

Great Barrington Fire District  
Minutes for Prudential Committee Meeting on January 16, 2018  
Great Barrington Water Department  
17 East Street Great Barrington MA 01230

Board Members and Employees Present:

Walter Atwood	Chairman - Prudential Committee
Robert Avery	Member - Prudential Committee
Kenneth Schumacher	Member — Prudential Committee
Robert Hammer	Member — Prudential Committee
William Foster	Member — Prudential Committee
Pete Marks	Member — Prudential Committee
Cynthia Ullrich	District Clerk

Guests in Attendance:

Thomas Scanlon	Scanlon & Associates
Edward McCormick	McCormick, Murtagh & Marcus
Kate McCormick	McCormick, Murtagh & Marcus

The meeting was called to order at 4:30 p.m. by District Chairman, Walter Atwood.

Approval of the Minutes of the meeting of January 2, 2018:

WF made a motion to accept the minutes from the January 2, 2018 meeting. BH seconded the motion. Motion passed with a unanimous vote.

Superintendents Report:

PM stated that he and his staff have been working on freeze ups, nothing serious, and a few small leaks due to the three plus feet of frost. A crack in the 10" water main behind Marshall's (Great Barrington Real Estate at 300 Stockbridge Road) has been repaired.

The board asked PM to get estimates on a pole barn to be used for storage.

Financial Report:

CU submitted Warrants 27, and 28 along with Decembers receivables and cash journal (attached).

RH made a motion to accept the receivables and cash journal as submitted. WF seconded the motion. Motion passed with a unanimous vote.

New Business:

Thomas Scanlon presented the board with a Management Letter and Report on the Examination of Basic Financial Statement for fiscal year 2017. The following were the current year comments and recommendations:

The District's personnel prepare the non-GAAP financial statements and although this is common practice in the Commonwealth of Massachusetts these statements are not presented in accordance with generally accepted accounting principles. As is the case with many small and medium-sized governments, the District has relied on its independent external auditors to prepare the GAAP financial statements, including footnotes, using the year-end trial balance prepared and provided by the District. In addition, the auditor has proposed a number of adjusting journal entries in order to prepare these financial statements.

The District due to its size has one person who is in charge of maintaining the accounts receivable subsidiary ledger, depositing monies and maintaining the general ledger. As is the case with many small-sized governments inherent staff limitations make it difficult to provide these separations in a cost-effective manner. However, the Prudential Committee should constantly be aware of the need for adequate separation of duties to have a proper internal control structure. Responsibilities should be segregated among employees so that a single employee is not able to authorize a transaction, record the transaction in accounts and be responsible for custody of the asset resulting from the transaction. The District may continue with its current operating structure and accept this risk or may attempt to implement additional consoles to mitigate potential risks.

The Prudential Committee has taken these recommendations under advisement.

Edward McCormick, district legal counsel stated that he is retiring at the end of January and Kathleen McCormick will be taking his position at McCormick, Murtagh & Marcus. Mr. McCormick added that he will still be available to moderate the district meeting if elected. It was also noted that the McCormick family has been legal counsel for the district since 1933.

RH made a motion to hire Kathleen McCormick as legal counsel for the Great Barrington Fire District. WF seconded the motion. Motion passed with a unanimous vote.

Old Business:

Walter Atwood adjourned the meeting at 5: 10 p.m.

Respectfully Submitted,

Cynthia Ullrich  
District Clerk