

TOWN OF SANDISFIELD, MASSACHUSETTS

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

For the Year Ended June 30, 2016

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Independent Auditor's Report

To the Honorable Board of Selectman
Town of Sandisfield, Massachusetts

We have audited the accompanying financial statements of the each major fund and the aggregate remaining fund information of the Town of Sandisfield, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial, which collectively comprise a portion of the Town of Sandisfield, 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on the Financial Statements as a Whole

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Town of Sandisfield, Massachusetts' governmental activities have not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Financial Statements as a Whole” paragraph, the financial statements referred to above do not present fairly the financial position of the Town of Sandisfield, Massachusetts, as of June 30, 2016, or the changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the pension 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 Sandisfield, Massachusetts’ basic financial statements. The Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

August 31, 2017

BASIC FINANCIAL STATEMENTS

**TOWN OF SANDISFIELD, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 1,799,965	\$ 108,950	\$ 1,908,915
Investments	513,340	-	513,340
Receivables, net of allowance for uncollectibles:			
Property Taxes	529,881	-	529,881
Tax Liens	100,010	-	100,010
Excise Taxes	21,743	-	21,743
Departmental	-	13,419	13,419
Due from Other Governments	34,020	259,018	293,038
Total Assets	\$ 2,998,959	\$ 381,387	\$ 3,380,346
Liabilities:			
Warrants Payable	\$ 68,937	\$ 2,452	\$ 71,389
Accrued Payroll	10,879	-	10,879
Other	(414)	-	(414)
Notes Payable	-	50,000	50,000
Total Liabilities	79,402	52,452	131,854
Deferred Inflows of Resources - Unavailable Revenue	432,654	228,865	661,519
Fund Balance:			
Nonspendable	-	3,999	3,999
Restricted	-	84,966	84,966
Committed	-	66,904	66,904
Assigned	238,779	-	238,779
Unassigned	2,248,124	(55,799)	2,192,325
Total Fund Balance	2,486,903	100,070	2,586,973
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,998,959	\$ 381,387	\$ 3,380,346

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

**TOWN OF SANDISFIELD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 2,700,038	\$ -	\$ 2,700,038
Intergovernmental	158,183	922,436	1,080,619
Excise and Other Taxes	115,727	-	115,727
Licenses, Permits and Fees	125,402	-	125,402
Charges for Services	-	83,754	83,754
Investment Income	5,913	9	5,922
Interest on Delinquent Taxes	15,781	-	15,781
Other	-	1,281	1,281
Total Revenues	3,121,044	1,007,480	4,128,524
Expenditures:			
Current:			
General Government	406,721	26,145	432,866
Public Safety	156,243	30,669	186,912
Public Works	517,500	911,922	1,429,422
Education	1,411,418	-	1,411,418
Health and Human Services	105,782	13,815	119,597
Culture and Recreation	21,419	6,075	27,494
Employee Benefits and Insurance	195,007	-	195,007
State Assessments	1,493	-	1,493
Debt Service:			
Principal	50,000	-	50,000
Interest	598	-	598
Total Expenditures	2,866,181	988,626	3,854,807
Excess of Revenues Over (Under) Expenditures	254,863	18,854	273,717
Other Financing Sources (Uses):			
Operating Transfers In	11,263	11,197	22,460
Operating Transfers Out	(11,197)	(11,263)	(22,460)
Proceeds from Issuance of Bonds and Notes	-	50,000	50,000
Total Other Financing Sources (Uses)	66	49,934	50,000
Net Change in Fund Balances	254,929	68,788	323,717
Fund Balances, Beginning of Year	2,231,974	31,282	2,263,256
Fund Balances, End of Year	\$ 2,486,903	\$ 100,070	\$ 2,586,973

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

**TOWN OF SANDISFIELD, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>					
	<u>Amounts Carried</u>			<u>Actual Budgetary Amounts</u>	<u>Variance with Final Budget</u>	
	<u>Forward from Prior Year</u>	<u>Original Budget</u>	<u>Final Budget</u>		<u>Forward to Next Year</u>	<u>Positive (Negative)</u>
Revenues:						
Property Taxes	\$ -	\$ 2,768,844	\$ 2,768,844	\$ 2,563,738	\$ -	\$ (205,106)
Intergovernmental	-	151,092	151,092	158,183	-	7,091
Excise and Other Taxes	-	76,000	76,000	115,727	-	39,727
Licenses, Permits and Fees	-	26,500	26,500	125,402	-	98,902
Investment income	-	2,500	2,500	1,270	-	(1,230)
Interest on Delinquent Taxes	-	12,000	12,000	15,781	-	3,781
Total Revenues	-	3,036,936	3,036,936	2,980,101	-	(56,835)
Expenditures:						
Current:						
General Government	107,714	372,649	541,014	406,721	73,083	61,210
Public Safety	6,757	192,143	198,900	156,243	9,392	33,265
Public Works	20,055	617,808	676,862	517,500	56,436	102,926
Education	-	1,411,918	1,411,918	1,411,418	-	500
Health and Human Services	5,898	139,308	145,207	105,782	5,398	34,027
Culture and Recreation	459	21,042	22,289	21,419	670	200
Employee Benefits and Insurance	-	201,896	223,396	195,007	24,000	4,389
State Assessments	-	1,493	1,493	1,493	-	-
Debt Service:						
Principal	-	50,000	50,000	50,000	-	-
Interest	-	594	594	598	-	(4)
Total Expenditures	140,883	3,008,851	3,271,673	2,866,181	168,979	236,513
Excess of Revenues Over (Under) Expenditures	(140,883)	28,085	(234,737)	113,920	(168,979)	179,678
Other Financing Sources (Uses):						
Operating Transfers In	-	9,500	71,357	80,763	-	9,406
Operating Transfers Out	-	(85,959)	(85,959)	(87,523)	-	(1,564)
Total Other Financing Sources (Uses)	-	(76,459)	(14,602)	(6,760)	-	7,842
Net Change in Budgetary Fund Balance	(140,883)	(48,374)	(249,339)	\$ 107,160	\$ (168,979)	\$ 187,520
Other Budgetary Items:						
Free Cash and Other Reserves	-	50,000	110,082			
Prior Year Deficits	-	(1,626)	(1,626)			
Prior Year Encumbrances	140,883	-	140,883			
Total Other Budgetary Items	140,883	48,374	249,339			
NET BUDGET	\$ -	\$ -	\$ -			

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

TOWN OF SANDISFIELD, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2016

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 2,980,101	\$ 2,866,181
<i>Adjustments:</i>		
Activity for Stabilization Fund Recorded in the General Fund for GAAP Purposes	4,643	-
Net Increase in Revenue from recording Refund Taxes Payable	3,300	-
Net Increase in Revenue from Recording 60-Day Receipts	133,000	-
Reported on a GAAP Basis	\$ 3,121,044	\$ 2,866,181

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

**TOWN OF SANDISFIELD, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 13,112
Total Assets	13,112
LIABILITIES	
Warrants Payable	2,175
Due to Others	7,820
Escrows and Deposits	3,117
Total Liabilities	13,112
NET POSITION	
Held in Trust for Other Purposes	\$ -

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

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1762 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three member Board of Selectman.

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 2016, 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 Farmington River Regional School District. This related organization is excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the committee members. Audited financial statements are available from the respective organizations. A description of the related organization is as follows:

Farmington River Regional School District - A regional school district made up of the Towns of Otis and Sandisfield, Massachusetts to serve and provide a learning environment for the Towns' students. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects three district committee members for its representation. The District is responsible for both operating and capital costs related to the school and operates independently from the Town.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements

The government-wide financial statements have not been presented.

Fund financial statements

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Major Fund Criteria

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

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

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

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

Fiduciary funds are reported by fund type.

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

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

The 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.

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

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

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

Additionally, the Town reports the following fund types:

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

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

D. Cash and Cash Equivalents

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

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

E. Investments

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.

Additional investment disclosures are presented in these Notes.

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

F. Accounts Receivables

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

Property Taxes, Tax Liens and Tax Foreclosures

Property taxes are based on assessments as of January 1, 2015 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The first tax payment is due November 1st, or thirty days after the date tax bills were mailed, whichever is later and must be at least one-half of the tax and any 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 the fiscal year 2016 on October 27, 2015, and April 1, 2016 that were due on November 27, 2015 and May 2, 2016, respectively.

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

The legal levy limit under Proposition 2 1/2 for fiscal year 2016 is as follows:

Legal Levy Limit Under Proposition 2 1/2 for fiscal year 2016	\$ 2,852,760
Add: Debt Exclusion	<u>36,720</u>
	<u><u>\$ 2,889,480</u></u>

The total amount raised by taxation was \$2,808,002.

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

Excise Taxes

Excise taxes consist of motor vehicle excise and farm animal excise. Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles. Farm animal excise taxes are assessed annually by the Board of Assessors and are based upon values of the asset.

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

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

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Departmental

Departmental receivables consist of ambulance fees.

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

Due from Other Governments

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by 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

The Town has not capitalized and depreciated the cost of fixed assets.

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

H. Interfund Transfers

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

In the 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

Fund financial statements

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

J. Fund Balances

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

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

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

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

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

L. 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.

M. Post Retirement Benefits

The Town currently does not provide group insurance for retired employees or their survivors. Thus the Town does not provide any cost of the health insurance plan.

N. Use of Estimates

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

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

O. 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. DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The significant departures of the financial statements from generally accepted accounting principles are as follows:

The Town has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities.

The Town has not implemented GASB Statement No. 34 which requires that the fixed assets be capitalized and depreciated. These include land, land improvements, buildings, vehicles and equipment, and infrastructure asset holdings by the Town.

The Town has not presented a Management's Discussion and Analysis as required by accounting principles generally accepted in the United States of America to supplement, although not required to be part of, the basic financial statements.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

- Estimates are submitted by departments.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

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 2016, the Town incurred a final budget deficit of \$249,339 for the General Fund.

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

Unassigned fund balance:	
Free cash votes	\$ 110,082
Reserve for deficits	(1,626)
Prior year's encumbrances	140,883
	\$ 249,339
	\$ 249,339

B. Deficit Fund Balances

The following funds have deficits at June 30, 2016 as measured by the balance of unreserved fund balance.

- The *New Hartford Road Project* capital project fund has a deficit of \$50,000. The Town has a bond anticipation note outstanding for \$50,000. The deficit will be eliminated upon the issuance of permanent debt.
- The *Emergency Management Performance Grant (EMPG)* special revenue fund has a deficit of \$2,024. The deficit will be eliminated upon future receipt of grant funds or appropriation.
- The *Town Collector Fees Revolving* special revenue funds have deficits totaling \$2,709. The deficit will be eliminated upon future receipts or appropriation.
- The *Plumbing Inspector Revolving* special revenue fund has a deficit of \$600. The deficit will be eliminated upon future receipts or appropriation.
- The *Sanitation Revolving* special revenue fund has a deficit of \$466. The deficit will be eliminated upon future receipts or appropriation.

4. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government has a deposit policy for custodial credit risk. Deposits at June 30, 2016 were \$2,004,117. 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

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

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 \$513,340. 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.

Interest Rate Risk - Investments

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

Credit Risk - Investments

The Town does not have any exposure to credit risk.

Concentration of Credit Risk - Investments

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

B. Receivables

At June 30, 2016, receivables for the individual major governmental fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 530,281	\$ (400)	\$ 529,881
Tax liens	100,010	-	100,010
Excise taxes	25,344	(3,601)	21,743
Departmental	141,802	(128,383)	13,419
Due from other governments	293,038	-	293,038
	<u>\$ 1,090,475</u>	<u>\$ (132,384)</u>	<u>\$ 958,091</u>

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

The composition of amounts due from other governments as of June 30, 2016 for governmental funds is as follows:

General Fund:

Commonwealth of Massachusetts:

Department of Veterans Services:

Veterans benefits \$ 34,020

Nonmajor Governmental Funds:

Commonwealth of Massachusetts:

Executive Office of Housing & Economic Development:

Massachusetts Works Grant \$ 36,375

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funded projects 222,643 259,018

\$ 259,018 \$ 293,038

C. Deferred Inflows of Resources – Unavailable Revenue

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

General Fund:

Property taxes	\$	276,881		
Tax liens		100,010		
Excise taxes		21,743		
Due from other governments		34,020	\$	432,654

Nonmajor governmental funds:

Departmental		13,419		
Due from other governments		215,446		228,865
			\$	661,519

D. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2016, are summarized below:

Transfers Out:	Transfers In:			Total
	General fund	Nonmajor Governmental fund		
General fund	\$ -	\$ 11,197	\$	11,197
Nonmajor governmental funds	11,263	-	\$	11,263
Total transfers out	\$ 11,263	\$ 11,197	\$	22,460

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

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

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

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2015	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2016
Governmental Activities						
Bond Anticipation Notes:						
New Hartford Road project	0.60%	9/25/2015	\$ 100,000	\$ -	\$ 100,000	\$ -
New Hartford Road project	0.70%	9/25/2016	-	50,000	-	50,000
Total Governmental Activities			<u>\$ 100,000</u>	<u>\$ 50,000</u>	<u>\$ 100,000</u>	<u>\$ 50,000</u>

F. Long Term Debt

General Obligation Bonds

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

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

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due within One Year
Governmental activities:					
Net pension liability	\$ 191,691	\$ 117,223	\$ -	\$ 308,914	\$ -
Governmental activity					
Long-term liabilities	<u>\$ 191,691</u>	<u>\$ 117,223</u>	<u>\$ -</u>	<u>\$ 308,914</u>	<u>\$ -</u>

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 has no inside debt at June 30, 2016.

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, 2016:

Equalized Valuation-Real Estate and Personal Property (2016)	<u>\$ 222,124,900</u>
Debt Limit: 5 % of Equalized value	11,106,245
Total Debt Outstanding	\$ -
Less: Debt Outside Debt Limit	<u>-</u>
Inside Debt Excess Borrowing Capacity at June 30, 2016	<u>\$ 11,106,245</u>

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt. Loan authorizations that have not been issued as of June 30, 2016 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
5/16/2015	Broadband network installation	<u>\$ 2,400,000</u>

Overlapping Debt

The Town pays assessments, which includes debt service payments to other local governmental units providing services within the Town's boundaries (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of the governmental unit, the estimated share of such debt being serviced by the Town and the total of its share of estimated indirect debt.

	Current Year's Debt	Town's Estimated Share	Town's Estimated Indirect Debt
Farmington River Regional School District:			
School construction	\$ 185,000	31.39%	<u>\$ 58,072</u>

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

G. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2016:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Permanent funds	\$ -	\$ 3,999	\$ 3,999
Restricted:			
Federal, state and local grants	-	13,326	13,326
Revolving funds	-	26,674	26,674
Donations and gifts	-	2,296	2,296
Permanent funds	-	3,751	3,751
Other	-	38,919	38,919
	-	84,966	84,966
Committed:			
Ambulance	-	66,904	66,904
Assigned:			
Encumbrances	168,979	-	168,979
Subsequent year's budget	69,800	-	69,800
	238,779	-	238,779
Unassigned:			
General fund	2,248,124	-	2,248,124
Special revenue deficits	-	(55,799)	(55,799)
	2,248,124	(55,799)	2,192,325
Total Governmental fund balances	\$ 2,486,903	\$ 100,070	\$ 2,586,973

H. Special Trust Funds

Stabilization Fund

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

At June 30, 2016, the balance in the stabilization fund is \$990,725 and is reported in the General Fund as unassigned fund balance.

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

5. OTHER INFORMATION

A. Risk Management

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

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

B. Contingent Liabilities

Litigation

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2016, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2016. The outcome of lawsuits and any findings with respect to disallowed expenditures is not expected to materially affect the financial condition of the Town.

C. Pension Plan

Plan Description

The Town is a member of the 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 SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

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, 2015 was \$61,162, representing 19.8% 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, 2016, the Town's liability is \$308,914 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. 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, 2015, the Town's proportional percentage was 0.73%, which was the same as the last measurement.

Pension Expense

For the year ended June 30, 2016, the Town's pension expense is \$61,860; deferred outflows of resources related to pensions is \$137,342 from the net difference between projected and actual investment earnings on pension plan investments and changes of assumptions and deferred inflows of resources related to pensions is \$17,703 from net differences between expected and actual experience. Since the System performs an actuarial valuation bi-annually, there are no reported differences between the expected and actual experience as of December 31, 2015.

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

For years ended June 30,		
2017	\$	30,076
2018		30,076
2019		30,076
2020		29,411
	\$	119,639

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2015:

Valuation date	January 1, 2015
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Increasing 4.7% per year
Asset valuation method	The actuarial value of assets is the market value. For funding purposes, gains and losses each year are recognized over 5 years.
Investment rate of return	7.60%, net of pension plan investment expense, including inflation
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 SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

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, 2015, are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Rate of Return
Large Cap Equities	14.50%	7.50%	1.09%
Small/mid Cap Equities	3.50%	7.75%	0.27%
International Equities	16.00%	8.00%	1.28%
Emerging International Equities	6.00%	9.25%	0.56%
Core Bonds	3.00%	3.98%	0.12%
20+ Year Treasury STRIPS	7.00%	4.00%	0.28%
15 Year Duration Treasuries	0.00%	5.00%	0.00%
TIPS	3.00%	4.00%	0.12%
High-yield Bonds	1.50%	5.75%	0.09%
Bank Loans	1.50%	6.00%	0.09%
EMD (External)	1.00%	6.00%	0.06%
EMD (Local Currency)	2.00%	6.75%	0.14%
Private Debt	4.00%	8.00%	0.32%
Private Equity	10.00%	9.50%	0.95%
Real Estate (Core)	10.00%	6.50%	0.65%
Timber/Natural Resources	4.00%	6.75%	0.27%
Hedge Funds	9.00%	6.75%	0.61%
Portfolio Completion Strategies	4.00%	N/A	N/A
Total	100.00%		

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 0.66%. 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 7.60%. 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 of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF SANDISFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

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 7.60%. 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 (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

	1% Decrease	Current	Discount Rate	1% Increase
	6.60%	7.60%	7.60%	8.60%
Town's net pension liability	\$ 507,766	\$ 308,914	\$	140,474

D. Other Post Employment Benefits Payable

GASB Statement No. 45

The Town has not elected the provisions Chapter 32B of Massachusetts General Laws that pertains to providing other post-employment benefits besides pension benefits to retirees, their dependents, or their survivors. Accordingly, there is no liability for health, life or any other benefits except retirement as discussed in the pension plan. Retirees may pay entirely into the Town the cost of their monthly health insurance premium.

E. Implementation Of New GASB Pronouncements

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

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

F. 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. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, for implementation in fiscal year 2017.

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. 77, *Tax Abatement Disclosures*, for implementation in fiscal year 2017.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SANDISFIELD, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Berkshire County Regional Retirement System
For the Year Ended June 30, 2016

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

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

	<u>12/31/2015</u>	<u>12/31/2014</u>
Town's proportion of the net pension liability (asset)	0.73%	0.73%
Town's proportionate share of the net pension liability (asset)	\$ 308,914	\$ 191,691
Town's covered employee payroll	\$ 308,841	\$ 294,146
Net pension liability percentage of covered-employee payroll	100.02%	65.17%
Plan fiduciary net position as a percentage of the total pension liability	82.25%	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 SANDISFIELD, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Berkshire County Regional Retirement System
For the Year Ended June 30, 2016

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

Schedule of the Town's Contributions:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Actuarially determined contribution	\$ 61,162	\$ 58,388
Less: Contributions in relation to the actuarially determined contribution	<u>(61,162)</u>	<u>(58,388)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	\$ 308,841	\$ 294,146
Contributions percentage of covered-employee payroll	19.80%	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.

SUPPLEMENTARY SCHEDULES

TOWN OF SANDISFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Fund Balances July 1, 2015	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2016
Special Revenue:					
Federal and State Grants:					
Arts Lottery Council Grants	\$ 7,022	\$ 4,401	\$ 3,943	\$ -	\$ 7,480
Board of Health Grant	792	-	-	-	792
Council on Aging Grants	274	4,226	4,736	236	-
Highway Grants	-	911,922	911,922	-	-
Library Grants	2,573	1,888	264	(1,858)	2,339
Public Safety Grants	1,841	-	2,024	-	(183)
Record Storage Grant	873	-	-	-	873
Other:					
Ambulance Fees Revolving	53,459	16,490	3,045	-	66,904
Collector Fees Revolving	1,238	3,390	7,337	-	(2,709)
Conservation Fees	643	17,841	17,681	-	803
Dog License Fees	2,306	550	130	-	2,726
Dump Sticker Revolving	5,022	13,055	5,763	-	12,314
Gas Revolving	(9,633)	-	(735)	9,633	735
Gifts and Donations	3,028	1,137	1,869	-	2,296
Inspector Revolving	5,147	9,649	6,654	-	8,142
Insurance Reimbursements	9,405	-	-	(9,405)	-
Newspaper Advertising Revolving	698	590	972	-	316
Police Details	9,455	10,545	18,946	748	1,802
Repair of Cemetery	8,825	-	-	-	8,825
Sale of Cemetery Lots	10,641	3,600	-	-	14,241
Sanitation Revolving	357	1,912	3,315	580	(466)
Tractor Revolving	1,841	-	-	-	1,841
Wetland Protection	7,877	6,132	760	-	13,249
Total Special Revenue Funds	\$ 123,684	\$ 1,007,328	\$ 988,626	\$ (66)	\$ 142,320

**TOWN OF SANDISFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances July 1, 2015	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2016
Capital Projects:					
New Hartford Road project	\$ (100,000)	\$ -	\$ -	\$ 50,000	\$ (50,000)
Perpetual Permanent Funds:					
Cemetery Perpetual Care Funds	3,549	-	-	-	3,549
Library Fund	450	-	-	-	450
Total Perpetual Permanent Funds	3,999	-	-	-	3,999
Permanent Funds:					
Cemetery Perpetual Care Funds	3,548	7	-	-	3,555
Library Fund	51	145	-	-	196
Total Permanent Funds	3,599	152	-	-	3,751
Total - Non-Major Governmental Funds	\$ 31,282	\$ 1,007,480	\$ 988,626	\$ 49,934	\$ 100,070

**TOWN OF SANDISFIELD, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
JULY 1, 2015 TO JUNE 30, 2016**

	Uncollected Taxes July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2016	Uncollected Taxes Per Detail June 30, 2016
Real Estate Taxes:						
Levy of 2016	\$ -	\$ 2,592,622	\$ 16,448	\$ 2,167,240	\$ 408,934	\$ 408,934
Levy of 2015	243,092	-	24,890	154,967	63,235	48,203
Levy of 2014	46,743	-	4,206	17,848	24,689	24,689
Levy of 2013	18,541	-	-	1,840	16,701	7,606
Levy of 2012	7,689	-	1,269	3,020	3,400	3,400
	<u>316,065</u>	<u>2,592,622</u>	<u>46,813</u>	<u>2,344,915</u>	<u>516,959</u>	<u>492,832</u>
Personal Property Taxes:						
Levy of 2016	-	215,376	2,300	200,403	12,673	12,673
Levy of 2015	5,288	-	206	4,562	520	520
Levy of 2014	756	-	126	501	129	129
Levy of 2013	244	-	244	-	-	-
Levy of 2012	162	-	162	-	-	-
	<u>6,450</u>	<u>215,376</u>	<u>3,038</u>	<u>205,466</u>	<u>13,322</u>	<u>13,322</u>
Total Real Estate and Personal Property Taxes	<u>\$ 322,515</u>	<u>\$ 2,807,998</u>	<u>\$ 49,851</u>	<u>\$ 2,550,381</u>	<u>\$ 530,281</u>	<u>\$ 506,154</u>

**TOWN OF SANDISFIELD, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE AND FARM ANIMAL EXCISE TAXES
JULY 1, 2015 TO JUNE 30, 2016**

	Uncollected Taxes July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2016	Uncollected Taxes Per Detail June 30, 2016
Motor Vehicle Excise Taxes:						
Levy of 2016	\$ -	\$ 92,899	\$ 743	\$ 77,643	\$ 14,513	\$ 14,438
Levy of 2015	25,781	18,153	1,915	36,870	5,149	4,956
Levy of 2014	4,839	-	2,266	585	1,988	1,988
Levy of 2013	895	-	(140)	57	978	973
Levy of 2012	1,237	-	-	83	1,154	1,154
Prior Years	1,347	-	258	287	802	802
Total Motor Vehicle Excise Taxes	34,099	111,052	5,042	115,525	24,584	24,311
Farm Animal Excise Taxes	760	-	-	-	760	-
Total Motor Vehicle and Farm Animal Excise Taxes	\$ 34,859	\$ 111,052	\$ 5,042	\$ 115,525	\$ 25,344	\$ 24,311

**TOWN OF SANDISFIELD, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2015 TO JUNE 30, 2016**

	Uncollected Accounts July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2016	Uncollected Accounts Per Detail June 30, 2016
Tax Liens	\$ 83,179	\$ 22,703	\$ (250)	\$ 6,122	\$ 100,010	\$ -