

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**

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

**For the Year Ended June 30, 2020**

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## **Independent Auditor's Report**

To the Honorable Town Council  
Town of East Longmeadow, Massachusetts

### **Report on the Financial Statements**

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 East Longmeadow, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of East Longmeadow, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 East Longmeadow, Massachusetts, as of June 30, 2020, 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 East Longmeadow's 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 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.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated January 26, 2021 on our consideration of the Town of East Longmeadow, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of East Longmeadow Massachusetts' internal control over financial reporting and compliance.

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

January 26, 2021

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of East Longmeadow, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. 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 liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$46,047,984 (net position) for the fiscal year reported. This compares to the previous year when liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$54,644,676, or an increase of \$8,596,692 (16%) over last fiscal year's total net position.
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$15,319,401, a decrease of \$962,402 (6%) in comparison with prior year.
- The General Fund's total fund balance increased \$1,008,485 (14%) to \$8,167,001. The ending fund balance is 12% of revenues and transfers in and 12% of expenditures and transfers out.
- Total long-term liabilities of the Town decreased by \$4,682,717 (4%) to \$103,959,802 during the fiscal year. This change was mainly the result of net increases in warrants and accounts payable of \$793,759 and in the pension liability of \$1,570,392; and decreases in the Other Post Employment Benefits (OPEB) liability of \$3,723,297 and in bonds and leases payable of \$3,624,228.

### Overview of the Financial Statements

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

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

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

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

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

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

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

The Town of East Longmeadow 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, stormwater and water 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		
	2020	2019	Change
<b>Assets:</b>			
Current assets	\$ 19,980,196	\$ 19,648,364	\$ 331,832
Noncurrent assets (excluding capital assets)	-	653,939	(653,939)
Capital assets	40,843,999	39,072,265	1,771,734
<b>Total assets</b>	<b>60,824,195</b>	<b>59,374,568</b>	<b>1,449,627</b>
<b>Deferred Outflows of Resources</b>	<b>8,564,221</b>	<b>8,310,553</b>	<b>253,668</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt and leases)	2,551,180	1,518,820	1,032,360
Current debt including leases	2,475,737	2,653,295	(177,558)
Noncurrent liabilities (excluding debt and leases)	83,830,474	86,121,139	(2,290,665)
Noncurrent debt including leases	8,052,862	10,528,598	(2,475,736)
<b>Total liabilities</b>	<b>96,910,253</b>	<b>100,821,852</b>	<b>(3,911,599)</b>
<b>Deferred Inflows of Resources</b>	<b>32,647,464</b>	<b>34,761,001</b>	<b>(2,113,537)</b>
<b>Net Position:</b>			
Net investment in capital assets	30,969,338	27,168,349	3,800,989
Restricted	6,903,724	8,853,163	(1,949,439)
Unrestricted	(98,042,363)	(103,919,244)	5,876,881
<b>Total net position</b>	<b>\$ (60,169,301)</b>	<b>\$ (67,897,732)</b>	<b>\$ 7,728,431</b>
<b>Business-Type Activities</b>			
	2020	2019	Change
<b>Assets:</b>			
Current assets	\$ 3,837,135	\$ 3,595,466	\$ 241,669
Noncurrent assets (excluding capital assets)	43,986	50,279	(6,293)
Capital assets	17,380,008	17,539,242	(159,234)
<b>Total assets</b>	<b>21,261,129</b>	<b>21,184,987</b>	<b>76,142</b>
<b>Deferred Outflows of Resources</b>	<b>274,193</b>	<b>243,107</b>	<b>31,086</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	142,991	91,729	51,262
Current debt	955,089	970,934	(15,845)
Noncurrent liabilities (excluding debt)	2,195,685	2,047,131	148,554
Noncurrent debt	3,755,784	4,710,873	(955,089)
<b>Total liabilities</b>	<b>7,049,549</b>	<b>7,820,667</b>	<b>(771,118)</b>
<b>Deferred Inflows of Resources</b>	<b>364,456</b>	<b>354,371</b>	<b>10,085</b>
<b>Net Position:</b>			
Net investment in capital assets	12,669,135	11,857,435	811,700
Restricted	599,806	989,324	(389,518)
Unrestricted	852,376	406,297	446,079
<b>Total net position</b>	<b>\$ 14,121,317</b>	<b>\$ 13,253,056</b>	<b>\$ 868,261</b>

## Financial Highlights

### Statement of Activities Highlights

	Governmental Activities		
	2020	2019	Change
<b>Program Revenues:</b>			
Charges for services	\$ 4,063,240	\$ 3,668,693	\$ 394,547
Operating grants and contributions	25,220,204	22,482,069	2,738,135
Capital grants and contributions	1,311,221	1,936,573	(625,352)
<b>General Revenues:</b>			
Property taxes	43,030,064	41,080,719	1,949,345
Motor vehicle excise and other taxes	2,709,804	2,703,765	6,039
Penalties and interest on taxes	184,130	212,938	(28,808)
Nonrestricted grants	1,845,684	1,724,033	121,651
Unrestricted investment income	280,211	439,554	(159,343)
Miscellaneous	60,371	10,400	49,971
<b>Total revenues</b>	<b>78,704,929</b>	<b>74,258,744</b>	<b>4,446,185</b>
<b>Expenses:</b>			
General Government	4,137,012	3,472,125	664,887
Public Safety	6,349,808	6,069,707	280,101
Public Works	5,467,420	5,290,417	177,003
Education	36,589,731	36,600,235	(10,504)
Health and Human Services	1,152,288	1,046,971	105,317
Culture and Recreation	1,895,791	1,813,089	82,702
Employee Benefits and Insurance	14,656,917	13,780,649	876,268
State Assessments	463,096	402,847	60,249
Interest	391,177	459,330	(68,153)
<b>Total expenses</b>	<b>71,103,240</b>	<b>68,935,370</b>	<b>2,167,870</b>
<b>Net (expenses) revenues</b>	<b>7,601,689</b>	<b>5,323,374</b>	<b>2,278,315</b>
<b>Transfers</b>	<b>126,742</b>	<b>-</b>	<b>126,742</b>
<b>Change in net position</b>	<b>7,728,431</b>	<b>5,323,374</b>	<b>2,405,057</b>
<b>Net position - beginning of year</b>	<b>(67,897,732)</b>	<b>(73,221,106)</b>	<b>5,323,374</b>
<b>Net position - end of year</b>	<b>\$ (60,169,301)</b>	<b>\$ (67,897,732)</b>	<b>\$ 7,728,431</b>

	<b>Business-Type Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Program Revenues:</b>			
Charges for services	\$ 5,211,419	\$ 4,296,210	\$ 915,209
Operating grants and contributions	28,248	23,561	4,687
Capital grants and contributions	-	40,072	(40,072)
<b>Total revenues</b>	<b>5,239,667</b>	<b>4,359,843</b>	<b>879,824</b>
<b>Expenses:</b>			
Water	2,304,302	2,462,867	(158,565)
Sewer	1,797,796	1,932,216	(134,420)
Stormwater	142,566	-	142,566
<b>Total expenses</b>	<b>4,244,664</b>	<b>4,395,083</b>	<b>(150,419)</b>
<b>Net (expenses) revenues</b>	<b>995,003</b>	<b>(35,240)</b>	<b>1,030,243</b>
<b>Transfers</b>	<b>(126,742)</b>	<b>-</b>	<b>(126,742)</b>
<b>Change in net position</b>	<b>868,261</b>	<b>(35,240)</b>	<b>903,501</b>
<b>Net position - beginning of year</b>	<b>13,253,056</b>	<b>13,288,296</b>	<b>(35,240)</b>
<b>Net position - end of year</b>	<b>\$ 14,121,317</b>	<b>\$ 13,253,056</b>	<b>\$ 868,261</b>

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$46,047,984 at the close of fiscal year 2020.

Net position of \$43,638,473 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, \$7,503,530 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$97,189,987).

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 and 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 business-type activities are able to report positive balances in all categories of net position.

The governmental activities net position increased by \$7,728,431 (11%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2020 is attributed to increases in the acquisition of \$4,613,095 in new capital assets exceeding the depreciation expense (cost spread out over the useful life of the asset) for the year of \$2,841,361, and in recognizing the changes in this year's debt and leases of \$2,653,294, the OPEB liability of \$3,693,467 and in the deferred outflow/(inflow) of resources related to OPEB of \$2,643,715; and decreases from the net changes in governmental fund balances of \$962,402, and in recognizing the changes in the pension liability of \$1,394,327.

There was an increase of \$868,261 (7%) in net position reported in connection with the business-type activities. Of this, there was an increase of \$302,370 attributed to the sewer department, of \$7,580 attributed to the stormwater department and of \$558,041 attributed to the water department.

### **Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$15,319,401, a decrease of \$962,402 (6%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Restricted fund balance – \$6,604,738 (43%).
- Committed fund balance – \$1,860,416 (12%).
- Assigned fund balance – \$542,183 (4%).
- Unassigned fund balance – \$6,312,064 (41%).

At the end of the fiscal year, the General Fund reported a total fund balance of \$8,167,001 increasing \$1,008,485 (14%) from the prior year. Of the \$8,167,001, the unassigned amount is \$7,208,080 (88%), the assigned amount is \$542,183 (7%) and the restricted amount is \$416,738 (5%). General fund revenues were \$4,309,056 (7%) more than the prior fiscal year and expenditures also increased by \$1,561,948 (2%). Other activities in the General fund were net transfers to other funds of \$960,436.

The main components of the increases in general fund revenues were related to an increase in property taxes of \$1,691,089 (4%), intergovernmental receipts of \$840,877 (6%), and in intergovernmental – “on-behalf” payments of \$1,822,099 (27%).

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

- Increase in Public safety expenditures of \$201,326 (4%).
- Increase in Public works expenditures of \$142,016 (3%).
- Increase in Education expenditures of \$713,697 (2%).
- Increase in Employee benefits and insurance expenditures of \$300,706 (2%).
- Increase in Debt service expenditures (principal and interest) of \$160,480 (6%).

**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 \$5,977,192 and shows an increase of \$302,370 (5%) in total operations. This change was mainly attributed to operating revenue exceeding operating costs by \$360,531, investment income of \$11,331 and interest expense of \$69,492. Operating revenues increased by \$304,534 (17%) while operating expenses decreased by \$121,666 (7%) from the prior year.

The *Stormwater Fund* is used to account for the construction of road drainage improvements. The fund has a balance of \$7,850 for the fiscal year. This amount is attributed to operating revenues exceeding operating expenditures of \$134,592 and transfers out to governmental funds of \$126,742.

The *Water Fund* is the financing and operations of the Town's water system. The water fund has accumulated a balance of \$8,136,275 and shows an increase of \$558,041 (7%) in total operations. This change resulted from operating revenues exceeding operating expenditures of \$664,540, investment income of \$16,917 and interest expense of \$123,416. Operating revenues increased by \$333,517 (13%) while operating expenses decreased by \$148,351 (6%) from the prior year.

### **General Fund Budgetary Highlights**

The final general fund budget for fiscal year 2020 was \$61,638,082. This was an increase of \$473,012 (1%) over the previous year's budget.

There were increases between the original budget and the final amended budget. The changes are attributed to council votes during the year for various budget operating line items.

General fund expenditures were less than budgeted by \$2,165,024. Of the \$2,165,024 in under budget expenditures, \$542,183 has been carried over to fiscal year 2021.

There are negative variances in property taxes of \$157,516, in intergovernmental receipts of \$45,955, in excise and other taxes of \$61,127; in licenses, permits, and fees of \$48,402, and in interest on taxes of \$80,172 as expectations (budget) were higher than the receipts.

There was a negative variance in state assessments of \$6,108 due to lower assessments in the regional transit authority and in the school choice sending tuitions of \$68,446 and higher assessments in registry of motor vehicles non-renewal surcharge, in special education and in charter school sending tuitions of \$62,338 than the actual payments.

Overall, the variance with the final budget was a positive \$1,249,114 consisting of a revenue deficit of \$373,727 and an appropriation surplus of \$1,622,841.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$40,843,999 and \$17,380,008, 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:

- Police vehicle purchases for \$75,185.
- Fire Department equipment purchase for \$40,339.
- Highway equipment purchases for \$72,222.
- Road infrastructure improvements for \$789,155.
- Various schools' improvements for \$3,562,857.
- Parks Department equipment purchase for \$19,768.
- Pine Knoll building improvements for \$369.
- Pine Knoll parking lot paving for \$53,200.

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

#### **Sewer fund:**

- Sewer vehicle and equipment purchases for \$353,692.

**Stormwater fund:**

- Stormwater vehicle purchase for \$44,366.

**Water fund:**

- Water equipment purchase for \$53,118.
- Water infrastructure improvements for \$79,345.

**Debt Administration.** The Town’s outstanding governmental long-term debt, as of June 30, 2020, totaled \$9,901,624, of which \$6,114,000 is for school projects, \$195,000 for Town buildings’ improvements, \$290,000 for pool renovations, \$330,000 for the new library, \$112,624 for the GIS projects, and \$2,860,000 for various municipal purpose loans.

The Town also entered into a financing agreement (lease) with Northeast Efficiency Supply for the Meadowbrook School lighting upgrade consisting of \$30,542 in principal to be repaid monthly over the remaining year (approximately \$117,904) with the electric billing. The Town also has capital leases in the governmental type fund for the financing of the fire department vehicles. The last lease is due in 2023. The Town currently owes \$662,265 on the leases consisting of \$626,975 in principal and \$35,290 in interest.

The Town’s outstanding business-type long-term debt totals \$4,710,873 consisting of \$1,688,624 in sewer debt and \$3,022,249 in water debt that is fully supported by the rates.

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

**Next Year’s Budget – Fiscal Year 2021**

The financial statements of the Town of East Longmeadow as of June 30, 2020 do not reflect the fiscal year 2021 budget approved by the Town Council on June 9, 2020 and completed July 21, 2020. The Town Council has authorized a fiscal year 2021 operating and capital budget as follows:

From raise and appropriate		\$	64,728,941
From sewer revenues	\$	2,314,100	
From sewer capital projects		58,358	2,372,458
From water revenues		3,278,000	
From water capital projects		100,000	3,378,000
From Cable Access TV (ELCAT) revenues *			215,600
From Stormwater revenues			310,854
From Other Available Funds:			
<b>Non-major Governmental Funds:</b>			
Ambulance		554,047	
Community preservation funds		352,680	906,727
			<u>\$ 71,912,580</u>

\* = The Town budgets/operates ELCAT as an Enterprise Fund in accordance with M.G.L. For GAAP purposes, ELCAT is classified as a special revenue fund.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of East Longmeadow’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, 60 Center Square, East Longmeadow, Massachusetts 01028.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 11,979,830	\$ 2,937,596	\$ 14,917,426
Investments	4,666,094	-	4,666,094
Receivables, net of allowance for uncollectibles:			
Property Taxes	798,301	-	798,301
Tax Liens	654,545	-	654,545
Excise and Other Taxes	203,261	-	203,261
User Charges	-	892,475	892,475
Departmental	405,614	-	405,614
Special Assessments	-	7,064	7,064
Due from Other Governments	1,272,551	-	1,272,551
Total current assets	<u>19,980,196</u>	<u>3,837,135</u>	<u>23,817,331</u>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	43,986	43,986
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	8,201,646	579,356	8,781,002
Depreciable	<u>32,642,353</u>	<u>16,800,652</u>	<u>49,443,005</u>
Total noncurrent assets	<u>40,843,999</u>	<u>17,423,994</u>	<u>58,267,993</u>
<b>Total Assets</b>	<u>60,824,195</u>	<u>21,261,129</u>	<u>82,085,324</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	6,099,293	252,484	6,351,777
Deferred Outflows Related to OPEB	<u>2,464,928</u>	<u>21,709</u>	<u>2,486,637</u>
<b>Total Deferred Outflows of Resources</b>	<u>8,564,221</u>	<u>274,193</u>	<u>8,838,414</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants and Accounts Payable	786,594	51,932	838,526
Accrued Payroll	353,777	21,186	374,963
Employee Withholdings	483,789	-	483,789
Tax Refund Payable	71,500	-	71,500
Other	137,949	-	137,949
Accrued Interest	126,309	28,577	154,886
Compensated Absences	591,262	41,296	632,558
Bonds and Leases Payable	<u>2,475,737</u>	<u>955,089</u>	<u>3,430,826</u>
Total current liabilities	<u>5,026,917</u>	<u>1,098,080</u>	<u>6,124,997</u>
<b>NONCURRENT:</b>			
Compensated Absences	237,564	15,730	253,294
Net OPEB Liability	39,290,763	346,047	39,636,810
Net Pension Liability	44,302,147	1,833,908	46,136,055
Bonds and Leases Payable	<u>8,052,862</u>	<u>3,755,784</u>	<u>11,808,646</u>
Total noncurrent liabilities	<u>91,883,336</u>	<u>5,951,469</u>	<u>97,834,805</u>
<b>Total Liabilities</b>	<u>96,910,253</u>	<u>7,049,549</u>	<u>103,959,802</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	2,360,331	97,707	2,458,038
Deferred Inflows Related to OPEB	<u>30,287,133</u>	<u>266,749</u>	<u>30,553,882</u>
<b>Total Deferred Inflows of Resources</b>	<u>32,647,464</u>	<u>364,456</u>	<u>33,011,920</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	30,969,338	12,669,135	43,638,473
Restricted for:			
Capital Projects	1,107,119	599,806	1,706,925
Federal & State Grants	974,743	-	974,743
Community Preservation	1,646,662	-	1,646,662
Permanent Funds	9,735	-	9,735
Other Purposes	3,165,465	-	3,165,465
Unrestricted	<u>(98,042,363)</u>	<u>852,376</u>	<u>(97,189,987)</u>
<b>Total Net Position</b>	<u>\$ (60,169,301)</u>	<u>\$ 14,121,317</u>	<u>\$ (46,047,984)</u>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<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>
<b>Governmental Activities:</b>							
General Government	\$ 4,137,012	\$ 593,888	\$ 663,829	\$ -	\$ (2,879,295)	\$ -	\$ (2,879,295)
Public Safety	6,349,808	1,772,150	153,998	-	(4,423,660)	-	(4,423,660)
Public Works	5,467,420	225,808	155	718,468	(4,522,989)	-	(4,522,989)
Education	36,589,731	850,727	15,222,631	592,753	(19,923,620)	-	(19,923,620)
Health and Human Services	1,152,288	142,054	366,773	-	(643,461)	-	(643,461)
Culture and Recreation	1,895,791	478,613	73,008	-	(1,344,170)	-	(1,344,170)
Employee Benefits and Insurance	14,656,917	-	8,695,041	-	(5,961,876)	-	(5,961,876)
State Assessments	463,096	-	-	-	(463,096)	-	(463,096)
Interest	391,177	-	44,769	-	(346,408)	-	(346,408)
<b>Total Governmental Activities</b>	<b>71,103,240</b>	<b>4,063,240</b>	<b>25,220,204</b>	<b>1,311,221</b>	<b>(40,508,575)</b>	<b>-</b>	<b>(40,508,575)</b>
<b>Business-Type Activities:</b>							
Water	2,304,302	2,845,426	16,917	-	-	558,041	558,041
Sewer	1,797,796	2,088,835	11,331	-	-	302,370	302,370
Stormwater	142,566	277,158	-	-	-	134,592	134,592
<b>Total Primary Government</b>	<b>\$ 75,347,904</b>	<b>\$ 9,274,659</b>	<b>\$ 25,248,452</b>	<b>\$ 1,311,221</b>	<b>(40,508,575)</b>	<b>995,003</b>	<b>(39,513,572)</b>
<b>General Revenues:</b>							
Property Taxes					43,030,064	-	43,030,064
Motor vehicle and other taxes					2,709,804	-	2,709,804
Penalties & Interest on taxes					184,130	-	184,130
Grants & Contributions not restricted to specific programs					1,845,684	-	1,845,684
Unrestricted Investment Income					280,211	-	280,211
Miscellaneous					60,371	-	60,371
<b>Transfers, net</b>					<b>126,742</b>	<b>(126,742)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>48,237,006</b>	<b>(126,742)</b>	<b>48,110,264</b>
<b>Change in Net Position</b>					<b>7,728,431</b>	<b>868,261</b>	<b>8,596,692</b>
<b>Net Position:</b>							
Beginning of year					(67,897,732)	13,253,056	(54,644,676)
End of year					<b>\$ (60,169,301)</b>	<b>\$ 14,121,317</b>	<b>\$ (46,047,984)</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 5,357,419	\$ 6,622,411	\$ 11,979,830
Investments	4,152,441	513,653	4,666,094
Receivables, net of allowance for uncollectibles:			
Property Taxes	792,941	5,360	798,301
Tax Liens	652,110	2,435	654,545
Excise Taxes	203,261	-	203,261
Departmental	22,880	382,734	405,614
Due from Other Governments	820,109	452,442	1,272,551
<b>Total Assets</b>	<b>\$ 12,001,161</b>	<b>\$ 7,979,035</b>	<b>\$ 19,980,196</b>
<b>Liabilities:</b>			
Warrants and Accounts Payable	\$ 606,048	\$ 180,546	\$ 786,594
Accrued Payroll	305,021	48,756	353,777
Employee withholdings	479,729	-	479,729
Tax Refund Payable	71,500	-	71,500
Other	137,110	839	137,949
<b>Total Liabilities</b>	<b>1,599,408</b>	<b>230,141</b>	<b>1,829,549</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue	2,234,752	596,494	2,831,246
<b>Fund Balance:</b>			
Restricted	416,738	6,188,000	6,604,738
Committed	-	1,860,416	1,860,416
Assigned	542,183	-	542,183
Unassigned	7,208,080	(896,016)	6,312,064
<b>Total Fund Balance</b>	<b>8,167,001</b>	<b>7,152,400</b>	<b>15,319,401</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 12,001,161</b>	<b>\$ 7,979,035</b>	<b>\$ 19,980,196</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property Taxes	\$ 42,501,862	\$ 306,402	\$ 42,808,264
Intergovernmental	14,721,889	5,259,210	19,981,099
Excise and Other Taxes	2,695,881	-	2,695,881
Charges for Services	-	3,147,358	3,147,358
Licenses, Permits, Fees	1,058,808	-	1,058,808
Interest on Taxes	183,328	802	184,130
Investment Income	280,211	28,744	308,955
Other	-	180,403	180,403
Intergovernmental - "On-behalf" Payments	8,695,041	-	8,695,041
<b>Total Revenues</b>	<b>70,137,020</b>	<b>8,922,919</b>	<b>79,059,939</b>
<b>Expenditures:</b>			
Current:			
General Government	2,688,246	1,199,951	3,888,197
Public Safety	5,054,742	1,231,054	6,285,796
Public Works	4,829,646	1,039,247	5,868,893
Education	31,426,737	7,373,950	38,800,687
Health and Human Services	725,864	339,684	1,065,548
Culture and Recreation	994,709	670,356	1,665,065
Employee Benefits and Insurance	19,196,521	-	19,196,521
State Assessments	463,096	-	463,096
Debt Service:			
Principal	2,359,351	-	2,359,351
Interest	429,187	-	429,187
<b>Total Expenditures</b>	<b>68,168,099</b>	<b>11,854,242</b>	<b>80,022,341</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,968,921</b>	<b>(2,931,323)</b>	<b>(962,402)</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	292,352	1,252,788	1,545,140
Operating Transfers Out	(1,252,788)	(292,352)	(1,545,140)
<b>Total Other Financing Sources (Uses)</b>	<b>(960,436)</b>	<b>960,436</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,008,485</b>	<b>(1,970,887)</b>	<b>(962,402)</b>
<b>Fund Balances, Beginning of Year</b>	<b>7,158,516</b>	<b>9,123,287</b>	<b>16,281,803</b>
<b>Fund Balances, End of Year</b>	<b>\$ 8,167,001</b>	<b>\$ 7,152,400</b>	<b>\$ 15,319,401</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**Total Fund Balances to the Statement of Net Position**  
**For the Year Ended June 30, 2020**

<b>Total Governmental Fund Balances</b>		\$ 15,319,401
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		40,843,999
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		2,827,186
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.		(24,083,243)
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Bonds and Leases Payable	\$ (10,528,599)	
Net Other Post Employment Benefits Liability	(39,290,763)	
Net Pension Liability	(44,302,147)	
Compensated Absences	<u>(828,826)</u>	(94,950,335)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.		<u>(126,309)</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ (60,169,301)</u></u>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2020**

**Net Change in Fund Balances - Total Governmental Funds** \$ (962,402)

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	\$ 4,613,095	
Depreciation	<u>(2,841,361)</u>	1,771,734

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. (355,010)

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 and Lease Principal	2,653,294
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Net Change in Compensated Absences	(83,541)	
Net Change in Net Other Post Employment Benefits Liability	3,693,467	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	2,643,715	
Net Change in Net Pension Liability	(1,394,327)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(276,508)	
Net Change in Accrued Interest on Long-Term Debt	<u>38,010</u>	<u>4,620,816</u>

**Change in Net Position of Governmental Activities** \$ 7,728,432

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -  
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried		Final Budget			
	Forward from Prior Year	Original Budget				
<b>Revenues:</b>						
Property Taxes	\$ -	\$ 42,658,678	\$ 42,658,678	\$ 42,501,162	\$ -	\$ (157,516)
Intergovernmental	-	14,767,844	14,767,844	14,721,889	-	(45,955)
Excise and Other Taxes	-	2,757,008	2,757,008	2,695,881	-	(61,127)
Licenses, Permits, Fees	-	1,107,210	1,107,210	1,058,808	-	(48,402)
Interest on Taxes	-	263,500	263,500	183,328	-	(80,172)
Investment Income	-	150,000	150,000	169,445	-	19,445
<b>Total Revenues</b>	-	61,704,240	61,704,240	61,330,513	-	(373,727)
<b>Expenditures:</b>						
Current:						
General Government	77,624	3,031,302	3,124,879	2,688,246	156,374	280,259
Public Safety	35,919	5,225,124	5,271,256	5,054,742	29,358	187,156
Public Works	234,516	5,155,369	5,706,557	4,829,646	229,823	647,088
Education	259,714	31,182,410	31,682,972	31,426,737	116,417	139,818
Health and Human Services	4,091	798,848	832,940	725,864	7,566	99,510
Culture and Recreation	477	1,079,373	1,051,678	994,709	1,216	55,753
Employee Benefits and Insurance	4,099	10,709,575	10,713,674	10,501,480	1,429	210,765
State Assessments	-	456,988	456,988	463,096	-	(6,108)
Debt Service:						
Principal	-	2,359,351	2,359,351	2,359,351	-	-
Interest	-	544,258	437,787	429,187	-	8,600
<b>Total Expenditures</b>	616,440	60,542,598	61,638,082	59,473,058	542,183	1,622,841
<b>Excess of Revenues Over (Under) Expenditures</b>	(616,440)	1,161,642	66,158	1,857,455	(542,183)	1,249,114
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	-	106,280	106,280	292,352	-	186,072
Operating Transfers Out	-	(1,267,922)	(1,296,075)	(1,296,075)	-	-
<b>Total Other Financing Sources (Uses)</b>	-	(1,161,642)	(1,189,795)	(1,003,723)	-	186,072
<b>Net Change in Budgetary Fund Balance</b>	(616,440)	-	(1,123,637)	\$ 853,732	\$ (542,183)	\$ 1,435,186
<b>Other Budgetary Items:</b>						
Free Cash and Other Reserves	-	-	507,197			
Prior Year Encumbrances	616,440	-	616,440			
<b>Total Other Budgetary Items</b>	616,440	-	1,123,637			
<b>NET BUDGET</b>	\$ -	\$ -	\$ -			

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of Revenues and Expenditures**  
**from Budgetary Basis to GAAP Basis**  
**For the Year Ended June 30, 2020**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Reported on a Budgetary Basis</b>	\$ 61,330,513	\$ 59,473,058
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	110,766	-
Net Increase in Revenue from recording Refund Taxes Payable	3,900	-
Recognition of intergovernmental Revenue - "on behalf payments"	8,695,041	-
Recognition of Expenditures - 'on behalf payments"	-	8,695,041
Net Decrease in Revenue from Recording 60-Day Receipts	(3,200)	-
<b>Reported on a GAAP Basis</b>	<b>\$ 70,137,020</b>	<b>\$ 68,168,099</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	Business-Type Activities			Total
	Enterprise Funds			
	Water Fund	Sewer Fund	Stormwater Fund	
<b>ASSETS</b>				
CURRENT:				
Cash and Cash Equivalents	\$ 1,660,134	\$ 1,210,766	\$ 66,696	\$ 2,937,596
Receivables, net of allowance for uncollectibles				
User Charges	475,270	369,319	47,886	892,475
Special Assessments	-	7,064	-	7,064
Total current assets	2,135,404	1,587,149	114,582	3,837,135
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Special Assessments	-	43,986	-	43,986
Capital Assets, net of accumulated depreciation:				
Nondepreciable	579,356	-	-	579,356
Depreciable	9,517,768	7,242,955	39,929	16,800,652
Total noncurrent assets	10,097,124	7,286,941	39,929	17,423,994
<b>Total Assets</b>	<b>12,232,528</b>	<b>8,874,090</b>	<b>154,511</b>	<b>21,261,129</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows Related to Pensions	116,873	116,873	18,738	252,484
Deferred Outflows Related to OPEB	7,932	13,396	381	21,709
<b>Total Deferred Outflows of Resources</b>	<b>124,805</b>	<b>130,269</b>	<b>19,119</b>	<b>274,193</b>
<b>LIABILITIES</b>				
CURRENT:				
Warrants and Accounts Payable	23,312	21,747	6,873	51,932
Accrued Payroll	9,731	9,868	1,587	21,186
Accrued Interest	17,152	11,425	-	28,577
Compensated Absences	20,616	18,867	1,813	41,296
Bonds Payable	520,560	434,529	-	955,089
Total current liabilities	591,371	496,436	10,273	1,098,080
NONCURRENT:				
Compensated Absences	9,961	4,378	1,391	15,730
Net OPEB Liability	126,440	213,529	6,078	346,047
Net Pension Liability	848,903	848,903	136,102	1,833,908
Bonds Payable	2,501,689	1,254,095	-	3,755,784
Total noncurrent liabilities	3,486,993	2,320,905	143,571	5,951,469
<b>Total Liabilities</b>	<b>4,078,364</b>	<b>2,817,341</b>	<b>153,844</b>	<b>7,049,549</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Pensions	45,228	45,228	7,251	97,707
Deferred Inflows Related to OPEB	97,466	164,598	4,685	266,749
<b>Total Deferred Inflows of Resources</b>	<b>142,694</b>	<b>209,826</b>	<b>11,936</b>	<b>364,456</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	7,074,875	5,554,331	39,929	12,669,135
Restricted for Capital	76,826	522,346	634	599,806
Unrestricted	984,574	(99,485)	(32,713)	852,376
<b>Total Net Position</b>	<b>\$ 8,136,275</b>	<b>\$ 5,977,192</b>	<b>\$ 7,850</b>	<b>\$ 14,121,317</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Business-Type Activities  
Enterprise Funds**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for Services	\$ 2,845,426	\$ 2,088,835	\$ 277,158	\$ 5,211,419
<b>Total Operating Revenues</b>	<b>2,845,426</b>	<b>2,088,835</b>	<b>277,158</b>	<b>5,211,419</b>
<b>Operating Expenses:</b>				
Salaries & Wages	415,104	384,755	57,702	857,561
Operating Expenses	1,383,813	1,040,200	80,427	2,504,440
Depreciation	381,969	303,349	4,437	689,755
<b>Total Operating Expenses</b>	<b>2,180,886</b>	<b>1,728,304</b>	<b>142,566</b>	<b>4,051,756</b>
<b>Operating Income (Loss)</b>	<b>664,540</b>	<b>360,531</b>	<b>134,592</b>	<b>1,159,663</b>
<b>Non-Operating Revenues (Expenses):</b>				
Investment Income	16,917	11,331	-	28,248
Interest Expense	(123,416)	(69,492)	-	(192,908)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(106,499)</b>	<b>(58,161)</b>	<b>-</b>	<b>(164,660)</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>558,041</b>	<b>302,370</b>	<b>134,592</b>	<b>995,003</b>
<b>Operating Transfers:</b>				
Transfers In/(Out)	-	-	(126,742)	(126,742)
<b>Total Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>(126,742)</b>	<b>(126,742)</b>
<b>Change in Net Position</b>	<b>558,041</b>	<b>302,370</b>	<b>7,850</b>	<b>868,261</b>
<b>Net Position at Beginning of Year</b>	<b>7,578,234</b>	<b>5,674,822</b>	<b>-</b>	<b>13,253,056</b>
<b>Net Position at End of Year</b>	<b>\$ 8,136,275</b>	<b>\$ 5,977,192</b>	<b>\$ 7,850</b>	<b>\$ 14,121,317</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Stormwater Fund	Total
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers and Users	\$ 2,806,607	\$ 2,052,818	\$ 229,272	\$ 5,088,697
Payments to Vendors	(1,373,163)	(1,032,328)	(65,299)	(2,470,790)
Payments to Employees	(403,725)	(376,606)	(52,911)	(833,242)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>1,029,719</b>	<b>643,884</b>	<b>111,062</b>	<b>1,784,665</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers from (to) Other Funds	-	-	-	-
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and Construction of Capital Assets	(132,463)	(353,692)	(44,366)	(530,521)
Principal Payments on Bonds and Notes	(520,974)	(449,960)	-	(970,934)
Interest Expense	(126,168)	(72,636)	-	(198,804)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(779,605)</b>	<b>(876,288)</b>	<b>(44,366)</b>	<b>(1,700,259)</b>
<b>Cash Flows from Investing Activities:</b>				
Investment Income	16,917	11,331	-	28,248
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>16,917</b>	<b>11,331</b>	<b>-</b>	<b>28,248</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>267,031</b>	<b>(221,073)</b>	<b>66,696</b>	<b>112,654</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>1,393,103</b>	<b>1,431,839</b>	<b>-</b>	<b>2,824,942</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,660,134</b>	<b>\$ 1,210,766</b>	<b>\$ 66,696</b>	<b>\$ 2,937,596</b>

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

<b>Operating Income (Loss)</b>	\$ 664,540	\$ 360,531	\$ 134,592	\$ 1,159,663
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	381,969	303,349	4,437	689,755
Deferred (Outflows)/Inflows of Resources Related to Pensions	5,928	5,928	(11,487)	369
Deferred (Outflows)/Inflows of Resources Related to OPEB	(11,424)	(14,250)	4,304	(21,370)
Change in Assets and Liabilities:				
Increase (Decrease) in Warrants Payable	12,165	16,119	6,873	35,157
Increase (Decrease) in Accrued Payroll	2,530	4,028	1,587	8,145
Increase (Decrease) in Compensated Absences	8,849	4,121	3,204	16,174
Increase (Decrease) in Net OPEB Liability	(16,001)	(19,907)	(1,499)	(37,407)
Increase (Decrease) in Net Pension Liability	19,982	19,982	16,937	56,901
Decrease (Increase) in User Charges Receivable	(38,819)	(36,017)	(47,886)	(122,722)
<b>Total Adjustments</b>	<b>365,179</b>	<b>283,353</b>	<b>(23,530)</b>	<b>625,002</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 1,029,719</b>	<b>\$ 643,884</b>	<b>\$ 111,062</b>	<b>\$ 1,784,665</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<b>Other Post Employment Benefits Trust Fund</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,061	\$ 77,246	\$ 905,593
Investments	7,909,689	41,126	-
<b>Total Assets</b>	<b>7,921,750</b>	<b>118,372</b>	<b>905,593</b>
<b>LIABILITIES</b>			
Warrants Payable	-	-	15,430
Due to Others	-	-	25,041
Due to Student Groups	-	-	82,719
Escrows and Deposits	-	-	782,403
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>905,593</b>
<b>NET POSITION</b>			
Held in Trust for Other Purposes	\$ 7,921,750	\$ 118,372	\$ -

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Other Post Employment Benefits Trust Fund</b>	<b>Private Purpose Trust Funds</b>
<b>Additions:</b>		
Employer Contributions	\$ 2,259,217	\$ -
Private Donations	-	17,821
Investment Income	(71,997)	1,821
<b>Total Additions</b>	<b>2,187,220</b>	<b>19,642</b>
<b>Deductions:</b>		
Educational Scholarships	-	12,850
General Expenses	-	2,872
Employee Benefits and Insurance	2,259,217	-
<b>Total Deductions</b>	<b>2,259,217</b>	<b>15,722</b>
<b>Change in Net Position</b>	<b>(71,997)</b>	<b>3,920</b>
<b>Net Position at Beginning of Year</b>	<b>7,993,747</b>	<b>114,452</b>
<b>Net Position at End of Year</b>	<b>\$ 7,921,750</b>	<b>\$ 118,372</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Town of East Longmeadow, 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 1894 under the laws of the Commonwealth of Massachusetts. The Town is governed by a seven-member Town Council elected by the voters of the Town. The Town Council shall exercise all legislative powers of the Town. The executive branch, headed by the Town Manager, shall administer all town fiscal, business and municipal affairs.

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 2020, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing the governing board and/or committee members of the East Longmeadow Housing Authority. This related organization is excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board members. Audited financial statements are available from the respective organization. A description of the related organization is as follows:

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

**B. Government-Wide and Fund Financial Statements**

**Government-Wide Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

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

**Major Fund Criteria**

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

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

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

Proprietary and fiduciary funds are reported by fund type.

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

**Government-Wide Financial Statements**

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

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

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**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 government reports the following major proprietary funds:

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

The *stormwater fund* is used to account for the construction of road drainage improvements.

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

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

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

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

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

Additionally, the government reports the following fund types:

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

The *Other Post Employment Benefit (OPEB) Trust Fund* is used to account for the assets held by 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 EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

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, 2019 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 2020 on June 26, 2019 and September 25, 2019 that were due on August 1, 2019 and November 1, 2019 and actual bills on December 30, 2019 and March 26, 2020 that were due on February 3, 2020 and June 1, 2020, 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 2020 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2020	\$ 42,778,627
Add: Debt Exclusion	626,125
Maximum Allowable Levy	\$ 43,404,752

The total amount to be raised by taxation was \$42,832,763.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

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

**Excise Taxes**

Excise taxes consist of motor vehicle excise and vessel excise. Motor vehicle and vessel excise taxes are assessed annually for each vehicle and vessel registered in the Town, and are recorded as receivables in the fiscal year of the levy.

The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles. The Board of Assessors of the Town is responsible for determining the value of each vessel.

The tax calculation is the fair market value of the vehicle or vessel multiplied by the \$25 per \$1,000 of value and \$10 per \$1,000 of valuation, respectively.

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

**User Charges**

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

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

**Departmental**

Departmental receivables consist primarily of highway fees, payments in lieu of taxes, police off duty, and income and expense penalties added to taxes.

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

**Special Assessments**

Special assessments consist of the water and sewer betterments.

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.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**G. Capital Assets**

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

All purchase and construction costs in excess of \$15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

Capital Asset Type	Years
Buildings and renovations	10-40
Machinery, equipment and other	3-15
Infrastructure	20-50

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

**H. Interfund Transfers**

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

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

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

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

**Government-wide financial statements**

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**Fund financial statements**

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

**J. Net Position and Fund Balances**

In the Governmental-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.

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

"Permanent funds" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Other purposes" represents restrictions placed on assets from outside parties.

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

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

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

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

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

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

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

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

**K. Long-term Debt**

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

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

**L. Compensated Absences**

The Town grants to employees sick and vacation leave in varying amounts based upon length of service in accordance with State laws, collective bargaining agreements, union contracts and executive policies. 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.

**M. Pension Benefits**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Hampden County Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are 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 with the benefit terms. Investments are reported at their fair value.

**N. Post Retirement Benefits**

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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**O. Use of Estimates**

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

**P. Total Column**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

- The Town Manager shall set policy and procedures for the preparation of the Town's budget.
- The Town Manager shall prepare and submit the budget to the Town Council.
- The Town Council shall have one or more public hearings on the proposed budget.
- Copies shall be made available for public review prior to the public hearing.
- The Town Council shall adopt the budget with or without amendments by June 1.

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

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

For fiscal year 2020, the Town incurred a final budget deficit of \$1,123,637 for the General Fund.

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

Unassigned fund balance:	
Free cash votes	\$ 507,197
Prior year's encumbrances	616,440
	\$ 1,123,637

**B. Deficit Fund Balances**

The following funds have deficits at June 30, 2020 as measured by the balance of unreserved fund balance.

- The *Department of Public Works (DPW) projects* capital project fund has a deficit of \$42,584 (Sommers Road landfill closure phase II of \$428, Roadway improvements of \$981 and trash barrel with lids of \$41,175). These deficits will be eliminated upon appropriation.
- The *Maple Shade Elementary School interior/exterior door* capital project fund has a deficit of \$10,468. The Town has an authorization to borrow for \$50,000. This deficit will be eliminated upon the issuance of permanent debt or upon appropriation.
- The *Maple Brook Elementary School roof* capital project fund has a deficit of \$779,639. The Town has an authorization to borrow for \$2,559,620. The deficit will be eliminated upon receipt of additional Massachusetts School Building Administration (MSBA) funds and/or the issuance of permanent debt.
- The *highway* special revenue fund has a deficit of \$19,063. This deficit will be eliminated upon additional receipts or appropriation.
- The *Police bullet proof vests* special revenue fund has a deficit of \$7,276. This deficit will be eliminated upon additional receipts or appropriation.
- The *Police policies and procedures* special revenue fund has a deficit of \$20,198. This deficit will be eliminated upon additional receipts or appropriation.
- The *Community Development Block Grant* special revenue fund has a deficit of \$2,978. This deficit will be eliminated upon additional receipts or appropriation.
- The *Federal Emergency Management Agency* special revenue funds used for Covid-19 have a deficit totaling \$7,536. This deficit will be eliminated upon additional receipts or appropriation.
- The *Off-duty details* special revenue fund used for Police, Fire, and Department of Public Works details has a deficit of \$6,274 (mainly the DPW of \$5,167). This deficit will be eliminated upon additional receipts or appropriation.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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**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 Town has a deposit policy for custodial credit risk. Deposits at June 30, 2020 were \$16,757,941. Of these, \$1,420,823 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. MMDT's fair value is measured at amortized cost.

As of June 30, 2020, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More than 10
<b>Debt Securities:</b>					
U. S. government agencies	\$ 575,192	\$ -	\$ 182,392	\$ 392,800	\$ -
Corporate bonds	883,979	-	508,276	375,703	-
Municipal bonds	1,013,464	-	576,948	145,496	291,020
Money market mutual fund	997,248	997,248	-	-	-
	<u>3,469,883</u>	<u>\$ 997,248</u>	<u>\$ 1,267,616</u>	<u>\$ 913,999</u>	<u>\$ 291,020</u>
<b>Other Investments:</b>					
Equity mutual funds	7,909,689				
Equity securities - domestic	1,178,663				
MMDT	58,674				
	<u>\$ 12,616,909</u>				

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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**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 \$12,616,909 in investments, \$4,648,546 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**

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**

The Town's exposure to credit risk as of June 30, 2020 is follows:

Related Debt Instruments	Fair Value
<b>Moody's Quality Ratings</b>	
<b><i>U. S. Government Agencies:</i></b>	
Aaa	\$ 575,192
<b><i>Corporate Bonds:</i></b>	
Aaa	49,080
A1	243,608
A2	121,584
A3	171,243
AA3	56,785
Baa1	122,679
Baa2	118,999
<b><i>Municipal Bonds:</i></b>	
Aaa	100,862
AA1	388,596
AA2	524,007
<b><i>Money Market Mutual Funds:</i></b>	
Not rated	997,248
	\$ 3,469,883

**Concentration of Credit Risk**

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.

**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.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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The Town has the following recurring fair value measurements as of June 30, 2020:

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 by Fair Value Level:				
U. S. government agencies	\$ 575,192	\$ 575,192	\$ -	\$ -
Equity mutual funds	7,909,689	7,909,689	-	-
Equity securities - domestic	1,178,663	1,178,663	-	-
Money market mutual fund	997,248	997,248	-	-
Corporate bonds	883,979	-	883,979	-
Municipal bonds	1,013,464	-	1,013,464	-
	<u>12,558,235</u>	<u>\$ 10,660,792</u>	<u>\$ 1,897,443</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	<u>58,674</u>			
Total Investments	<u>\$ 12,616,909</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**B. Receivables**

At June 30, 2020, 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
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 832,419	\$ (34,118)	\$ 798,301
Tax liens	654,545	-	654,545
Excise taxes	254,002	(50,741)	203,261
Departmental	621,557	(215,943)	405,614
Due from other governments	1,272,551	-	1,272,551
	<u>\$ 3,635,074</u>	<u>\$ (300,802)</u>	<u>\$ 3,334,272</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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At June 30, 2020, receivables for the business-type activities consist of the following:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
<b>Sewer Fund:</b>			
User charges	\$ 363,173	\$ (1,000)	\$ 362,173
Tax liens	7,146	-	7,146
Special assessments	51,050	-	51,050
<b>Stormwater Fund:</b>			
User charges	47,886	-	47,886
<b>Water Fund:</b>			
User charges	465,149	(1,000)	464,149
Tax liens	11,121	-	11,121
	<u>\$ 945,525</u>	<u>\$ (2,000)</u>	<u>\$ 943,525</u>

The composition of amounts due from other governments as of June 30, 2020 for the governmental funds are as follows:

**General Fund:**

**Commonwealth of Massachusetts:**

Department of Revenue:

Veterans, Blind & Surviving Spouse \$ 97,849

Department of Veterans Services:

Veterans benefits 68,322

Massachusetts School Building Authority:

School Building Assistance - Capital Portion 653,938 \$ 820,109

**Nonmajor Governmental Funds:**

**U. S. Department of Education:**

School title grants 13,384

**Commonwealth of Massachusetts:**

Department of Public Health 12,685

Executive Office of Public Safety and Homeland Security

Public Safety Grants 31,411

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funded projects 290,597

Highway Department - Complete Streets 26,976

Highway Department - Small Bridge 51,990

Massachusetts School Building Authority:

School Building Assistance - Capital Portion 25,399 452,442

\$ 1,272,551

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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**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:

<b>General Fund:</b>			
Property taxes	\$	634,241	
Tax liens		652,110	
Excise taxes		203,261	
Departmental		22,880	
Due from other governments		722,260	\$ 2,234,752
<b>Nonmajor governmental funds:</b>			
Property taxes		5,360	
Tax liens		2,435	
Departmental		298,102	
Due from other governments		290,597	596,494
			\$ 2,831,246

**D. Capital Assets**

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2020, are as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 5,182,465	\$ -	\$ -	\$ 5,182,465
Construction in progress	2,356,327	3,563,226	(2,900,372)	3,019,181
Total capital assets not being depreciated	7,538,792	3,563,226	(2,900,372)	8,201,646
Capital assets being depreciated:				
Buildings and Renovations	59,930,032	2,900,372	-	62,830,404
Machinery, equipment and other	7,885,281	207,514	(25,000)	8,067,795
Infrastructure	8,423,125	842,355	-	9,265,480
Total capital assets being depreciated	76,238,438	3,950,241	(25,000)	80,163,679
Less accumulated depreciation for:				
Buildings and Renovations	36,022,381	2,072,794	-	38,095,175
Machinery, equipment and other	6,185,179	333,361	(25,000)	6,493,540
Infrastructure	2,497,405	435,206	-	2,932,611
Total accumulated depreciation	44,704,965	2,841,361	(25,000)	47,521,326
Total capital assets being depreciated, net	31,533,473	1,108,880	-	32,642,353
Total governmental activities capital assets, net	\$ 39,072,265	\$ 4,672,106	\$ (2,900,372)	\$ 40,843,999

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Construction in progress	\$ 679,678	\$ 79,345	\$ (179,667)	\$ 579,356
Total capital assets not being depreciated	679,678	79,345	(179,667)	579,356
Capital assets being depreciated:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	749,565	432,506	-	1,182,071
Infrastructure	41,529,904	198,337	-	41,728,241
Total capital assets being depreciated	42,309,066	630,843	-	42,939,909
Less accumulated depreciation for:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	435,746	93,919	-	529,665
Infrastructure	24,984,159	595,836	-	25,579,995
Total accumulated depreciation	25,449,502	689,755	-	26,139,257
Total capital assets being depreciated, net	16,859,564	(58,912)	-	16,800,652
Total business-type activities capital assets, net	\$ 17,539,242	\$ 20,433	\$ (179,667)	\$ 17,380,008

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

**Governmental Activities:**

General government	\$ 242,401
Public safety	406,840
Public works	508,096
Education	1,359,874
Health and human services	82,089
Culture and recreation	242,061
Total depreciation expense - governmental activities	<u>\$ 2,841,361</u>

**Business-Type Activities:**

Sewer fund	\$ 303,349
Stormwater fund	4,437
Water fund	381,969
Total depreciation expense - business-type activities	<u>\$ 689,755</u>

**E. Interfund Receivables, Payables and Transfers**

Interfund transfers for the fiscal year ended June 30, 2020, are summarized below:

Transfers Out:	Transfers In:		
	General fund	Nonmajor Governmental fund	Total
General fund	\$ -	\$ 1,252,788	\$ 1,252,788
Nonmajor governmental funds	292,352	-	292,352
Total transfers out	<u>\$ 292,352</u>	<u>\$ 1,252,788</u>	<u>\$ 1,545,140</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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**F. Leases**

The Town has entered into a financing agreement with Northeast Efficiency Supply for the Meadowbrook School lighting upgrade to be repaid monthly with the electric billing. The Town also has capital leases in the governmental type fund for the financing of the fire department vehicles. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the financing agreement are as follows:

	<b>Governmental Activities</b>
<b>Asset:</b>	
Machinery, Equipment and Other	\$ 1,346,740
Less: Accumulated Depreciation	339,720
Total	\$ 1,686,460

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, are as follows:

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>
2021	\$ 232,691
2022	214,787
2023	214,787
Total minimum lease payments	662,265
Less: amount representing interest	(35,290)
Present value of minimum lease payments	\$ 626,975

**G. Long Term Debt**

**General Obligation Bonds**

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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General obligation bonds currently outstanding of the governmental type fund are as follows:

	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2020</b>
<b>Inside Debt:</b>					
Municipal purpose loan of 2003: Library	2.0-5.0%	6/1/2003	6/1/2023	\$ 2,200,000	\$ 330,000
Municipal purpose loan of 2005: Remodeling projects	3.85%	4/1/2005	4/1/2022	1,336,200	195,000
Municipal purpose loan of 2005: Mountain View Roof Replacement	4.0-6.0%	12/1/2005	12/1/2025	582,683	174,000
Municipal purpose loan of 2007: School projects	3.96%	1/15/2007	1/15/2027	3,729,000	1,295,000
Municipal purpose loan of 2009	2.91%	1/15/2009	1/15/2024	4,852,000	740,000
Municipal purpose loan of 2010	2.09%	9/15/2010	9/15/2025	2,730,000	740,000
Municipal purpose loan of 2011	2.0-5.0%	10/13/2011	8/1/2029	4,405,000	1,380,000
Municipal Purpose Loan of 2016: Pine Knoll Pool Renovations	1.46%	6/29/2016	6/15/2028	450,000	290,000
Municipal Purpose Loan of 2019: School projects	2.63-2.81%	9/27/2018	9/15/2033	2,677,840	2,485,000
Massachusetts Clean Water Trust: GIS project	N/A	10/26/2006	8/1/2024	194,098	66,845
GIS project	2.00%	10/26/2006	7/15/2024	138,448	45,779
Total Inside Debt					<u>7,741,624</u>
<b>Outside Debt:</b>					
Municipal purpose loan of 2011 Birchland Park Middle School Construction	2.0-5.0%	10/13/2011	8/1/2020	8,739,050	915,000
Municipal Purpose Loan of 2018: Meadow Brook Elementary School	2.81%	9/27/2018	9/15/2033	1,336,160	1,245,000
Total Outside Debt					<u>2,160,000</u>
Total governmental type debt					<u>\$ 9,901,624</u>

**Future Debt Service**

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2020, are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 2,260,526	\$ 332,934	\$ 2,593,460
2022	1,330,703	258,840	1,589,543
2023	1,080,884	210,391	1,291,275
2024	967,661	171,208	1,138,869
2025	772,850	136,809	909,659
2026-2030	2,459,000	341,981	2,800,981
2031-2034	1,030,000	64,378	1,094,378
	<u>\$ 9,901,624</u>	<u>\$ 1,516,541</u>	<u>\$ 11,418,165</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
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General obligation bonds currently outstanding of the business-type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2020
<b>Inside Debt:</b>					
<b>Sewer Fund:</b>					
Municipal purpose loan of 2003:					
Sewer projects	2.0-5.0%	6/1/2003	6/1/2023	\$ 4,775,000	\$ 720,000
Municipal purpose loan of 2005:					
Discharge Meters	3.85%	4/1/2005	4/1/2021	156,000	5,000
Mill Road Sanitary Sewer Construction	4.0-6.0%	12/1/2005	12/1/2025	250,000	66,000
Municipal purpose loan of 2010:					
Pump Station Upgrades	2.09%	9/15/2010	9/15/2025	1,104,000	430,000
Municipal purpose loan of 2011:					
Sewer projects	2.0-5.0%	10/13/2011	8/1/2021	612,780	98,000
Municipal Purpose Loan of 2018:					
Sewer vehicle and equipment	2.49%	9/27/2018	9/15/2028	270,500	235,000
Sewer inflow and infiltration	2.49%	9/27/2018	9/15/2028	100,000	90,000
Massachusetts Clean Water Trust:					
GIS Project	N/A	10/26/2006	8/1/2024	76,907	26,485
GIS Project	2.00%	10/26/2006	7/15/2024	54,857	18,139
<b>Water Fund:</b>					
Massachusetts Clean Water Trust:					
GIS Project	N/A	10/26/2006	8/1/2024	95,218	32,792
GIS Project	2.00%	10/26/2006	7/15/2024	67,918	22,457
Total Inside Debt					<u>1,743,873</u>
<b>Outside Debt:</b>					
<b>Water Fund:</b>					
Municipal purpose loan of 2003:					
Water tank painting	2.0-5.0%	6/1/2003	6/1/2023	100,000	15,000
Water main projects	2.0-5.0%	6/1/2003	6/1/2023	4,140,000	615,000
Municipal purpose loan of 2005:					
Water tower	4.0-6.0%	12/1/2005	12/1/2025	2,500,000	750,000
Municipal purpose loan of 2011:					
Water main projects	2.0-5.0%	10/13/2011	8/1/2021	398,170	67,000
Municipal Purpose Loan of 2016:					
Harkness Pump Station improvements	1.46%	6/29/2016	6/15/2028	731,000	490,000
Municipal Purpose Loan of 2018:					
Water main projects	2.75-2.81%	9/27/2018	9/15/2028	1,110,500	1,030,000
Total Outside Debt					<u>2,967,000</u>
Total business-type debt					<u>\$ 4,710,873</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**Future Debt Service**

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2020, are as follows:

Year	Principal	Interest	Total
2021	\$ 955,089	\$ 164,217	\$ 1,119,306
2022	935,246	128,235	1,063,481
2023	850,407	93,717	944,124
2024	401,982	60,846	462,828
2025	397,149	46,007	443,156
2026-2030	896,000	93,390	989,390
2031-2034	275,000	17,063	292,063
	<u>\$ 4,710,873</u>	<u>\$ 603,475</u>	<u>\$ 5,314,348</u>

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

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due within One Year
<b>Governmental activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 12,127,000	\$ -	\$ 2,338,000	\$ 9,789,000	\$ 2,239,000
<b>Capital lease</b>	133,975	-	21,351	112,624	21,526
<b>Compensated absences</b>	920,918	-	293,943	626,975	215,211
<b>Net OPEB liability</b>	745,285	107,768	24,227	828,826	591,262
<b>Net Pension liability</b>	42,984,230	-	3,693,467	39,290,763	-
<b>Governmental activity Long-term liabilities</b>	<u>42,907,821</u>	<u>1,394,326</u>	<u>-</u>	<u>44,302,147</u>	<u>-</u>
	<u>\$ 99,819,229</u>	<u>\$ 1,502,094</u>	<u>\$ 6,370,988</u>	<u>\$ 94,950,335</u>	<u>\$ 3,066,999</u>
<b>Business type activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 5,563,000	\$ -	\$ 952,000	\$ 4,611,000	\$ 936,000
<b>Compensated absences</b>	118,807	-	18,934	99,873	19,089
<b>Net OPEB liability</b>	40,852	16,174	-	57,026	41,296
<b>Net Pension liability</b>	375,877	-	29,830	346,047	-
<b>Business-type activity Long-term liabilities</b>	<u>1,657,842</u>	<u>176,066</u>	<u>-</u>	<u>1,833,908</u>	<u>-</u>
	<u>\$ 7,756,378</u>	<u>\$ 192,240</u>	<u>\$ 1,000,764</u>	<u>\$ 6,947,854</u>	<u>\$ 996,385</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**Massachusetts Clean Water Trust (MCWT)**

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$674,988 and interest costs of \$281,699 for two loans which the Town has borrowed from MCWT. The gross amount outstanding at June 30, 2020 for principal and interest combined for the loan is \$229,166. The net repayments, including interest, are scheduled to be \$214,390. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements. The fiscal year 2020 interest subsidies totaled \$3,851.

**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, 2020 totaled \$9,485,497.

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, 2020:

Equalized Valuation-Real Estate and Personal Property (2018)		\$	1,986,089,000
			<u>99,304,450</u>
Debt Limit: 5 % of Equalized value			99,304,450
Total Debt Outstanding	\$		14,612,497
Less: Debt Outside Debt Limit		(5,127,000)	<u>9,485,497</u>
Inside Debt Excess Borrowing Capacity at June 30, 2020		\$	<u>89,818,953</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, 2020 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
5/19/2008	Health department - landfill Somers & Allen Street	\$ 138,000
5/21/2012	Harkness Pump Station improvements (Water)	500
5/23/2017	Water Main Replacement - Maple Street	58,250
4/23/2019	Meadow Brook Elementary School construction net of Massachusetts School Authority receipts	2,559,620
5/28/2019	2020 Capital Projects	<u>3,386,358</u>
		<u>\$ 6,142,728</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**H. Fund Balances**

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2020:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Restricted:</b>			
Federal, state and local grants	\$ -	\$ 684,146	\$ 684,146
School revolving funds	-	530,070	530,070
Town revolving funds	-	1,163,522	1,163,522
Community preservation funds	-	1,638,867	1,638,867
Donations and gifts	-	179,422	179,422
Payment of Debt	416,738	572,124	988,862
Capital projects	-	1,107,119	1,107,119
Permanent funds	-	9,735	9,735
Other	-	302,995	302,995
	<u>416,738</u>	<u>6,188,000</u>	<u>6,604,738</u>
<b>Committed:</b>			
Capital projects	-	639,684	639,684
Ambulance reserve	-	945,854	945,854
Compensated absence reserve	-	274,878	274,878
	-	<u>1,860,416</u>	<u>1,860,416</u>
<b>Assigned:</b>			
Reserve for encumbrances	<u>542,183</u>	-	<u>542,183</u>
<b>Unassigned:</b>			
General Fund	7,208,080	-	7,208,080
Special revenue deficit:	-	(63,325)	(63,325)
Capital project deficit:	-	(832,691)	(832,691)
	<u>7,208,080</u>	<u>(896,016)</u>	<u>6,312,064</u>
<b>Total Governmental fund balances</b>	<u>\$ 8,167,001</u>	<u>\$ 7,152,400</u>	<u>\$ 15,319,401</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**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, 2020, the balance in the stabilization fund is \$3,038,763 and is reported in the General Fund as unassigned fund balance.

**4. OTHER INFORMATION**

**A. Risk Management**

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

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

**B. Contingent Liabilities**

**Litigation**

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

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

**C. COVID-19**

The Covid-19 outbreak in the United States and across the globe has resulted in economic uncertainties. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. The extent of the impact of Covid-19 on our operational and financial performance will depend on certain developments, including the duration and spread of outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which Covid-19 may impact our financial condition or results of operations is uncertain.

**D. Subsequent Events**

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**E. Pension Plan**

**Plan Description**

The Town is a member of the Hampden County Regional Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Hampden 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 67 Hunt Street, Suite 106, Agawam, Massachusetts 01001.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the Town does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

**Special Funding Situation**

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the Town does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019. The Town's portion of the collective pension expense contributed by the Commonwealth of \$8,695,041 on-behalf payments for the fiscal year ending June 30, 2020 is reported as intergovernmental revenues and employee benefits and insurance expenditures in the General Fund as of the measurement date.

**Benefits Provided**

Both the System and MTRS provide 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.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**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, 2019 was \$3,520,094, representing 25.83% 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.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current-year pension assessment. In the past years, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside money for the future benefits or employees who are currently employed. Large unfunded liabilities resulted from operating under this pay-as-you-go basis. In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. Additionally, Chapter 32 of the M.G.L. requires Massachusetts retirement systems to adopt funding schedules designed to reduce the unfunded actuarial liability of the system to zero by no later than June 30, 2040. The System's current funding schedule is designed to reduce the unfunded actuarial liability to zero by 2035.

**Pension Liability**

As of June 30, 2020, the Town reported a liability of \$46,136,055 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Accordingly, update procedures were used to roll back 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, 2019, the Town's proportional percentage was 11.35%, which was a slight increase from the last measurement.

**Pension Expense**

For the year ended June 30, 2020, the Town recognized a pension expense of \$5,367,365; reported deferred outflows of resources related to pensions of \$6,351,777 from the differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions; and deferred inflows of resources related to pensions of \$2,458,038, from the differences between expected and actual experience, the net difference between projected and actual investment earnings on pension plan investments, and the changes in proportion and differences between employer contributions and proportionate share of contributions.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

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

<b>For years ended June 30,</b>	
<b>2021</b>	\$ 1,137,323
<b>2022</b>	1,087,686
<b>2023</b>	922,855
<b>2024</b>	41,083
<b>2025</b>	704,792
	<u>\$ 3,893,739</u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2019:

Valuation date	January 1, 2020
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Appropriations increase 8% per year through 2030 and 3.75% per year thereafter.
Inflation rate	3.25%
Investment rate of return	7.15%
Single equivalent discount rate	7.15%
Projected salary increase	Varies by length of service with ultimate rates 4.00% for Group 1 employees with 11 or more years of service, 4.25% for Group 2 employees with 9 or more years of service and 4.50% for Group 4 employees with 8 or more years of service.
Cost of living adjustments	3.00% of the first \$18,000 of retirement income.
Mortality rates	
Pre-retirement	RP-2014 Blue Collar Employee Mortality Table set forward one year for females and projected generationally with Scale MP-2017.
Healthy retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year for females and projected generationally with Scale MP-2017.
Disabled retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year for females and projected generationally with Scale MP-2017.

**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 and subtracting investment expenses and a risk margin.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of January 1, 2019, are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	21.00%	6.15%
International Developed Markets Equity	13.00%	6.78%
International Emerging Market Equity	5.00%	8.65%
Core Fixed Income	15.00%	1.11%
High Yield Fixed Income	8.00%	3.51%
Real Estate (Core)	10.00%	4.33%
Commodities	4.00%	4.13%
Hedge Funds, GTAA, Risk Parity	11.00%	3.19%
Private Equity	13.00%	9.99%
Total	100.00%	

**Rate of Return**

For the year ended December 31, 2019, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 16.36%. The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made based at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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 7.15%. 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 (6.15%) or 1-percentage-point higher (8.15%) than the current rate (amounts expressed in thousands):

	<b>1% Decrease 6.15%</b>	<b>Current Discount Rate 7.15%</b>	<b>1% Increase 8.15%</b>
Town's net pension liability	\$ 56,796,384	\$ 46,136,055	\$ 37,159,944

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**F. 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 as described on the following footnote, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date there are approximately 1,002 active and retired employees 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, 2020, investments, concentration and rate of return information consisted of pooled funds in the Town's Commonwealth Financial investments described earlier under Deposits and Investments (refer to note 3A).

**Funding Policy**

The contribution requirements of plan members and the Town are established and may be amended through Town policy and member contracts. For the period ending June 30, 2020 Measurement Date, total Town premiums plus implicit costs for the retiree medical program are \$2,259,217. The Town has also made a contribution to an OPEB Trust of \$0 for a total contribution during the measurement period of \$2,259,217 to be reported on the financial statement for the fiscal year. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. As of June 30, 2020, the trust balance is \$7,921,750.

**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, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

**Plan Membership:**

Current active members		578
Current retirees, beneficiaries and dependents		424
Total		1,002

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**Net OPEB Liability**

The components of the net OPEB liability are as follows:

	<b>6/30/2020</b>
Total OPEB liability	\$ 47,558,560
Less: Plan fiduciary net position	(7,921,750)
Town's Net OPEB liability	\$ 39,636,810
Plan fiduciary net position as a percentage of the total OPEB liability	16.66%

**Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2020:

Valuation date	July 1, 2018
Actuarial cost method	Individual Entry Age Normal
Single Equivalent Discount rate	6.75%, net of OPEN plan investment expense, including inflation
Inflation	2.50% as of June 30, 2020 and for future periods
Salary increases	3.00% annually as of June 30, 2020 and for future periods
Healthcare cost trend rates	4.50% annually in 2020
Mortality rates	
Pre-retirement mortality (General)	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward one year for females.
Post-retirement mortality (General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward one year for females.
Disabled retirees (General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward one year.
Pre-retirement mortality (Teachers)	RP-2014 Mortality Table for White Collar Employees projected generational with Scale MP-2016 for males and females.
Post-retirement mortality (Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants projected generational with Scale MP-2016 for males and females.
Disabled retirees (Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

The actuarial assumptions used the July 1, 2018 actuarial valuation and market value of assets as of the measurement date of June 30, 2020 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index as of June 30, 2020 is 2.66%.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity - Large Capital	35.75%	4.80%
Domestic Equity - Small/Mid Capital	14.25%	5.29%
International Equity - Developed Market	5.50%	5.45%
International Equity - Emerging Market	5.50%	6.42%
Domestic Fixed Income	25.50%	2.05%
International Fixed Income	4.50%	3.00%
Alternatives	6.00%	6.50%
Real Estate	2.75%	6.25%
Cash & Cash Equivalents	0.25%	0.00%
Total	100.00%	
I. Real Rate of Return		4.34%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		6.84%
IV. Less: Investment Expense		0.25%
V. Net investment Return (III.-IV.)		6.59%

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was (0.90%).

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2019	\$ 51,353,854	\$ 7,993,747	\$ 43,360,107
Service cost	1,192,093	-	1,192,093
Interest	2,957,347	-	2,957,347
Changes in benefit terms	-	-	-
Changes in assumptions	(5,685,517)	-	(5,685,517)
Difference between actual and expected experience	-	-	-
Net investment income	-	(71,997)	71,997
Employer contributions to Trust	-	2,259,217	(2,259,217)
Total benefit payments including implicit cost	(2,259,217)	(2,259,217)	-
Net change in total OPEB liability	(3,795,294)	(71,997)	(3,723,297)
Balances at June 30, 2020	\$ 47,558,560	\$ 7,921,750	\$ 39,636,810

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at in accordance with the Town's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position is projected to be sufficient to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets was applied to all periods of projected future benefit payments.

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's net OPEB liability	\$ 45,701,641	\$ 39,636,810	\$ 33,900,370

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**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 (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare cost trend rates:

	<b>1% Decrease (3.50%)</b>	<b>Healthcare Cost Trend Rates (4.50%)</b>	<b>1% Increase (5.50%)</b>
Town's net OPEB liability	\$ 34,048,519	\$ 39,636,810	\$ 46,489,857

**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, 2020, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$6,388,752 and reported deferred outflows of resources related to OPEB of \$2,486,637 from the difference between actual and expected experience and the net difference between projected and actual investment earnings on OPEB plan investments; and deferred inflows of resources related to OPEB of \$30,553,882 from the difference between actual and expected experience, changes in assumptions and the net difference between projected and actual investment earnings on OPEB plan investments.

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

<b>For years ended June 30,</b>	
<b>2021</b>	\$ (7,752,187)
<b>2022</b>	(7,752,181)
<b>2023</b>	(7,752,144)
<b>2024</b>	(3,959,466)
<b>2025</b>	(850,897)
<b>Thereafter:</b>	(370)
	\$ (28,067,245)

**G. Implementation of New GASB Pronouncements**

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2020**

**H. Future GASB Pronouncements**

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

The GASB issued Statement No. 84, *Fiduciary Activities*, for implementation in fiscal year 2021.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022.

The GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, for implementation in fiscal year 2021.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Required Supplementary Information**  
**Pension Plan Schedules**  
**Hampden County Regional Retirement System**  
**For the Year Ended June 30, 2020**

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:**

<b>Date</b>	<b>Town's proportion of the net pension liability (asset)</b>	<b>Town's proportionate share of the net pension liability (asset)</b>	<b>Town's covered employee payroll</b>	<b>Net pension liability percentage of covered employee payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
12/31/2019	11.35%	\$ 46,136,055	\$ 13,625,592	338.60%	50.23%
12/31/2018	11.19%	\$ 44,565,663	\$ 12,797,420	348.24%	47.33%
12/31/2017	11.21%	\$ 40,094,256	\$ 12,295,124	326.10%	50.82%
12/31/2016	11.60%	\$ 42,250,969	\$ 12,537,837	336.99%	46.82%
12/31/2015	11.68%	\$ 36,493,856	\$ 12,159,006	300.14%	49.22%
12/31/2014	12.22%	\$ 35,072,214	\$ 12,229,866	286.78%	51.38%

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 EAST LONGMEADOW, MASSACHUSETTS**  
**Required Supplementary Information**  
**Pension Plan Schedules**  
**Hampden County Regional Retirement System**  
**For the Year Ended June 30, 2020**

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:**

<b>Date</b>	<b>Actuarially determined contribution</b>	<b>Less: Contributions in relation to the actuarially determined contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Town's covered employee payroll</b>	<b>Contributions percentage of covered employee payroll</b>
12/31/2019	\$ 3,520,094	\$ (3,520,094)	\$ -	\$ 13,625,592	25.83%
12/31/2018	\$ 3,254,102	\$ (3,254,102)	\$ -	\$ 12,797,420	25.43%
12/31/2017	\$ 2,980,025	\$ (2,980,025)	\$ -	\$ 12,295,124	24.24%
12/31/2016	\$ 2,855,176	\$ (2,855,176)	\$ -	\$ 12,537,837	22.77%
12/31/2015	\$ 2,662,850	\$ (2,662,850)	\$ -	\$ 12,159,006	21.90%
12/31/2014	\$ 2,611,961	\$ (2,611,961)	\$ -	\$ 12,229,866	21.36%

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 EAST LONGMEADOW, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

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

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB liability</b>				
Service cost	\$ 1,192,093	\$ 1,447,357	\$ 3,945,669	\$ 3,187,149
Interest on net OPEB liability	2,957,347	3,429,119	2,893,255	2,616,590
Changes in Benefit terms	-	-	-	-
Changes in Assumptions	(5,685,517)	(11,770,344)	(32,132,505)	-
Difference between actual and expected experience	-	(2,152,226)	3,724,747	-
Benefit payments, including refunds of member contributions	<u>(2,259,217)</u>	<u>(2,116,543)</u>	<u>(1,350,566)</u>	<u>(1,555,622)</u>
Net change in total OPEB liability	<u>(3,795,294)</u>	<u>(11,162,637)</u>	<u>(22,919,400)</u>	<u>4,248,117</u>
Total OPEB liability-beginning	<u>51,353,854</u>	<u>62,516,491</u>	<u>85,435,891</u>	<u>81,187,774</u>
<b>Total OPEB liability-ending (a)</b>	<b><u>\$ 47,558,560</u></b>	<b><u>\$ 51,353,854</u></b>	<b><u>\$ 62,516,491</u></b>	<b><u>\$ 85,435,891</u></b>
<b>Plan fiduciary net position</b>				
Difference between actual and expected experience	\$ -	\$ -	\$ 218	\$ -
Net investment income	(71,997)	261,703	122,745	121,949
Employer contributions to Trust	2,259,217	4,216,543	4,525,566	1,075,000
Benefit payments, including refunds of member contributions	<u>(2,259,217)</u>	<u>(2,116,543)</u>	<u>(1,350,566)</u>	<u>-</u>
Net change in plan fiduciary net position	<u>(71,997)</u>	<u>2,361,703</u>	<u>3,297,963</u>	<u>1,196,949</u>
Total fiduciary net position-beginning	<u>7,993,747</u>	<u>5,632,044</u>	<u>2,334,081</u>	<u>1,137,132</u>
<b>Total fiduciary net position-ending (b)</b>	<b><u>\$ 7,921,750</u></b>	<b><u>\$ 7,993,747</u></b>	<b><u>\$ 5,632,044</u></b>	<b><u>\$ 2,334,081</u></b>
<b>Town's net OPEB liability (a-b)</b>	<b><u>\$ 39,636,810</u></b>	<b><u>\$ 43,360,107</u></b>	<b><u>\$ 56,884,447</u></b>	<b><u>\$ 83,101,810</u></b>

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 EAST LONGMEADOW, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

**Schedule of Net OPEB Liability:**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 47,558,560	\$ 51,353,854	\$ 62,516,491	\$ 85,435,891
Less: Plan fiduciary net position	<u>(7,921,750)</u>	<u>(7,993,747)</u>	<u>(5,632,044)</u>	<u>(2,334,081)</u>
Town's Net OPEB liability	<u>\$ 39,636,810</u>	<u>\$ 43,360,107</u>	<u>\$ 56,884,447</u>	<u>\$ 83,101,810</u>
Plan fiduciary net position as a percentage of the total OPEB liability	16.66%	15.57%	9.01%	2.73%
Town's share of covered employee payroll	\$ 33,864,749	\$ 32,878,397	N/A	N/A
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	117.04%	131.88%	N/A	N/A

**Schedule of Contributions:**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 4,109,516	\$ 4,346,897	\$ 3,495,762	\$ 1,555,622
Less: Contributions in relation to the actuarially determined contribution	<u>(2,259,217)</u>	<u>(4,216,543)</u>	<u>(4,525,566)</u>	<u>(1,555,622)</u>
Contribution deficiency (excess)	<u>\$ 1,850,299</u>	<u>\$ 130,354</u>	<u>\$ (1,029,804)</u>	<u>\$ -</u>
Town's share of covered employee payroll	\$ 33,864,749	\$ 32,878,397	N/A	N/A
Contributions percentage of covered-employee payroll	6.67%	12.82%	N/A	N/A
Annual money-weighted rate of return net of investment expense	(0.90%)	4.78%	4.10%	7.91%

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 EAST LONGMEADOW, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

**Schedule of Funding Progress:**

<b>Other Post Employment Benefits</b>						
<b>Actuarial Measurement Date</b>	<b>Actuarial Fiduciary Net Position (A)</b>	<b>Actuarial Total OPEB Liability (B)</b>	<b>Actuarial Net OPEB Liability (B-A)</b>	<b>Actuarial Funded Ratio (A/B)</b>	<b>Actuarial Covered Payroll (C)</b>	<b>Actuarial Percentage of Covered Payroll ((B-A)/C)</b>
6/30/2020	\$ 7,921,750	\$ 47,558,560	\$ 39,636,810	16.66%	\$ 33,864,749	117.0%
6/30/2019	\$ 7,993,747	\$ 51,353,854	\$ 43,360,107	15.57%	\$ 32,878,397	131.9%
6/30/2018	\$ 5,632,044	\$ 62,516,491	\$ 56,884,447	9.01%	N/A	N/A
6/30/2017	\$ 2,334,081	\$ 85,435,891	\$ 83,101,810	2.73%	N/A	N/A

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

## **SUPPLEMENTARY SCHEDULES**

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
<b>Special Revenue:</b>					
<b>Federal and State Grants:</b>					
School Grants	\$ 23,492	\$ 1,580,682	\$ 1,576,916	\$ -	\$ 27,258
Arts Lottery Council Grants	4,763	7,982	3,275	-	9,470
Board of Health Grants	45,836	165,838	107,267	-	104,407
Community Compact Grants	34,523	-	-	-	34,523
Community Development Block Grant	-	317,074	320,052	-	(2,978)
Council on Aging Grants	87,922	214,616	212,876	-	89,662
Emergency Management Grants	-	174,581	182,117	-	(7,536)
Highway Grants	-	770,091	789,154	-	(19,063)
Library Grants	51,862	34,167	27,281	-	58,748
Municipal Vulnerability Preparedness	-	20,000	14,903	-	5,097
Public Safety Grants	51,137	127,389	196,800	-	(18,274)
<b>Schools:</b>					
School Lunch Program	398,252	594,210	783,462	-	209,000
School Lunch Commodities	-	63,964	63,964	-	-
School Transportation	31,900	114,192	145,822	-	270
School Gifts and Donations	35,446	69,991	49,948	-	55,489
School Revolving Accounts	165,619	359,748	260,055	-	265,312
State Special Education Reimbursement Fund	246,121	985,922	886,261	-	345,782
<b>Other:</b>					
Affordable Housing Funds	23,841	60	-	-	23,901
Ambulance Fund	234,183	938,354	179,524	(47,159)	945,854
Cable Access Revolving	373,463	275,074	186,241	-	462,296
Community Preservation Fund	1,383,990	372,250	11,093	(106,280)	1,638,867
Council on Aging Revolving	61,980	6,155	13,870	-	54,265
Gifts and Donations	165,671	58,907	43,958	(1,198)	179,422
Health Department Revolving	962	104	70	-	996
<b>Special Revenue Page 69</b>	<b>\$ 3,420,963</b>	<b>\$ 7,251,351</b>	<b>\$ 6,054,909</b>	<b>\$ (154,637)</b>	<b>\$ 4,462,768</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
<b>Continued from Page 69</b>	\$ 3,420,963	\$ 7,251,351	\$ 6,054,909	\$ (154,637)	\$ 4,462,768
<b>Special Revenue (continued):</b>					
<b>Other (continued):</b>					
Insurance Reimbursements	1,580	51,505	25,061	-	28,024
Library Revolving Funds	30,115	9,772	2,678	-	37,209
Off-Duty Details	702	416,522	423,498	-	(6,274)
Recreation Revolving	380,278	468,541	610,793	-	238,026
Reserve for Payment of Debt - MSBA	653,856	-	-	(81,732)	572,124
Traffic Signal Funds	31,254	-	-	-	31,254
Transportation Infrastructure	3,518	2,999	-	1,198	7,715
Trash Revolving	219,563	106,317	46,886	-	278,994
Wetlands Protection Act	63,033	842	164	-	63,711
Ambulance Fund	4	-	-	-	4
Compensated Absence Reserve	186,621	13,257	-	75,000	274,878
Conservation Funds	52,689	2,021	-	-	54,710
Friends of Heritage Park	3,789	116	-	-	3,905
Historical Commission	12,705	485	1,382	-	11,808
Pension Reserve Fund	159,087	6,055	-	-	165,142
Police Gymnasium Fund	84	3	-	-	87
Shaker Road Relief Fund	3,863	-	-	-	3,863
Town Beautification Fund	481	18	-	-	499
Unemployment Compensation Fund	102	4	-	-	106
<b>Total Special Revenue Funds</b>	<b>\$ 5,224,287</b>	<b>\$ 8,329,808</b>	<b>\$ 7,165,371</b>	<b>\$ (160,171)</b>	<b>\$ 6,228,553</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
<b>Capital Projects:</b>					
Building construction projects	\$ 32,070	\$ -	\$ 369	\$ (31,701)	\$ -
Department of Public Works projects	38,701	-	203,207	258,306	93,800
Fire Department vehicles and equipment	214,539	-	353,540	353,893	214,892
General Government projects	163,944	-	50,833	-	113,111
Information Technology projects	-	-	395,963	438,206	42,243
Police vehicles and equipment	71,307	-	77,439	123,551	117,419
Premium on bonds	894	-	-	-	894
School improvement projects	3,368,167	592,754	3,607,520	(21,648)	331,753
<b>Total Capital Projects</b>	<b>3,889,622</b>	<b>592,754</b>	<b>4,688,871</b>	<b>1,120,607</b>	<b>914,112</b>
<b>Permanent Funds:</b>					
Cemetery Funds	4,068	155	-	-	4,223
Library Funds	5,310	202	-	-	5,512
<b>Total Permanent Funds</b>	<b>9,378</b>	<b>357</b>	<b>-</b>	<b>-</b>	<b>9,735</b>
<b>Total - Non-Major Governmental Funds</b>	<b>\$ 9,123,287</b>	<b>\$ 8,922,919</b>	<b>\$ 11,854,242</b>	<b>\$ 960,436</b>	<b>\$ 7,152,400</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES  
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
<b>Real Estate Taxes:</b>						
Levy of 2020	\$ -	\$ 41,310,908	\$ 272,858	\$ 40,508,364	\$ 529,686	\$ 529,686
Levy of 2019	579,986	-	116,215	326,658	137,113	137,113
Levy of 2018	110,383	-	21,032	73,823	15,528	15,528
Levy of 2017	22,764	-	4,580	15,092	3,092	3,092
Levy of 2016	9,227	-	4,568	4,659	-	-
Prior Years	5,962	-	-	-	5,962	5,962
	<u>728,322</u>	<u>41,310,908</u>	<u>419,253</u>	<u>40,928,596</u>	<u>691,381</u>	<u>691,381</u>
<b>Personal Property Taxes:</b>						
Levy of 2020	-	1,548,604	1	1,488,910	59,693	59,693
Levy of 2019	52,989	-	-	3,143	49,846	49,846
Levy of 2018	3,932	-	-	90	3,842	3,842
Levy of 2017	2,325	-	-	87	2,238	2,238
Levy of 2016	2,292	-	-	89	2,203	2,203
Prior Years	18,085	1,669	1,669	229	17,856	17,856
	<u>79,623</u>	<u>1,550,273</u>	<u>1,670</u>	<u>1,492,548</u>	<u>135,678</u>	<u>135,678</u>
<b>Total Real Estate and Personal Property Taxes</b>	<u>\$ 807,945</u>	<u>\$ 42,861,181</u>	<u>\$ 420,923</u>	<u>\$ 42,421,144</u>	<u>\$ 827,059</u>	<u>\$ 827,059</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF COMMUNITY PRESERVATION SURCHARGE  
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
<b>Non-Major Governmental Funds:</b>						
<b>Community Preservation Surcharge:</b>						
Levy of 2020	\$ -	\$ 289,107	\$ 1,794	\$ 282,979	\$ 4,334	\$ 4,334
Levy of 2019	4,106	-	552	2,616	938	938
Levy of 2018	674	-	109	475	90	86
Levy of 2017	107	-	24	87	(4)	10
Levy of 2016	56	-	25	21	10	-
Prior Years	(8)	-	-	-	(8)	8
<b>Total Community Preservation Surcharge</b>	<b>\$ 4,935</b>	<b>\$ 289,107</b>	<b>\$ 2,504</b>	<b>\$ 286,178</b>	<b>\$ 5,360</b>	<b>\$ 5,376</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF MOTOR VEHICLE AND BOAT EXCISE TAXES  
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
<b>Motor Vehicle Excise Taxes:</b>						
Levy of 2020	\$ -	\$ 2,172,626	\$ 26,282	\$ 1,998,021	\$ 148,323	\$ 148,323
Levy of 2019	144,373	254,942	29,681	324,732	44,902	44,902
Levy of 2018	33,803	344	2,231	17,112	14,804	14,804
Levy of 2017	14,466	-	1,616	3,081	9,769	9,769
Levy of 2016	9,464	-	68	1,237	8,159	8,159
Prior Years	28,813	-	28	1,346	27,439	27,452
	<u>230,919</u>	<u>2,427,912</u>	<u>59,906</u>	<u>2,345,529</u>	<u>253,396</u>	<u>253,409</u>
<b>Boat Excise Taxes:</b>						
Levy of 2020	-	2,899	203	2,567	129	129
Levy of 2019	15	-	-	15	-	-
Levy of 2018	25	-	-	-	25	25
Levy of 2017	120	-	-	-	120	120
Levy of 2016	50	-	-	-	50	50
Prior Years	365	-	83	-	282	282
	<u>575</u>	<u>2,899</u>	<u>286</u>	<u>2,582</u>	<u>606</u>	<u>606</u>
<b>Total Motor Vehicle and Boat Excise Taxes</b>	<u>\$ 231,494</u>	<u>\$ 2,430,811</u>	<u>\$ 60,192</u>	<u>\$ 2,348,111</u>	<u>\$ 254,002</u>	<u>\$ 254,015</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF TAX LIENS  
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Accounts July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2020	Uncollected Accounts Per Detail June 30, 2020
<b>Tax Liens</b>	\$ 446,053	\$ 288,878	\$ (117)	\$ 82,938	\$ 652,110	\$ 652,110
<b>Non-Major Governmental Funds:</b>						
<b>Community Preservation Surcharge:</b>						
<b>Tax Liens</b>	\$ 1,544	\$ 1,219	\$ -	\$ 328	\$ 2,435	\$ 2,435