

TOWN OF EAST LONGMEADOW, MASSACHUSETTS

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

For the Year Ended June 30, 2022

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Independent Auditor's Report

To the Honorable Town Council
Town of East Longmeadow, Massachusetts

Report on the Audit of Financial Statements

Opinions

We have audited the 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 fiscal year ended June 30, 2022, 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.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of East Longmeadow, Massachusetts, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of East Longmeadow, Massachusetts' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Town of East Longmeadow, Massachusetts' internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of East Longmeadow, Massachusetts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Longmeadow, Massachusetts' basic financial statements. The Supplementary Schedule, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplementary 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 have also issued our report dated March 8, 2023, 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 solely 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 the effectiveness of the Town of East Longmeadow, Massachusetts' 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 and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

March 8, 2023

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, 2022. 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 \$27,783,525 (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 \$36,235,240, or an increase of \$8,451,715 (23%) 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 \$27,370,466, an increase of \$5,457,211 (25%) in comparison with prior year.
- The General Fund's total fund balance increased \$928,652 (8%) to \$12,675,529. The ending fund balance is 16% of revenues and transfers in and 17% of expenditures and transfers out.
- Total long-term liabilities of the Town decreased by \$3,265,930 (3%) to \$125,057,439 during the fiscal year. This change was mainly the result of net increases and in bonds payable of \$2,169,051 and in the Other Post-Employment Benefits (OPEB) liability of \$3,466,275; and net decreases in bond anticipation notes payable of \$2,860,944 and in the pension liability of \$6,518,329.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$6,812,589. The key factors that attributed to the free cash amount for fiscal year 2022 were unexpended/unencumbered appropriations of \$2,082,000, excess over budget state and local receipts of \$221,500, excess over budget other financing sources(uses) of \$190,800 and prior year free cash not appropriated of \$4,296,500.
- The Town's enterprise fund certified free cash is as follows:
 - Sewer fund \$ 614,789.
 - Stormwater fund \$ 189,627.
 - Water fund \$ 1,572,104.

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 sewer, stormwater and water 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		
	2022	2021	Change
Assets:			
Current assets	\$ 36,030,193	\$ 31,254,523	\$ 4,775,670
Capital assets	38,588,817	39,545,992	(957,175)
Total assets	74,619,010	70,800,515	3,818,495
Deferred Outflows of Resources	19,571,777	23,699,190	(4,127,413)
Liabilities:			
Current liabilities (excluding debt and leases)	4,884,838	4,483,240	401,598
Current debt including leases	2,893,847	4,450,093	(1,556,246)
Noncurrent liabilities (excluding debt and leases)	99,373,297	102,381,719	(3,008,422)
Noncurrent debt including leases	9,223,623	7,511,190	1,712,433
Total liabilities	116,375,605	118,826,242	(2,450,637)
Deferred Inflows of Resources	22,751,327	27,420,538	(4,669,211)
Net Position:			
Net investment in capital assets	26,471,347	27,584,709	(1,113,362)
Restricted	14,028,665	11,219,028	2,809,637
Unrestricted	(85,436,157)	(90,550,812)	5,114,655
Total net position	\$ (44,936,145)	\$ (51,747,075)	\$ 6,810,930

	Business-Type Activities		
	2022	2021	Change
Assets:			
Current assets	\$ 6,539,474	\$ 6,415,235	\$ 124,239
Noncurrent assets (excluding capital assets)	29,452	33,378	(3,926)
Capital assets	19,390,347	18,466,316	924,031
Total assets	25,959,273	24,914,929	1,044,344
Deferred Outflows of Resources	382,343	412,514	(30,171)
Liabilities:			
Current liabilities (excluding debt)	293,634	152,690	140,944
Current debt	1,313,315	2,465,712	(1,152,397)
Noncurrent liabilities (excluding debt)	2,302,253	2,335,186	(32,933)
Noncurrent debt	4,772,632	4,543,539	229,093
Total liabilities	8,681,834	9,497,127	(815,293)
Deferred Inflows of Resources	507,162	318,481	188,681
Net Position:			
Net investment in capital assets	13,304,400	11,457,065	1,847,335
Restricted	2,827,235	2,192,627	634,608
Unrestricted	1,020,985	1,862,143	(841,158)
Total net position	\$ 17,152,620	\$ 15,511,835	\$ 1,640,785

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2022	2021	Change
Program Revenues:			
Charges for services	\$ 4,574,957	\$ 4,031,743	\$ 543,214
Operating grants and contributions	24,110,930	28,463,242	(4,352,312)
Capital grants and contributions	899,794	816,158	83,636
General Revenues:			
Property taxes	45,536,512	44,881,307	655,205
Motor vehicle excise and other taxes	2,871,845	2,680,594	191,251
Penalties and interest on taxes	214,890	206,286	8,604
Nonrestricted grants	1,931,846	1,768,829	163,017
Unrestricted investment income	7,696	469,415	(461,719)
Miscellaneous	3,435	1,667	1,768
Total revenues	80,151,905	83,319,241	(3,167,336)
Expenses:			
General Government	4,239,530	4,130,989	108,541
Public Safety	6,993,890	6,347,511	646,379
Public Works	5,392,051	5,335,522	56,529
Education	38,172,342	36,597,322	1,575,020
Health and Human Services	1,103,144	948,584	154,560
Culture and Recreation	2,159,091	1,667,929	491,162
Employee Benefits and Insurance	14,226,334	19,301,740	(5,075,406)
State Assessments	655,683	461,725	193,958
Interest	340,816	188,412	152,404
Total expenses	73,282,881	74,979,734	(1,696,853)
Net (expenses) revenues	6,869,024	8,339,507	(1,470,483)
Transfers	(58,094)	-	(58,094)
Change in net position	6,810,930	8,339,507	(1,528,577)
Net position - beginning of year	(51,747,075)	(60,086,582)	8,339,507
Net position - end of year	\$ (44,936,145)	\$ (51,747,075)	\$ 6,810,930

	Business-Type Activities		
	2022	2021	Change
Program Revenues:			
Charges for services	\$ 5,181,463	\$ 6,226,340	\$ (1,044,877)
Operating grants and contributions	12,583	11,004	1,579
Capital grants and contributions	1,645,872	195,500	1,450,372
Total revenues	6,839,918	6,432,844	407,074
Expenses:			
Sewer	2,041,427	1,925,816	115,611
Stormwater	226,499	276,874	(50,375)
Water	2,989,301	2,839,636	149,665
Total expenses	5,257,227	5,042,326	214,901
Net (expenses) revenues	1,582,691	1,390,518	192,173
Transfers	58,094	-	58,094
Change in net position	1,640,785	1,390,518	250,267
Net position - beginning of year	15,511,835	14,121,317	1,390,518
Net position - end of year	\$ 17,152,620	\$ 15,511,835	\$ 1,640,785

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 \$27,783,525 at the close of fiscal year 2022.

Net position of \$39,775,747 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, \$16,855,900 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$84,415,172).

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 \$6,810,930 (13%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2022 is attributed to increases from the net changes in governmental fund balances of \$5,457,211, in recognizing the net changes in this year's pension liability of \$6,435,955 and in the deferred outflow/(inflow) of resources related to OPEB of \$6,727,101; and decreases in the depreciation expense (cost spread out over the useful life of the asset) for the year of \$3,325,234 exceeding the acquisition of \$2,368,059 in new capital assets and in recognizing the changes in debt of \$1,639,723, in this year's OPEB liability of \$3,418,763 and in the deferred outflow/(inflow) of resources related to pensions of \$6,185,303.

There was an increase of \$1,640,785 (11%) in net position reported in connection with the business-type activities. Of this, there were increases of \$129,029 attributed to the sewer department, of \$72,114 attributed to the stormwater department and of \$1,439,642 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 \$27,370,466, an increase of \$5,457,211 (25%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Restricted fund balance – \$11,847,766 (43%).
- Committed fund balance – \$2,904,122 (11%).
- Assigned fund balance – \$1,148,424 (4%).
- Unassigned fund balance – \$11,470,154 (42%).

Major Governmental Funds

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the fiscal year, the General Fund reported a total fund balance of \$12,675,529 increasing \$3,579,876 (44%) from the prior year. Of the \$12,675,529, the unassigned amount is \$11,516,904 (90.9%), the assigned amount is \$1,148,424 (9.0%) and the restricted amount is \$10,201 (.1%). General fund revenues were \$4,821,560 (7%) less than the prior fiscal year and expenditures also decreased by \$1,945,687 (3%). Other activities in the General fund were net transfers to other funds of \$948,879 and a lease of \$395,000.

The main components of the decreases in general fund revenues were related to an increase in property taxes of \$488,013 (1%) and decreases in intergovernmental – "on-behalf" payments of \$4,777,998 (49%) and in investment income of \$461,719 (98%).

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

- Increase in General governmental expenditures of \$416,576 (16%).
- Increase in Education expenditures of \$748,402 (2%).
- Decrease in Employee benefits and insurance expenditures of \$3,268,479 (16%).
- Decrease in Debt service expenditures (principal and interest) of \$546,717 (21%).

The *high school feasibility fund* is used to account for financial resources for the feasibility study of a high school improvement and construction project. The fund has a deficit balance of \$46,750 at the end of the fiscal year as a result of the expenditures. The Town also issued bond anticipation notes of \$1,260,000 which is not reflected in the Fund Balance. The deficit will be eliminated with the issuance of permanent debt.

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 \$6,553,512 and shows an increase of \$129,029 (2%) in total operations. This change was mainly attributed to operating revenue exceeding operating expenses by \$70,244, investment and other income of \$112,570 and interest expense of \$53,785. Operating revenues decreased by \$312,751 (13%) while operating expenses increased by \$112,058 (6%) from the prior year.

The *Stormwater Fund* is used to account for the construction of road drainage improvements. The stormwater fund has accumulated a balance of \$92,502 and shows an increase of \$72,114 (354%) in total operations. This amount is attributed to operating revenues exceeding operating expenses of \$70,762, investment income of \$1,986 and a transfer to the general fund of \$634. Operating revenues increased by \$9,551 (3%) while operating expenses decreased by \$50,375 (18%) from the prior year.

The *Water Fund* is the financing and operations of the Town's water system. The water fund has accumulated a balance of \$10,506,606 and shows an increase of \$1,439,642 (16%) in total operations. This change resulted from operating revenues exceeding operating expenses of \$7,449, investment and intergovernmental income of \$1,536,342 and interest expense of \$170,434. Operating revenues decreased by \$741,677 (21%) while operating expenses increased by \$63,763 (2%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2022 was \$64,831,956. This was an increase of \$1,844,441 (3%) 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 \$3,174,513. Of the \$3,174,513 in under budget expenditures, \$1,092,560 has been carried over to fiscal year 2023.

There are negative variances in property taxes of \$47,490, in licenses, permits and fees of \$89,590; in interest and penalties on taxes of \$75,937 and in investment income of \$60,865 as expectations (budget) were higher than the receipts.

There was a negative variance in state assessments of \$206,954 due to lower assessments in the school choice sending tuitions of \$83,215 and in charter school sending tuitions of \$127,459; and a higher assessment in the registry of motor vehicles non-renewal surcharge of \$3,720 than the actual payments.

Overall, the variance with the final budget was a positive \$2,256,000 consisting of a revenue surplus of \$174,047 and an appropriation surplus of \$2,081,953.

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, 2022 amounts to \$38,588,817 and \$19,390,347, 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:

- Town information technology network for \$161,076.
- Police vehicle and equipment purchases for \$64,276.
- Fire Department ambulance purchase for \$395,000.
- Highway vehicle and equipment purchases for \$296,940.
- Road infrastructure improvements for \$890,355.
- Various schools' improvements for \$464,941.
- Senior Center construction for \$95,471.

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

Sewer fund:

- Sewer infrastructure improvements for \$19,065.

Water fund:

- Water infrastructure improvements for \$1,748,396.

Debt Administration. The Town's outstanding governmental long-term debt, as of June 30, 2022, totaled \$10,389,987, of which \$6,539,931 is for school projects, \$210,000 for pool renovations, \$110,000 for the new library, \$69,395 for the GIS projects, \$2,090,661 for road improvement projects and \$1,370,000 for various municipal purpose loans.

The governmental activities currently have outstanding bond anticipation notes for \$1,260,000 for the East Longmeadow High School feasibility study.

The Town also has leases in the governmental type fund for the financing of fire department vehicles. The last lease is due in 2024. The Town currently owes \$487,409 on the leases consisting of \$467,483 in principal and \$19,926 in interest.

The Town's outstanding business-type long-term debt totals \$6,085,947 consisting of \$1,970,496 in sewer debt and \$4,115,451 in water debt that is fully supported by the rates.

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

Next Year's Budget – Fiscal Year 2023

The financial statements of the Town of East Longmeadow as of June 30, 2022 do not reflect the fiscal year 2023 budget with the exception of the fund balance free cash amount used to fund the 2023 budget as approved by the Town Council on May 24, 2022 and completed on June 27, 2022. The Town Council has authorized a fiscal year 2023 operating and capital budget as follows:

From raise and appropriate		\$	65,606,368
From sewer revenues	\$	2,515,902	
From sewer retained earnings		24,266	2,540,168
From water revenues		3,382,754	
From water retained earnings		30,042	3,412,796
From Cable Access TV (ELCAT) revenues *			216,500
From Stormwater revenues			301,750
From Other Available Funds:			
General Fund:			
Unassigned fund balance:			
Free cash			55,864
Non-major Governmental Funds:			
Ambulance	\$	183,733	
American rescue plan act grant		2,382,890	
Community preservation funds		885,915	3,452,538
			<u>\$ 75,585,984</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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 27,459,467	\$ 5,562,273	\$ 33,021,740
Investments	4,968,406	-	4,968,406
Receivables, net of allowance for uncollectibles:			
Property Taxes	811,570	-	811,570
Tax Liens	658,425	-	658,425
Excise and Other Taxes	217,455	-	217,455
User Charges	-	964,988	964,988
Departmental	576,221	-	576,221
Special Assessments	-	12,213	12,213
Due from Other Governments	1,338,649	-	1,338,649
Total current assets	<u>36,030,193</u>	<u>6,539,474</u>	<u>42,569,667</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	29,452	29,452
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	5,324,686	1,147,610	6,472,296
Depreciable	33,264,131	18,242,737	51,506,868
Total noncurrent assets	<u>38,588,817</u>	<u>19,419,799</u>	<u>58,008,616</u>
Total Assets	<u>74,619,010</u>	<u>25,959,273</u>	<u>100,578,283</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	5,992,739	276,471	6,269,210
Deferred Outflows Related to OPEB	13,579,038	105,872	13,684,910
Total Deferred Outflows of Resources	<u>19,571,777</u>	<u>382,343</u>	<u>19,954,120</u>
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	1,402,662	204,579	1,607,241
Accrued Payroll	599,288	28,569	627,857
Employee Withholdings	515,604	-	515,604
Tax Refund Payable	117,500	-	117,500
Other	772,763	-	772,763
Unearned Revenue	883,677	-	883,677
Accrued Interest	90,395	36,349	126,744
Compensated Absences	502,949	24,137	527,086
Bond Anticipation Notes Payable	1,260,000	-	1,260,000
Leases Payable	335,871	-	335,871
Bonds Payable	1,297,976	1,313,315	2,611,291
Total current liabilities	<u>7,778,685</u>	<u>1,606,949</u>	<u>9,385,634</u>
NONCURRENT:			
Compensated Absences	155,180	19,713	174,893
Net OPEB Liability	59,858,399	466,698	60,325,097
Net Pension Liability	39,359,718	1,815,842	41,175,560
Leases Payable	131,612	-	131,612
Bonds Payable	9,092,011	4,772,632	13,864,643
Total noncurrent liabilities	<u>108,596,920</u>	<u>7,074,885</u>	<u>115,671,805</u>
Total Liabilities	<u>116,375,605</u>	<u>8,681,834</u>	<u>125,057,439</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	8,601,830	396,842	8,998,672
Deferred Inflows Related to OPEB	14,149,497	110,320	14,259,817
Total Deferred Inflows of Resources	<u>22,751,327</u>	<u>507,162</u>	<u>23,258,489</u>
NET POSITION			
Net Investment in Capital Assets	26,471,347	13,304,400	39,775,747
Restricted for:			
Capital Projects	5,300,923	2,827,235	8,128,158
Federal & State Grants	3,225,916	-	3,225,916
Community Preservation	1,702,529	-	1,702,529
Permanent Funds	10,832	-	10,832
Other Purposes	3,788,465	-	3,788,465
Unrestricted	(85,436,157)	1,020,985	(84,415,172)
Total Net Position	<u>\$ (44,936,145)</u>	<u>\$ 17,152,620</u>	<u>\$ (27,783,525)</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, 2022**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General Government	\$ 4,239,530	\$ 620,419	\$ 740,095	\$ -	\$ (2,879,016)	\$ -	\$ (2,879,016)
Public Safety	6,993,890	2,221,556	119,248	-	(4,653,086)	-	(4,653,086)
Public Works	5,392,051	280,950	7,332	797,557	(4,306,212)	-	(4,306,212)
Education	38,172,342	650,148	17,902,434	102,237	(19,517,523)	-	(19,517,523)
Health and Human Services	1,103,144	172,298	346,164	-	(584,682)	-	(584,682)
Culture and Recreation	2,159,091	629,586	68,760	-	(1,460,745)	-	(1,460,745)
Employee Benefits and Insurance	14,226,334	-	4,926,897	-	(9,299,437)	-	(9,299,437)
State Assessments	655,683	-	-	-	(655,683)	-	(655,683)
Interest	340,816	-	-	-	(340,816)	-	(340,816)
Total Governmental Activities	73,282,881	4,574,957	24,110,930	899,794	(43,697,200)	-	(43,697,200)
Business-Type Activities:							
Water	2,989,301	2,826,316	7,557	1,536,342	-	1,380,914	1,380,914
Sewer	2,041,427	2,057,886	3,040	109,530	-	129,029	129,029
Stormwater	226,499	297,261	1,986	-	-	72,748	72,748
Total Primary Government	\$ 78,540,108	\$ 9,756,420	\$ 24,123,513	\$ 2,545,666	(43,697,200)	1,582,691	(42,114,509)
General Revenues:							
Property Taxes					45,536,512	-	45,536,512
Motor vehicle and other taxes					2,871,845	-	2,871,845
Penalties & Interest on taxes					214,890	-	214,890
Grants & Contributions not restricted to specific programs					1,931,846	-	1,931,846
Unrestricted Investment Income					7,696	-	7,696
Miscellaneous					3,435	-	3,435
Transfers, net					(58,094)	58,094	-
Total General Revenues and Transfers					50,508,130	58,094	50,566,224
Change in Net Position					6,810,930	1,640,785	8,451,715
Net Position:							
Beginning of year					(51,747,075)	15,511,835	(36,235,240)
End of year					\$ (44,936,145)	\$ 17,152,620	\$ (27,783,525)

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

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	High School Feasibility Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 10,708,289	\$ 1,213,250	\$ 15,537,928	\$ 27,459,467
Investments	4,446,188	-	522,218	4,968,406
Receivables, net of allowance for uncollectibles:				
Property Taxes	805,707	-	5,863	811,570
Tax Liens	656,035	-	2,390	658,425
Excise Taxes	217,455	-	-	217,455
Departmental	50,397	-	525,824	576,221
Due from Other Governments	87,650	-	1,250,999	1,338,649
Total Assets	\$ 16,971,721	\$ 1,213,250	\$ 17,845,222	\$ 36,030,193
Liabilities:				
Warrants and Accounts Payable	\$ 1,315,711	\$ -	\$ 86,951	\$ 1,402,662
Accrued Payroll	497,884	-	101,404	599,288
Employee withholdings	512,748	-	-	512,748
Tax Refund Payable	117,500	-	-	117,500
Other	145,143	-	627,620	772,763
Unearned Revenue	-	-	883,677	883,677
Bond Anticipation Notes Payable	-	1,260,000	-	1,260,000
Total Liabilities	2,588,986	1,260,000	1,699,652	5,548,638
Deferred Inflows of Resources:				
Unavailable Revenue	1,707,206	-	1,403,883	3,111,089
Fund Balance:				
Restricted	10,201	-	11,837,565	11,847,766
Committed	-	-	2,904,122	2,904,122
Assigned	1,148,424	-	-	1,148,424
Unassigned	11,516,904	(46,750)	-	11,470,154
Total Fund Balance	12,675,529	(46,750)	14,741,687	27,370,466
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,971,721	\$ 1,213,250	\$ 17,845,222	\$ 36,030,193

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, 2022**

	General Fund	High School Feasibility Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 45,090,285	\$ -	\$ 318,700	\$ 45,408,985
Intergovernmental	14,386,337	-	7,032,362	21,418,699
Excise and Other Taxes	2,865,743	-	-	2,865,743
Charges for Services	-	-	3,639,553	3,639,553
Licenses, Permits, Fees	970,850	-	-	970,850
Interest and Penalties on Taxes	214,063	-	827	214,890
Investment Income	7,696	-	(6,594)	1,102
Other	-	-	139,930	139,930
Intergovernmental - "On-behalf" Payments	4,894,330	-	-	4,894,330
Total Revenues	68,429,304	-	11,124,778	79,554,082
Expenditures:				
Current:				
General Government	3,092,397	-	1,108,224	4,200,621
Public Safety	5,268,210	-	2,044,243	7,312,453
Public Works	4,744,227	-	1,254,178	5,998,405
Education	31,607,427	46,750	5,406,675	37,060,852
Health and Human Services	705,343	-	417,281	1,122,624
Culture and Recreation	1,070,731	-	851,964	1,922,695
Employee Benefits and Insurance	17,752,757	-	32,567	17,785,324
State Assessments	655,683	-	-	655,683
Debt Service:				
Principal	1,702,645	-	-	1,702,645
Interest	347,353	-	-	347,353
Total Expenditures	66,946,773	46,750	11,115,132	78,108,655
Excess of Revenues Over (Under) Expenditures	1,482,531	(46,750)	9,646	1,445,427
Other Financing Sources (Uses):				
Operating Transfers In	372,649	-	1,262,800	1,635,449
Operating Transfers Out	(1,321,528)	-	(372,015)	(1,693,543)
Lease	395,000	-	-	395,000
Bond Premium	-	-	257,286	257,286
Proceeds from Issuance of Bonds	-	-	3,417,592	3,417,592
Total Other Financing Sources (Uses)	(553,879)	-	4,565,663	4,011,784
Net Change in Fund Balances	928,652	(46,750)	4,575,309	5,457,211
Fund Balances, Beginning of Year	11,746,877	-	10,166,378	21,913,255
Fund Balances, End of Year	\$ 12,675,529	\$ (46,750)	\$ 14,741,687	\$ 27,370,466

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, 2022

Total Governmental Fund Balances		\$ 27,370,466
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		38,588,817
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		3,108,233
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.		(3,179,550)
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Bonds Payable	\$ (10,389,987)	
Leases Payable	(467,483)	
Net Other Post Employment Benefits Liability	(59,858,399)	
Net Pension Liability	(39,359,718)	
Compensated Absences	<u>(658,129)</u>	(110,733,716)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.		<u>(90,395)</u>
Net Position of Governmental Activities		<u><u>\$ (44,936,145)</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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 5,457,211

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and are reported as depreciation expense:

Capital Outlay Purchases	\$ 2,368,059	
Depreciation	<u>(3,325,234)</u>	(957,175)

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.

340,537

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Repayment of Debt Principal	1,702,645	
Repayment of Lease Principal	470,224	
Proceeds from Issuance of Bonds and Notes	(3,417,592)	
Net Amortization of Premium from Issuance of Bonds	257,286	
Premium from the Issuance of Bonds	(257,286)	
Proceeds from Lease	<u>(395,000)</u>	(1,639,723)

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	44,553	
Net Change in Net Other Post Employment Benefits Liability	(3,418,763)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	6,727,101	
Net Change in Net Pension Liability	6,435,955	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(6,185,303)	
Net Change in Accrued Interest on Long-Term Debt	<u>6,537</u>	<u>3,610,080</u>

Change in Net Position of Governmental Activities \$ 6,810,930

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, 2022**

	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				
Revenues:						
Property Taxes	\$ -	\$ 45,195,575	\$ 45,195,575	\$ 45,148,085	\$ -	\$ (47,490)
Intergovernmental	-	14,098,957	14,098,957	14,386,337	-	287,380
Excise and Other Taxes	-	2,705,194	2,705,194	2,865,743	-	160,549
Licenses, Permits, Fees	-	1,060,440	1,060,440	970,850	-	(89,590)
Interest and Penalties on Taxes	-	290,000	290,000	214,063	-	(75,937)
Investment Income	-	100,000	100,000	39,135	-	(60,865)
Total Revenues	-	63,450,166	63,450,166	63,624,213	-	174,047
Expenditures:						
Current:						
General Government	198,560	3,198,905	3,484,755	3,092,397	169,862	222,496
Public Safety	5,791	5,062,738	5,068,529	4,873,210	20,466	174,853
Public Works	321,808	5,066,067	5,372,069	4,744,227	297,608	330,234
Education	394,715	32,075,037	32,392,620	31,607,427	594,779	190,414
Health and Human Services	3,974	796,122	825,478	705,343	8,621	111,514
Culture and Recreation	882	1,089,449	1,091,303	1,070,731	520	20,052
Employee Benefits and Insurance	442	13,024,563	14,072,163	12,858,427	704	1,213,032
State Assessments	-	448,729	448,729	655,683	-	(206,954)
Debt Service:						
Principal	-	1,702,645	1,702,645	1,702,645	-	-
Interest	-	373,665	373,665	347,353	-	26,312
Total Expenditures	926,172	62,837,920	64,831,956	61,657,443	1,092,560	2,081,953
Excess of Revenues Over (Under) Expenditures	(926,172)	612,246	(1,381,790)	1,966,770	(1,092,560)	2,256,000
Other Financing Sources (Uses):						
Operating Transfers In	-	180,812	180,812	372,649	-	191,837
Operating Transfers Out	-	(1,155,117)	(1,370,449)	(1,371,528)	-	(1,079)
Total Other Financing Sources (Uses)	-	(974,305)	(1,189,637)	(998,879)	-	190,758
Net Change in Budgetary Fund Balance	(926,172)	(362,059)	(2,571,427)	\$ 967,891	\$ (1,092,560)	\$ 2,446,758
Other Budgetary Items:						
Free Cash and Other Reserves	-	362,059	1,645,255			
Prior Year Encumbrances	926,172	-	926,172			
Total Other Budgetary Items	926,172	362,059	2,571,427			
NET BUDGET	\$ -	\$ -	\$ -			

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, 2022

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 63,624,213	\$ 61,657,443
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	(31,439)	-
Net Decrease in Revenue from recording Refund Taxes Payable	(26,500)	-
Recognition of intergovernmental Revenue - "on behalf payments"	4,894,330	-
Recognition of Expenditures - 'on behalf payments"	-	4,894,330
Lease Activity	-	395,000
Net Decrease in Revenue from Recording 60-Day Receipts	(31,300)	-
Reported on a GAAP Basis	\$ 68,429,304	\$ 66,946,773

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, 2022

	Business-Type Activities			
	Enterprise Funds			
	Water Fund	Sewer Fund	Stormwater Fund	Total
ASSETS				
CURRENT:				
Cash and Cash Equivalents	\$ 2,692,514	\$ 2,613,713	\$ 256,046	\$ 5,562,273
Receivables, net of allowance for uncollectibles				
User Charges	542,800	367,493	54,695	964,988
Special Assessments	-	12,213	-	12,213
Total current assets	<u>3,235,314</u>	<u>2,993,419</u>	<u>310,741</u>	<u>6,539,474</u>
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Special Assessments	-	29,452	-	29,452
Capital Assets, net of accumulated depreciation:				
Nondepreciable	1,128,545	19,065	-	1,147,610
Depreciable	11,594,650	6,625,904	22,183	18,242,737
Total noncurrent assets	<u>12,723,195</u>	<u>6,674,421</u>	<u>22,183</u>	<u>19,419,799</u>
Total Assets	<u>15,958,509</u>	<u>9,667,840</u>	<u>332,924</u>	<u>25,959,273</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	124,130	124,130	28,211	276,471
Deferred Outflows Related to OPEB	64,640	35,210	6,022	105,872
Total Deferred Outflows of Resources	<u>188,770</u>	<u>159,340</u>	<u>34,233</u>	<u>382,343</u>
LIABILITIES				
CURRENT:				
Warrants and Accounts Payable	113,848	82,120	8,611	204,579
Accrued Payroll	14,082	11,486	3,001	28,569
Accrued Interest	25,116	11,233	-	36,349
Compensated Absences	15,151	6,247	2,739	24,137
Bonds Payable	726,644	586,671	-	1,313,315
Total current liabilities	<u>894,841</u>	<u>697,757</u>	<u>14,351</u>	<u>1,606,949</u>
NONCURRENT:				
Compensated Absences	11,275	6,738	1,700	19,713
Net OPEB Liability	284,944	155,209	26,545	466,698
Net Pension Liability	815,276	815,276	185,290	1,815,842
Bonds Payable	3,388,807	1,383,825	-	4,772,632
Total noncurrent liabilities	<u>4,500,302</u>	<u>2,361,048</u>	<u>213,535</u>	<u>7,074,885</u>
Total Liabilities	<u>5,395,143</u>	<u>3,058,805</u>	<u>227,886</u>	<u>8,681,834</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	178,174	178,174	40,494	396,842
Deferred Inflows Related to OPEB	67,356	36,689	6,275	110,320
Total Deferred Inflows of Resources	<u>245,530</u>	<u>214,863</u>	<u>46,769</u>	<u>507,162</u>
NET POSITION				
Net Investment in Capital Assets	8,607,744	4,674,473	22,183	13,304,400
Restricted for Capital	952,711	1,874,524	-	2,827,235
Unrestricted	946,151	4,515	70,319	1,020,985
Total Net Position	<u>\$ 10,506,606</u>	<u>\$ 6,553,512</u>	<u>\$ 92,502</u>	<u>\$ 17,152,620</u>

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, 2022**

**Business-Type Activities
Enterprise Funds**

	Water Fund	Sewer Fund	Stormwater Fund	Total
Operating Revenues:				
Charges for Services	\$ 2,753,474	\$ 2,056,453	\$ 297,261	\$ 5,107,188
Other	72,842	1,433	-	74,275
Total Operating Revenues	2,826,316	2,057,886	297,261	5,181,463
Operating Expenses:				
Salaries & Wages	438,138	376,988	99,589	914,715
Operating Expenses	1,885,694	1,271,132	118,037	3,274,863
Depreciation	495,035	339,522	8,873	843,430
Total Operating Expenses	2,818,867	1,987,642	226,499	5,033,008
Operating Income (Loss)	7,449	70,244	70,762	148,455
Non-Operating Revenues (Expenses):				
Investment Income	7,557	3,040	1,986	12,583
Intergovernmental	1,536,342	-	-	1,536,342
Other	-	109,530	-	109,530
Interest Expense	(170,434)	(53,785)	-	(224,219)
Total Non-Operating Revenues (Expenses)	1,373,465	58,785	1,986	1,434,236
Income (Loss) Before Operating Transfers	1,380,914	129,029	72,748	1,582,691
Operating Transfers:				
Transfers In/(Out)	58,728	-	(634)	58,094
Total Operating Transfers	58,728	-	(634)	58,094
Change in Net Position	1,439,642	129,029	72,114	1,640,785
Net Position at Beginning of Year	9,066,964	6,424,483	20,388	15,511,835
Net Position at End of Year	\$ 10,506,606	\$ 6,553,512	\$ 92,502	\$ 17,152,620

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, 2022**

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Stormwater Fund	Total
Cash Flows From Operating Activities:				
Receipts from Customers and Users	\$ 2,796,969	\$ 2,083,466	\$ 297,427	\$ 5,177,862
Receipts from Other Revenues	72,842	1,433	-	74,275
Payments to Vendors	(1,665,397)	(1,145,747)	(112,818)	(2,923,962)
Payments to Employees	(439,138)	(384,851)	(100,227)	(924,216)
Net Cash Provided by (Used for) Operating Activities	765,276	554,301	84,382	1,403,959
Cash Flows from Noncapital Financing Activities:				
Transfers from (to) Other Funds	58,728	-	(634)	58,094
Net Cash Provided by (Used for) Noncapital Financing Activities	58,728	-	(634)	58,094
Cash Flows from Capital and Related Financing Activities:				
Intergovernmental	1,536,342	-	-	1,536,342
Other	-	109,530	-	109,530
Proceeds from the Issuance of Bonds and Notes	-	165,000	-	165,000
Acquisition and Construction of Capital Assets	(1,748,396)	(19,065)	-	(1,767,461)
Principal Payments on Bonds and Notes	(672,305)	(415,999)	-	(1,088,304)
Interest Expense	(187,158)	(51,598)	-	(238,756)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,071,517)	(212,132)	-	(1,283,649)
Cash Flows from Investing Activities:				
Investment Income	7,557	3,040	1,986	12,583
Net Cash Provided by (Used for) Investing Activities	7,557	3,040	1,986	12,583
Net Increase (Decrease) in Cash and Cash Equivalents	(239,956)	345,209	85,734	190,987
Cash and Cash Equivalents at Beginning of Year	\$2,932,470	\$2,268,504	\$170,312	\$5,371,286
Cash and Cash Equivalents at End of Year	\$ 2,692,514	\$ 2,613,713	\$ 256,046	\$ 5,562,273

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

Operating Income (Loss)	\$ 7,449	\$ 70,244	\$ 70,762	\$ 148,455
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	495,035	339,522	8,873	843,430
Deferred (Outflows)/Inflows of Resources Related to Pensions	117,360	122,573	28,671	268,604
Deferred (Outflows)/Inflows of Resources Related to OPEB	(30,025)	(16,932)	(2,795)	(49,752)
Change in Assets and Liabilities:				
Increase (Decrease) in Warrants and Accounts Payable	96,760	69,218	933	166,911
Increase (Decrease) in Accrued Payroll	1,792	1,152	446	3,390
Increase (Decrease) in Compensated Absences	(2,792)	(9,015)	(1,084)	(12,891)
Increase (Decrease) in Net OPEB Liability	31,722	12,817	2,973	47,512
Increase (Decrease) in Net Pension Liability	4,480	(62,291)	(24,563)	(82,374)
Decrease (Increase) in User Charges Receivable	43,495	27,013	166	70,674
Total Adjustments	757,827	484,057	13,620	1,255,504
Net Cash Provided by (Used for) Operating Activities	\$ 765,276	\$ 554,301	\$ 84,382	\$ 1,403,959

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, 2022**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
ASSETS:		
Cash and Cash Equivalents	\$ 1,059,137	\$ 69,697
Investments	8,697,718	45,759
Total Assets	9,756,855	115,456
NET POSITION:		
Restricted for Other Postemployment Benefits	9,756,855	-
Held in Trust for Other Purposes	-	115,456
Total Net Position	\$ 9,756,855	\$ 115,456

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, 2022**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions:		
Employer Contributions	\$ 3,474,311	\$ -
Private Donations	-	1,355
Investment Income	(1,321,687)	3,106
Total Additions	2,152,624	4,461
Deductions:		
Educational Scholarships	-	2,800
General Expenses	-	1,934
Employee Benefits and Insurance	2,424,311	-
Total Deductions	2,424,311	4,734
Change in Net Position	(271,687)	(273)
Net Position at Beginning of Year	10,028,542	115,729
Net Position at End of Year	\$ 9,756,855	\$ 115,456

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, 2022

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 2022, 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, 2022

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, 2022

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 *high school feasibility fund* is a capital project fund used to account for financial resources for a feasibility study of a high school improvement or construction project.

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, 2022

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.

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, 2022

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, 2021 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 2022 on June 28, 2021 and September 24, 2021 that were due on August 2, 2021 and November 1, 2021 and actual bills on December 30, 2021 and March 28, 2022 that were due on February 3, 2022 and May 2, 2022, 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 2022 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2022	\$ 47,811,490
Add: Debt Exclusion	282,904
Maximum Allowable Levy	\$ 48,094,394

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

The total amount to be raised by taxation was \$45,380,748.

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, 2022

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, 2022

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.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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

In the government-wide financial statements, Long-term debt is reported as liabilities in the government-wide statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

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
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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 2022, the Town incurred a final budget deficit of \$2,571,427 for the General Fund.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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

Unassigned fund balance:		
Free cash votes	\$	1,283,196
Reserved for debt		362,059
Prior year's encumbrances		926,172
		926,172
	\$	2,571,427

B. Deficit Fund Balances

The following funds have deficits at June 30, 2022 as measured by the balance of unreserved fund balance.

- The *East Longmeadow High School feasibility study* capital project fund has a deficit of \$46,750. The Town has an outstanding bond anticipation note for \$1,020,000. The deficit will be eliminated upon receipt of additional Massachusetts School Building Administration (MSBA) funds and/or the issuance of permanent debt.

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town has a deposit policy for custodial credit risk. Deposits at June 30, 2022 were \$34,574,829. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

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

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

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

As of June 30, 2022, 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
Debt Securities:					
U. S. government agencies	\$ 518,479	\$ 89,968	\$ 262,762	\$ 165,749	\$ -
Corporate bonds	695,954	49,692	559,861	86,401	-
Municipal bonds	1,063,312	-	529,052	184,678	349,582
	<u>2,277,745</u>	<u>\$ 139,660</u>	<u>\$ 1,351,675</u>	<u>\$ 436,828</u>	<u>\$ 349,582</u>
Other Investments:					
Certificates of deposits	922,496				
Equity mutual funds	8,963,524				
Equity securities - domestic	1,538,280				
MMDT	9,838				
	<u>\$ 13,711,883</u>				

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 \$13,711,883 in investments, \$4,738,521 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.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

Credit Risk

The Town's exposure to credit risk as of June 30, 2022 is follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<i>U. S. Government Agencies:</i>	
Aaa	\$ 518,479
<i>Corporate Bonds:</i>	
Aaa	43,831
A1	155,888
A2	181,001
A3	59,489
Baa1	108,753
Baa2	146,992
<i>Municipal Bonds:</i>	
Aaa	46,661
A1	9,645
AA1	401,556
AA2	511,621
AA3	93,829
	\$ 2,277,745

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
Notes to the Basic Financial Statements
Year Ended June 30, 2022

The Town has the following recurring fair value measurements as of June 30, 2022:

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	\$ 518,479	\$ 518,479	\$ -	\$ -
Certificates of deposit	922,496	922,496	-	-
Equity mutual funds	8,963,524	8,963,524	-	-
Equity securities - domestic	1,538,280	1,538,280	-	-
Corporate bonds	695,954	-	695,954	-
Municipal bonds	1,063,312	-	1,063,312	-
	<u>13,702,045</u>	<u>\$ 11,942,779</u>	<u>\$ 1,759,266</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	<u>9,838</u>			
Total Investments	<u>\$ 13,711,883</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, 2022, receivables for the individual major governmental funds, non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 845,686	\$ (34,116)	\$ 811,570
Tax liens	658,425	-	658,425
Excise taxes	283,573	(66,118)	217,455
Departmental	1,141,088	(564,867)	576,221
Due from other governments	1,338,649	-	1,338,649
	<u>\$ 4,267,421</u>	<u>\$ (665,101)</u>	<u>\$ 3,602,320</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

At June 30, 2022, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
User charges	\$ 358,844	\$ (1,000)	\$ 357,844
Tax liens	9,649	-	9,649
Special assessments	41,665	-	41,665
Stormwater Fund:			
User charges	54,568	-	54,568
Tax liens	127	-	127
Water Fund:			
User charges	528,972	(1,000)	527,972
Tax liens	14,828	-	14,828
	\$ 1,008,653	\$ (2,000)	\$ 1,006,653

The composition of amounts due from other governments as of June 30, 2022 for the governmental funds are as follows:

General Fund:			
Commonwealth of Massachusetts:			
Department of Veterans Services:			
Veterans benefits	\$ 58,212		
Department of Revenue:			
Charter School Tuition	29,438	\$	87,650
Nonmajor Governmental Funds:			
U. S. Department of Agriculture:			
School lunch	65,155		
U. S. Department of Education:			
School title grants	91,318		
Commonwealth of Massachusetts:			
Department of Elementary & Secondary Education:			
School lunch	750		
Department of Fire Services	5,402		
Massachusetts School Building Authority:			
School Building Assistance - Capital Portion	102,237		
Massachusetts Department of Transportation:			
Highway Department - Chapter 90 funded projects	986,137		1,250,999
		\$	1,338,649

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

C. Deferred Inflows of Resources – Unavailable Revenue

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

General Fund:			
Property taxes	\$	725,107	
Tax liens		656,035	
Excise taxes		217,455	
Departmental		50,397	
Due from other governments		58,212	\$ 1,707,206
<hr/>			
Nonmajor governmental funds:			
Property taxes		5,863	
Tax liens		2,390	
Departmental		436,828	
Due from other governments		958,802	1,403,883
		<hr/>	
		\$	<u><u>3,111,089</u></u>

D. Capital Assets

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2022, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
	<hr/>			
Capital assets not being depreciated:				
Land	\$ 5,182,465	\$ -	\$ -	\$ 5,182,465
Construction in progress	29,844	560,412	(448,035)	142,221
Total capital assets not being depreciated	5,212,309	560,412	(448,035)	5,324,686
<hr/>				
Capital assets being depreciated:				
Buildings and Renovations	66,328,156	609,111	-	66,937,267
Machinery, equipment and other	8,474,802	756,216	-	9,231,018
Infrastructure	10,051,051	890,355	-	10,941,406
Total capital assets being depreciated	84,854,009	2,255,682	-	87,109,691
<hr/>				
Less accumulated depreciation for:				
Buildings and Renovations	40,295,381	2,281,024	-	42,576,405
Machinery, equipment and other	6,816,431	526,408	-	7,342,839
Infrastructure	3,408,514	517,802	-	3,926,316
Total accumulated depreciation	50,520,326	3,325,234	-	53,845,560
<hr/>				
Total capital assets being depreciated, net	34,333,683	(1,069,552)	-	33,264,131
<hr/>				
Total governmental activities capital assets, net	\$ 39,545,992	\$ (509,140)	\$ (448,035)	\$ 38,588,817
		<hr/>		

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

Business-type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 24,013	\$ 1,157,220	\$ (33,623)	\$ 1,147,610
Total capital assets not being depreciated	24,013	1,157,220	(33,623)	1,147,610
Capital assets being depreciated:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	1,238,429	-	-	1,238,429
Infrastructure	44,090,527	643,865	-	44,734,392
Total capital assets being depreciated	45,358,553	643,865	-	46,002,418
Less accumulated depreciation for:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	663,404	139,374	-	802,778
Infrastructure	26,223,249	704,057	-	26,927,306
Total accumulated depreciation	26,916,250	843,431	-	27,759,681
Total capital assets being depreciated, net	18,442,303	(199,566)	-	18,242,737
Total business-type activities capital assets, net	\$ 18,466,316	\$ 957,654	\$ (33,623)	\$ 19,390,347

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

Governmental Activities:

General government	\$ 250,454
Public safety	602,061
Public works	593,406
Education	1,555,190
Health and human services	77,427
Culture and recreation	246,696
Total depreciation expense - governmental activities	<u>\$ 3,325,234</u>

Business-Type Activities:

Sewer fund	\$ 339,522
Stormwater fund	8,873
Water fund	495,036
Total depreciation expense - business-type activities	<u>\$ 843,431</u>

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2022, are summarized below:

Transfers Out:	Transfers In:			Total
	General fund	Nonmajor Governmental fund	Business-type fund	
General fund	\$ -	\$ 1,262,800	\$ 58,728	\$ 1,321,528
Nonmajor governmental funds	372,015	-	-	372,015
Business-type fund	634	-	-	634
Total transfers out	<u>\$ 372,649</u>	<u>\$ 1,262,800</u>	<u>\$ 58,728</u>	<u>\$ 1,694,177</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

F. Leases

The Town has entered into noncancellable leases in the governmental type fund for the financing of fire department vehicles. The lease agreements qualify as 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 historical costs, accumulated amortization and net carrying value of assets acquired through the leases are as follows:

	Governmental Activities
Asset:	
Machinery, Equipment and Other	\$ 1,775,323
Less: Accumulated Depreciation	(453,597)
Total	\$ 1,321,726

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

Year Ending June 30,	Governmental Activities
2023	\$ 351,098
2024	136,311
Total minimum lease payments	487,409
Less: amount representing interest	(19,926)
Present value of minimum lease payments	\$ 467,483

G. Short-Term Financing

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

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

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2021	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2022
Governmental Activities						
Bond Anticipation Notes:						
High School Feasibility Study	1.50%	2/3/2022	\$ 1,260,000	\$ -	\$ 1,260,000	\$ -
Meadow Brook Elementary School roof replacement	1.50%	2/3/2022	1,034,106	-	1,034,106	-
Middle School Steam pipe replacement	1.50%	2/3/2022	449,430	-	449,430	-
High School Feasibility Study	0.89%	2/2/2023	-	1,260,000	-	1,260,000
Total Governmental Activities			\$ 2,743,536	\$ 1,260,000	\$ 2,743,536	\$ 1,260,000

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2021	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2022
Business-Type Activities:						
Sewer Fund:						
Bond Anticipation Notes:						
Various projects	1.50%	2/3/2022	\$ 972,500	\$ -	\$ 972,500	\$ -
Water Fund:						
Bond Anticipation Notes:						
Various projects	1.50%	2/3/2022	404,908	-	404,908	-
Total Business-Type Activities			<u>\$ 1,377,408</u>	<u>\$ -</u>	<u>\$ 1,377,408</u>	<u>\$ -</u>

H. 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
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2022
Inside Debt:					
Municipal purpose loan of 2003:					
Library	2.0-5.0%	6/1/2003	6/1/2023	\$ 2,200,000	\$ 110,000
Municipal purpose loan of 2009	2.91%	1/15/2009	1/15/2024	4,852,000	360,000
Municipal purpose loan of 2010	2.09%	9/15/2010	9/15/2025	2,730,000	480,000
Municipal purpose loan of 2011	2.0-5.0%	10/13/2011	8/1/2029	4,405,000	530,000
Municipal purpose loan of 2016:					
Pine Knoll Pool Renovations	1.46%	6/29/2016	6/15/2028	450,000	210,000
Municipal purpose loan of 2019:					
School projects	2.63-2.81%	9/27/2018	9/15/2033	2,677,840	2,115,000
Municipal purpose loan of 2020:					
School projects	0.50-0.55%	11/12/2020	11/1/2026	1,136,600	963,000
Roadway Improvements	1.25%	11/12/2020	11/1/2026	1,152,342	1,070,000
Municipal purpose loan of 2022:					
School projects	1.78-1.80%	2/2/2022	12/1/2041	1,399,430	1,399,430
Sidewalks	1.53%	2/2/2022	12/1/2036	1,020,661	1,020,661
Massachusetts Clean Water Trust:					
GIS project	N/A	10/26/2006	8/1/2024	194,098	41,380
GIS project	2.00%	10/26/2006	7/15/2024	138,448	28,015
Total Inside Debt					<u>8,327,486</u>
Outside Debt:					
Municipal purpose loan of 2018:					
Meadow Brook Elementary School	2.81%	9/27/2018	9/15/2033	1,336,160	1,065,000
Municipal purpose loan of 2022:					
Meadow Brook Elementary School	1.82%	2/2/2022	12/1/2041	997,501	997,501
Total Outside Debt					<u>2,062,501</u>
Total governmental type debt					<u>\$ 10,389,987</u>

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2022, are as follows:

Year	Principal	Interest	Total
2023	\$ 1,297,976	\$ 366,297	\$ 1,664,273
2024	1,172,661	278,639	1,451,300
2025	993,350	234,037	1,227,387
2026	966,000	198,056	1,164,056
2027	815,000	163,046	978,046
2028-2032	2,865,000	474,076	3,339,076
2033-2037	1,710,000	137,476	1,847,476
2038-2042	570,000	32,085	602,085
	<u>\$ 10,389,987</u>	<u>\$ 1,883,712</u>	<u>\$ 12,273,699</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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, 2022
Inside Debt:					
Sewer Fund:					
Municipal purpose loan of 2003:					
Sewer projects	2.0-5.0%	6/1/2003	6/1/2023	\$ 4,775,000	\$ 240,000
Municipal purpose loan of 2010:					
Pump Station Upgrades	2.09%	9/15/2010	9/15/2025	1,104,000	280,000
Municipal purpose loan of 2018:					
Sewer vehicle and equipment	2.49%	9/27/2018	9/15/2028	270,500	175,000
Sewer inflow and infiltration	2.49%	9/27/2018	9/15/2028	100,000	70,000
Municipal purpose loan of 2020:					
Mill Road Sanitary Sewer Construction	0.50%	11/12/2020	11/1/2025	49,900	40,500
Municipal purpose loan of 2022:					
Sewer projects	0.80-1.13%	2/2/2022	12/1/2030	872,500	872,500
Sewer inflow and infiltration	1.82%	2/2/2022	12/1/2041	100,000	100,000
Highway truck	0.85%	2/2/2022	12/1/2026	165,000	165,000
Massachusetts Clean Water Trust:					
GIS Project	N/A	10/26/2006	8/1/2024	76,907	16,396
GIS Project	2.00%	10/26/2006	7/15/2024	54,857	11,100
Water Fund:					
Massachusetts Clean Water Trust:					
GIS Project	N/A	10/26/2006	8/1/2024	95,218	20,300
GIS Project	2.00%	10/26/2006	7/15/2024	67,918	13,743
Total Inside Debt					<u>2,004,539</u>
Outside Debt:					
Water Fund:					
Municipal purpose loan of 2003:					
Water tank painting	2.0-5.0%	6/1/2003	6/1/2023	100,000	5,000
Water main projects	2.0-5.0%	6/1/2003	6/1/2023	4,140,000	205,000
Municipal purpose loan of 2016:					
Harkness Pump Station improvements	1.46%	6/29/2016	6/15/2028	731,000	370,000
Municipal purpose loan of 2018:					
Water main projects	2.75-2.81%	9/27/2018	9/15/2028	1,110,500	870,000
Municipal purpose loan of 2020:					
Water tower	0.50%	11/12/2020	11/1/2025	565,300	461,500
Water main projects	1.26%	11/12/2020	11/1/2025	835,358	775,000
Water tank painting	0.84%	11/12/2020	11/1/2025	1,105,500	990,000
Municipal purpose loan of 2022:					
	1.04%	2/2/2022	12/1/2030	404,908	404,908
Total Outside Debt					<u>4,081,408</u>
Total business-type debt					<u>\$ 6,085,947</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

Future Debt Service

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2022, are as follows:

Year	Principal	Interest	Total
2023	\$ 1,313,315	\$ 219,207	\$ 1,532,522
2024	841,982	147,093	989,075
2025	831,650	115,173	946,823
2026	804,000	86,310	890,310
2027	430,000	64,110	494,110
2028-2032	1,460,000	138,450	1,598,450
2033-2037	380,000	17,110	397,110
2038-2042	25,000	1,418	26,418
	<u>\$ 6,085,947</u>	<u>\$ 788,871</u>	<u>\$ 6,874,818</u>

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

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 8,583,942	\$ 3,417,592	\$ 1,680,942	\$ 10,320,592	\$ 1,311,092
Capital lease	91,098	-	21,703	69,395	21,884
Compensated absences	542,707	395,000	470,224	467,483	335,871
Net OPEB liability	702,682	51,231	95,784	658,129	502,949
Net Pension liability	56,439,636	3,418,763	-	59,858,399	-
Governmental activity Long-term liabilities	<u>45,795,673</u>	<u>-</u>	<u>6,435,955</u>	<u>39,359,718</u>	<u>-</u>
	<u>\$ 112,155,738</u>	<u>\$ 7,282,586</u>	<u>\$ 8,704,608</u>	<u>\$ 110,733,716</u>	<u>\$ 2,171,796</u>
Business type activities:					
Bonds Payable:					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 5,551,058	\$ 1,542,408	\$ 1,069,058	\$ 6,024,408	\$ 1,258,908
Compensated absences	80,785	-	19,246	61,539	19,407
Net OPEB liability	56,741	-	12,891	43,850	24,137
Net Pension liability	419,186	47,512	-	466,698	-
Business-type activity Long-term liabilities	<u>1,898,216</u>	<u>-</u>	<u>82,374</u>	<u>1,815,842</u>	<u>-</u>
	<u>\$ 8,005,986</u>	<u>\$ 1,589,920</u>	<u>\$ 1,183,569</u>	<u>\$ 8,412,337</u>	<u>\$ 1,302,452</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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, 2022 for principal and interest combined for the loan is \$136,195. The net repayments, including interest, are scheduled to be \$128,205. 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 2022 interest subsidies totaled \$3,241.

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, 2022 totaled \$10,332,025.

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, 2022:

Equalized Valuation-Real Estate and Personal Property (2022)			<u>\$ 2,310,596,400</u>
Debt Limit: 5 % of Equalized value			115,529,820
Total Debt Outstanding	\$	16,475,934	
Less: Debt Outside Debt Limit		<u>(6,143,909)</u>	<u>10,332,025</u>
Inside Debt Excess Borrowing Capacity at June 30, 2022			<u>\$ 105,197,795</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, 2022 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
7/21/2020	Stormwater - Street Sweeper	235,000
5/25/2021	Various governmental projects	2,150,000
5/25/2021	Various sewer projects	228,556
5/25/2021	Various stormwater projects	261,031
5/25/2021	Various water projects	658,499
		<u>\$ 3,729,836</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

I. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2022:

	General Fund	Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Federal, state and local grants	\$ -	\$ -	\$ 2,266,520	\$ 2,266,520
School revolving funds	-	-	1,458,863	1,458,863
Town revolving funds	-	-	1,367,837	1,367,837
Community preservation funds	-	-	1,694,277	1,694,277
Donations and gifts	-	-	208,862	208,862
Reserved for Debt	10,201	-	408,660	418,861
Capital projects	-	-	4,087,673	4,087,673
Permanent funds	-	-	10,832	10,832
Other	-	-	334,041	334,041
	<u>10,201</u>	<u>-</u>	<u>11,837,565</u>	<u>11,847,766</u>
Committed:				
Capital projects	-	-	958,091	958,091
Ambulance reserve	-	-	1,533,983	1,533,983
Compensated absence reserve	-	-	412,048	412,048
	<u>-</u>	<u>-</u>	<u>2,904,122</u>	<u>2,904,122</u>
Assigned:				
Reserve for encumbrances	1,092,560	-	-	1,092,560
Subsequent year's budget	55,864	-	-	55,864
	<u>1,148,424</u>	<u>-</u>	<u>-</u>	<u>1,148,424</u>
Unassigned:				
General Fund	11,516,904	-	-	11,516,904
Special revenue deficit:	-	-	-	-
Capital project deficit:	-	(46,750)	-	(46,750)
	<u>11,516,904</u>	<u>(46,750)</u>	<u>-</u>	<u>11,470,154</u>
Total Governmental fund balances	\$ 12,675,529	\$ (46,750)	\$ 14,741,687	\$ 27,370,466

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

J. 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, 2022, the balance in the stabilization fund is \$3,429,488 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, 2022, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2022.

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

C. Subsequent Events

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

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

D. 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, 2021. The Town's portion of the collective pension expense contributed by the Commonwealth of \$4,894,330 on-behalf payments for the fiscal year ending June 30, 2022 is reported as intergovernmental – "on-behalf payments and employee benefits and insurance expenditures in the General Fund.

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.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation.

The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2021 was \$4,287,456, representing 28.82% 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. 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 2036.

Pension Liability

As of June 30, 2022, the Town reported a liability of \$41,175,560 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. 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, 2021, the Town's proportional percentage totaled 11.84%, which was a slight decrease from the last measurement.

Pension Expense

For the year ended June 30, 2022, the Town recognized a pension expense of \$4,223,033; reported deferred outflows of resources related to pensions of \$6,269,210 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 \$8,998,672, 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, 2022

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

<u>For years ended June 30,</u>	
2023	\$ (253,572)
2024	(1,182,767)
2025	(490,415)
2026	(793,351)
2027	(9,357)
	<u>\$ (2,729,462)</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2021:

Valuation date	January 1, 2022
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Appropriations increase 8.00% per year. For Fiscal Year 2031 and later years, each year's total appropriation increases 3.75% per year, with a smaller payment in fiscal year 2036.
Investment rate of return	7.00%
Single equivalent discount rate	7.00%
Inflation rate	3.25%
Projected salary increase	Varies by length of service with ultimate rates 4.00% for Group 1 4.25% for Group 2 and 4.50% for Group 4
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 projected generationally with Scale MP-2021.
Healthy retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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 expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting 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. Best estimates of arithmetic real rates of return for each major asset class included the HCRRS's target asset allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.00%	6.11%
International Developed Markets Equity	11.50%	6.49%
International Emerging Market Equity	4.50%	8.12%
Core Fixed Income	15.00%	0.38%
High Yield Fixed Income	8.00%	2.48%
Real Estate (Core)	10.00%	3.72%
Timber	4.00%	3.44%
Hedge Fund, GTAA, Risk Parity	10.00%	2.63%
Private Equity	15.00%	9.93%
Total	<u>100.00%</u>	

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 19.85%. 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.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made 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 plan fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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 7.00%. 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current	Discount Rate	1% Increase
	6.00%	7.00%	8.00%	
Town's net pension liability	\$ 53,190,673	\$ 41,175,560	\$	31,062,235

E. Other Post-Employment Benefits Payable

GASB Statement No. 74 and GASB Statement No. 75

The cost of post-employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town recognizes the cost of post-employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

In addition to providing pension benefits 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 1,017 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, 2022, 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, 2022 Measurement Date, total Town premiums plus implicit costs for the retiree medical program are \$2,424,311. The Town has also made a contribution to an OPEB Trust of \$1,050,000 for a total contribution during the measurement period of \$3,474,311 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, 2022, the trust balance is \$9,756,855.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Plan Membership:

Current active members	558
Current retirees, beneficiaries and dependents	459
Total	1,017

Net OPEB Liability

The components of the net OPEB liability are as follows:

	6/30/2022
Total OPEB liability	\$ 70,081,952
Less: Plan fiduciary net position	(9,756,855)
Town's Net OPEB liability	\$ 60,325,097
 Plan fiduciary net position as a percentage of the total OPEB liability	13.92%

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2022:

Valuation date	July 1, 2020
Actuarial cost method	Individual Entry Age Normal
Single Equivalent Discount rate	5.24%, net of OPEN plan investment expense, including inflation
Inflation	2.50% as of June 30, 2022 and for future periods
Salary increases	3.00% annually as of June 30, 2022 and for future periods
Healthcare cost trend rates	4.50% annually in 2022
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.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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, 2020 actuarial valuation and market value of assets as of the measurement date of June 30, 2022 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index as of June 30, 2022 is 4.09%.

Long-term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity - Large Capital	28.25%	4.42%
Domestic Equity - Small/Mid Capital	15.75%	4.81%
International Equity - Developed Market	4.25%	4.91%
International Equity - Emerging Market	3.00%	5.58%
Domestic Fixed Income	34.25%	1.00%
International Fixed Income	3.00%	1.04%
Alternatives	7.75%	5.98%
Real Estate	3.00%	6.25%
Cash & Cash Equivalent	0.75%	0.00%
Total	100.00%	
I. Real Rate of Return		3.41%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		5.91%
IV. Less: Investment Expense		0.25%
V. Net investment Return (III.-IV.)		5.66%

* = Mean Geometric Returns based on 2021 Horizon Survey of Capital Market Assumptions.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was (13.13%).

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2021	\$ 66,887,364	\$ 10,028,542	\$ 56,858,822
Service cost	1,883,139	-	1,883,139
Interest	3,547,627	-	3,547,627
Changes in benefit terms *	-	-	-
Changes in assumptions **	188,133	-	188,133
Difference between actual and expected experience **	-	-	-
Net investment income	-	(1,321,687)	1,321,687
Employer contributions to Trust	-	3,474,311	(3,474,311)
Total benefit payments including implicit cost	(2,424,311)	(2,424,311)	-
Net change in total OPEB liability	3,194,588	(271,687)	3,466,275
Balances at June 30, 2022	<u>\$ 70,081,952</u>	<u>\$ 9,756,855</u>	<u>\$ 60,325,097</u>

* = Recognized immediately

** = Amortized over 5.67 years

Discount Rate

The discount rate used to measure the total OPEB liability was 5.24%. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover until Fiscal Year 2063 and the Municipal Bond Rate is applied thereafter.

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 (4.24%) or 1-percentage-point higher (6.24%) than the current rate:

	1% Decrease (4.24%)	Current Discount Rate (5.24%)	1% Increase (6.24%)
	Town's net OPEB liability	\$ 71,677,580	\$ 60,325,097

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

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:

	1% Decrease (3.50%)	Healthcare Cost Trend Rates (4.50%)	1% Increase (5.50%)
Town's net OPEB liability	\$ 50,345,092	\$ 60,325,097	\$ 73,037,514

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, 2022, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of (\$3,310,578) and reported deferred outflows of resources related to OPEB of \$13,684,910 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; and deferred inflows of resources related to OPEB of \$14,259,817 from the difference between actual and expected experience and changes in assumptions.

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

For years ended June 30,	
2023	\$ (4,588,997)
2024	(796,319)
2025	2,312,252
2026	2,476,294
2027	22,233
Thereafter:	(370)
	\$ (574,907)

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2022

F. Implementation of New GASB Pronouncements

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

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. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

G. Future GASB Pronouncements

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

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

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. 99, *Omnibus 2022*, clarification on GASB 34 Management's Discussion and Analysis; on GASB 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position; requirements related to leases and requirements related to derivative instruments for implementation in fiscal year 2023 and 2024.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB 62*, for implementation in fiscal year 2024.

The GASB issued Statement No. 101, *Compensated Absences*, for implementation in fiscal year 2025.

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, 2022

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:

Measurement Date	Town's proportion of the net pension liability (asset)	Town's proportionate share of the net pension liability (asset)	Town's covered employee payroll	Net pension liability percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2021	11.84%	\$ 41,175,560	\$ 14,875,251	276.81%	60.81%
12/31/2020	12.16%	\$ 47,693,889	\$ 15,227,473	313.21%	53.80%
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, 2022

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:

Measurement Date	Actuarially determined contribution	Less: Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
12/31/2021	\$ 4,287,456	\$ (4,287,456)	\$ -	\$ 14,875,251	28.82%
12/31/2020	\$ 4,074,945	\$ (4,074,945)	\$ -	\$ 15,227,473	26.76%
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%

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TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Total OPEB liability			
Service cost	\$ 1,883,139	\$ 1,230,492	\$ 1,192,093
Interest on net OPEB liability	3,547,627	3,213,390	2,957,347
Changes in Benefit terms	-	-	-
Changes in Assumptions	188,133	18,369,592	(5,685,517)
Difference between actual and expected experience	-	(1,078,841)	-
Benefit payments, including refunds of member contributions	<u>(2,424,311)</u>	<u>(2,405,829)</u>	<u>(2,259,217)</u>
Net change in total OPEB liability	3,194,588	19,328,804	(3,795,294)
Total OPEB liability-beginning	<u>66,887,364</u>	<u>47,558,560</u>	<u>51,353,854</u>
Total OPEB liability-ending (a)	<u>\$ 70,081,952</u>	<u>\$ 66,887,364</u>	<u>\$ 47,558,560</u>
 Plan fiduciary net position			
Difference between actual and expected experience	\$ -	\$ -	\$ -
Net investment income	(1,321,687)	2,106,792	(71,997)
Employer contributions to Trust	3,474,311	2,405,829	2,259,217
Benefit payments, including refunds of member contributions	<u>(2,424,311)</u>	<u>(2,405,829)</u>	<u>(2,259,217)</u>
Net change in plan fiduciary net position	(271,687)	2,106,792	(71,997)
Total fiduciary net position-beginning	<u>10,028,542</u>	<u>7,921,750</u>	<u>7,993,747</u>
Total fiduciary net position-ending (b)	<u>\$ 9,756,855</u>	<u>\$ 10,028,542</u>	<u>\$ 7,921,750</u>
 Town's net OPEB liability (a-b)	<u>\$ 60,325,097</u>	<u>\$ 56,858,822</u>	<u>\$ 39,636,810</u>

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

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Changes in the Net OPEB Liability:

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

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

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Net OPEB Liability:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Total OPEB liability	\$ 70,081,952	\$ 66,887,364	\$ 47,558,560
Less: Plan fiduciary net position	<u>(9,756,855)</u>	<u>(10,028,542)</u>	<u>(7,921,750)</u>
Town's Net OPEB liability	<u>\$ 60,325,097</u>	<u>\$ 56,858,822</u>	<u>\$ 39,636,810</u>
Plan fiduciary net position as a percentage of the total OPEB liability	13.92%	14.99%	16.66%
Town's share of covered employee payroll	\$ 33,908,535	\$ 32,920,908	\$ 33,864,749
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	177.91%	172.71%	117.04%

Schedule of Contributions:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarially determined contribution	\$ 4,583,086	\$ 3,778,420	\$ 4,109,516
Less: Contributions in relation to the actuarially determined contribution	<u>(3,474,311)</u>	<u>(2,405,829)</u>	<u>(2,259,217)</u>
Contribution deficiency (excess)	<u>\$ 1,108,775</u>	<u>\$ 1,372,591</u>	<u>\$ 1,850,299</u>
Town's share of covered employee payroll	\$ 33,908,535	\$ 32,920,908	\$ 33,864,749
Contributions percentage of covered-employee payroll	10.25%	7.31%	6.67%
Annual money-weighted rate of return net of investment expense	-13.13%	26.60%	(0.90%)

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TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Net OPEB Liability:

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 51,353,854	\$ 62,516,491	\$ 85,435,891
Less: Plan fiduciary net position	<u>(7,993,747)</u>	<u>(5,632,044)</u>	<u>(2,334,081)</u>
Town's Net OPEB liability	<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	15.57%	9.01%	2.73%
Town's share of covered employee payroll	\$ 32,878,397	N/A	N/A
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	131.88%	N/A	N/A

Schedule of Contributions:

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

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TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Funding Progress:

Measurement Date	Other Post Employment Benefits						Actuarial Percentage of Covered Payroll ((B-A)/C)
	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)		
6/30/2022	\$ 9,756,855	\$ 70,081,952	\$ 60,325,097	13.92%	\$ 33,908,535	177.9%	
6/30/2021	\$ 10,028,542	\$ 66,887,364	\$ 56,858,822	14.99%	\$ 32,920,908	172.7%	
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	

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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, 2022

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Special Revenue:					
Federal and State Grants:					
School Grants	\$ 60,164	\$ 3,041,891	\$ 2,328,847	\$ -	\$ 773,208
Arts Lottery Council Grants	6,165	18,998	9,510	-	15,653
Board of Health Grants	143,014	92,256	61,708	-	173,562
Community Compact Grants	15,773	114,503	114,503	-	15,773
Community Development Block Grant	-	33,976	33,976	-	-
Council on Aging Grants	104,448	297,475	233,042	-	168,881
Emergency Management Grants (COVID-19)	(91,678)	193,076	149,494	55,007	6,911
Highway Grants	23,599	488,226	514,757	7,214	4,282
Library Grants	69,349	37,131	29,017	-	77,463
Municipal Vulnerability Preparedness	703	84,833	84,833	-	703
Other Grants and Programs	-	67,021	31,921	-	35,100
Public Safety Grants	128,143	33,030	28,549	7,328	139,952
Schools:					
School Lunch Program	180,339	1,209,398	880,186	-	509,551
School Lunch Commodities	-	95,026	95,026	-	-
School Choice	85,345	124,345	-	-	209,690
School Gifts and Donations	81,016	23,189	41,870	-	62,335
School Revolving Accounts	377,647	335,519	226,758	-	486,408
School Student Activity Funds	71,291	146,494	115,808	-	101,977
School Transportation	72,235	116,666	100,000	-	88,901
State Special Education Reimbursement Fund	1,022,644	967,144	1,134,756	-	855,032
Other:					
Affordable Housing Funds	43,136	33	-	(19,181)	23,988
Ambulance Fund	1,518,379	1,433,551	1,224,130	(193,815)	1,533,985
Deputy Collector Fees	774	29,981	27,316	-	3,439
Cable Access Revolving	517,749	219,487	163,935	-	573,301
Community Preservation Fund	1,916,152	453,912	81,632	(594,155)	1,694,277
Council on Aging Revolving	50,961	12,203	22,526	-	40,638
Special Revenue Page 74	\$ 6,397,348	\$ 9,669,364	\$ 7,734,100	\$ (737,602)	\$ 7,595,010

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Continued from Page 74	\$ 6,397,348	\$ 9,669,364	\$ 7,734,100	\$ (737,602)	\$ 7,595,010
Special Revenue (continued):					
Other (continued):					
Gifts and Donations	174,706	34,655	16,589	16,090	208,862
Health Department Revolving	996	-	-	-	996
Insurance Reimbursements	38,919	82,086	86,256	-	34,749
Library Revolving Funds	33,789	4,422	311	-	37,900
Off-Duty Details	(11,048)	448,462	441,889	5,167	692
Recreation Revolving	383,147	624,788	745,951	2,198	264,182
Reserve for Payment of Debt - MSBA	490,392	-	-	(81,732)	408,660
Traffic Signal Funds	31,254	-	-	-	31,254
Transportation Infrastructure	7,715	659	1,079	1,079	8,374
Trash Revolving	264,993	133,755	50,177	-	348,571
Wetlands Protection Act	66,311	1,188	-	-	67,499
Ambulance Fund	5	-	-	-	5
Compensated Absence Reserve	376,470	(14,422)	-	50,000	412,048
Conservation Funds	61,410	(536)	378	-	60,496
Friends of Heritage Park	4,383	-	-	-	4,383
Historical Commission	13,187	(119)	2,309	2,309	13,068
Pension Reserve Fund	185,367	(1,621)	-	-	183,746
Police Gymnasium Fund	98	(1)	-	-	97
Shaker Road Relief Fund	3,863	(38)	-	-	3,825
Town Beautification Fund	560	(4)	-	-	556
Unemployment Compensation Fund	119	(1)	-	-	118
Total Special Revenue Funds	\$ 8,523,984	\$ 10,982,637	\$ 9,079,039	\$ (742,491)	\$ 9,685,091

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Capital Projects:					
Council on Aging projects	\$ -	\$ -	\$ 95,471	\$ 120,871	\$ 25,400
Department of Public Works projects	983,999	-	682,313	1,500,889	1,802,575
Fire Department vehicles and equipment	214,538	40,000	286,217	391,794	360,115
General Government projects	113,111	-	12,371	(100,740)	-
Information Technology projects	137,502	-	318,392	217,496	36,606
Park and Recreation projects	-	-	-	495,075	495,075
Police vehicles and equipment	103,308	-	62,107	53,820	95,021
Premium on bonds	37,260	-	95,798	77,946	19,408
School improvement projects	41,748	102,237	483,424	2,551,003	2,211,564
Total Capital Projects	1,631,466	142,237	2,036,093	5,308,154	5,045,764
Permanent Funds:					
Cemetery Funds	4,740	(42)	-	-	4,698
Library Funds	6,188	(54)	-	-	6,134
Total Permanent Funds	10,928	(96)	-	-	10,832
Total - Non-Major Governmental Funds	\$ 10,166,378	\$ 11,124,778	\$ 11,115,132	\$ 4,565,663	\$ 14,741,687