

TOWN OF BUCKLAND, MASSACHUSETTS

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

For the Year Ended June 30, 2019

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Independent Auditor's Report

To the Honorable Select Board
Town of Buckland, 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 Buckland, Massachusetts, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Buckland, 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Buckland, Massachusetts, as of June 30, 2019, 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 Buckland, 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

September 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Buckland (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. 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 \$9,993,352 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,961,462, an increase of \$1,031,890 (8%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$627,758, a decrease of \$588,234 (48%) in comparison with the prior year.
- The General Fund's total fund balance decreased \$38,676 (3%) to \$1,111,621. The ending General fund balance is 24% of revenues and 24% of expenditures and transfers out.
- Total liabilities of the Town increased by \$2,337,240 (77%) to \$5,372,793 during the fiscal year. This was mainly attributed to increases in warrants and accounts payable of \$527,811, in bond anticipation notes payable of \$1,447,000 and in the net pension liability of \$327,059.
- The Town had General Fund free cash certified by the Department of Revenue in the amount of \$141,499. The key factors that attributed to the free cash amount for fiscal year 2019 were unexpended/unencumbered appropriations of \$89,100, excess over budget state and local receipts of \$78,700.
- The Town's enterprise fund certified free cash is as follows:
 - Sewer fund \$ 283,372.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Buckland'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 net difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

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

	Governmental Activities		
	2019	2018	Change
Assets:			
Current assets	\$ 3,816,524	\$ 2,145,009	\$ 1,671,515
Capital assets	10,318,607	8,885,019	1,433,588
Total assets	14,135,131	11,030,028	3,105,103
Deferred Outflows of Resources	253,328	118,969	134,359
Liabilities:			
Current liabilities (excluding debt)	721,088	98,719	622,369
Current debt and lease	2,014,279	638,779	1,375,500
Noncurrent liabilities (excluding debt)	1,957,792	1,654,360	303,432
Noncurrent debt and lease	342,691	356,970	(14,279)
Total liabilities	5,035,850	2,748,828	2,287,022
Deferred Inflows of Resources	840	72,600	(71,760)
Net Position:			
Net Investment in Capital Assets	7,961,637	8,457,748	(496,111)
Restricted	1,736,585	670,682	1,065,903
Unrestricted	(346,453)	(800,861)	454,408
Total net position	\$ 9,351,769	\$ 8,327,569	\$ 1,024,200

	Business-Type Activities		
	2019	2018	Change
Assets:			
Current assets	\$ 414,348	\$ 377,593	\$ 36,755
Capital assets	519,777	534,845	(15,068)
Total assets	934,125	912,438	21,687
Deferred Outflows of Resources	44,549	20,992	23,557
Liabilities:			
Current liabilities	5,758	5,076	682
Noncurrent liabilities	331,185	281,649	49,536
Total liabilities	336,943	286,725	50,218
Deferred Inflows of Resources	148	12,812	(12,664)
Net Position:			
Net investment in capital assets	519,777	534,845	(15,068)
Unrestricted	121,806	99,048	22,758
Total net position	\$ 641,583	\$ 633,893	\$ 7,690

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2019	2018	Change
Program Revenues:			
Charges for services	\$ 170,804	\$ 220,171	\$ (49,367)
Operating grants and contributions	105,327	382,207	(276,880)
Capital grants and contributions	1,437,251	756,146	681,105
General Revenues:			
Property taxes	3,951,694	3,883,429	68,265
Motor vehicle excise and other taxes	222,966	233,116	(10,150)
Penalties and interest on taxes	22,940	18,940	4,000
Nonrestricted grants	332,963	313,449	19,514
Unrestricted investment income	12,918	5,391	7,527
Miscellaneous	588	715	(127)
Total revenues	6,257,451	5,813,564	443,887
Expenses:			
General government	622,516	777,426	(154,910)
Public safety	338,449	358,268	(19,819)
Public works	984,590	717,448	267,142
Education	2,571,081	2,425,850	145,231
Health and human services	127,531	120,423	7,108
Culture and recreation	180,920	148,816	32,104
Employee benefits and insurance	372,733	349,035	23,698
State assessments	10,879	8,292	2,587
Interest	24,552	28,596	(4,044)
Total expenses	5,233,251	4,934,154	299,097
Change in net position	1,024,200	879,410	144,790
Net position - beginning of year	8,327,569	7,448,159	879,410
Net position - end of year	\$ 9,351,769	\$ 8,327,569	\$ 1,024,200

	Business-Type Activities		
	2019	2018	Change
Program Revenues:			
Charges for services	\$ 268,186	\$ 273,666	\$ (5,480)
Operating grants and contributions	1,968	1,040	928
Total revenues	270,154	274,706	(4,552)
Expenses:			
Sewer	262,464	262,985	(521)
Total expenses	262,464	262,985	(521)
Change in net position	7,690	11,721	(4,031)
Net position - beginning of year	633,893	622,172	11,721
Net position - end of year	\$ 641,583	\$ 633,893	\$ 7,690

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 \$9,993,352 at the close of fiscal year 2019.

Net position of \$8,481,414 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$1,736,585 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$224,647).

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.

The Town is able to report positive balances in all categories of net position for the business-type activities.

The governmental activities net position increased by \$1,024,200 (12%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2019 was attributed to net increases resulting from the acquisition of \$1,779,571 in new capital assets exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$345,983.

There was an increase of \$7,690 (1%) in net position reported in connection with 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, unreserved 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 \$627,758, a decrease of \$588,234 (48%) in comparison with the prior year.

Breakdown of the governmental fund balances are as follows:

- Restricted fund balance – \$577,322.
- Assigned fund balance – \$475,293.
- Unassigned fund balance – (\$424,857).

At the end of the fiscal year, the General Fund reported a fund balance of \$1,111,621, decreasing \$38,676 (3%) from the prior year. Of the \$1,111,621, the unassigned amount is \$636,628 (57%) and the assigned amount is \$475,293 (43%). General fund revenues were \$61,796 (1%) more and expenditures also increased by \$181,021 (4%) from the prior fiscal year. Other activity in the General fund is net transfers to other funds of \$22,179.

The main component of the increase in general fund revenues is related to an increase in property taxes in the amount of \$47,924 (1%) and intergovernmental revenue of \$21,334 (6%) from the prior year.

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

- Increase in General government expenditures of \$121,879 (28%).
- Decrease in Public works expenditures of \$41,035 (6%).
- Increase in Education expenditures \$145,231 (6%).
- Decrease in Employee benefits and insurance expenditures of \$37,141 (12%).

The *Town Highway Facility Construction Fund* is used to account for the resources to construct a new public facility. The fund has a deficit balance of \$1,061,185 in total operations for the year. This change was mainly attributed to expenditures. The Town also has a bond authorization of \$2 million which is not reflected in the Fund Balance.

The *Swimming Pool Donation Fund* is used to account for the accumulation of resources to complete engineering, designs and construct a new swimming pool for the Town. The fund has a balance of \$446,907 and shows a decrease of \$25,886 attributed to the donations of \$20,000, investment income of \$9,744 and expenditures of \$55,630 for the year.

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* is the financing and operations of the Town's sewer system. The sewer fund has accumulated a balance of \$641,583 and shows an increase of \$7,690 (1%) in total operations. This change was mainly attributed to operating revenues exceeding operating costs by \$5,722, and interest income of \$1,968. Operating revenues decreased by \$5,480 (2%) and operating expenses also decreased by \$521 from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2019 was \$5,057,148. This was an increase of \$296,313 (6%) over the previous year's budget.

There was an increase of \$99,400 between the total original budget and the total final amended budget. The change is attributed to votes at the various special town meetings for various budget operating line items.

General fund expenditures were less than budgeted by \$437,940. Of the \$437,940 in under budget expenditures \$348,793 has been carried over to fiscal year 2020.

There was a negative variance in property taxes of \$20,432 as revenues did not meet budget expectations.

Overall, the variance with the final budget was a positive \$147,385 consisting of a revenue surplus of \$58,238 and an appropriation surplus of \$89,147.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities amounts to \$10,318,607 and \$519,777, 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:

- Highway facility construction for \$1,061,185.
- Road and sidewalk infrastructure improvements for \$659,781.
- Parks' playground equipment for \$58,605.

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

Debt Administration. The Town's outstanding governmental debt, as of June 30, 2019, totaled \$356,970 for Town hall renovations.

The Town has a bond anticipation note outstanding consisting of \$2 million in the governmental activities as of June 30, 2019 for the Highway facility project.

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

Next Year's Annual Town Meeting

The Town of Buckland 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, 2019 do not reflect the fiscal year 2020 Town Meeting action with the exception of the fund balance free cash and stabilization amounts used to fund the 2020 budget. The Annual Town Meeting on May 9, 2019 authorized a fiscal year 2020 operating and capital budget as follows:

From raise and appropriate	\$	4,782,861
From sewer user fees		294,438
From other available funds:		
General Fund:		
Unreserved fund balance:		
Free cash		86,500
Police stabilization fund		40,000
	\$	<u>5,203,799</u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Buckland's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, Town Hall, 17 State Street, Buckland, Massachusetts 01370.

BASIC FINANCIAL STATEMENTS

TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 3,025,018	\$ 291,819	\$ 3,316,837
Investments	159,459	-	159,459
Receivables, net of allowance for uncollectibles:			
Property Taxes	170,148	-	170,148
Tax Liens	42,982	-	42,982
Excise Taxes	41,674	-	41,674
User Charges	-	122,529	122,529
Due from Other Governments	377,243	-	377,243
Total current assets	<u>3,816,524</u>	<u>414,348</u>	<u>4,230,872</u>
NONCURRENT:			
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	2,220,728	-	2,220,728
Depreciable	8,097,879	519,777	8,617,656
Total noncurrent assets	<u>10,318,607</u>	<u>519,777</u>	<u>10,838,384</u>
Total Assets	<u>14,135,131</u>	<u>934,125</u>	<u>15,069,256</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	236,370	41,711	278,081
Deferred Outflows Related to OPEB	16,958	2,838	19,796
Total Deferred Outflows of Resources	<u>253,328</u>	<u>44,549</u>	<u>297,877</u>
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	572,814	3,430	576,244
Retainage Payable	98,286	-	98,286
Accrued Payroll	17,857	2,328	20,185
Payroll Withholdings	7,325	-	7,325
Accrued Interest	18,735	-	18,735
Other	71	-	71
Landfill Post-Closure Care Costs	6,000	-	6,000
Bond Anticipation Note Payable	2,000,000	-	2,000,000
Bonds Payable	14,279	-	14,279
Total current liabilities	<u>2,735,367</u>	<u>5,758</u>	<u>2,741,125</u>
NONCURRENT:			
Compensated Absences	25,894	8,534	34,428
Landfill Post-Closure Care Costs	66,000	-	66,000
Net OPEB Liability	828,079	139,511	967,590
Net Pension Liability	1,037,819	183,140	1,220,959
Bonds Payable	342,691	-	342,691
Total noncurrent liabilities	<u>2,300,483</u>	<u>331,185</u>	<u>2,631,668</u>
Total Liabilities	<u>5,035,850</u>	<u>336,943</u>	<u>5,372,793</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	840	148	988
Total Deferred Inflows of Resources	<u>840</u>	<u>148</u>	<u>988</u>
NET POSITION			
Net Investment in Capital Assets	7,961,637	519,777	8,481,414
Restricted for:			
Capital Projects	938,815	-	938,815
Federal & State Grants	248,053	-	248,053
Other Purposes	549,717	-	549,717
Unrestricted	(346,453)	121,806	(224,647)
Total Net Position	<u>\$ 9,351,769</u>	<u>\$ 641,583</u>	<u>\$ 9,993,352</u>

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

**TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General Government	\$ 622,516	\$ 20,015	\$ 32,077	\$ 27,707	\$ (542,717)	\$ -	\$ (542,717)
Public Safety	338,449	75,408	-	-	(263,041)	-	(263,041)
Public Works	984,590	44,671	11,102	1,357,544	428,727	-	428,727
Education	2,571,081	-	10,478	-	(2,560,603)	-	(2,560,603)
Health and Human Services	127,531	-	32,350	-	(95,181)	-	(95,181)
Culture and Recreation	180,920	30,710	17,832	52,000	(80,378)	-	(80,378)
Employee Benefits and Insurance	372,733	-	-	-	(372,733)	-	(372,733)
State Assessments	10,879	-	-	-	(10,879)	-	(10,879)
Interest	24,552	-	1,488	-	(23,064)	-	(23,064)
Total Governmental Activities	5,233,251	170,804	105,327	1,437,251	(3,519,869)	-	(3,519,869)
Business-Type Activities:							
Sewer	262,464	268,186	1,968	-	-	7,690	7,690
Total Primary Government	\$ 5,495,715	\$ 438,990	\$ 107,295	\$ 1,437,251	(3,519,869)	7,690	(3,512,179)
General Revenues:							
Property Taxes					3,951,694	-	3,951,694
Motor vehicle excise and other taxes					222,966	-	222,966
Penalties & Interest on taxes					22,940	-	22,940
Grants & Contributions not restricted to specific programs					332,963	-	332,963
Unrestricted Investment Income					12,918	-	12,918
Miscellaneous					588	-	588
Total General Revenues and Transfers					4,544,069	-	4,544,069
Change in Net Position					1,024,200	7,690	1,031,890
Net Position:							
Beginning of year					8,327,569	633,893	8,961,462
End of year					\$ 9,351,769	\$ 641,583	\$ 9,993,352

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

**TOWN OF BUCKLAND, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	Town Highway Facility Construction Fund	Swimming Pool Donation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 986,405	\$ 1,569,595	\$ 459,948	\$ 9,070	\$ 3,025,018
Investments	153,617	-	-	5,842	159,459
Receivables, net of allowance for uncollectibles:					
Property Taxes	170,148	-	-	-	170,148
Tax Liens	42,982	-	-	-	42,982
Excise Taxes	41,674	-	-	-	41,674
Due from Other Governments	33,361	-	-	343,882	377,243
Total Assets	\$ 1,428,187	\$ 1,569,595	\$ 459,948	\$ 358,794	\$ 3,816,524
Liabilities:					
Warrants and Accounts Payable	\$ 24,687	\$ 532,494	\$ 13,041	\$ 2,592	\$ 572,814
Retainage Payable	-	98,286	-	-	98,286
Accrued Payroll	12,518	-	-	5,339	17,857
Employee Withholdings	7,325	-	-	-	7,325
Other	71	-	-	-	71
Bond Anticipation Note Payable	-	2,000,000	-	-	2,000,000
Total Liabilities	44,601	2,630,780	13,041	7,931	2,696,353
Deferred Inflows of Resources:					
Unavailable Revenue	271,965	-	-	220,448	492,413
Fund Balances:					
Restricted	-	-	446,907	130,415	577,322
Assigned	475,293	-	-	-	475,293
Unassigned	636,328	(1,061,185)	-	-	(424,857)
Total Fund Balance	1,111,621	(1,061,185)	446,907	130,415	627,758
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,428,187	\$ 1,569,595	\$ 459,948	\$ 358,794	\$ 3,816,524

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

**TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Town Highway Facility Construction Fund	Swimming Pool Donation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 3,905,349	\$ -	\$ -	\$ -	\$ 3,905,349
Intergovernmental	369,771	-	-	1,308,386	1,678,157
Excise and Other Taxes	219,801	-	-	-	219,801
Charges for Services	44,671	-	-	100,773	145,444
Licenses, Permits, Fees	27,261	-	-	-	27,261
Interest on Taxes	22,940	-	-	-	22,940
Investment Income	12,918	-	9,744	563	23,225
Intergovernmental - "On-behalf" Payments	16,966	-	-	-	16,966
Gifts and Donations	-	-	20,000	230	20,230
Other	-	-	-	5,467	5,467
Total Revenues	4,619,677	-	29,744	1,415,419	6,064,840
Expenditures:					
Current:					
General Government	554,761	-	-	41,363	596,124
Public Safety	220,523	-	-	68,788	289,311
Public Works	687,966	1,061,185	-	695,570	2,444,721
Education	2,571,081	-	-	-	2,571,081
Health and Human Services	121,902	-	-	5,629	127,531
Culture and Recreation	94,027	-	55,630	88,735	238,392
Employee Benefits and Insurance	266,935	-	-	-	266,935
State Assessments	10,879	-	-	-	10,879
Debt Service:					
Principal	85,779	-	-	-	85,779
Interest	22,321	-	-	-	22,321
Total Expenditures	4,636,174	1,061,185	55,630	900,085	6,653,074
Excess of Revenues Over (Under) Expenditures	(16,497)	(1,061,185)	(25,886)	515,334	(588,234)
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	22,179	22,179
Operating Transfers Out	(22,179)	-	-	-	(22,179)
Total Other Financing Sources (Uses)	(22,179)	-	-	22,179	-
Net Change in Fund Balances	(38,676)	(1,061,185)	(25,886)	537,513	(588,234)
Fund Balances, Beginning of Year	1,150,297	-	472,793	(407,098)	1,215,992
Fund Balances, End of Year	\$ 1,111,621	\$ (1,061,185)	\$ 446,907	\$ 130,415	\$ 627,758

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

TOWN OF BUCKLAND, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2019

Total Governmental Fund Balances		\$ 627,758
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		10,318,607
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		492,413
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.		252,488
Long term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Bonds Payable	\$ (356,970)	
Landfill Post-Closure Care Costs	(72,000)	
Net OPEB Liability	(828,079)	
Net Pension Liability	(1,037,819)	
Compensated absences	(25,894)	(2,320,762)
In statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.		(18,735)
Net Position of Governmental Activities		\$ 9,351,769

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

TOWN OF BUCKLAND, MASSACHUSETTS
Reconciliation of the Statement of the Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (588,234)

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	\$ 1,779,571	
Depreciation	<u>(345,983)</u>	1,433,588

Revenue in the statement of activities that do not provide current financial resources are fully deferred in the statement of revenues, expenditures and changes in fund balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue 192,611

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	85,779
-----------------------------	--------

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 landfill post-closure care costs	6,000	
Net change in compensated absences	2,485	
Net change in net OPEB liability	(33,916)	
Net change in deferred outflow/(inflow) of resources related to OPEB	16,902	
Net change in net pension liability	(278,001)	
Net change in deferred outflow/(inflow) of resources related to pensions	189,217	
Net change in accrued interest on long-term debt	<u>(2,231)</u>	<u>(99,544)</u>

Change in Net Position of Governmental Activities \$ 1,024,200

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

**TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>				Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)	
	Amounts Carried		Original					Final
	Forward from Prior Year	Budget	Budget	Budget				
Revenues:								
Property Taxes	\$ -	\$ 3,926,181	\$ 3,926,181	\$ 3,905,749	\$ -	\$ (20,432)		
Intergovernmental	-	368,326	368,326	369,771	-	1,445		
Excise and Other Taxes	-	170,000	170,000	219,801	-	49,801		
Charges for Services	-	35,000	35,000	44,671	-	9,671		
Licenses, Permits, Fees	-	19,500	19,500	27,261	-	7,761		
Interest on Taxes	-	15,000	15,000	22,940	-	7,940		
Investment Income	-	1,500	1,500	3,552	-	2,052		
Total Revenues	-	4,535,507	4,535,507	4,593,745	-	58,238		
Expenditures:								
Current:								
General Government	89,762	496,186	641,960	554,761	50,737	36,462		
Public Safety	2,037	235,989	238,026	220,523	-	17,503		
Public Works	119,813	789,155	1,006,459	687,966	294,797	23,696		
Education	33,129	2,541,067	2,575,784	2,571,081	-	4,703		
Health and Human Services	-	127,730	122,730	121,902	-	828		
Culture and Recreation	2,500	94,786	97,286	94,027	3,259	-		
Employee Benefits and Insurance	-	319,495	272,304	266,935	-	5,369		
State Assessments	-	10,879	10,879	10,879	-	-		
Debt Service:								
Principal	-	70,391	70,301	70,301	-	-		
Interest	-	24,829	21,419	20,833	-	586		
Total Expenditures	247,241	4,710,507	5,057,148	4,619,208	348,793	89,147		
Excess of Revenues Over (Under) Expenditures	(247,241)	(175,000)	(521,641)	(25,463)	(348,793)	147,385		
Other Financing Sources (Uses):								
Operating Transfers In	-	155,000	214,800	214,800	-	-		
Operating Transfers Out	-	(30,000)	(30,000)	(30,000)	-	-		
Total Other Financing Sources (Uses)	-	125,000	184,800	184,800	-	-		
Net Change in Budgetary Fund Balance	(247,241)	(50,000)	(336,841)	\$ 159,337	\$ (348,793)	\$ 147,385		
Other Budgetary Items:								
Free Cash and Other Reserves	-	50,000	89,600					
Prior Year Encumbrances	247,241	-	247,241					
Total Other Budgetary Items	247,241	50,000	336,841					
NET BUDGET	\$ -	\$ -	\$ -					

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

TOWN OF BUCKLAND, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2019

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 4,593,745	\$ 4,619,208
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	9,366	-
Net Increase in Revenue from recording Refund Taxes Payable	4,100	-
Net Decrease in Revenue from Recording 60-Day Receipts	(4,500)	-
Recognition of Intergovernmental Revenue - "on behalf payments"	16,966	-
Recognition of Expenditures - "on behalf payments"	-	16,966
Reported on a GAAP Basis	\$ 4,619,677	\$ 4,636,174

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

**TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	Business-Type Activity Enterprise Fund
	Sewer Fund
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 291,819
User Charges, net of allowance for uncollectibles	122,529
Total current assets	414,348
NONCURRENT:	
Capital Assets, net of accumulated depreciation:	
Depreciable	519,777
Total noncurrent assets	519,777
Total Assets	934,125
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	41,711
Deferred Outflows Related to OPEB	2,838
Total Deferred Outflows of Resources	44,549
LIABILITIES	
CURRENT:	
Accounts Payable	3,430
Accrued Payroll	2,328
Total current liabilities	5,758
NONCURRENT:	
Compensated Absences	8,534
Net OPEB Liability	139,511
Net Pension Liability	183,140
Total noncurrent liabilities	331,185
Total Liabilities	336,943
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	148
Total Deferred Inflows of Resources	148
NET POSITION	
Net Investment in Capital Assets	519,777
Unrestricted	121,806
Total Net Position	\$ 641,583

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

**TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activity Enterprise Fund
	Sewer Fund
Operating Revenues:	
Charges for Services	155,344
Intergovernmental	111,520
Other	1,322
Total Operating Revenues	268,186
Operating Expenses:	
Salaries & Wages	126,482
Operating Expenses	66,966
Employee Benefits and Insurance	53,948
Depreciation	15,068
	262,464
Operating Income (Loss)	5,722
Non-Operating Revenues (Expenses):	
Investment Income	1,968
Total Non-Operating Revenues (Expenses)	1,968
Income (Loss) Before Operating Transfers	7,690
Operating Transfers:	
Transfers In/(Out)	-
Total Operating Transfers	-
Change in Net Position	7,690
Net Position at Beginning of Year (as restated)	633,893
Net Position at End of Year	\$ 641,583

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

**TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activity Enterprise Fund
	Sewer Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	\$ 188,233
Intergovernmental	111,520
Receipts from Other Revenues	1,322
Payments to Vendors and Employees	(233,399)
Net Cash Provided by (Used for) Operating Activities	67,676
Cash Flows from Investing Activities:	
Investment Income	1,968
Net Cash Provided by (Used for) Investing Activities	1,968
Net Increase (Decrease) in Cash and Cash Equivalents	69,644
Cash and Cash Equivalents at Beginning of Year	222,175
Cash and Cash Equivalents at End of Year	\$ 291,819
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ 5,722
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	15,068
Deferred (Outflows)/Inflows of Resources Related to Pensions	(33,391)
Deferred (Outflows)/Inflows of Resources Related to OPEB	(2,830)
Change in Assets and Liabilities:	
Increase (Decrease) in Warrants Payable/Accounts Payable	589
Increase (Decrease) in Accrued Payroll	93
Increase (Decrease) in Net OPEB Liability	(1,096)
Increase (Decrease) in Net Pension Liability	49,058
Increase (Decrease) in Compensated Absences	1,574
Decrease (Increase) in User Charges Receivable	32,889
Total Adjustments	61,954
Net Cash Provided by (Used for) Operating Activities	\$ 67,676

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

**TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 2,033	\$ 5,662	\$ 6,535
Total Assets	2,033	5,662	6,535
LIABILITIES			
Due to Others	-	-	6,535
Total Liabilities	-	-	6,535
NET POSITION			
Held in Trust for Other Purposes	\$ 2,033	\$ 5,662	\$ -

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

**TOWN OF BUCKLAND, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions:		
Employer Contributions	\$ 46,703	\$ -
Investment Income	17	76
Total Additions	46,720	76
Deductions:		
Employee Benefits and Insurance	46,703	-
Total Deductions	46,703	-
Change in Net Position	17	76
Net Position at Beginning of Year	2,016	5,586
Net Position at End of Year	\$ 2,033	\$ 5,662

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

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1779 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three-member Select Board.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2019, 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 Franklin County Technical School District and the Mohawk Trail Regional School District. These are autonomous entities and are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board and/or committee members. Audited financial statements are available from the respective organizations. Descriptions of the related organizations are as follows:

Franklin County Technical School District - A regional school district made up of nineteen communities to serve and provide a high-quality vocational education environment. The School District is governed by a twenty-four (24)-member board composed of the representatives of the member Towns. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town appoints one district committee member for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

Mohawk Trail Regional School District - A regional school district made up of nine communities to serve and provide a learning environment in specific career areas. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects two district committee members for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements

The government-wide financial statements (e.g., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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 fund are at least 5 percent of the corresponding element for all governmental funds combined.

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

Proprietary and fiduciary funds are reported by fund type.

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

Government-wide financial statements

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

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

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

Fund financial statements

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

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

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

The Town reports the following major governmental funds:

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

The *town highway facility construction fund* is used to account for the accumulation of resources to build of a new public facility.

The *swimming pool donation fund* is used to account for the accumulation of resources to complete engineering, designs and construct a new swimming pool for the Town.

The Town reports the following major proprietary funds:

The *sewer fund* is used to account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the Town. The costs of the Sewer Fund are shared with the Town of Shelburne in accordance with a cooperative agreement.

The non-major governmental fund consists of other special revenue 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).

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

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

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

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.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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.

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, 2018 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for the fiscal year 2019 on June 29, 2018 that were due on August 1, 2018 and November 1, 2018 and mailed actual bills December 18, 2018 that were due on February 1, 2019 and May 1, 2019, 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 2019 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2019	\$ 3,900,190
Add: Debt Exclusion	<u>154,882</u>
Maximum Allowable Levy	<u><u>\$ 4,055,072</u></u>

The total amount raised by taxation was \$3,966,616.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

Excise Taxes

Excise taxes consist of motor vehicle excise. Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles.

The tax calculation 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.

User Charges

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

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

Departmental

Departmental receivables consist primarily of police-off duty details.

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

Due from Other Governments

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

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

G. Inventories

Inventories are not material in total to the government-wide and fund financial statements and, therefore, are recorded as expenditures at the time of purchase.

H. Capital Assets

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

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

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

Capital Asset Type	Years
Buildings and renovations	30-40
Machinery, equipment and other	5-7
Infrastructure	50

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

I. Interfund Transfers

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

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

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

J. Deferred Outflows/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 items in this category are *deferred outflows related to pensions and deferred outflows related to OPEB*.

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

Fund financial statements

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

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

K. 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.

“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.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

L. Long-term Debt

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

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

M. Compensated Absences

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

N. Pension Benefits

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

O. Post Retirement Benefits

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

P. 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.

Q. 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.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

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

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

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 2019, the Town incurred a final budget deficit of \$336,841 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	\$ 89,600
Prior year's encumbrances	247,241
	\$ 336,841

B. Deficit Fund Balance

The following fund has a deficit at June 30, 2019 as measured by the balance of unreserved fund balance.

- The *Highway Facility Construction* fund, a Major Fund, has a deficit of \$1,061,185. The Town has a bond anticipation note outstanding of \$2 million for this project. The deficit will be eliminated upon the issuance of permanent debt or by appropriating additional funds.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government has a deposit policy for custodial credit risk. Deposits at June 30, 2019 were \$3,872,598. 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 \$159,459. 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. Of the Town's \$159,459 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

Interest Rate Risk – Investments

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

Credit Risk – Investments

The Town does not have any exposure to credit risk as of June 30, 2019.

Concentration of Credit Risk - Investments

The Town places no limit on the amount the Town may invest in one issuer. The Town does not have more than 5 percent of the Town's investments in one issuer.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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, 2019:

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)	159,459			

B. Receivables

At June 30, 2019, receivables for the individual major governmental funds, non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 170,148	\$ -	\$ 170,148
Tax liens	42,982	-	42,982
Excise taxes	50,648	(8,974)	41,674
Due from other governments	377,243	-	377,243
	\$ 641,021	\$ (8,974)	\$ 632,047

At June 30, 2019, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
Sewer user charges	\$ 120,911	\$ -	\$ 120,911
Sewer tax liens	1,618	-	1,618
	\$ 122,529	\$ -	\$ 122,529

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

The composition of amounts due from other governments as of June 30, 2019 for governmental funds is as follows:

General Fund:

Commonwealth of Massachusetts:

Department of Veterans Services:		
Veterans benefits	\$	33,361

Nonmajor Governmental Funds:

Commonwealth of Massachusetts:

Division of Fish and Game		
Nilman Culvert grant	\$	63,700
Executive Office of Environmental Affairs:		
Park grant		32,000
Massachusetts Department of Transportation:		
Highway Department - Chapter 90 funds	248,182	343,882
		<u>377,243</u>
	\$	<u>377,243</u>

C. Deferred Inflows of Resources – Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. 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	\$	153,948
Tax liens		42,982
Excise taxes		41,674
Due from other governments	<u>33,361</u>	\$ 271,965

Nonmajor Governmental Funds:

Due from other governments		220,448
	\$	<u>492,413</u>

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

D. Capital Assets

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2019, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 695,022	\$ -	\$ -	\$ 695,022
Construction in progress	272,034	1,720,966	(467,294)	1,525,706
Total capital assets not being depreciated	967,056	1,720,966	(467,294)	2,220,728
Capital assets being depreciated:				
Buildings and Renovations	4,014,930	58,605	-	4,073,535
Machinery, equipment and other	1,422,899	-	-	1,422,899
Infrastructure	7,397,558	467,294	-	7,864,852
Total capital assets being depreciated	12,835,387	525,899	-	13,361,286
Less accumulated depreciation for:				
Buildings and Renovations	2,779,180	74,106	-	2,853,286
Machinery, equipment and other	1,198,376	56,477	-	1,254,853
Infrastructure	939,868	215,400	-	1,155,268
Total accumulated depreciation	4,917,424	345,983	-	5,263,407
Total capital assets being depreciated, net	7,917,963	179,916	-	8,097,879
Total governmental activities capital assets, net	\$ 8,885,019	\$ 1,900,882	\$ (467,294)	\$ 10,318,607
Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Buildings and Renovations	\$ 102,530	\$ -	\$ -	\$ 102,530
Machinery, equipment and other	43,669	-	-	43,669
Infrastructure	712,795	-	-	712,795
Total capital assets being depreciated	858,994	-	-	858,994
Less accumulated depreciation for:				
Buildings and Renovations	100,106	1,616	-	101,722
Machinery, equipment and other	43,669	-	-	43,669
Infrastructure	180,374	13,452	-	193,826
Total accumulated depreciation	324,149	15,068	-	339,217
Total capital assets being depreciated, net	534,845	(15,068)	-	519,777
Total business-type activities capital assets, net	\$ 534,845	\$ (15,068)	\$ -	\$ 519,777

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

Governmental Activities:	
General government	\$ 28,002
Public safety	48,139
Public works	268,377
Culture and recreation	1,465
Total depreciation expense - governmental activities	\$ 345,983
 Business-Type Activities:	
Sewer fund	\$ 15,068

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2019, are summarized below:

	Transfers In:
	Nonmajor Governmental fund
Transfers Out:	
General fund	\$ 22,179

F. 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.

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

Governmental Activities						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2018	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2019
Bond Anticipation Notes:						
Emergency hurricane damage	1.44%	1/25/2019	553,000	\$ -	\$ 553,000	\$ -
Highway facility	2.13%	4/17/2020	-	2,000,000	-	2,000,000
Total Governmental Activities			\$ 553,000	\$ 2,000,000	\$ 553,000	\$ 2,000,000

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

G. Long Term Debt

General Obligation Bonds

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

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

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2019
Inside Debt:					
U.S. Department of Agriculture:					
Town Hall renovations	4.25%	7/14/2008	7/14/2043	\$ 499,760	\$ <u>356,970</u>

Future Debt Service

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2019, are as follows:

Year	Principal	Interest	Total
2020	\$ 14,279	\$ 15,171	\$ 29,450
2021	14,279	14,564	28,843
2022	14,279	13,958	28,237
2023	14,279	13,351	27,630
2024	14,279	12,744	27,023
2025-2029	71,395	54,616	126,011
2030-2034	71,395	39,444	110,839
2035-2039	71,395	24,273	95,668
2040-2044	71,390	9,102	80,492
	<u>\$ 356,970</u>	<u>\$ 197,223</u>	<u>\$ 554,193</u>

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

	Balance			Balance	Amounts Due
	July 1, 2018	Additions	Reductions	June 30, 2018	within One
					Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 383,249	\$ -	\$ 26,279	\$ 356,970	\$ 14,279
Massachusetts Clean Water Trust bonds	59,500	-	59,500	-	-
Landfill post-closure care costs	78,000	-	6,000	72,000	6,000
Compensated absences	28,379	999	3,484	25,894	-
Net OPEB liability	794,163	33,916	-	828,079	-
Net pension liability	759,818	278,001	-	1,037,819	-
Governmental activity Long-term liabilities	<u>\$ 2,103,109</u>	<u>\$ 312,916</u>	<u>\$ 95,263</u>	<u>\$ 2,320,762</u>	<u>\$ 20,279</u>
Business-type activities:					
Compensated absences	\$ 6,960	\$ 1,574	\$ -	\$ 8,534	\$ -
Net OPEB liability	140,607	-	1,096	139,511	-
Net pension liability	134,082	49,058	-	183,140	-
Business-type activity Long-term liabilities	<u>\$ 281,649</u>	<u>\$ 50,632</u>	<u>\$ 1,096</u>	<u>\$ 331,185</u>	<u>\$ -</u>

Landfill Post-Closure Care Costs

The Town placed a final cover on its landfill site in Fiscal Year 2000. State and Federal laws and regulations require the Town to perform certain maintenance and monitoring functions of the landfill site for thirty (30) years after closure. The current year expenditures are reported in the General Fund. The estimated total future liability for landfill post-closure care costs is \$72,000.

This estimate is based on an independent evaluation of the cost to perform post-closure care. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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, 2019 totaled \$356,970.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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, 2019:

Equalized Valuation-Real Estate and Personal Property (2018)		<u>\$ 216,985,500</u>	
Debt Limit: 5 % of Equalized value		10,849,275	
Total Debt Outstanding	\$ 356,970		
Less: Debt Outside Debt Limit	-	<u>356,970</u>	
Inside Debt Excess Borrowing Capacity at June 30, 2019		<u>\$ 10,492,305</u>	

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt.

Loan authorizations that have not been issued as of June 30, 2019 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
11/10/2018	New Town Highway Facility	<u>\$ 800,000</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 Long Term Debt	Town's Estimated Share	Town's Estimated Indirect Debt
Mohawk Trail Regional School District:			
Regional High School	\$ 600,000	21.67%	130,020
CCS Construction	26,080	0.00%	-
District Construction	516,670	19.30%	99,717
Franklin County Technical School District:			
School building renovation	2,215,000	3.19%	<u>70,659</u>
			<u>\$ 300,396</u>

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

H. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2019:

	General Fund	Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Federal, state and local grants	\$ -	\$ -	\$ 27,605	\$ 27,605
Town revolving funds	-	-	26,450	26,450
Donations and gifts	-	446,907	13,838	460,745
Other	-	-	62,522	62,522
	-	446,907	130,415	577,322
Assigned:				
General government	50,737	-	-	50,737
Public works	294,797	-	-	294,797
Culture and recreation	3,259	-	-	3,259
Subsequent year's budget	126,500	-	-	126,500
	475,293	-	-	475,293
Unassigned:				
General Fund	636,328	-	-	636,328
Deficit capital projects				
Highway facility construction	-	(1,061,185)	-	(1,061,185)
	636,328	(1,061,185)	-	(424,857)
Total Governmental fund balances	\$ 1,111,621	\$ (614,278)	\$ 130,415	\$ 627,758

I. 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, 2019, the combined balance in the stabilization funds is \$398,834 and is reported in the General Fund as unassigned fund balance.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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 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.

Hampshire County Health Group

The Town, along with other government entities from the neighboring geographic area, is a member of the Hampshire County Health Group (HCHG), a public entity risk pool, currently operating as a common risk sharing management and health insurance program for eligible active and former employees of its members.

Payments in the form of insurance premiums, are made monthly to the HCHG. These payments are funded in part from the Town, recorded as expenditures in the general fund, and payroll withholdings from active employees, or direct payments from retired and certain eligible former employees. The Town pays between 55% and 74% of the cost of the insurance for active employees. Retired and other past employees who may be eligible to participate in the plan must pay between 26% and 45% of their premium costs.

The Town makes payments to HCHG in the form of monthly premiums based upon actual employee enrollment. HCHG makes payment, through a third-party administrator for actual health claims incurred for the entire group. At the end of HCHG's fiscal year, the Group's insurance consultant will determine if assets are sufficient to meet the anticipated needs of the ensuing year. It is anticipated that if claim liabilities exceed assets, premium rates will be adjusted prospectively to recover the necessary assets to meet claims.

Based upon the unaudited results of operations of the HCHG for the fiscal year ended June 30, 2019, the Town's insurance consultants have reported the HCHG has accumulated a surplus of \$24,464,951 as of June 30, 2019.

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, 2019, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2019.

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.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

C. Subsequent Events

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

D. Pension Plan

Plan Description

The Town is a member of the Franklin County Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Franklin County Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 278 Main Street, Suite 311, Greenfield, Massachusetts 01301.

Benefits Provided

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

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

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

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2018 was \$129,223, representing 22.07% 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.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Pension Liability

As of June 30, 2019, the Town's liability is \$1,220,959 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. 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, 2018, the Town's proportional percentage was 1.99%, which was a slight increase from the last measurement.

Pension Expense

For the year ended June 30, 2019, the Town recognized a pension expense of \$233,973 and deferred outflows of resources related to pensions of \$278,081 from the differences between expected and actual experience, changes in assumptions, the net difference between projected and actual investment earnings on pension plan investments and changes between employer contributions and proportionate share of contributions; and deferred inflows of resources related to pensions of \$988 from the differences between expected and actual experience.

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,	
2020	\$ 112,103
2021	59,021
2022	39,702
2023	<u>66,267</u>
	<u><u>\$ 277,093</u></u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2018:

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Increasing dollar amount at 4.0% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2034. The annual increase is further limited to 5.75%. Early Retirement Incentive Program (ERI): Level dollar amount to reduce the 2002 and 2003 ERI to zero on or before June 30, 2019 and June 30, 2020, respectively.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Asset valuation method	The actuarial value of assets is the market value of assets as of the Valuation date reduced by the sums of: (a) 75% of gains and losses of the prior year, (b) 50% of gains and losses of the second prior year, and (c) 25% of gains and losses of the third prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.
Inflation	3.00% per year
Projected salary increases	Group 1: 6% - 4.25%, based on service Group 4: 7% - 4.75%, based on service
Cost of living adjustments	3.00% of the pension amount on first \$17,000 per year.
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Mortality Table (base year 2009) with full generational mortality improvement using Scale BB. RP-2000 Mortality Table (base year 2012) with full generational mortality improvement using Scale BB for disabled members

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
PRIT Core	45.0%	5.10%
Domestic Equity	27.0%	5.40%
International Equity	5.0%	5.00%
Real Estate	10.0%	7.00%
Fixed Income	13.0%	2.40%
Total	<u>100.0%</u>	

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was (4.05%). 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.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. 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 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.

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 7.75%. 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Town's net pension liability	\$ 1,660,364	\$ 1,220,959	\$ 848,950

E. Other Post Employment Benefits Payable

GASB Statement No. 74 and GASB Statement No. 75

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. There are approximately 20 active and retired employees, and spouses that meet the eligibility requirements. The plan does not issue a separate financial report.

Investments

The OPEB Trust fund does not have a formal investment policy. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. As of June 30, 2019, investments, concentration and rate of return information consisted of pooled funds in the Unibank Bank accounts described earlier under Deposits and Investments (refer to note 3A).

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2019 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$46,703. The Town also made a contribution to an OPEB Trust of \$0 for a total contribution during the measurement period of \$46,703. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. As of June 30, 2019, the trust balance is \$2,033.

Measurement Date

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2019, 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	10
Current retirees, beneficiaries and dependents	10
Total	20

Net OPEB Liability

The components of the net OPEB liability are as follows:

	6/30/2019
Total OPEB liability	\$ 969,623
Less: Plan fiduciary net position	(2,033)
Town's Net OPEB liability	\$ 967,590
 Plan fiduciary net position as a percentage of the total OPEB liability	0.21%

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 that was used to calculate the actuarially determined contribution as of June 30, 2019, unless otherwise specified:

Valuation date	Actuarially determined contribution was calculated as of July 1, 2017
Actuarial cost method	Individual Entry Age Normal
Inflation rate	2.75% as of June 30, 2019 and for future periods
Participant salary increases	3.00% annually as of June 30, 2019 and for future periods
Investment rate of return	2.75%, net of OPEB plan investment expense, including inflation

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Single equivalent discount rate	2.75% net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.50% annually
Mortality rates	
Pre-Retirement Mortality:	RP-2014 Mortality Table for Blue Collar Employees projected generationally with Scale MP-2016 for males and females.
Post-Retirement Mortality:	RP-2014 Mortality Table Healthy for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.
Disabled Mortality:	RP-2014 Mortality Table Healthy for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward one (1) year.

The actuarial assumptions used the July 1, 2017 actuarial valuation and market value of assets as of the measurement date of June 30, 2019 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index-SAPIHG as of June 30, 2019 is 2.79%.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments is developed based on the Town's investment policy is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Large Capital	0.00%	4.00%
Domestic Equity - Small/Mid Capital	0.00%	6.00%
International Equity - Developed Market	0.00%	4.50%
International Equity - Emerging Market	0.00%	7.00%
Domestic Fixed Income	0.00%	2.00%
International Fixed Income	0.00%	3.00%
Alternatives	0.00%	6.50%
Real Estate	0.00%	6.25%
Cash	100.00%	0.00%
Total	<u>100.00%</u>	
I. Real Rate of Return		0.00%
II. Add: Inflation Assumption		<u>2.75%</u>
III. Total Nominal Return (I. + II.)		2.75%
IV. Less: Investment Expense		<u>0.00%</u>
V. Net investment Return (III.-IV.)		<u>2.75%</u>

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 0.82%.

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Discount Rate

The discount rate used to measure the total OPEB liability was 2.75%. 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 Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2018	\$ 936,786	\$ 2,016	\$ 934,770
Service cost	26,684	-	26,684
Interest on Total OPEB Liability	28,209	-	28,209
Changes in benefit terms *	-	-	-
Changes in assumptions **	24,647	-	24,647
Difference between actual and expected experience **	-	-	-
Net investment income	-	17	(17)
Employer contributions to Trust	-	46,703	(46,703)
Total benefit payments including implicit cost	(46,703)	(46,703)	-
Administrative expense	-	-	-
Net change in total OPEB liability	32,837	17	32,820
Balances at June 30, 2019	\$ 969,623	\$ 2,033	\$ 967,590

* = Recognized immediately

** = Amortized over 5.00 years

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

The following presents the Town's the 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 (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
	Town's net OPEB liability	\$ 1,111,609	\$ 967,590

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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:

	1% Decrease (3.50%)		Healthcare Cost Trend Rates (4.50%)		1% Increase (5.50%)
Town's net OPEB liability	\$ 840,524	\$	967,590	\$	1,126,131

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year, which are reported at cost.

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

For the year ended June 30, 2019, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$13,088 and reported deferred outflows of resources related to OPEB of \$19,796 from the difference between actual and expected experience, changes in assumptions and the net difference between projected and actual earnings on OPEB plan investments; and deferred inflows of resources related to OPEB of \$0.

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

For years ended June 30,	
2020	\$ 4,953
2021	4,953
2022	4,953
2023	4,937
	\$ 19,796

F. Implementation of New GASB Pronouncements

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

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

TOWN OF BUCKLAND, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

G. 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. 84, *Fiduciary Activities*, for implementation in fiscal year 2020.

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

The GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, for implementation in fiscal year 2020.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2022.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BUCKLAND, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Franklin County Retirement System
For the Year Ended June 30, 2019

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 proportionate share of the net pension liability (asset)	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
12/31/2018	1.99%	\$ 1,220,959	\$ 585,468	208.54%	68.98%
12/31/2017	1.96%	\$ 893,900	\$ 561,193	159.29%	75.89%
12/31/2016	1.89%	\$ 993,250	\$ 675,560	147.03%	70.75%
12/31/2015	1.86%	\$ 866,889	\$ 512,246	169.23%	71.73%
12/31/2014	1.74%	\$ 653,096	\$ 536,871	121.65%	75.98%

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 BUCKLAND, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Franklin County Retirement System
For the Year Ended June 30, 2019**

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: Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
12/31/2018	\$ 129,223	\$ (129,223)	\$ -	\$ 585,468	22.07%
12/31/2017	\$ 120,569	\$ (120,569)	\$ -	\$ 561,193	21.48%
12/31/2016	\$ 111,084	\$ (111,084)	\$ -	\$ 675,560	16.44%
12/31/2015	\$ 105,042	\$ (105,042)	\$ -	\$ 512,246	20.51%
12/31/2014	\$ 104,443	\$ (104,443)	\$ -	\$ 536,871	19.45%

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 BUCKLAND, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2019

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability		
Service cost	\$ 26,684	\$ 21,854
Interest on net OPEB liability	28,209	27,881
Changes in Benefit terms	-	-
Changes in Assumptions	24,647	-
Difference between actual and expected experience	-	49
Benefit payments, including refunds of member contributions	(46,703)	(40,777)
Administrative expense	-	-
Net change in total OPEB liability	<u>32,837</u>	<u>9,007</u>
Total OPEB liability-beginning	<u>936,786</u>	<u>927,779</u>
Total OPEB liability-ending (a)	<u>\$ 969,623</u>	<u>\$ 936,786</u>
Plan fiduciary net position		
Net investment income	\$ 17	\$ 10
Employer contributions to Trust	46,703	41,777
Benefit payments, including refunds of member contributions	(46,703)	(40,777)
Administrative expense	-	-
Net change in plan fiduciary net position	<u>17</u>	<u>1,010</u>
Total fiduciary net position-beginning	<u>2,016</u>	<u>1,006</u>
Total fiduciary net position-ending (b)	<u>\$ 2,033</u>	<u>\$ 2,016</u>
Town's net OPEB liability (a-b)	<u>\$ 967,590</u>	<u>\$ 934,770</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 BUCKLAND, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2019

Schedule of Net OPEB Liability:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability	\$ 969,623	\$ 936,786
Less: Plan fiduciary net position	<u>(2,033)</u>	<u>(2,016)</u>
Town's Net OPEB liability	<u>\$ 967,590</u>	<u>\$ 934,770</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.21%	0.22%
Town's share of covered employee payroll	\$ 634,731	\$ 606,879
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	152.44%	154.03%

Schedule of Contributions:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 73,189	\$ 68,156
Less: Contributions in relation to the actuarially determined contribution	<u>(46,703)</u>	<u>(41,777)</u>
Contribution deficiency (excess)	<u>\$ 26,486</u>	<u>\$ 26,379</u>
Town's share of covered employee payroll	\$ 634,731	\$ 606,879
Contributions percentage of covered-employee payroll	7.36%	6.88%
Annual money-weighted rate of return net of investment expense	0.82%	0.69%

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 BUCKLAND, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2019

Schedule of Funding Progress:

Measurement Date	Other Post Employment Benefits						Actuarial Percentage of Covered Payroll ((B-A)/C)
	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)		
6/30/2019	\$ 2,033	\$ 969,623	\$ 967,590	0.21%	\$ 634,731	152.44%	
6/30/2018	\$ 2,016	\$ 936,786	\$ 934,770	0.22%	\$ 606,879	154.03%	

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 BUCKLAND, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Fund Balances July 1, 2018	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2019
Special Revenue:					
Federal and State Grants:					
Cultural Council Grants	\$ 4,645	\$ 4,643	\$ 4,105	\$ -	\$ 5,183
Board of Health Grants	(301)	-	(348)	-	47
Council on Aging Grants	647	5,976	5,976	-	647
Community Development Block Grant	4,933	514,228	518,818	-	343
Green Community Grant	1,170	27,707	26,325	-	2,552
Highway Grants	-	163,988	163,988	-	-
Library Grants	11,759	2,897	3,487	-	11,169
Other Grants and Programs	9,368	19,060	23,954	-	4,474
Public Safety Grants	5,190	-	2,000	-	3,190
Parkland Acquisition Grant	-	32,000	32,000	-	-
Other:					
Board of Health Revolving	1,854	-	-	-	1,854
Gifts and Donations	33,519	452	20,133	-	13,838
Housing Rehabilitation Reimbursements	19,520	17,238	-	-	36,758
Insurance Reimbursements	11,673	5,467	-	-	17,140
Other Programs	275	776	1,130	-	(79)
Parking Clerk Revolving	947	-	292	-	655
Police Outside Details	-	66,871	66,787	-	84
Recreation Revolving	7,806	6,019	7,255	-	6,570
Recreation Revolving Summer Camp	12,582	24,787	21,757	-	15,612
Shelburne Falls Business Association Grant	2,531	-	-	-	2,531
Solar Grant	6,094	-	-	-	6,094
Town Clerk Fees	(25)	2,415	2,426	-	(36)
Town Hall Use Revolving	175	-	-	-	175
Wetland Protection Fees	1,614	-	-	-	1,614
Total - Non-Major Governmental Funds	135,976	894,524	900,085	-	130,415
Capital Projects:					
Storm Damage	(543,074)	520,895	-	22,179	-
Total - Non-Major Governmental Funds	\$ (407,098)	\$ 1,415,419	\$ 900,085	\$ 22,179	\$ 130,415

**TOWN OF BUCKLAND, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
JULY 1, 2018 TO JUNE 30, 2019**

	Uncollected Taxes July 1, 2018	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2019	Uncollected Taxes Per Detail June 30, 2019
Real Estate Taxes:						
Levy of 2019	\$ -	\$ 3,865,537	\$ 19,810	\$ 3,746,523	\$ 99,204	\$ 99,204
Levy of 2018	93,137	-	8,149	43,312	41,676	41,676
Levy of 2017	26,506	-	-	8,258	18,248	18,248
Levy of 2016	11,613	-	-	5,148	6,465	6,465
	<u>131,256</u>	<u>3,865,537</u>	<u>27,959</u>	<u>3,803,241</u>	<u>165,593</u>	<u>165,593</u>
Personal Property Taxes:						
Levy of 2019	-	101,080	-	100,973	107	107
Levy of 2018	5,350	-	-	1,211	4,139	4,139
Levy of 2017	474	-	-	165	309	309
	<u>5,824</u>	<u>101,080</u>	<u>-</u>	<u>102,349</u>	<u>4,555</u>	<u>4,555</u>
Total Real Estate and Personal Property Taxes	<u>\$ 137,080</u>	<u>\$ 3,966,617</u>	<u>\$ 27,959</u>	<u>\$ 3,905,590</u>	<u>\$ 170,148</u>	<u>\$ 170,148</u>

**TOWN OF BUCKLAND, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE EXCISE TAXES
JULY 1, 2018 TO JUNE 30, 2019**

	Uncollected Taxes July 1, 2018	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2019	Uncollected Taxes Per Detail June 30, 2019
Motor Vehicle Excise Taxes:						
Levy of 2019	\$ -	\$ 202,780	\$ 5,671	\$ 163,710	\$ 33,399	\$ 33,399
Levy of 2018	24,213	19,265	1,522	36,016	5,940	5,940
Levy of 2017	10,208	-	92	6,405	3,711	3,540
Levy of 2016	1,784	-	135	696	953	953
Levy of 2015	1,871	-	-	-	1,871	1,871
Prior Years	4,933	-	15	144	4,774	4,774
Total Motor Vehicle Excise Taxes	\$ 43,009	\$ 222,045	\$ 7,435	\$ 206,971	\$ 50,648	\$ 50,477

**TOWN OF BUCKLAND, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2018 TO JUNE 30, 2019**

	Uncollected Accounts July 1, 2018	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2019	Uncollected Accounts Per Detail June 30, 2019
Tax Liens	\$ 34,205	\$ 8,936	\$ -	\$ 159	\$ 42,982	\$ 42,982