

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**

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

**For the Year Ended June 30, 2023**

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Report on the Examination of Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>TABLE OF CONTENTS</b> .....	2
<b>INDEPENDENT AUDITOR’S REPORT</b> .....	3-5
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b> .....	6-15
<b>BASIC FINANCIAL STATEMENTS</b> .....	16
Statement of Net Position .....	17
Statement of Activities .....	18
Balance Sheet – Governmental Funds .....	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	20
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position .....	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	22
Statement of Revenues and Expenditures – Budgetary Basis – (Non-GAAP) – Budget and Actual – General Fund .....	23
Reconciliation of Revenues and Expenditures from Budgetary Basis to GAAP Basis .....	24
Statement of Net Position – Proprietary Funds .....	25
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	26
Statement of Cash Flows – Proprietary Funds .....	27
Statement of Fiduciary Net Position – Fiduciary Funds .....	28
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	29
<b>Notes to the Basic Financial Statements</b> .....	30-65
<b>REQUIRED SUPPLEMENTARY INFORMATION</b> .....	66
Pension Plan Schedules .....	67-68
Other Post Employment Benefit Plan Schedules .....	69-73
<b>SUPPLEMENTARY SCHEDULES</b> .....	74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds .....	75-77

## **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, 2023, 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, 2023, 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 judgment 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 January 4, 2024, 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

January 4, 2024

## **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, 2023. 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 \$21,049,952 (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 \$27,783,525, or an increase of \$6,733,573 (24%) 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 \$30,304,640, an increase of \$2,934,174 (11%) in comparison with prior year.
- The General Fund's total fund balance increased \$584,550 (5%) to \$13,260,079. The ending fund balance is 18% of revenues, transfers in and lease; and 18% of expenditures and transfers out.
- Total long-term liabilities of the Town increased by \$8,805,613 (7%) to \$133,863,052 during the fiscal year. This change was mainly the result of net increases in unearned revenue of \$971,659, in the bond anticipation notes payable of \$921,509 and in the pension liability of \$10,961,969; and net decreases in the Other Post-Employment Benefits (OPEB) liability of \$1,458,884 and in bonds payable of \$2,611,292.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$7,607,942. The key factors that attributed to the free cash amount for fiscal year 2023 were unexpended/unencumbered appropriations of \$3,069,300, excess over budget state and local receipts of \$593,300, excess over budget other financing sources(uses) of \$183,300 and prior year free cash not appropriated of \$3,621,300.
- The Town's enterprise fund certified free cash is as follows:
  - Sewer fund                      \$ 471,640.
  - Stormwater fund                \$ 220,624.
  - Water fund                        \$ 1,202,467.

### 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		
	2023	2022	Change
<b>Assets:</b>			
Current assets	\$ 39,260,770	\$ 36,030,193	\$ 3,230,577
Capital assets	39,838,093	38,588,817	1,249,276
<b>Total assets</b>	<b>79,098,863</b>	<b>74,619,010</b>	<b>4,479,853</b>
<b>Deferred Outflows of Resources</b>	<b>30,066,212</b>	<b>19,571,777</b>	<b>10,494,435</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt and leases)	5,434,864	4,884,838	550,026
Current debt including leases	2,550,954	2,893,847	(342,893)
Noncurrent liabilities (excluding debt and leases)	108,624,037	99,373,297	9,250,740
Noncurrent debt including leases	8,449,869	9,223,623	(773,754)
<b>Total liabilities</b>	<b>125,059,724</b>	<b>116,375,605</b>	<b>8,684,119</b>
<b>Deferred Inflows of Resources</b>	<b>22,990,971</b>	<b>22,751,327</b>	<b>239,644</b>
<b>Net Position:</b>			
Net investment in capital assets	28,837,270	26,471,347	2,365,923
Restricted	13,219,102	14,028,665	(809,563)
Unrestricted	(80,941,992)	(85,436,157)	4,494,165
<b>Total net position</b>	<b>\$ (38,885,620)</b>	<b>\$ (44,936,145)</b>	<b>\$ 6,050,525</b>

	Business-Type Activities		
	2023	2022	Change
<b>Assets:</b>			
Current assets	\$ 5,672,153	\$ 6,539,474	\$ (867,321)
Noncurrent assets (excluding capital assets)	25,527	29,452	(3,925)
Capital assets	20,640,912	19,390,347	1,250,565
<b>Total assets</b>	<b>26,338,592</b>	<b>25,959,273</b>	<b>379,319</b>
<b>Deferred Outflows of Resources</b>	<b>888,872</b>	<b>382,343</b>	<b>506,529</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	399,758	293,634	106,124
Current debt	1,941,538	1,313,315	628,223
Noncurrent liabilities (excluding debt)	2,531,382	2,302,253	229,129
Noncurrent debt	3,930,650	4,772,632	(841,982)
<b>Total liabilities</b>	<b>8,803,328</b>	<b>8,681,834</b>	<b>121,494</b>
<b>Deferred Inflows of Resources</b>	<b>588,468</b>	<b>507,162</b>	<b>81,306</b>
<b>Net Position:</b>			
Net investment in capital assets	14,768,724	13,304,400	1,464,324
Restricted	2,271,559	2,827,235	(555,676)
Unrestricted	795,385	1,020,985	(225,600)
<b>Total net position</b>	<b>\$ 17,835,668</b>	<b>\$ 17,152,620</b>	<b>\$ 683,048</b>

## Financial Highlights

### Statement of Activities Highlights

	Governmental Activities		
	2023	2022	Change
<b>Program Revenues:</b>			
Charges for services	\$ 5,817,550	\$ 4,574,957	\$ 1,242,593
Operating grants and contributions	26,719,096	24,110,930	2,608,166
Capital grants and contributions	1,549,431	899,794	649,637
<b>General Revenues:</b>			
Property taxes	47,298,230	45,536,512	1,761,718
Motor vehicle excise and other taxes	2,916,958	2,871,845	45,113
Penalties and interest on taxes	228,210	214,890	13,320
Nonrestricted grants	1,934,928	1,931,846	3,082
Unrestricted investment income	544,644	7,696	536,948
Miscellaneous	2,388	3,435	(1,047)
<b>Total revenues</b>	<b>87,011,435</b>	<b>80,151,905</b>	<b>6,859,530</b>
<b>Expenses:</b>			
General Government	4,734,233	4,239,530	494,703
Public Safety	7,598,968	6,993,890	605,078
Public Works	6,356,016	5,392,051	963,965
Education	40,755,552	38,172,342	2,583,210
Health and Human Services	1,241,799	1,103,144	138,655
Culture and Recreation	2,363,946	2,159,091	204,855
Employee Benefits and Insurance	16,723,914	14,226,334	2,497,580
State Assessments	643,811	655,683	(11,872)
Interest	339,568	340,816	(1,248)
<b>Total expenses</b>	<b>80,757,807</b>	<b>73,282,881</b>	<b>7,474,926</b>
<b>Net (expenses) revenues</b>	<b>6,253,628</b>	<b>6,869,024</b>	<b>(615,396)</b>
<b>Transfers</b>	<b>(203,103)</b>	<b>(58,094)</b>	<b>(145,009)</b>
<b>Change in net position</b>	<b>6,050,525</b>	<b>6,810,930</b>	<b>(760,405)</b>
<b>Net position - beginning of year</b>	<b>(44,936,145)</b>	<b>(51,747,075)</b>	<b>6,810,930</b>
<b>Net position - end of year</b>	<b>\$ (38,885,620)</b>	<b>\$ (44,936,145)</b>	<b>\$ 6,050,525</b>

	<b>Business-Type Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Change</b>
<b>Program Revenues:</b>			
Charges for services	\$ 5,586,320	\$ 5,181,463	\$ 404,857
Operating grants and contributions	84,378	12,583	71,795
Capital grants and contributions	-	1,645,872	(1,645,872)
<b>Total revenues</b>	<b>5,670,698</b>	<b>6,839,918</b>	<b>(1,169,220)</b>
<b>Expenses:</b>			
Sewer	2,012,656	2,041,427	(28,771)
Stormwater	232,423	226,499	5,924
Water	2,945,674	2,989,301	(43,627)
<b>Total expenses</b>	<b>5,190,753</b>	<b>5,257,227</b>	<b>(66,474)</b>
<b>Net (expenses) revenues</b>	<b>479,945</b>	<b>1,582,691</b>	<b>(1,102,746)</b>
<b>Transfers</b>	<b>203,103</b>	<b>58,094</b>	<b>145,009</b>
<b>Change in net position</b>	<b>683,048</b>	<b>1,640,785</b>	<b>(957,737)</b>
<b>Net position - beginning of year</b>	<b>17,152,620</b>	<b>15,511,835</b>	<b>1,640,785</b>
<b>Net position - end of year</b>	<b>\$ 17,835,668</b>	<b>\$ 17,152,620</b>	<b>\$ 683,048</b>

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$21,049,952 at the close of fiscal year 2023.

Net position of \$43,605,994 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, \$15,490,661 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$80,146,607).

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 \$6,050,525 (13%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2023 is attributed to increases from the acquisition of \$4,685,977 in new capital assets exceeding the depreciation expense (cost spread out over the useful life of the asset) for the year of \$3,436,701, the net changes in governmental fund balances of \$2,934,174, in the OPEB liability of \$1,268,138 and in the deferred outflow/(inflow) of resources related to OPEB of \$1,543,066 and related to pensions of \$9,208,944; and a decrease in recognizing the changes in this year's pension liability of \$10,541,112.

There was an increase of \$683,048 (4%) in net position reported in connection with the business-type activities. Of this, there were increases of \$363,959 attributed to the sewer department, of \$10,214 attributed to the stormwater department and of \$308,875 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 \$30,304,640, an increase of \$2,934,174 (11%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Restricted fund balance – \$12,046,865 (40%).
- Committed fund balance – \$5,351,590 (18%).
- Assigned fund balance – \$771,256 (2%).
- Unassigned fund balance – \$12,134,929 (40%).

### 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 \$13,260,079 increasing \$584,550 (5%) from the prior year. Of the \$13,260,079, the unassigned amount is \$12,488,823 (94%) and the assigned amount is \$771,256 (6%). General fund revenues were \$4,069,519 (6%) more than the prior fiscal year and expenditures also increased by \$3,389,543 (5%). Other activities in the General fund were net transfers to other funds of \$2,462,890 and a lease of \$884,933.

The main components of the increase in general fund revenues from the prior year were related to an increase in property taxes of \$1,930,073 (4%), in intergovernmental receipts of \$813,026 (6%), in investment income of \$536,948 (6977%) and in intergovernmental – "on-behalf" payments of \$618,407 (13%).

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

- Increase in Public safety expenditures of \$649,944 (12%).
- Increase in Public works expenditures of \$717,542 (15%).
- Increase in Education expenditures of \$1,785,183 (6%).

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 \$353,894 at the end of the fiscal year and shows a decrease of \$307,144 (657%). This is attributed to the receipt of Massachusetts School Building Authority funds of \$457,280 and expenditures of \$764,424. The Town also issued bond anticipation notes of \$1,081,953 which is not reflected in the Fund Balance. The deficit will be eliminated with the issuance of permanent debt.

The *American Rescue Plan Act (ARPA) Grant* is a United States Federal Government established funding source to assist in the fighting of the coronavirus. The fund has a balance of \$72,387 increasing \$65,476 from intergovernmental and interest revenue of \$1,453,563 and expenditures of \$1,199,144. The Town has an accumulated unearned revenue of \$1,855,335 which will be used at a later date.

**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 \$6,917,471 and shows an increase of \$363,959 (6%) in total operations. This change was mainly attributed to operating revenue exceeding operating expenses by \$222,597, investment income of \$22,573, interest expense of \$86,191 and net transfers in from other funds of \$204,980. Operating revenues increased by \$91,176 (4%) while operating expenses decreased by \$61,177 (3%) 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 \$102,716 and shows an increase of \$10,214 (11%) in total operations. This amount is attributed to operating revenues exceeding operating expenses of \$74,058, investment income of \$625, interest expense of \$3,864 and net transfers to other funds of \$60,605. Operating revenues increased by \$5,356 (2%) and operating expenses also increased by \$2,060 (1%) 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 \$10,815,481 and shows an increase of \$308,875 (3%) in total operations. This change resulted from operating revenues exceeding operating expenses of \$325,577, investment income of \$61,180, interest expense of \$136,610 and net transfers in from other funds of \$58,728. Operating revenues increased by \$308,325 (11%) while operating expenses decreased by \$9,803 (.3%) from the prior year.

## General Fund Budgetary Highlights

The final general fund budget for fiscal year 2023 was \$67,779,167. This was an increase of \$2,947,211 (5%) 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 \$3,840,521. Of the \$3,840,521 in under budget expenditures, \$771,256 has been carried over to fiscal year 2024.

There are negative variances in interest and penalties on taxes of \$15,558 as expectations (budget) were higher than the receipts.

There was a negative variance in state assessments of \$17,730 due to lower assessments in the registry of motor vehicles non-renewal surcharge of \$920 and in charter school sending tuitions of \$25,862; and a higher assessment in the school choice sending tuitions of \$9,052 than the actual payments.

Overall, the variance with the final budget was a positive \$3,770,288 consisting of a revenue surplus of \$701,023 and an appropriation surplus of \$3,069,265.

## 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, 2023 amounts to \$39,838,093 and \$20,640,912, 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 fuel management system for \$37,769.
- Town information technology network improvements for \$154,826.
- Police vehicle and equipment purchases for \$244,228.
- Fire Department ambulance purchase for \$1,115,667.

- Highway vehicle and equipment purchases for \$316,615.
- Road and sidewalk infrastructure improvements for \$1,601,566.
- Various schools' improvements for \$1,200,085.
- Senior Center boiler purchase for \$15,221.

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

**Sewer fund:**

- Vehicle purchase for \$524,527.
- Sewer infrastructure improvements for \$980,812.

**Water fund:**

- Vehicle purchase for \$232,014.
- Water infrastructure improvements for \$267,333.

**Stormwater fund:**

- Vehicle purchase for \$233,925.

**Debt Administration.** The Town's outstanding governmental long-term debt, as of June 30, 2023, totaled \$9,092,010, of which \$5,934,500 is for school projects, \$175,000 for pool renovations, \$47,510 for the GIS projects, \$1,940,000 for road improvement projects and \$995,000 for various municipal purpose loans.

The governmental activities currently have outstanding bond anticipation notes for \$1,081,953 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 2027. The Town currently owes \$895,057 on the leases consisting of \$826,860 in principal and \$68,197 in interest.

The Town's outstanding business-type long-term debt totals \$4,772,632 consisting of \$1,383,825 in sewer debt and \$3,388,807 in water debt that are fully supported by the rates.

The business-type has outstanding bond anticipation notes in total of \$1,099,556, which consists of \$290,281 for water projects, 574,275 for sewer projects and \$235,000 for stormwater projects.

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

**Next Year's Budget – Fiscal Year 2024**

The financial statements of the Town of East Longmeadow as of June 30, 2023 do not reflect the fiscal year 2024 budget as approved by the Town Council on May 23, 2023.

The Town Council has authorized a fiscal year 2024 operating and capital budget as follows:

From raise and appropriate		\$	70,475,161
From sewer revenues			2,389,177
From water revenues			3,360,824
From Cable Access TV (ELCAT) revenues *			216,250
From Stormwater revenues			371,255
From Other Available Funds:			
<b>Non-major Governmental Funds:</b>			
Ambulance	\$	1,885,782	
Community preservation funds		388,160	2,273,942
			<u>2,273,942</u>
		\$	<u>79,086,609</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, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 29,200,892	\$ 4,543,876	\$ 33,744,768
Investments	5,197,419	-	5,197,419
Receivables, net of allowance for uncollectibles:			
Property Taxes	884,988	-	884,988
Tax Liens	591,299	-	591,299
Excise and Other Taxes	224,184	-	224,184
User Charges	-	1,108,494	1,108,494
Departmental	544,186	-	544,186
Special Assessments	-	19,783	19,783
Due from Other Governments	2,120,583	-	2,120,583
Leases	497,219	-	497,219
Total current assets	<u>39,260,770</u>	<u>5,672,153</u>	<u>44,932,923</u>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	25,527	25,527
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	7,254,056	948,104	8,202,160
Depreciable	32,584,037	19,692,808	52,276,845
Total noncurrent assets	<u>39,838,093</u>	<u>20,666,439</u>	<u>60,504,532</u>
<b>Total Assets</b>	<u>79,098,863</u>	<u>26,338,592</u>	<u>105,437,455</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	18,628,983	835,004	19,463,987
Deferred Outflows Related to OPEB	11,437,229	53,868	11,491,097
<b>Total Deferred Outflows of Resources</b>	<u>30,066,212</u>	<u>888,872</u>	<u>30,955,084</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants and Accounts Payable	1,056,792	300,305	1,357,097
Accrued Payroll	710,603	36,285	746,888
Employee Withholdings	494,368	-	494,368
Tax Refund Payable	97,700	-	97,700
Other	628,248	-	628,248
Unearned Revenue	1,855,336	-	1,855,336
Accrued Interest	81,445	45,104	126,549
Compensated Absences	510,372	18,064	528,436
Bond Anticipation Notes Payable	1,081,953	1,099,556	2,181,509
Leases Payable	296,340	-	296,340
Bonds Payable	1,172,661	841,982	2,014,643
Total current liabilities	<u>7,985,818</u>	<u>2,341,296</u>	<u>10,327,114</u>
<b>NONCURRENT:</b>			
Compensated Absences	132,946	18,731	151,677
Net OPEB Liability	58,590,261	275,952	58,866,213
Net Pension Liability	49,900,830	2,236,699	52,137,529
Leases Payable	530,520	-	530,520
Bonds Payable	7,919,349	3,930,650	11,849,999
Total noncurrent liabilities	<u>117,073,906</u>	<u>6,462,032</u>	<u>123,535,938</u>
<b>Total Liabilities</b>	<u>125,059,724</u>	<u>8,803,328</u>	<u>133,863,052</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	12,029,130	539,181	12,568,311
Deferred Inflows Related to OPEB	10,464,622	49,287	10,513,909
Deferred Inflows Related to Leases	497,219	-	497,219
<b>Total Deferred Inflows of Resources</b>	<u>22,990,971</u>	<u>588,468</u>	<u>23,579,439</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	28,837,270	14,768,724	43,605,994
Restricted for:			
Capital Projects	3,893,423	2,271,559	6,164,982
Federal & State Grants	2,350,114	-	2,350,114
Community Preservation	2,405,579	-	2,405,579
Permanent Funds	10,965	-	10,965
Other Purposes	4,559,021	-	4,559,021
Unrestricted	(80,941,992)	795,385	(80,146,607)
<b>Total Net Position</b>	<u>\$ (38,885,620)</u>	<u>\$ 17,835,668</u>	<u>\$ (21,049,952)</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, 2023**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
General Government	\$ 4,734,233	\$ 766,346	\$ 2,095,147	\$ -	\$ (1,872,740)	\$ -	\$ (1,872,740)
Public Safety	7,598,968	2,644,858	95,351	188,095	(4,670,664)	-	(4,670,664)
Public Works	6,356,016	269,631	-	904,056	(5,182,329)	-	(5,182,329)
Education	40,755,552	869,843	18,679,183	457,280	(20,749,246)	-	(20,749,246)
Health and Human Services	1,241,799	196,427	271,207	-	(774,165)	-	(774,165)
Culture and Recreation	2,363,946	1,070,445	65,471	-	(1,228,030)	-	(1,228,030)
Employee Benefits and Insurance	16,723,914	-	5,512,737	-	(11,211,177)	-	(11,211,177)
State Assessments	643,811	-	-	-	(643,811)	-	(643,811)
Interest	339,568	-	-	-	(339,568)	-	(339,568)
<b>Total Governmental Activities</b>	<b>80,757,807</b>	<b>5,817,550</b>	<b>26,719,096</b>	<b>1,549,431</b>	<b>(46,671,730)</b>	<b>-</b>	<b>(46,671,730)</b>
<b>Business-Type Activities:</b>							
Water	2,945,674	3,134,641	61,180	-	-	250,147	250,147
Sewer	2,012,656	2,149,062	22,573	-	-	158,979	158,979
Stormwater	232,423	302,617	625	-	-	70,819	70,819
<b>Total Primary Government</b>	<b>\$ 85,948,560</b>	<b>\$ 11,403,870</b>	<b>\$ 26,803,474</b>	<b>\$ 1,549,431</b>	<b>(46,671,730)</b>	<b>479,945</b>	<b>(46,191,785)</b>
<b>General Revenues:</b>							
Property Taxes					47,298,230	-	47,298,230
Motor vehicle and other taxes					2,916,958	-	2,916,958
Penalties & Interest on taxes					228,210	-	228,210
Grants & Contributions not restricted to specific programs					1,934,928	-	1,934,928
Unrestricted Investment Income					544,644	-	544,644
Miscellaneous					2,388	-	2,388
<b>Transfers, net</b>					<b>(203,103)</b>	<b>203,103</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>52,722,255</b>	<b>203,103</b>	<b>52,925,358</b>
<b>Change in Net Position</b>					<b>6,050,525</b>	<b>683,048</b>	<b>6,733,573</b>
<b>Net Position:</b>							
Beginning of year					(44,936,145)	17,152,620	(27,783,525)
End of year					\$ (38,885,620)	\$ 17,835,668	\$ (21,049,952)

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	High School Feasibility Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 10,455,545	\$ 563,575	\$ 1,927,723	\$ 16,254,049	\$ 29,200,892
Investments	4,637,878	-	-	559,541	5,197,419
Receivables, net of allowance for uncollectibles:					
Property Taxes	878,187	-	-	6,801	884,988
Tax Liens	589,275	-	-	2,024	591,299
Excise Taxes	224,184	-	-	-	224,184
Departmental	18,247	-	-	525,939	544,186
Due from Other Governments	174,609	164,484	-	1,781,490	2,120,583
Leases	497,219	-	-	-	497,219
<b>Total Assets</b>	<b>\$ 17,475,144</b>	<b>\$ 728,059</b>	<b>\$ 1,927,723</b>	<b>\$ 19,129,844</b>	<b>\$ 39,260,770</b>
<b>Liabilities:</b>					
Warrants and Accounts Payable	\$ 613,553	\$ -	\$ -	\$ 443,239	\$ 1,056,792
Accrued Payroll	596,119	-	-	114,484	710,603
Employee withholdings	510,630	-	-	-	510,630
Tax Refund Payable	97,700	-	-	-	97,700
Other	284,814	-	-	343,434	628,248
Unearned Revenue	-	-	1,855,336	-	1,855,336
Bond Anticipation Notes Payable	-	1,081,953	-	-	1,081,953
<b>Total Liabilities</b>	<b>2,102,816</b>	<b>1,081,953</b>	<b>1,855,336</b>	<b>901,157</b>	<b>5,941,262</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue	1,615,030	-	-	902,619	2,517,649
Related to Leases	497,219	-	-	-	497,219
<b>Total Deferred Inflows of Resources</b>	<b>2,112,249</b>	<b>-</b>	<b>-</b>	<b>902,619</b>	<b>3,014,868</b>
<b>Fund Balance:</b>					
Restricted	-	-	72,387	11,974,478	12,046,865
Committed	-	-	-	5,351,590	5,351,590
Assigned	771,256	-	-	-	771,256
Unassigned	12,488,823	(353,894)	-	-	12,134,929
<b>Total Fund Balance</b>	<b>13,260,079</b>	<b>(353,894)</b>	<b>72,387</b>	<b>17,326,068</b>	<b>30,304,640</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 17,475,144</b>	<b>\$ 728,059</b>	<b>\$ 1,927,723</b>	<b>\$ 19,129,844</b>	<b>\$ 39,260,770</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	High School Feasibility Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 47,020,358	\$ -	\$ -	\$ 338,780	\$ 47,359,138
Intergovernmental	15,199,363	457,280	1,441,311	7,725,304	24,823,258
Excise and Other Taxes	2,916,316	-	-	-	2,916,316
Charges for Services	-	-	-	4,851,050	4,851,050
Licenses, Permits, Fees	1,078,199	-	-	-	1,078,199
Interest and Penalties on Taxes	227,206	-	-	1,004	228,210
Investment Income	544,644	-	12,252	92,603	649,499
Other	-	-	-	167,350	167,350
Intergovernmental - "On-behalf" Payments	5,512,737	-	-	-	5,512,737
<b>Total Revenues</b>	<b>72,498,823</b>	<b>457,280</b>	<b>1,453,563</b>	<b>13,176,091</b>	<b>87,585,757</b>
<b>Expenditures:</b>					
Current:					
General Government	3,374,095	-	438,613	840,470	4,653,178
Public Safety	5,918,154	-	292,236	2,639,364	8,849,754
Public Works	5,461,769	-	295,544	1,832,483	7,589,796
Education	33,392,610	764,424	172,751	6,129,008	40,458,793
Health and Human Services	739,110	-	-	432,620	1,171,730
Culture and Recreation	1,123,193	-	-	993,713	2,116,906
Employee Benefits and Insurance	18,017,661	-	-	185,289	18,202,950
State Assessments	643,811	-	-	-	643,811
Debt Service:					
Principal	1,297,977	-	-	-	1,297,977
Interest	367,936	-	-	-	367,936
<b>Total Expenditures</b>	<b>70,336,316</b>	<b>764,424</b>	<b>1,199,144</b>	<b>13,052,947</b>	<b>85,352,831</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,162,507</b>	<b>(307,144)</b>	<b>254,419</b>	<b>123,144</b>	<b>2,232,926</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	375,912	-	53,224	2,834,722	3,263,858
Operating Transfers Out	(2,838,802)	-	(242,167)	(385,992)	(3,466,961)
Lease	884,933	-	-	-	884,933
Bond Premium	-	-	-	19,418	19,418
<b>Total Other Financing Sources (Uses)</b>	<b>(1,577,957)</b>	<b>-</b>	<b>(188,943)</b>	<b>2,468,148</b>	<b>701,248</b>
<b>Net Change in Fund Balances</b>	<b>584,550</b>	<b>(307,144)</b>	<b>65,476</b>	<b>2,591,292</b>	<b>2,934,174</b>
<b>Fund Balances, Beginning of Year</b>	<b>12,675,529</b>	<b>(46,750)</b>	<b>6,911</b>	<b>14,734,776</b>	<b>27,370,466</b>
<b>Fund Balances, End of Year</b>	<b>\$ 13,260,079</b>	<b>\$ (353,894)</b>	<b>\$ 72,387</b>	<b>\$ 17,326,068</b>	<b>\$ 30,304,640</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**Total Fund Balances to the Statement of Net Position**  
**For the Year Ended June 30, 2023**

<b>Total Governmental Fund Balances</b>		\$	30,304,640
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.			39,838,093
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.			2,533,911
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.			7,572,460
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:			
Bonds Payable	\$	(9,092,010)	
Leases Payable		(826,860)	
Net Other Post Employment Benefits Liability		(58,590,261)	
Net Pension Liability		(49,900,830)	
Compensated Absences		(643,318)	(119,053,279)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.			(81,445)
<b>Net Position of Governmental Activities</b>		<b>\$</b>	<b>(38,885,620)</b>

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, 2023**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	2,934,174
<p>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:</p>		
Capital Outlay Purchases	\$ 4,685,977	
Depreciation	<u>(3,436,701)</u>	1,249,276
<p>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.</p>		
		(574,322)
<p>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:</p>		
Repayment of Debt Principal	1,297,977	
Repayment of Lease Principal	525,556	
Net Amortization of Premium from Issuance of Bonds	19,418	
Premium from the Issuance of Bonds	(19,418)	
Proceeds from Lease	<u>(884,933)</u>	938,600
<p>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:</p>		
Net Change in Compensated Absences	14,811	
Net Change in Net Other Post Employment Benefits Liability	1,268,138	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	1,543,066	
Net Change in Net Pension Liability	(10,541,112)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	9,208,944	
Net Change in Accrued Interest on Long-Term Debt	<u>8,950</u>	1,502,797
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>6,050,525</u></b>

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, 2023**

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried		Final Budget			
	Forward from Prior Year	Original Budget				
<b>Revenues:</b>						
Property Taxes	\$ -	\$ 46,825,607	\$ 46,825,607	\$ 46,933,358	\$ -	\$ 107,751
Intergovernmental	-	15,126,380	15,126,380	15,199,363	-	72,983
Excise and Other Taxes	-	2,883,751	2,883,751	2,916,316	-	32,565
Licenses, Permits, Fees	-	957,215	957,215	1,078,199	-	120,984
Interest and Penalties on Taxes	-	242,764	242,764	227,206	-	(15,558)
Investment Income	-	115,000	115,000	497,298	-	382,298
<b>Total Revenues</b>	-	66,150,717	66,150,717	66,851,740	-	701,023
<b>Expenditures:</b>						
Current:						
General Government	169,862	3,614,015	3,837,156	3,374,095	22,983	440,078
Public Safety	20,466	5,368,089	5,425,186	5,033,221	62,921	329,044
Public Works	297,608	5,740,566	6,429,193	5,461,769	295,662	671,762
Education	594,779	33,327,515	33,922,294	33,392,610	378,817	150,867
Health and Human Services	8,621	840,760	873,302	739,110	5,567	128,625
Culture and Recreation	520	1,195,219	1,203,383	1,123,193	2,277	77,913
Employee Benefits and Insurance	704	13,738,100	13,736,988	12,504,924	3,029	1,229,035
State Assessments	-	626,081	626,081	643,811	-	(17,730)
Debt Service:						
Principal	-	1,311,092	1,311,092	1,297,977	-	13,115
Interest	-	414,492	414,492	367,936	-	46,556
<b>Total Expenditures</b>	1,092,560	66,175,929	67,779,167	63,938,646	771,256	3,069,265
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,092,560)	(25,212)	(1,628,450)	2,913,094	(771,256)	3,770,288
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	-	172,572	172,572	375,912	-	203,340
Operating Transfers Out	-	(203,224)	(2,918,802)	(2,938,802)	-	(20,000)
<b>Total Other Financing Sources (Uses)</b>	-	(30,652)	(2,746,230)	(2,562,890)	-	183,340
<b>Net Change in Budgetary Fund Balance</b>	(1,092,560)	(55,864)	(4,374,680)	\$ 350,204	\$ (771,256)	\$ 3,953,628
<b>Other Budgetary Items:</b>						
Free Cash and Other Reserves	-	55,864	3,282,120			
Prior Year Encumbrances	1,092,560	-	1,092,560			
<b>Total Other Budgetary Items</b>	1,092,560	55,864	4,374,680			
<b>NET BUDGET</b>	\$ -	\$ -	\$ -			

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of Revenues and Expenditures**  
**from Budgetary Basis to GAAP Basis**  
**For the Year Ended June 30, 2023**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Reported on a Budgetary Basis</b>	<b>\$ 66,851,740</b>	<b>\$ 63,938,646</b>
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	47,346	-
Net Increase in Revenue from recording Refund Taxes Payable	19,800	-
Recognition of intergovernmental Revenue - "on behalf payments"	5,512,737	-
Recognition of Expenditures - 'on behalf payments"	-	5,512,737
Lease Activity	-	884,933
Net Increase in Revenue from Recording 60-Day Receipts	67,200	-
<b>Reported on a GAAP Basis</b>	<b>\$ 72,498,823</b>	<b>\$ 70,336,316</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

**Business-Type Activities**  
**Enterprise Funds**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and Cash Equivalents	\$ 2,465,682	\$ 1,791,944	\$ 286,250	\$ 4,543,876
Receivables, net of allowance for uncollectibles				
User Charges	632,948	416,489	59,057	1,108,494
Special Assessments	-	19,783	-	19,783
Total current assets	<u>3,098,630</u>	<u>2,228,216</u>	<u>345,307</u>	<u>5,672,153</u>
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Special Assessments	-	25,527	-	25,527
Capital Assets, net of accumulated depreciation:				
Nondepreciable	101,317	846,787	-	948,104
Depreciable	12,567,360	6,889,909	235,539	19,692,808
Total noncurrent assets	<u>12,668,677</u>	<u>7,762,223</u>	<u>235,539</u>	<u>20,666,439</u>
<b>Total Assets</b>	<u>15,767,307</u>	<u>9,990,439</u>	<u>580,846</u>	<u>26,338,592</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows Related to Pensions	373,708	373,708	87,588	835,004
Deferred Outflows Related to OPEB	38,430	14,971	467	53,868
<b>Total Deferred Outflows of Resources</b>	<u>412,138</u>	<u>388,679</u>	<u>88,055</u>	<u>888,872</u>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants and Accounts Payable	152,461	121,166	26,678	300,305
Accrued Payroll	16,681	15,943	3,661	36,285
Accrued Interest	24,601	16,639	3,864	45,104
Compensated Absences	5,864	10,203	1,997	18,064
Bond Anticipation Notes Payable	290,281	574,275	235,000	1,099,556
Bonds Payable	502,607	339,375	-	841,982
Total current liabilities	<u>992,495</u>	<u>1,077,601</u>	<u>271,200</u>	<u>2,341,296</u>
<b>NONCURRENT:</b>				
Compensated Absences	10,889	6,850	992	18,731
Net OPEB Liability	196,866	76,696	2,390	275,952
Net Pension Liability	1,001,040	1,001,040	234,619	2,236,699
Bonds Payable	2,886,200	1,044,450	-	3,930,650
Total noncurrent liabilities	<u>4,094,995</u>	<u>2,129,036</u>	<u>238,001</u>	<u>6,462,032</u>
<b>Total Liabilities</b>	<u>5,087,490</u>	<u>3,206,637</u>	<u>509,201</u>	<u>8,803,328</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Pensions	241,312	241,312	56,557	539,181
Deferred Inflows Related to OPEB	35,162	13,698	427	49,287
<b>Total Deferred Inflows of Resources</b>	<u>276,474</u>	<u>255,010</u>	<u>56,984</u>	<u>588,468</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	8,989,589	5,778,596	539	14,768,724
Restricted for Capital	1,094,073	1,176,411	1,075	2,271,559
Unrestricted	731,819	(37,536)	101,102	795,385
<b>Total Net Position</b>	<u>\$ 10,815,481</u>	<u>\$ 6,917,471</u>	<u>\$ 102,716</u>	<u>\$ 17,835,668</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, 2023**

**Business-Type Activities**  
**Enterprise Funds**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for Services	\$ 3,045,547	\$ 2,148,312	\$ 302,617	\$ 5,496,476
Other	89,094	750	-	89,844
<b>Total Operating Revenues</b>	<b>3,134,641</b>	<b>2,149,062</b>	<b>302,617</b>	<b>5,586,320</b>
<b>Operating Expenses:</b>				
Salaries & Wages	444,126	399,865	65,147	909,138
Operating Expenses	1,811,073	1,152,988	142,843	3,106,904
Depreciation	553,865	373,612	20,569	948,046
<b>Total Operating Expenses</b>	<b>2,809,064</b>	<b>1,926,465</b>	<b>228,559</b>	<b>4,964,088</b>
<b>Operating Income (Loss)</b>	<b>325,577</b>	<b>222,597</b>	<b>74,058</b>	<b>622,232</b>
<b>Non-Operating Revenues (Expenses):</b>				
Investment Income	61,180	22,573	625	84,378
Interest Expense	(136,610)	(86,191)	(3,864)	(226,665)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(75,430)</b>	<b>(63,618)</b>	<b>(3,239)</b>	<b>(142,287)</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>250,147</b>	<b>158,979</b>	<b>70,819</b>	<b>479,945</b>
<b>Operating Transfers:</b>				
Transfers In/(Out)	58,728	204,980	(60,605)	203,103
<b>Total Operating Transfers</b>	<b>58,728</b>	<b>204,980</b>	<b>(60,605)</b>	<b>203,103</b>
<b>Change in Net Position</b>	<b>308,875</b>	<b>363,959</b>	<b>10,214</b>	<b>683,048</b>
<b>Net Position at Beginning of Year</b>	<b>10,506,606</b>	<b>6,553,512</b>	<b>92,502</b>	<b>17,152,620</b>
<b>Net Position at End of Year</b>	<b>\$ 10,815,481</b>	<b>\$ 6,917,471</b>	<b>\$ 102,716</b>	<b>\$ 17,835,668</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers and Users	\$ 2,955,399	\$ 2,095,671	\$ 298,255	\$ 5,349,325
Receipts from Other Revenues	89,094	750	-	89,844
Payments to Vendors	(1,867,198)	(1,195,883)	(143,209)	(3,206,290)
Payments to Employees	(451,200)	(391,340)	(65,937)	(908,477)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>726,095</b>	<b>509,198</b>	<b>89,109</b>	<b>1,324,402</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers from (to) Other Funds	58,728	204,980	(60,605)	203,103
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>58,728</b>	<b>204,980</b>	<b>(60,605)</b>	<b>203,103</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds from the Issuance of Bonds and Notes	290,281	574,275	235,000	1,099,556
Acquisition and Construction of Capital Assets	(499,347)	(1,465,339)	(233,925)	(2,198,611)
Principal Payments on Bonds and Notes	(726,644)	(586,671)	-	(1,313,315)
Interest Expense	(137,125)	(80,785)	-	(217,910)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(1,072,835)</b>	<b>(1,558,520)</b>	<b>1,075</b>	<b>(2,630,280)</b>
<b>Cash Flows from Investing Activities:</b>				
Investment Income	61,180	22,573	625	84,378
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>61,180</b>	<b>22,573</b>	<b>625</b>	<b>84,378</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(226,832)</b>	<b>(821,769)</b>	<b>30,204</b>	<b>(1,018,397)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>\$2,692,514</b>	<b>\$2,613,713</b>	<b>\$256,046</b>	<b>\$5,562,273</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,465,682</b>	<b>\$ 1,791,944</b>	<b>\$ 286,250</b>	<b>\$ 4,543,876</b>

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

<b>Operating Income (Loss)</b>	\$ 325,577	\$ 222,597	\$ 74,058	\$ 622,232
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	553,865	373,612	20,569	948,046
Deferred (Outflows)/Inflows of Resources Related to Pensions	(186,440)	(186,440)	(43,314)	(416,194)
Deferred (Outflows)/Inflows of Resources Related to OPEB	(5,984)	(2,752)	(293)	(9,029)
Change in Assets and Liabilities:				
Increase (Decrease) in Warrants and Accounts Payable	38,613	39,046	18,067	95,726
Increase (Decrease) in Accrued Payroll	2,599	4,457	660	7,716
Increase (Decrease) in Compensated Absences	(9,673)	4,068	(1,450)	(7,055)
Increase (Decrease) in Net OPEB Liability	(88,078)	(78,513)	(24,155)	(190,746)
Increase (Decrease) in Net Pension Liability	185,764	185,764	49,329	420,857
Decrease (Increase) in User Charges Receivable	(90,148)	(52,641)	(4,362)	(147,151)
<b>Total Adjustments</b>	<b>400,518</b>	<b>286,601</b>	<b>15,051</b>	<b>702,170</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 726,095</b>	<b>\$ 509,198</b>	<b>\$ 89,109</b>	<b>\$ 1,324,402</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	<b>Other Post Employment Benefits Trust Fund</b>	<b>Private Purpose Trust Funds</b>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ -	\$ 62,929
Investments	10,844,743	46,320
<b>Total Assets</b>	10,844,743	109,249
<b>NET POSITION:</b>		
Restricted for Other Postemployment Benefits	10,844,743	-
Held in Trust for Other Purposes	-	109,249
<b>Total Net Position</b>	\$ 10,844,743	\$ 109,249

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, 2023**

	<b>Other Post Employment Benefits Trust Fund</b>	<b>Private Purpose Trust Funds</b>
<b>Additions:</b>		
Employer Contributions	\$ 2,894,634	\$ -
Private Donations	-	3,950
Investment Income	802,599	658
<b>Total Additions</b>	<b>3,697,233</b>	<b>4,608</b>
<b>Deductions:</b>		
Educational Scholarships	-	9,250
General Expenses	-	1,565
Employee Benefits and Insurance	2,609,345	-
<b>Total Deductions</b>	<b>2,609,345</b>	<b>10,815</b>
<b>Change in Net Position</b>	<b>1,087,888</b>	<b>(6,207)</b>
<b>Net Position at Beginning of Year</b>	<b>9,756,855</b>	<b>115,456</b>
<b>Net Position at End of Year</b>	<b>\$ 10,844,743</b>	<b>\$ 109,249</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**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 2023, 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, 2023**

**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, 2023**

**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 *american rescue plan act (ARPA) grant fund* is a United States Federal Government established funding source to assist in the fighting of the coronavirus.

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, 2023**

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, 2023**

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, 2022 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 2023 on June 28, 2022 and September 24, 2022 that were due on August 2, 2022 and November 1, 2022 and actual bills on December 30, 2022 and March 28, 2023 that were due on February 3, 2023 and May 2, 2023, 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 2023 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2023	\$ 49,637,135
Add: Debt Exclusion	151,936
Maximum Allowable Levy	\$ 49,789,071

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

The total amount to be raised by taxation was \$47,087,092.

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, 2023**

**Lease Receivable**

Lease receivable consists of cell tower leases in the general fund. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

This receivable is considered 100% collectible and, therefore, does not report an allowance for uncollectibles.

**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:

<b>Capital Asset Type</b>	<b>Years</b>
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*.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

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*.

**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.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

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

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

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

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

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

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

**K. Long-term Debt**

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.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**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.

**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 . . . "

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

For fiscal year 2023, the Town incurred a final budget deficit of \$4,374,680 for the General Fund.

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

Unassigned fund balance:	
Free cash votes	\$ 3,282,120
Prior year's encumbrances	1,092,560
	\$ 4,374,680

**B. Deficit Fund Balances**

The following funds have deficits at June 30, 2023 as measured by the balance of unreserved fund balance.

- The *East Longmeadow High School feasibility study* capital project fund has a deficit of \$353,894. The Town has an outstanding bond anticipation note for \$1,081,953. 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, 2023 were \$34,799,149. 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, 2023**

As of June 30, 2023, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More than 10
<b>Debt Securities:</b>					
U. S. government agencies	\$ 592,203	\$ 181,807	\$ 310,524	\$ -	\$ 99,872
Corporate bonds	630,639	93,099	452,152	85,388	-
Municipal bonds	1,053,541	44,888	478,865	242,329	287,459
	<u>2,276,383</u>	<u>\$ 319,794</u>	<u>\$ 1,241,541</u>	<u>\$ 327,717</u>	<u>\$ 387,331</u>
<b>Other Investments:</b>					
Certificates of deposits	1,003,979				
Equity mutual funds	11,085,900				
Equity securities - domestic	1,712,921				
MMDT	9,299				
	<u>\$ 16,088,482</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 \$16,088,482 in investments, \$4,811,475 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, 2023**

**Credit Risk**

The Town's exposure to credit risk as of June 30, 2023 is follows:

<b>Related Debt Instruments</b>	<b>Fair Value</b>
<b>Moody's Quality Ratings</b>	
<b><i>U. S. Government Agencies:</i></b>	
Aaa	\$ 592,203
<b><i>Corporate Bonds:</i></b>	
Aaa	42,453
A1	105,412
A2	132,377
A3	9,787
AA3	89,608
Baa1	106,195
Baa2	144,807
<b><i>Municipal Bonds:</i></b>	
Aaa	89,591
A1	9,291
AA1	341,908
AA2	518,485
AA3	94,266
	\$ 2,276,383

**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, 2023**

The Town has the following recurring fair value measurements as of June 30, 2023:

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	\$ 592,203	\$ 592,203	\$ -	\$ -
Certificates of deposit	1,003,979	1,003,979	-	-
Equity mutual funds	11,085,900	11,085,900	-	-
Equity securities - domestic	1,712,921	1,712,921	-	-
Corporate bonds	630,639	-	630,639	-
Municipal bonds	1,053,541	-	1,053,541	-
	16,079,183	\$ 14,395,003	\$ 1,684,180	\$ -
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	9,299			
<b>Total Investments</b>	<b>\$ 16,088,482</b>			

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, 2023, 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	for Uncollectibles	Net Amount
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 917,107	\$ (32,119)	\$ 884,988
Tax liens	591,299	-	591,299
Excise taxes	297,123	(72,939)	224,184
Departmental	1,257,093	(712,907)	544,186
Due from other governments	2,120,583	-	2,120,583
Lease	497,219	-	497,219
	<b>\$ 5,680,424</b>	<b>\$ (817,965)</b>	<b>\$ 4,862,459</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

At June 30, 2023, receivables for the business-type activities consist of the following:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
<b>Sewer Fund:</b>			
User charges	\$ 408,582	\$ (1,000)	\$ 407,582
Tax liens	8,907	-	8,907
Special assessments	45,310	-	45,310
<b>Stormwater Fund:</b>			
User charges	58,908	-	58,908
Tax liens	149	-	149
<b>Water Fund:</b>			
User charges	620,658	(1,000)	619,658
Tax liens	13,290	-	13,290
	<b>\$ 1,155,804</b>	<b>\$ (2,000)</b>	<b>\$ 1,153,804</b>

The composition of amounts due from other governments as of June 30, 2023 for the governmental funds are as follows:

<b>General Fund:</b>			
<b>Commonwealth of Massachusetts:</b>			
Department of Veterans Services:			
Veterans benefits	\$ 52,937		
Department of Revenue:			
Veterans, Blind & Surviving Spouse	121,672	\$	174,609
<b>Nonmajor Governmental Funds:</b>			
<b>Commonwealth of Massachusetts:</b>			
Massachusetts School Building Authority:			
School Building Assistance - Capital Portion			164,484
<b>U. S. Department of Agriculture:</b>			
School lunch		95,611	
<b>U. S. Department of Education:</b>			
School title grants		141,040	
<b>Commonwealth of Massachusetts:</b>			
Massachusetts Department of Transportation:			
Highway Department - Chapter 90 funded projects	1,544,839		1,781,490
		<b>\$</b>	<b>2,120,583</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**C. Lease Receivable**

**Governmental Funds**

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

On July 23, 2013, the Town entered into a 10-year Lease with the Bell Atlantic Mobile of Massachusetts Corporation, LTD (known as Verizon Wireless) to lease real property located on the Town's water tower located at 331 Prospect Street for a Cell Tower and the use of a right-of-way for the purpose of installing, operating and maintenance of communications facility. The Commencement Date of the property lease was May 1, 2013. The Lease has provisions for additional option periods to renew the lease of four additional terms of five-year renewal periods subject to revisions upward in recognition of the parties' expectation of long-term economic trends. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.0%.

In September 2020, the Town entered into a 5-year Lease with T-Mobile Northeast, LLC, (known as American Telephone and Telegraph, AT&T)) to lease real property abutting the Fire Station located at 150 Somers Road for a Cell Tower and the use of a right-of-way for the purpose of installing, operating and maintenance of communications facility. The Commencement Date of the property lease was September 2020. The Lease has provisions for additional option periods to renew the lease of five additional terms of five-year renewal periods subject to revisions upward in recognition of the parties' expectation of long-term economic trends. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.0%.

In July 20, 2021, the Town entered into a 5-year Lease with New Cingular Wireless PCS, LLC, to lease real property located on the Town's Monopole for a Cell Tower and the use of a right-of-way for the purpose of installing, operating and maintenance of communications facility. The Commencement Date of the property lease was June 1, 2020. The Lease has provisions for additional option periods to renew the lease of four additional terms of five-year renewal periods subject to revisions upward in recognition of the parties' expectation of long-term economic trends. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.0%.

In Fiscal year 2023, the Town recognized a total of \$120,183 under the lease which is included in Program Revenues: Licenses, Permits and Fees in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

The future minimum lease payments are due as follows:

Year	Principal	Interest	Total
2024	\$ 105,298	\$ 13,485	\$ 118,783
2025	112,114	10,233	122,347
2026	98,619	6,977	105,596
2027	97,854	4,104	101,958
2028	83,334	1,129	84,463
	\$ 497,219	\$ 35,928	\$ 533,147

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**D. Deferred Inflows of Resources – Unavailable Revenue**

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

<b>General Fund:</b>			
Property taxes	\$	730,387	
Tax liens		589,275	
Excise taxes		224,184	
Departmental		18,247	
Due from other governments		52,937	
Leases		497,219	\$ 2,112,249
<hr/>			
<b>Nonmajor governmental funds:</b>			
Property taxes		6,801	
Tax liens		2,024	
Departmental		459,035	
Due from other governments		434,759	902,619
		<hr/>	<hr/>
		\$	<u>3,014,868</u>

**E. Capital Assets**

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2023, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets not being depreciated:				
Land	\$ 5,182,465	\$ -	\$ -	\$ 5,182,465
Construction in progress	142,221	2,040,062	(110,692)	2,071,591
Total capital assets not being depreciated	<hr/> 5,324,686	<hr/> 2,040,062	<hr/> (110,692)	<hr/> 7,254,056
Capital assets being depreciated:				
Buildings and Renovations	66,937,267	490,750	-	67,428,017
Machinery, equipment and other	9,231,018	598,612	(189,011)	9,640,619
Infrastructure	10,941,406	1,667,245	-	12,608,651
Total capital assets being depreciated	<hr/> 87,109,691	<hr/> 2,756,607	<hr/> (189,011)	<hr/> 89,677,287
Less accumulated depreciation for:				
Buildings and Renovations	42,576,405	2,289,773	-	44,866,178
Machinery, equipment and other	7,342,839	565,186	(189,011)	7,719,014
Infrastructure	3,926,316	581,742	-	4,508,058
Total accumulated depreciation	<hr/> 53,845,560	<hr/> 3,436,701	<hr/> (189,011)	<hr/> 57,093,250
Total capital assets being depreciated, net	<hr/> 33,264,131	<hr/> (680,094)	<hr/> -	<hr/> 32,584,037
Total governmental activities capital assets, net	<hr/> \$ 38,588,817	<hr/> \$ 1,359,968	<hr/> \$ (110,692)	<hr/> \$ 39,838,093

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Construction in progress	\$ 1,147,610	\$ 975,057	\$ (1,174,563)	\$ 948,104
Total capital assets not being depreciated	1,147,610	975,057	(1,174,563)	948,104
Capital assets being depreciated:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	1,238,429	990,466	-	2,228,895
Infrastructure	44,734,392	1,407,651	-	46,142,043
Total capital assets being depreciated	46,002,418	2,398,117	-	48,400,535
Less accumulated depreciation for:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	802,778	192,700	-	995,478
Infrastructure	26,927,306	755,346	-	27,682,652
Total accumulated depreciation	27,759,681	948,046	-	28,707,727
Total capital assets being depreciated, net	18,242,737	1,450,071	-	19,692,808
Total business-type activities capital assets, net	\$ 19,390,347	\$ 2,425,128	\$ (1,174,563)	\$ 20,640,912

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

**Governmental Activities:**

General government	\$ 270,026
Public safety	605,924
Public works	686,843
Education	1,546,633
Health and human services	82,961
Culture and recreation	244,314
Total depreciation expense - governmental activities	<u>\$ 3,436,701</u>

**Business-Type Activities:**

Sewer fund	\$ 373,612
Stormwater fund	20,569
Water fund	553,865
Total depreciation expense - business-type activities	<u>\$ 948,046</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

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

Interfund transfers for the fiscal year ended June 30, 2023, are summarized below:

Transfers Out:	Transfers In:				Total
	General fund	Major funds	Nonmajor Governmental fund	Business-type fund	
General fund	\$ -	\$ 53,224	\$ 2,785,578	\$ -	\$ 2,838,802
Major Fund	-	-	-	242,167	242,167
Nonmajor governmental funds	375,912	-	10,080	-	385,992
Business-type fund	-	-	39,064	21,541	60,605
<b>Total transfers out</b>	<b>\$ 375,912</b>	<b>\$ 53,224</b>	<b>\$ 2,834,722</b>	<b>\$ 263,708</b>	<b>\$ 3,527,566</b>

**G. 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:

Asset:	Governmental Activities
Machinery, Equipment and Other	\$ 1,277,933
Less: Accumulated Depreciation	(206,393)
<b>Total</b>	<b>\$ 1,071,540</b>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, are as follows:

Year Ending June 30,	Governmental Activities
2024	\$ 325,998
2025	189,686
2026	189,687
2027	189,686
Total minimum lease payments	895,057
Less: amount representing interest	(68,197)
<b>Present value of minimum lease payments</b>	<b>\$ 826,860</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**H. 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, 2022	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2023
<b>Governmental Activities</b>						
<b>Bond Anticipation Notes:</b>						
High School Feasibility Study	0.89%	2/2/2023	\$ 1,260,000	\$ -	\$ 1,260,000	\$ -
High School Feasibility Study	4.00%	2/1/2024	-	1,081,953	-	1,081,953
Total Governmental Activities			<u>\$ 1,260,000</u>	<u>\$ 1,081,953</u>	<u>\$ 1,260,000</u>	<u>\$ 1,081,953</u>

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, 2022	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2023
<b>Business-Type Activities:</b>						
<b>Sewer Fund:</b>						
<b>Bond Anticipation Notes:</b>						
Various sewer projects	4.00%	2/1/2024	\$ -	\$ 352,957	\$ -	\$ 352,957
Vehicle purchase	4.00%	2/1/2024	-	221,318	-	221,318
<b>Water Fund:</b>						
<b>Bond Anticipation Notes:</b>						
Various projects	4.00%	2/1/2024	-	210,692	-	210,692
Vehicle purchase	4.00%	2/1/2024	-	79,589	-	79,589
<b>Stormwater Fund:</b>						
<b>Bond Anticipation Notes:</b>						
Street sweeper	4.00%	2/1/2024	-	235,000	-	235,000
Total Business-Type Activities			<u>\$ -</u>	<u>\$ 1,099,556</u>	<u>\$ -</u>	<u>\$ 1,099,556</u>

**I. 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, 2023**

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, 2023
<b>Inside Debt:</b>					
Municipal purpose loan of 2009	2.91%	1/15/2009	1/15/2024	\$ 4,852,000	\$ 180,000
Municipal purpose loan of 2010	2.09%	9/15/2010	9/15/2025	2,730,000	360,000
Municipal purpose loan of 2011	2.0-5.0%	10/13/2011	8/1/2029	4,405,000	455,000
Municipal purpose loan of 2016: Pine Knoll Pool Renovations	1.46%	6/29/2016	6/15/2028	450,000	175,000
Municipal purpose loan of 2019: School projects	2.63-2.81%	9/27/2018	9/15/2033	2,677,840	1,930,000
Municipal purpose loan of 2020: School projects	0.50-0.55%	11/12/2020	11/1/2026	1,136,600	764,500
Roadway Improvements	1.25%	11/12/2020	11/1/2026	1,152,342	990,000
Municipal purpose loan of 2022: School projects	1.78-1.80%	2/2/2022	12/1/2041	1,399,430	1,320,000
Sidewalks	1.53%	2/2/2022	12/1/2036	1,020,661	950,000
Massachusetts Clean Water Trust: GIS project	N/A	10/26/2006	8/1/2024	194,098	28,648
GIS project	2.00%	10/26/2006	7/15/2024	138,448	18,862
Total Inside Debt					<u>7,172,010</u>
<b>Outside Debt:</b>					
Municipal purpose loan of 2018: Meadow Brook Elementary School	2.81%	9/27/2018	9/15/2033	1,336,160	975,000
Municipal purpose loan of 2022: Meadow Brook Elementary School	1.82%	2/2/2022	12/1/2041	997,501	945,000
Total Outside Debt					<u>1,920,000</u>
Total governmental type debt					<u>\$ 9,092,010</u>

**Future Debt Service**

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2023, are as follows:

Year	Principal	Interest	Total
2024	\$ 1,172,661	\$ 278,639	\$ 1,451,300
2025	993,349	234,037	1,227,386
2026	966,000	198,056	1,164,056
2027	815,000	163,046	978,046
2028	640,000	134,301	774,301
2029-2033	2,735,000	386,327	3,121,327
2034-2038	1,315,000	102,366	1,417,366
2039-2042	455,000	20,643	475,643
	<u>\$ 9,092,010</u>	<u>\$ 1,517,415</u>	<u>\$ 10,609,425</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

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, 2023
<b>Inside Debt:</b>					
<b>Sewer Fund:</b>					
Municipal purpose loan of 2010:					
Pump Station Upgrades	2.09%	9/15/2010	9/15/2025	\$ 1,104,000	\$ 210,000
Municipal purpose loan of 2018:					
Sewer vehicle and equipment	2.49%	9/27/2018	9/15/2028	270,500	150,000
Sewer inflow and infiltration	2.49%	9/27/2018	9/15/2028	100,000	60,000
Municipal purpose loan of 2020:					
Mill Road Sanitary Sewer Construction	0.50%	11/12/2020	11/1/2025	49,900	30,000
Municipal purpose loan of 2022:					
Sewer projects	0.80-1.13%	2/2/2022	12/1/2030	872,500	690,000
Sewer inflow and infiltration	1.82%	2/2/2022	12/1/2041	100,000	95,000
Highway truck	0.85%	2/2/2022	12/1/2026	165,000	130,000
Massachusetts Clean Water Trust:					
GIS Project	N/A	10/26/2006	8/1/2024	76,907	11,351
GIS Project	2.00%	10/26/2006	7/15/2024	54,857	7,474
<b>Water Fund:</b>					
Massachusetts Clean Water Trust:					
GIS Project	N/A	10/26/2006	8/1/2024	95,218	14,054
GIS Project	2.00%	10/26/2006	7/15/2024	67,918	9,253
Total Inside Debt					<u>1,407,132</u>
<b>Outside Debt:</b>					
<b>Water Fund:</b>					
Municipal purpose loan of 2016:					
Harkness Pump Station improvements	1.46%	6/29/2016	6/15/2028	731,000	305,000
Municipal purpose loan of 2018:					
Water main projects	2.75-2.81%	9/27/2018	9/15/2028	1,110,500	795,000
Municipal purpose loan of 2020:					
Water tower	0.50%	11/12/2020	11/1/2025	565,300	345,500
Water main projects	1.26%	11/12/2020	11/1/2025	835,358	715,000
Water tank painting	0.84%	11/12/2020	11/1/2025	1,105,500	875,000
Municipal purpose loan of 2022:					
	1.04%	2/2/2022	12/1/2030	404,908	330,000
Total Outside Debt					<u>3,365,500</u>
Total business-type debt					<u>\$ 4,772,632</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**Future Debt Service**

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2023, are as follows:

Year	Principal	Interest	Total
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	400,000	48,710	448,710
2029-2033	1,190,000	97,807	1,287,807
2034-2038	255,000	9,546	264,546
2039-2042	20,000	915	20,915
	<u>\$ 4,772,632</u>	<u>\$ 569,664</u>	<u>\$ 5,342,296</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, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due within One Year
<b>Governmental activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 10,320,592	\$ -	\$ 1,276,092	\$ 9,044,500	\$ 1,149,000
<b>Capital lease</b>	69,395	-	21,885	47,510	23,661
<b>Compensated absences</b>	467,483	884,933	525,556	826,860	296,340
<b>Net OPEB liability</b>	658,129	53,361	68,172	643,318	510,372
<b>Net Pension liability</b>	59,858,399	-	1,268,138	58,590,261	-
<b>Governmental activity Long-term liabilities</b>	<u>39,359,718</u>	<u>10,541,112</u>	<u>-</u>	<u>49,900,830</u>	<u>-</u>
	<u>\$ 110,733,716</u>	<u>\$ 11,479,406</u>	<u>\$ 3,159,843</u>	<u>\$ 119,053,279</u>	<u>\$ 1,979,373</u>
<b>Business type activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 6,024,408	\$ -	\$ 1,293,908	\$ 4,730,500	\$ 832,607
<b>Compensated absences</b>	61,539	-	19,407	42,132	9,375
<b>Net OPEB liability</b>	43,850	4,069	11,124	36,795	18,064
<b>Net Pension liability</b>	466,698	-	190,746	275,952	-
<b>Business-type activity Long-term liabilities</b>	<u>1,815,842</u>	<u>420,857</u>	<u>-</u>	<u>2,236,699</u>	<u>-</u>
	<u>\$ 8,412,337</u>	<u>\$ 424,926</u>	<u>\$ 1,515,185</u>	<u>\$ 7,322,078</u>	<u>\$ 860,046</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**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, 2023 for principal and interest combined for the loan is \$136,195. The net repayments, including interest, are scheduled to be \$86,432. 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 2023 interest subsidies totaled \$2,925.

**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, 2023 totaled \$8,579,142.

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, 2023:

Equalized Valuation-Real Estate and Personal Property (2022)			\$ 2,311,361,300	
Debt Limit: 5 % of Equalized value			115,568,065	
Total Debt Outstanding	\$	13,864,642		
Less: Debt Outside Debt Limit		(5,285,500)	8,579,142	
Inside Debt Excess Borrowing Capacity at June 30, 2023				
			\$ 106,988,923	

**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, 2023 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
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
12/13/2022	Property purchase at 382 North Main Street	3,500,000
5/24/2023	Various sewer projects	184,800
5/24/2023	Various stormwater projects	200,000
5/24/2023	Various water projects	2,538,000
		\$ 9,917,636

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**J. Fund Balances**

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2023:

	<b>General Fund</b>	<b>Major Funds</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Restricted:</b>				
Federal, state and local grants	\$ -	\$ 72,387	\$ 1,842,374	\$ 1,914,761
School revolving funds	-	-	2,202,219	2,202,219
Town revolving funds	-	-	1,671,857	1,671,857
Community preservation funds	-	-	2,396,754	2,396,754
Donations and gifts	-	-	206,101	206,101
Reserved for Debt	-	-	326,928	326,928
Capital projects	-	-	3,165,364	3,165,364
Permanent funds	-	-	10,965	10,965
Other	-	-	151,916	151,916
	<u>-</u>	<u>72,387</u>	<u>11,974,478</u>	<u>12,046,865</u>
<b>Committed:</b>				
Capital projects	-	-	2,891,236	2,891,236
Ambulance reserve	-	-	1,992,415	1,992,415
Compensated absence reserve	-	-	467,939	467,939
	<u>-</u>	<u>-</u>	<u>5,351,590</u>	<u>5,351,590</u>
<b>Assigned:</b>				
Reserve for encumbrances	771,256	-	-	771,256
<b>Unassigned:</b>				
General Fund	12,488,823	-	-	12,488,823
Special revenue deficit:	-	-	-	-
Capital project deficit:	-	(353,894)	-	(353,894)
	<u>12,488,823</u>	<u>(353,894)</u>	<u>-</u>	<u>12,134,929</u>
<b>Total Governmental fund balances</b>	<u>\$ 13,260,079</u>	<u>\$ (281,507)</u>	<u>\$ 17,326,068</u>	<u>\$ 30,304,640</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**K. 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, 2023, the balance in the stabilization fund is \$3,576,834 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, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

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, 2023**

**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, 2022. The Town's portion of the collective pension expense contributed by the Commonwealth of \$5,512,737 on-behalf payments for the fiscal year ending June 30, 2023 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, 2023**

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 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, 2022 was \$4,634,365, representing 29.88% 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, 2023, the Town reported a liability of \$52,137,529 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, 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 forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022, the Town's proportional percentage totaled 11.85%, which was a slight increase from the last measurement.

**Pension Expense**

For the year ended June 30, 2023, the Town recognized a pension expense of \$5,971,196; reported deferred outflows of resources related to pensions of \$19,463,987 from the differences between expected and actual experience, the net difference between projected and actual investment earnings on pension plan investments, 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 \$12,568,311, from the differences between expected and actual experience 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, 2023**

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>	
<b>2024</b>	\$ 1,157,616
<b>2025</b>	1,850,546
<b>2026</b>	1,547,429
<b>2027</b>	2,332,513
<b>2028</b>	<u>7,572</u>
	<u><u>\$ 6,895,676</u></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 forward to December 31, 2022:

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, 2023**

**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, 2022, are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	20.50%	6.59%
International Developed Markets Equity	12.00%	6.87%
International Emerging Market Equity	4.50%	8.30%
Core Fixed Income	15.00%	1.53%
High Yield Fixed Income	8.00%	3.54%
Real Estate	10.00%	3.44%
Timber	4.00%	4.01%
Hedge Fund, GTAA, Risk Parity	10.00%	3.06%
Private Equity	16.00%	9.49%
Total	<u>100.00%</u>	

**Rate of Return**

For the year ended December 31, 2022, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was (11.48%). 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 HCRRS's 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, 2023**

**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:

	<b>1% Decrease</b>	<b>Current</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>6.00%</b>	<b>7.00%</b>	<b>8.00%</b>	
Town's net pension liability	\$ 64,469,398	\$ 52,137,529	\$	41,761,716

**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 1,119 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, 2023, 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, 2023 Measurement Date, total Town premiums plus implicit costs for the retiree medical program are \$2,609,345. The Town has also made a contribution to an OPEB Trust of \$285,289 for a total contribution during the measurement period of \$2,894,634 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, 2023, the trust balance is \$10,844,743.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

**Plan Membership:**

Current active members	608
Current retirees, beneficiaries and dependents	511
Total	1,119

**Net OPEB Liability**

The components of the net OPEB liability are as follows:

	<b>6/30/2023</b>
Total OPEB liability	\$ 69,710,956
Less: Plan fiduciary net position	(10,844,743)
Town's Net OPEB liability	\$ 58,866,213
 Plan fiduciary net position as a percentage of the total OPEB liability	15.56%

**Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2023:

Valuation date	July 1, 2022
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, 2023 and for future periods
Salary increases	3.00% annually as of June 30, 2023 and for future periods
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, 2023**

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, 2022 actuarial valuation and market value of assets as of the measurement date of June 30, 2023 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index as of June 30, 2023 is 4.13%.

**Long-term Expected Rate of Return**

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return *</b>
Domestic Equity - Large Cap	36.25%	4.10%
Domestic Equity - Small/Mid Cap	16.00%	4.55%
International Equity - Developed Market	7.75%	4.64%
International Equity - Emerging Market	6.00%	5.45%
Domestic Fixed Income	25.75%	1.05%
International Fixed Income	5.75%	0.96%
Alternatives	2.50%	5.95%
Real Estate	0.00%	6.25%
<b>Total</b>	<b>100.00%</b>	
I. Real Rate of Return		3.38%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		5.88%
IV. Less: Investment Expense		0.25%
V. Net investment Return (III.-IV.)		5.63%

\* = Mean Geometric Returns based on 2022 Horizon Survey of Capital Market Assumptions.

**Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 8.15%.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2022	\$ 70,081,952	\$ 9,756,855	\$ 60,325,097
Service cost	1,949,593	-	1,949,593
Interest	3,706,961	-	3,706,961
Changes in benefit terms *	-	-	-
Changes in assumptions **	2,522,400	-	2,522,400
Difference between actual and expected experience **	(5,940,605)	-	(5,940,605)
Net investment income	-	802,599	(802,599)
Employer contributions to Trust	-	2,894,634	(2,894,634)
Total benefit payments including implicit cost	(2,609,345)	(2,609,345)	-
Net change in total OPEB liability	(370,996)	1,087,888	(1,458,884)
Balances at June 30, 2023	<u>\$ 69,710,956</u>	<u>\$ 10,844,743</u>	<u>\$ 58,866,213</u>

\* = Recognized immediately

\*\* = Amortized over 5.94 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	\$ 69,507,818	\$ 58,866,213

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**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	Healthcare Cost Trend Rates	1% Increase
Town's net OPEB liability	\$ 49,533,270	\$ 58,866,213	\$ 70,611,023

**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, 2023, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of (\$3,010,979) and reported deferred outflows of resources related to OPEB of \$11,491,097 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 \$10,513,909 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:

<b>For years ended June 30,</b>	
<b>2024</b>	\$ (1,420,312)
<b>2025</b>	1,688,259
<b>2026</b>	1,852,301
<b>2027</b>	(601,760)
<b>2028</b>	(540,930)
<b>Thereafter:</b>	(370)
	\$ 977,188

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**F. Implementation of New GASB Pronouncements**

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023. 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. 99, *Omnibus 2023*, clarification on GASB No. 34 Management's Discussion and Analysis; on GASB No. 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 No. 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, 2023**

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

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

<b>Measurement Date</b>	<b>Town's proportion of the net pension liability (asset)</b>	<b>Town's proportionate share of the net pension liability (asset)</b>	<b>Town's covered employee payroll</b>	<b>Net pension liability percentage of covered employee payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
12/31/2022	11.85%	\$ 52,137,529	\$ 15,508,672	336.18%	52.02%
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, 2023**

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

**Schedule of the Town's Contributions:**

<b>Measurement Date</b>	<b>Actuarially determined contribution</b>	<b>Less: Contributions in relation to the actuarially determined contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Town's covered employee payroll</b>	<b>Contributions percentage of covered employee payroll</b>
12/31/2022	\$ 4,634,365	\$ (4,634,365)	\$ -	\$ 15,508,672	29.88%
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%

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, 2023**

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

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<b>Total OPEB liability</b>				
Service cost	\$ 1,949,593	\$ 1,883,139	\$ 1,230,492	\$ 1,192,093
Interest on net OPEB liability	3,706,961	3,547,627	3,213,390	2,957,347
Changes in Benefit terms	-	-	-	-
Changes in Assumptions	2,522,400	188,133	18,369,592	(5,685,517)
Difference between actual and expected experience	(5,940,605)	-	(1,078,841)	-
Benefit payments, including refunds of member contributions	<u>(2,609,345)</u>	<u>(2,424,311)</u>	<u>(2,405,829)</u>	<u>(2,259,217)</u>
Net change in total OPEB liability	(370,996)	3,194,588	19,328,804	(3,795,294)
Total OPEB liability-beginning	<u>70,081,952</u>	<u>66,887,364</u>	<u>47,558,560</u>	<u>51,353,854</u>
<b>Total OPEB liability-ending (a)</b>	<u>\$ 69,710,956</u>	<u>\$ 70,081,952</u>	<u>\$ 66,887,364</u>	<u>\$ 47,558,560</u>
<b>Plan fiduciary net position</b>				
Difference between actual				
Net investment income	\$ 802,599	\$ (1,321,687)	\$ 2,106,792	\$ (71,997)
Employer contributions to Trust	2,894,634	3,474,311	2,405,829	2,259,217
Benefit payments, including refunds of member contributions	<u>(2,609,345)</u>	<u>(2,424,311)</u>	<u>(2,405,829)</u>	<u>(2,259,217)</u>
Net change in plan fiduciary net position	1,087,888	(271,687)	2,106,792	(71,997)
Total fiduciary net position-beginning	<u>9,756,855</u>	<u>10,028,542</u>	<u>7,921,750</u>	<u>7,993,747</u>
<b>Total fiduciary net position-ending (b)</b>	<u>\$ 10,844,743</u>	<u>\$ 9,756,855</u>	<u>\$ 10,028,542</u>	<u>\$ 7,921,750</u>
<b>Town's net OPEB liability (a-b)</b>	<u>\$ 58,866,213</u>	<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, 2023**

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

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB liability</b>			
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>
<b>Total OPEB liability-ending (a)</b>	<b><u>\$ 51,353,854</u></b>	<b><u>\$ 62,516,491</u></b>	<b><u>\$ 85,435,891</u></b>
 <b>Plan fiduciary net position</b>			
Difference between actual and expected experience	\$ -	\$ 218	\$ -
Net investment income	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>
<b>Total fiduciary net position-ending (b)</b>	<b><u>\$ 7,993,747</u></b>	<b><u>\$ 5,632,044</u></b>	<b><u>\$ 2,334,081</u></b>
 <b>Town's net OPEB liability (a-b)</b>	<b><u>\$ 43,360,107</u></b>	<b><u>\$ 56,884,447</u></b>	<b><u>\$ 83,101,810</u></b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2023**

**Schedule of Net OPEB Liability:**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Total OPEB liability	\$ 69,710,956	\$ 70,081,952	\$ 66,887,364	\$ 47,558,560
Less: Plan fiduciary net position	(10,844,743)	(9,756,855)	(10,028,542)	(7,921,750)
Town's Net OPEB liability	<u>\$ 58,866,213</u>	<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	15.56%	13.92%	14.99%	16.66%
Town's share of covered employee payroll	\$ 36,766,952	\$ 33,908,535	\$ 32,920,908	\$ 33,864,749
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	160.11%	177.91%	172.71%	117.04%

**Schedule of Contributions:**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarially determined contribution	\$ 4,584,245	\$ 4,583,086	\$ 3,778,420	\$ 4,109,516
Less: Contributions in relation to the actuarially determined contribution	(2,894,634)	(3,474,311)	(2,405,829)	(2,259,217)
Contribution deficiency (excess)	<u>\$ 1,689,611</u>	<u>\$ 1,108,775</u>	<u>\$ 1,372,591</u>	<u>\$ 1,850,299</u>
Town's share of covered employee payroll	\$ 36,766,952	\$ 33,908,535	\$ 32,920,908	\$ 33,864,749
Contributions percentage of covered-employee payroll	7.87%	10.25%	7.31%	6.67%
Annual money-weighted rate of return net of investment expense	8.15%	-13.13%	26.60%	(0.90%)

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, 2023**

**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	(7,993,747)	(5,632,044)	(2,334,081)
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	(4,216,543)	(4,525,566)	(1,555,622)
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%

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, 2023**

**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)		
6/30/2023	\$ 10,844,743	\$ 69,710,956	\$ 58,866,213	15.56%	\$ 36,766,952	160.1%	
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	

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

## **SUPPLEMENTARY SCHEDULES**

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances				Other Financing	Fund Balances
	July 1, 2022	Revenues	Expenditures	Sources (Uses)	June 30, 2023	
<b>Special Revenue:</b>						
<b>Federal and State Grants:</b>						
School Grants	\$ 773,208	\$ 2,078,505	\$ 2,794,165	\$ -	\$ -	\$ 57,548
Arts Lottery Council Grants	15,653	13,603	11,753	-	-	17,503
Board of Health Grants	173,562	34,302	82,367	-	-	125,497
Community Compact Grants	15,773	234,000	213,084	-	-	36,689
Community Development Block Grant	-	139,700	139,700	-	-	-
Council on Aging Grants	168,881	333,549	308,209	(11)	-	194,210
Emergency Management Grants (COVID-19)	-	2,998	-	-	-	2,998
Highway Grants	4,282	1,428,099	1,249,725	39,064	-	221,720
Library Grants	77,463	46,418	32,976	-	-	90,905
Municipal Vulnerability Preparedness	703	-	-	-	-	703
Other Grants and Programs	35,100	1,950	35,000	-	-	2,050
Public Safety Grants	139,952	23,790	34,646	(126,900)	-	2,196
<b>Schools:</b>						
School Lunch Program	509,551	1,270,104	1,037,195	-	-	742,460
School Lunch Commodities	-	81,609	81,609	-	-	-
School Choice	209,690	313,886	-	-	-	523,576
School Gifts and Donations	62,335	111,866	59,907	-	-	114,294
School Revolving Accounts	486,408	431,488	345,327	-	-	572,569
School Student Activity Funds	101,977	204,389	205,011	-	-	101,355
School Transportation	88,901	171,482	112,418	-	-	147,965
State Special Education Reimbursement Fund	855,032	1,583,947	1,348,625	-	-	1,090,354
<b>Other:</b>						
Affordable Housing Funds	23,988	39	-	-	-	24,027
Ambulance Fund	1,533,985	1,813,184	1,443,107	88,353	-	1,992,415
Deputy Collector Fees	3,439	44,625	44,562	-	-	3,502
Cable Access Revolving	573,301	227,115	189,427	-	-	610,989
Community Preservation Fund	1,694,277	533,306	235,064	404,235	-	2,396,754
Council on Aging Revolving	40,638	10,664	19,492	-	-	31,810
<b>Special Revenue Page 75</b>	<b>\$ 7,588,099</b>	<b>\$ 11,134,618</b>	<b>\$ 10,023,369</b>	<b>\$ 404,741</b>	<b>\$ -</b>	<b>\$ 9,104,089</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Continued from Page 75</b>	\$ 7,588,099	\$ 11,134,618	\$ 10,023,369	\$ 404,741	\$ 9,104,089
<b>Special Revenue (continued):</b>					
<b>Other (continued):</b>					
Gifts and Donations	208,862	16,191	16,809	(2,143)	206,101
Health Department Revolving	996	-	-	(996)	-
Insurance Reimbursements	34,749	39,294	36,702	-	37,341
Library Revolving Funds	37,900	5,217	7,268	(35,849)	-
Longmeadow DIF fund	-	-	20,000	20,000	-
Off-Duty Details	692	567,153	568,557	-	(712)
Recreation Revolving	264,182	1,063,149	763,884	-	563,447
Reserve for Payment of Debt - MSBA	408,660	-	-	(81,732)	326,928
Traffic Signal Funds	31,254	13,100	11,506	-	32,848
Transportation Infrastructure	8,374	480	-	-	8,854
Trash Revolving	348,571	127,609	116,364	-	359,816
Wetlands Protection Act	67,499	955	-	-	68,454
Ambulance Fund	5	-	-	-	5
Compensated Absence Reserve	412,048	5,891	-	50,000	467,939
Conservation Funds	60,496	746	-	-	61,242
Friends of Heritage Park	4,345	53	-	-	4,398
Historical Commission	13,068	165	25	-	13,208
Pension Reserve Fund	183,746	1,543	185,289	-	-
Police Gymnasium Fund	97	1	-	(98)	-
Shaker Road Relief Fund	3,863	-	-	-	3,863
Town Beautification Fund	556	6	-	-	562
Unemployment Compensation Fund	118	2	-	-	120
<b>Total Special Revenue Funds</b>	<b>\$ 9,678,180</b>	<b>\$ 12,976,173</b>	<b>\$ 11,749,773</b>	<b>\$ 353,923</b>	<b>\$ 11,258,503</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Capital Projects:</b>					
Council on Aging projects	\$ 25,400	\$ -	\$ 15,221	\$ (10,179)	\$ -
Department of Public Works projects	1,802,575	-	454,889	15,303	1,362,989
Fire Department vehicles and equipment	360,115	188,094	495,115	125,597	178,691
Information Technology projects	36,606	-	14,427	(18,422)	3,757
Municipal Light Plant feasibility study	-	-	-	35,000	35,000
Park and Recreation projects	495,075	-	-	(495,075)	-
Police vehicles and equipment	95,021	-	93,659	(1,362)	-
Premium on bonds	19,408	-	10,341	19,418	28,485
School improvement projects	2,211,564	-	144,750	43,945	2,110,759
Town Buildings' projects	-	-	63,081	2,400,000	2,336,919
<b>Total Capital Projects</b>	<b>5,045,764</b>	<b>188,094</b>	<b>1,291,483</b>	<b>2,114,225</b>	<b>6,056,600</b>
<b>Permanent Funds:</b>					
Cemetery Funds	4,698	58	-	-	4,756
Library Funds	6,134	75	-	-	6,209
<b>Total Permanent Funds</b>	<b>10,832</b>	<b>133</b>	<b>-</b>	<b>-</b>	<b>10,965</b>
<b>Total - Non-Major Governmental Funds</b>	<b>\$ 14,734,776</b>	<b>\$ 13,164,400</b>	<b>\$ 13,041,256</b>	<b>\$ 2,468,148</b>	<b>\$ 17,326,068</b>