconciliation between Town Meeting votes and Expenditure Subsidiary Ledger.
- Breakout General Capital Project Fund.

#### Town's Response:

- Internal Control Policies and Procedures Manual: In 2019, the Town received a Best Practices grant through the Community Compact Cabinet to review and implement standard financial procedures for the Town. The Town is currently working with members of the Department of Revenue on this.
- Town Meeting Votes Reconciliation: In FY18, there were no procedures in place to reconcile town meeting votes to the subsidiary ledger. This was established and implemented by the new accountant at the start of FY19.
- General Capital Project Fund: Over the course of a year and a half, the capital project fund has been extensively analyzed and reconciled. The unidentified funds have been properly accounted for and broken out into the respective projects before the close of fiscal year 2019.



## **Proposal For:**

Town of Great Barrington/Housatonic



Emergency Medical Services

Prepared by: William E Hathaway, BS, NRP  
Director  
Southern Berkshire Ambulance

### **Executive Summary:**

The Southern Berkshire Ambulance has provided Emergency Medical Services (EMS) to eight towns in Southern Berkshire County, which includes the Towns of Great Barrington and Housatonic for the last 53 years. We also have provided mutual aid and paramedic intercept services to the remaining towns and ambulance services in Southern Berkshire County. In the past, this has been accomplished at no cost to the town's we serve. But, expenses have spiraled and revenues have not kept pace.

The cost of keeping a minimum of two paramedic crews on duty 24/7/365 has outstripped income derived from relying on a total fee for service model. We are faced with declining volunteerism, unfunded mandates, increasing cost of readiness and increasing call volume. When requests for service out strip the capability our surrounding ambulance services, they rely on mutual aid. However the majority of the surrounding volunteer services are struggling with responding to just their calls. The nearest full-time staffed ambulance services for mutual aid we can rely on are in New York, Connecticut and Lee.

We want to continue to provide high quality Emergency Medical Services to residents, businesses and visitors to your town. Thus, we are asking all towns we serve for financial aid. Southern Berkshire Ambulance proposes a model of EMS that will provide Southern Berkshire County communities with a well- designed and effective emergency ambulance service. We will do this by utilizing a combination of full time providers, part-time and per diem employees, along with our dedicated volunteers. We will continue to support your Fire Department EMS/First Responders to create a truly comprehensive EMS System.

As discussed in previous paragraphs, we have determined that the revenue we receive from a fee-for-service model is not sufficient to financially support ambulance services appropriate for Great Barrington/Housatonic and Southern Berkshire County. Ambulance service providers are only reimbursed for transporting a patient. Insurance companies and the federal government view EMS as a provider of transportation, not health care. As such all our fees are bundled and we can only bill for type of call & mileage. A typical 911 call can be covered by any one of five different types payors, all with different fee schedules. 77% of our patients are insured by government programs such as Medicare and Medicaid which provide a fixed non-negotiable reimbursement.

Therefore, we are requesting an annual subsidy from each the towns we serve under a three (3) year agreement. During the term of this agreement, we intend to grow our operations to respond to a continually increasing number of emergency and non-emergency calls. Doing this has the potential to reduce the level of subsidy increase beyond our initial three (3) year agreement.

We look forward to the opportunity to further discuss how Southern Berkshire Ambulance can be of service to your community. Any inquiries should be directed to our Director, William Hathaway. Any final agreement or contract must be approved by the



Southern Berkshire Ambulance Board of Directors and the Great Barrington Board of Select-persons.

**Background:**

Southern Berkshire Ambulance is a not-for-profit 501 (c) 3 corporation, formed in 1968 to provide ambulance services to meet the need for emergency medical response, treatment and transport for Great Barrington, Housatonic and surrounding communities. We also provide routine and emergency ambulance transfers from Fairview Hospital and Berkshire Medical Center. We supply routine and emergency care transfers to Albany Medical Center, Berkshire Medical Center Baystate Medical Center and other hospitals throughout Massachusetts, New York and Connecticut.

Today, Southern Berkshire Ambulance is managed by a Director of Operations, reporting to a volunteer Board of Directors consisting of past and present members, hospital and community representatives. The administrative offices are located on the Fairview Hospital campus, which includes quarters for our ambulances and operations

**Vehicles and Equipment:**

All ambulances are equipped with medical equipment that meets or exceeds the Commonwealth of Massachusetts OEMS Rules for ground ambulances.

**Service and Staffing Specifications**

SBA is licensed by the Commonwealth of Massachusetts Department of Health to provide ambulance services.

SBA is legal entity with a business office located within the Commonwealth of Massachusetts and equipped with such radios, telephones and other necessary equipment and supplies for the proper operation of the ambulance service. Said office shall be open for business during regular business hours.

If requested, a formal service agreement will be crafted with language acceptable to both SBA and the Town for services outlined in the Southern Berkshire EMS Service Zone Plan. Highlights of the specifications include but are not limited to the following. SBA will:

- provide both Basic Life Support (BLS) and Advance Life Support (ALS) EMS service.
- provide “move up” of ambulances when primary ambulance(s) are transporting patients.
- respond to at least 95% of the dispatched calls for service within the Town.
- respond to 90% of all Priority One (Imminent Life Threat) calls within 9:00 minutes
- respond to 90% of all other lower priority calls within 12:00 minutes.

- provide Emergency Responder rehabilitation at police and fire events (working fires and police incidents).
- provide non-dedicated stand-by service at Town sponsored and Board of Education designated events.

SBA will provide detailed monthly and annual reports showing response time (from call time to time on scene), number of calls, number of transports, number of non-transports, number of mutual aid calls and transports, number of BLS and ALS calls.

**Value added Services:** SBA as part of its services to the community will provide:

- Fire Scene Stand-by: We respond to the scene of fire when requested by the Fire Department. However, we will continue to bill for transport of an ill/injured Firefighter. It is our experience that these transports would be covered under the Fire Department's workers compensation insurance.
- Stand-by at Town Functions: We will provide ambulance coverage at events where attendance is expected to be 1,000 or more people. We reserve the right to bill any persons transported from the event.
- Stand-by at Athletic Events: We will provide ambulance coverage when requested at high school athletic events for the purposes of transporting injured/ill athletes or spectators. However, we will not serve as the "athletic trainer" at these events.
- Community Wellness Education: Community wellness education is part of our mission and we embrace the opportunity to offer these programs. However, in some cases there may be a small fee for participating.
- Community Para-medicine: We are very interested in the opportunity that this program represents. There is no reimbursement available for Community Para medicine at this time. We think the development of this program in the Region must be carefully evaluated and not jeopardize the primary mission of emergency ambulance service.
- Off-Road Search & Rescue: Traditionally, SBA has provided standby service at S&R sites. This is another example of operational expense for which there has been no offsetting reimbursement. Our Proposal will enable us to continue to provide this service.
- Community 1<sup>st</sup> Responders: We would continue to support the current system of first responders throughout the area. We have a long history of working with and supporting 1<sup>st</sup> Responder agencies with education and supply replenishment, including oxygen tanks, masks, bandages, gloves, etc..

### **EMS System Investment / Subsidy**

Southern Berkshire Ambulance is requesting that Great Barrington/Housatonic provide a subsidy to help make up for the difference in cost of providing services vs reimbursement. In Budget Year 2018 SBA calculated that the average cost of a 911 call was \$594. The income received from that call, taking into account bad debt, federally mandated contractual adjustments, and non-transportations averaged \$432 per call. This accounts for a deficit of \$162 per call. The current three (3) year average 911 call volume for Great Barrington and Housatonic is 807 responses which causing a deficit of \$131K.

SBA is proposing to continue to provide Paramedic ambulance service which will be supplemented by an annual stipend based on cost and usage of service using a rolling 3 year average, plus a 13% annual growth adjustment to account for continuing increases in requests for service and related operational costs. Thus the requested stipend to provide ambulance services for Great Barrington and Housatonic is

Year 1 – FY 2020-2021	\$147,000.00
Year 2 – FY 2021-2022	\$167,000.00
Year 3 – FY 2022-2023	\$189,000.00

The Annual Stipend may be reduced \$15,805 per year provided the Town of Great Barrington Fire Department contributes the services of a trained FF/EMT (See Attachment A) when needed for back-up coverage as established in a memorandum of understanding.

The healthcare industry and the insurance reimbursement regulations are continuously changing. No one can predict what things will look like in 2023-2024. We will work closely with the Town every year, to keep all parties informed about the changes in usage, demographics and payment sources so a fair and equitable service agreement extension can be reached.

## **Attachment A**

### **GBFD Staffing Proposal**

Proposal: Great Barrington Fire Department will help staff SBA Ambulances with a FF/EMT for 911 calls when needed between 6AM-10PM seven days a week.

#### **Personnel Requirements:**

- Affiliated with SBA
- Minimum Certification of MA Licensed EMT
- Valid Operators License
- CORI Check
- Complete SBA FF/EMT orientation
- ALS/BLS Interface Course

#### **Estimated In-kind Value**

##### **Mutual Aid Requests In 2019 (Missed Calls)?**

Average is 3-4 a month

Avg Revenue for BLS Emergency is \$432.53 per run

Total \$21,350.00

##### **Missed Transfers In 2019 due to lack of staff**

Estimated to be 6-10 month

Avg Revenue BLS Transfer \$248.00

Total \$23,808.00

**In-Kind Value**       $\$45,158.00 \times 35\% = \$15,805.00$

## EXECUTIVE SUMMARY

**TITLE:** Transfer from Reserve Fund to Legal Fees Account

**BACKGROUND:** Due to a combination of an unrealistically low legal budget, and a high amount of legal work including extensive litigation, the FY20 legal budget is nearly depleted. Activity has included:

Housatonic Rest of River litigation and related mediation regarding the Housatonic River PCB cleanup. While Great Barrington shares these costs with four other towns, we require additional funds to pay existing legal bills and anticipated expenses for the balance of the fiscal year (each Town is in this situation for Rest of River). Of course, if a mediated settlement is reached, the town's legal costs may be reimbursed.

Town Counsel, KP Law, in addition to its usual work has also represented the Town in numerous real estate issues and land use cases.


Nick Dominello is representing the Town in an unusually high number of employment related cases, as well as labor union negotiations.

We request \$70,000 from the Reserve Fund be transferred to meet expenses for the balance of the FY.

**FISCAL IMPACT:** This transfer will zero the Reserve Fund balance. In the meantime, the Town Manager will determine if there are areas within the budget that can be tightened up now, as we cannot make any other inter-departmental transfers until May or June.

**RECOMMENDATION:** Staff recommends transfer of \$70,000 from the Reserve Fund for legal expenses.

**PREPARED, REVIEWED and APPROVED BY:**

  
\_\_\_\_\_  
Mark Pruhenski/Town Manager

**DATE:**

02/05/2020



Mark Pruhenski  
Town Manager

E-mail: [mpruhenski@townofgb.org](mailto:mpruhenski@townofgb.org)  
[www.townofgb.org](http://www.townofgb.org)



Town Hall, 334 Main Street  
Great Barrington, MA 01230

Telephone: (413) 528-1619  
Fax: (413) 528-2290

## TOWN OF GREAT BARRINGTON MASSACHUSETTS

### Reserve Fund Transfer

February 5, 2020

TO: Finance Committee  
FROM: Mark Pruhenski, Town Manager  
RE: Reserve Fund Transfer Request

I am respectfully requesting a transfer of funds from the Finance Committee Reserve Fund to the Legal Fees account. Please see attached Executive Summary for an explanation.

	ACCOUNT NAME	ORG	OBJ	AMOUNT
From:	Reserve Fund	01131	57800	\$70,000
To:	Legal Fees	01122	53020	\$70,000

\*See attached YTD budget to actual report.

Department Head signature: [Signature] Date: 2/5/20  
Town Accountant: [Signature] Date: 2/5/20  
Town Manager: [Signature] Date: 2/5/20

Finance Committee signatures:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



02/05/2020 11:53  
1184scarmel

TOWN OF GREAT BARRINGTON  
FY20 BUDGET REPORT - THRU 2/4/20

P 1  
glytdbud

FOR 2020 08

ACCOUNTS FOR:  
001 GENERAL FUND

	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
01122 SELECTBOARD/TOWN MANAGER							
01122 51105 SELECTBOARD	12,500	12,500	6,249.90	.00	.00	6,250.10	50.0%
01122 51108 TOWN MANAGER	120,000	120,000	68,702.27	.00	.00	51,297.73	57.3%
01122 51113 ADMINISTRATION	102,327	102,327	58,583.82	.00	.00	43,743.18	57.3%
01122 51114 COMMITTEE CLERKS	7,500	7,500	2,084.98	.00	.00	5,415.02	27.8%
01122 51200 INTERN	2,500	2,500	.00	.00	.00	2,500.00	.0%
01122 51420 LONGEVITY PAY	950	950	1,050.00	.00	.00	-100.00	110.5%*
01122 52000 CONTRACTED SERVICES	20,000	20,000	5,000.00	.00	15,000.00	.00	100.0%
01122 52300 PUBLICATIONS	5,000	5,000	195.00	.00	.00	4,805.00	3.9%
01122 53020 LEGAL FEES	55,000	62,683	45,312.35	.00	15,014.08	2,356.90	96.2%
01122 53070 CONSULTANTS	9,200	9,200	7,800.00	1,300.00	.00	1,400.00	84.8%
01122 53450 ADVERTISING	15,000	15,000	7,363.15	.00	.00	7,636.85	49.1%
01122 54200 OFFICE SUPPLIES	4,000	4,000	2,822.15	.00	.00	1,177.85	70.6%
01122 57100 TRAVEL/TRAINING	5,000	5,000	4,730.30	602.94	.00	269.70	94.6%
01122 57300 DUES & MEMBERSHIPS	5,000	5,000	3,719.60	.00	.00	1,280.40	74.4%
TOTAL SELECTBOARD/TOWN MANAGER	363,977	371,660	213,613.52	1,902.94	30,014.08	128,032.73	65.6%
TOTAL GENERAL FUND							
	363,977	371,660	213,613.52	1,902.94	30,014.08	128,032.73	65.6%
TOTAL EXPENSES	363,977	371,660	213,613.52	1,902.94	30,014.08	128,032.73	